BREEZE TRAINING PTY LTD

ABN: 42 085 353 715

Financial Report For The Year Ended 30 June 2014

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Financial Report For The Year Ended 30 June 2014

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BREEZE TRAINING PTY LTD
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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2014.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Michael Alexander Badran
Nicola Janine Page appointed (29/10/2014)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to $180,710.

In financial year end 2014 Breeze Training Pty Ltd has been through a significant cloud transformation changing their business model from being 100% services to commercialising IP in the cloud to introduce new annuity recurring revenue for consistent growth. This business model transformation lead to the launch of a very successful product Cloud Data Manager which was deployed globally with Bupa's Dental Corporation to over 200 dental practices. This project and product has won Breeze both global and local Australian industry awards for innovation in 2014 being the first cloud data integration solution of it's kind within the Australian healthcare sector.

Operational Performance
Financial Year 2014 has been a transformational year for Breeze. The company has invested in its people, systems and business to drive innovation and introduce new annuity revenue streams by commercialising IP in the cloud to establish a solid business platform from which we can continue to grow through more predictable recurring revenue. Breeze has also entered new service lines to improve consulting services, diversify revenue streams, enter high growth areas of the IT Services market from which we can continue to grow. The business undertook the following initiatives throughout the year:

- A new cloud product was launched, Cloud Data Manager - which continues to be deployed worldwide for an international healthcare customer
- Cloud Data Manager introduced a new capability in 'the internet of things' aligned with Microsoft's strategy;
- A CFO has been engaged for more strategic financial planning and commercial improvement;
- New sales and marketing strategies were implemented;
- New employment agreements and IP assignment commercials were implemented;
- A new accounting system (Xero) was introduced;
- A new timesheet reporting system (WorkflowMax) was implemented for improved reporting;
- A new brand identity and website was launched
- New customer case studies were launched

In FY 2014 Breeze won the following Microsoft and Industry awards for innovation:-

- Microsoft Worldwide Winner 2014 – Application Integration
- NSW iAwards Winner – Healthcare
- NSW iAwards Product Merit – Cloud Data Manager

Significant Changes in the State of Affairs

No significant changes in the state of affairs of the company occurred during the financial year.

Principal Activities

The principal activities of the consolidated group during the financial year was the research, design, sale and implementation of enterprise cloud computer software. No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

a) there were no dividends paid during the year; and

b) there were no dividends or distributions recommended or declared for payment to members during the year that have not been paid or credited to the member throughout the year.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director

Nicola Janine Page

Dated this 8th day of December 2014

Stantons International Audit and Consulting Pty Ltd
trading as
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Chartered Accountants and Consultants

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9 December 2014

Board of Directors
Breeze Training Pty Ltd
Suite 5A,
2 New McLean Street
Edgecliff Sydney
NSW 2027

Dear Directors

RE: BREEZE TRAINING PTY LTD

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Breeze Training Pty Ltd.

As Audit Director for the audit of the financial statements of Breeze Training Pty Ltd for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik
Director

BREEZE TRAINING PTY LTD
ABN: 42 085 353 715
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Sales revenue	2	2,356,257	1,775,641
Cost of sales		(1,049,330)	(829,574)
Gross profit from trading		1,306,927	946,067
Other income	2	13,387	1,355
Employee benefits expense		(384,416)	(251,561)
Depreciation and amortisation expense		(48,883)	(42,893)
Finance costs	3(a)	(369)	(4,071)
Other expenses		(699,805)	(509,413)
Profit before income tax		186,842	139,484
Tax (expense)/income	4(a)	(6,132)	(13,470)
Profit for the year		180,710	126,014
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:		-	-
		-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		-	-
		-	-
Items that have been reclassified to profit or loss		-	-
		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		180,710	126,014

The accompanying notes form part of these financial statements.

