PRM CLOUD SOLUTIONS LIMITED

(IN THE PROCESS OF CHANGING TO ENVERRO LTD)

ABN 82 009 027 178

Annual Report
For the year ended 30 June 2014

CONTENTS

Directors' report

Your directors present their report on PRM Cloud Solutions Limited, a public, limited liability company incorporated and domiciled in Australia, for the year ended 30 June 2014.

Directors

The following persons were directors of PRM Cloud Solutions Limited during the whole of the year and up to the date of this report:

Leigh Kelson

Christopher Doran

Caren Gollan (resigned 23 August 2013)

John Nicholson (appointed 23 August 2013, resigned 3 September 2014)

Anthony Harris (appointed 6 September 2014)

Principal activities

The principal continuing activities of the Company during the year were:

- Provision of software solutions, including design, implementation and support, and
- Development of proprietary software applications.

Dividends

No dividends were paid during the year and no recommendation is made as to the payment of dividends (2013 – nil).

Review of operations and financial position

The Company's financial results for the financial year ended 30 June 2014 are set out in the financial statements following page 8 of this annual report. Significant results include:

	2014 $	2013 $
Revenues	1,261,007	878,029
Net (loss) / profit before tax	(824,681)	39,227

The Company executed contracts with four clients to access the Company's cloud based proprietary software products as well as providing implementation and training support services through the services division. Non-cash restructuring costs ahead of a proposed application for listing on the Australian Securities Exchange included in the above loss were $402,849.

The Directors note that the Company incurred a loss of $824,681 for the year. Additionally the Company has a current ratio of less than 1, and a net asset deficiency as at 30 June 2014. Notwithstanding this, the financial report has been prepared on a going concern basis for the reasons outlined in Note 1(b) to the financial statements, including equity raising completed after the end of the year.

Significant changes in the state of affairs

The Company issued 28,566,666 fully paid ordinary shares raising $660,000 before costs of the issues. Details of the changes in contributed equity are disclosed in note 18 to the financial statements.

The Company also issued 200,001 convertible notes on 18 February 2014 for $200,001 which were convertible into ordinary shares in the Company at the option of the holder or repayable no later than 12 months after issue. The convertible notes were repaid on 7 July 2014

Matters subsequent to the end of the financial year

On 18 July 2014 the Company issued 80,000,000 ordinary shares at $0.025 per share raising $2,000,000 before costs of the issue.

The Company issued 40,000,000 options, exercisable at $0.025 at any time on or before 18 July 2019, for no cash consideration as part of a fee arrangement in respect of the above issue of shares.

Borrowings of $622,944 as at 30 June 2014 were repaid after the end of the financial year from the proceeds of the above issue of shares.

Except for the matter discussed above, no other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

(a) the Company's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Company are:

- The consolidation of the Company's ordinary shares on the basis of 1 for 33.3.
- Issue of a prospectus for an underwritten offer of 3,000,000 ordinary shares in the Company at $1.00 per share to raise $3,000,000 before costs of the issue.
- Lodgement of an application for listing on the Australian Securities Exchange