BREEZE TRAINING PTY LTD
ABN: 42 085 353 715
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	498,852	232,484
Trade and other receivables	9	149,589	104,346
Other current assets	10	48,320	99,231
TOTAL CURRENT ASSETS		696,761	436,061
NON-CURRENT ASSETS			
Property, plant and equipment	11	108,205	93,639
Deferred tax assets	13	90,885	33,679
TOTAL NON-CURRENT ASSETS		199,090	127,318
TOTAL ASSETS		895,851	563,379
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	189,199	111,828
Current tax liabilities	13	39,807	(2,371)
Provisions	14	125,822	93,609
TOTAL CURRENT LIABILITIES		354,828	203,066
NON-CURRENT LIABILITIES			
Deferred tax liabilities	13	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		354,828	203,066
NET ASSETS		541,023	360,313
EQUITY			
Issued capital	15	2	2
Retained earnings		541,021	360,311
TOTAL EQUITY		541,023	360,313

The accompanying notes form part of these financial statements.

BREEZE TRAINING PTY LTD
ABN: 42 085 353 715
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Note	Share Capital Ordinary	Retained Earnings	Total
		$	$	$
Balance at 1 July 2012		2	315,897	315,899
Comprehensive income				
Profit for the year		-	126,014	126,014
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year attributable to members of the entity		-	126,014	126,014
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year		-	-	-
Dividends paid or provided for	7	-	(81,600)	(81,600)
Total transactions with owners and other transfers		-	(81,600)	(81,600)
Balance at 30 June 2013		2	360,311	360,313
Balance at 1 July 2013		2	360,311	360,313
Comprehensive income				
Profit for the year		-	180,710	180,710
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year attributable to members of the entity		-	180,710	180,710
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year		-	-	-
Dividends paid or provided for	7	-	-	-
Total transactions with owners and other transfers		-	-	-
Balance at 30 June 2014		2	541,021	541,023

The accompanying notes form part of these financial statements.

BREEZE TRAINING PTY LTD
ABN: 42 085 353 715
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,417,129	1,778,675
Payments to suppliers and employees		(1,896,478)	(1,519,340)
Dividends received		-	-
Interest received		791	1,355
Finance costs		-	-
Income tax paid		(21,161)	(87,519)
Net cash provided by operating activities	17(a)	500,281	173,171
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of investments		-	-
Purchase of property, plant and equipment		(23,808)	(15,938)
Purchase of investments		-	-
Dividends received from equity accounted investments		-	-
Loan payments made to related parties		-	-
Loan repayments received from related parties		-	-
Net cash (used in) investing activities		(23,808)	(15,938)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings to related parties		(156,382)	-
Proceeds from borrowings		-	22,639
Repayment of borrowings		(53,876)	(7,387)
Dividends paid		-	(81,600)
Net cash (used in) financing activities		(210,258)	(66,348)
Net increase in cash held		266,215	90,885
Cash at beginning of financial year		232,484	141,599
Cash at end of financial year	8	498,699	232,484

The accompanying notes form part of these financial statements.

BREEZE TRAINING PTY LTD
ABN: 42 085 353 715
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

These financial statements and notes represent Breeze Training Pty Ltd. Breeze Training Pty Ltd is a company limited by shares, incorporated and domiciled in Australia

The financial statements were authorised for issue on 8 December 2014 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Income Tax

(a) The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20% - 50 %
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(d) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax.

(g) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(h) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Issued capital

Ordinary shares are classified as equity

(k) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

(l) New and amended accounting policies adopted by the Company

Employee benefits

The Company adopted AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The Company has applied these Standards retrospectively in accordance with AASB 108 and the transitional provisions of AASB 119 (September 2011).

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. Previously, annual leave satisfied the definition of short-term employee benefits and therefore the leave liability was measured on an undiscounted basis at the amounts expected to be paid when the liability is settled. However, under AASB 119 (September 2011), as the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the following 12 month period, obligations for annual leave entitlements meet the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

The effects of the adjustments required for each period presented are set out in the table below. Note, however, that these changes do not impact the classification of leave entitlements between current and non-current liabilities in the statement of financial position. The change in accounting policy had no material impact on the entity's separate financial statements.

Obligations for termination benefits are now recognised at the earlier of:

- the date when the entity can no longer withdraw an offer of termination benefits; and
- when the entity recognises costs for restructuring pursuant to AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits.

Furthermore, obligations for termination benefits are now required to be accounted for in accordance with the requirements for post-employment benefits when the benefits are an enhancement to post-employment benefits. Otherwise, the benefits are to be accounted for in accordance with the requirements for short-term or long-term employee benefits, depending on whether they are expected to be settled wholly before 12 months after the end of the reporting period. Previously, the company had recognised obligations for termination benefits only when it was demonstrably committed to a termination program, which would involve the company having a detailed formal plan for the termination program without a realistic possibility of withdrawal. In addition, the company had accounted for obligations for termination benefits in accordance with the requirements applicable to obligations for other long-term employee benefits.

As at 30 June 2014, the Company recognised no provisions for termination benefits (2013: nil). Accordingly, adoption of the changes to termination benefits in AASB 119 (September 2011) and AASB 2011-10 did not have a material impact on the amounts recognised in the Company's financial statements.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

  These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

  Although, the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- Interpretation 21: Levies (applicable for annual reporting periods commencing on or after 1 January 2014).
  Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the company's financial statements.
- AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).
  This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Company's financial statements.
- AASB 2013-4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual reporting periods commencing on or after 1 January 2014).
  AASB 2013-4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Company's financial statements.

- AASB 2013-5: Amendments to Australian Accounting Standards – Investment Entities (applicable for annual reporting periods commencing on or after 1 January 2014).
  AASB 2013-5 amends AASB 10: Consolidated Financial Statements to define an 'investment entity' and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As the Company does not meet the definition of an investment entity, this Standard is not expected to significantly impact the Company's financial statements.

Note 2 Revenue and Other Income

	Note	2014 $	2013 $
Sales revenue:			
— consulting income		2,037,939	1,657,243
— consulting income - related parties		140,560	-
— development income		84,435	42,052
— training income		11,096	-
Total sales revenue		2,274,030	1,699,295
Other revenue:			
— other revenues		82,227	76,346
Total other revenue		82,227	76,346
Total sales revenue and other revenue		2,356,257	1,775,641
Other income:			
— gain on disposal of property, plant and equipment		12,596	-
— other income		791	1,355
Total other income		13,387	1,355

Note 3 Profit before Income Tax

	2014 $	2013 $
Profit before income tax from continuing operations includes the following specific expenses:		
(a) Expenses		
Interest expense on financial liabilities not at fair value through profit or loss:		
— external entities	369	4,071
Total finance costs	369	4,071
Employee benefits expense:		
— contributions to defined contribution superannuation funds	108,402	108,779
Other expenses:		
Bad and doubtful debts:		
— trade receivables	156,382	13,220
Total bad and doubtful debts	156,382	13,220

Note 4 Tax Expense

	Note	2014 $	2013 $
(a) The components of tax (expense)/income comprise:			
Current tax		63,338	30,391
Deferred tax	13	(57,206)	(16,921)
Recoupment of prior year tax losses			
Under provision in respect of prior years			
		6,132	13,470
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2013: 30%)		56,053	41,845
Add:			
Tax effect of:			
— non-deductible items		3,101	1,286
— other non-allowable items		106,047	59,322
		165,201	102,453

Less:		
Tax effect of:		
— R&D tax offset credit	159,069	88,983
— other deductible amounts		
Income tax attributable to company	6,132	13,470
The applicable weighted average effective tax rates are as follows:	3.3%	9.7%

Note 5 Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

	2014	2013
	$	$
Short-term employee benefits	150,000	150,000
Post-employment benefits	13,875	40,126
Other long term benefits		
	163,875	190,126

Note 6 Auditors' Remuneration

	2014	2013
	$	$
Remuneration of the auditor for:		
— auditing or reviewing the financial statements	-	-
— taxation services	20,000	-
— due diligence services	-	-
— taxation services provided by related practice of auditor	-	-
	20,000	-

Note 7 Dividends

	2014	2013
	$	$
Distributions paid	-	(81,600)

Note 8 Cash and Cash Equivalents

	Note	2014	2013
		$	$
CURRENT			
Cash at bank and on hand		498,852	232,484
		498,852	232,484

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2014	2013
Cash and cash equivalents	498,699	232,484
Petty cash	153	-
	498,852	232,484

Note 9 Trade and Other Receivables

	Note	2014	2013
		$	$
CURRENT			
Trade receivables		262,217	104,346
Provision for impairment		(156,382)	-
		105,835	104,346
Loans to directors		43,754	-
Total current trade and other receivables		149,589	104,346

No debts passed due or impaired.

Note 10 Other Assets

	2014	2013
	$	$
CURRENT		
Accrued Income	22,344	99,231
Prepayments	25,976	-
	48,320	99,231

Note 11 Property, Plant and Equipment

	2014 $	2013 $
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	201,205	177,397
Accumulated depreciation	(145,643)	(108,495)
	55,562	68,902
Motor Vehicles		
At cost	90,590	80,949
Accumulated depreciation	(37,948)	(56,212)
	52,642	24,737
Total plant and equipment	108,205	93,639

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Plant and Equipment $	Motor Vehicles $	Total $
Balance at 1 July 2012	90,305	30,289	120,594
Additions	15,938	-	15,938
Depreciation expense	(37,340)	(5,553)	(42,893)
Carrying amount at 30 June 2013	68,903	24,736	93,639
Additions	23,809	46,135	69,944
Disposals - written down value	-	(6,495)	(6,495)
Depreciation expense	(37,149)	(11,734)	(48,883)
Carrying amount at 30 June 2014	55,563	52,642	108,205

Note 12 Trade and Other Payables

	2014 $	2013 $
CURRENT		
Unsecured liabilities		
Trade payables	42,975	4,249
Sundry payables and accrued expenses	45,680	31,252
Other payables (net amount of GST payable)	100,544	70,866
Amounts payable to:		
— other related parties	-	5,461
	189,199	111,828

Note 13 Tax

	2014 $	2013 $
CURRENT		
Income tax payable	39,807	(2,371)
Total	39,807	(2,371)

NON-CURRENT **Deferred tax liability**	Opening Balance $	(Charged)/ Credited to Profit or Loss $	(Charged)/ Credited Directly to Equity $	Changes in Tax Rates $	Exchange Differences $	Closing Balance $
Tax allowance on property, plant and equipment	-	-	-	-	-	-
Losses/(gains) on revaluation of land & buildings	-	-	-	-	-	-
Losses/(gains) on available-for-sale financial	-	-	-	-	-	-
Accrued Income	-	-	-	-	-	-
Balance as at 30 June 2013	-	-	-	-	-	-
Tax allowance on property, plant and equipment	-					-
Losses/(gains) on revaluation of land & buildings	-					-
Losses/(gains) on available-for-sale financial	-					-
Accrued Income	-	-				-
Balance as at 30 June 2014	-	-	-	-	-	-

	Opening Balance	(Charged)/ Credited to Profit or Loss	(Charged)/ Credited Directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
Deferred tax assets	$	$	$	$	$	$
Provisions - employee benefits	16,639	11,444				28,083
Property, plant and equipment - impairment						-
Other	119	5,477				5,596
Balance as at 30 June 2013	16,758	16,921	-	-	-	33,679
Provisions - employee benefits	28,083	9,663				37,746
Property, plant and equipment - impairment	-	-				-
Other	5,596	47,543				53,139
Balance as at 30 June 2014	33,679	57,206	-	-	-	90,885

The amounts of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought into account:	2014	2013
	$	$
— deductible temporary differences		
— tax losses - operating in nature		
	-	-

The benefits of the above temporary differences and unused tax losses will be realised when the conditions for deductibility set out in Note 1(b) occur. These amounts have no expiry date. The utilisation of deferred tax assets is subject to final assessment by the Australian Taxation Office.

Note 14 Provisions

Analysis of Provisions	2014	2013
CURRENT	$	$
Employee Benefits		
Opening balance at 1 July 2013	93,609	55,463
Movement	32,213	38,146
Amounts used	-	-
Balance at 30 June 2014	125,822	93,609
Total current provisions	125,822	93,609

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 15 Issued Capital

	2014	2013
	$	$
Ordinary shares full paid	2	2
	2	2

Ordinary shares participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(a) Capital Management

Management controls the capital of the company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the company can fund its operations and continue as a going concern.

The company's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Note	2014 $	2013 $
Total borrowings		-	-
Trade and other payables	12	189,199	111,828
Less cash and cash equivalents	8	(498,852)	(232,484)
Net debt		(309,653)	(120,656)
Total equity		541,023	360,313
Total capital		231,371	239,657
Gearing ratio		N/A	N/A

Note 16 Contingent Liabilities and Contingent Assets

The company had no contingent liabilites or assets as at the 30 June 2014 and the 30 June 2013.

Note 17 Cash Flow Information

	2014 $	2013 $
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	180,710	126,014
Non-cash flows in profit		
— depreciation	48,883	42,893
— bad and doubtful debts	156,382	13,220
— net (gain)/loss on disposal of property, plant and equipment	(12,596)	-
— other	(20,929)	187
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
— (increase)/decrease in trade and term debtors	75,400	47,945
— (increase)/decrease in other assets	(25,976)	-
— (increase)/decrease in deferred tax receivable	(57,207)	(16,921)
— increase/(decrease) in payables	38,726	(18,357)
— increase/(decrease) in income taxes payable	42,178	(57,129)
— increase/(decrease) in GST and related taxes	23,931	4,184
— increase/(decrease) in provisions	32,210	38,146
— increase/(decrease) in other liabilities	18,569	(7,011)
Net cash provided by operating activities	500,281	173,171

Note 18 Events After the Reporting Period

On the 3rd of October 2014 Breeze Training Pty Ltd announced that they entered into agreements to be acquired by Montech Holdings Limited, an ASX-listec company. Upon completion of the transaction, the owners of Breeze Training Pty Ltd will become significant shareholders in the combined entity. Nicola Page of Breeze Training Pty Ltd will be appointed as a director and CEO of Montech.

Note 19 Related Party Transactions

Company's main related parties are as follows:

(a) Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5: Key Management Personnel Compensation.

(b) OneBet IP Pty Ltd Loan

A loan of $156,382 from Breeze Training Pty Ltd to OneBet IP Pty Ltd was fully provided for in the 2014 financial year. OneBet IP Pty Ltd is owned by the family trust of the director, Nicola Page. The company provided consulting services of $140,560 during the year.

(c) Director's Loan

At 30 June 2014 the director's of Breeze Training Pty Ltd had a loan owing to the company of $43,754 (2013 - $5,461 credit balance).

Note 20 Financial Risk Management

The company's activities expose it to a variety of financial risks such as liquiditiy risk and credit risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses different methods to measure diferent types of risk to which it is exposed.

Risk management is carried out by senior finance executives under policies approved by the Board of Directors. These policies include identification and analysis of the risk exposure of the company and appropriate procedures, controls and risk limits.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The balances of receivables that remain within natural made terms are considered to be of high credit quality.

Liquidity risk
Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilit to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The loan to directors is interest free and not secured.

Note 21 Company Details

The registered office of the company is:
Breeze Training Pty Ltd
c/o SJ Sassine
Level 9, 50 Clarence Street
Sydney, NSW 2000

BREEZE TRAINING PTY LTD
ABN: 42 085 353 715
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Breeze Training Pty Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 16, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS);
   (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director

Nicola Janine Page

Dated this 8th day of December 2014

Stantons International Audit and Consulting Pty Ltd
trading as
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Chartered Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BREEZE TRAINING PTY LTD

Report on the Financial Report

We have audited the accompanying financial report of Breeze Training Pty Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of Company.

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

(a) the financial report of Breeze Training Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
9 December 2014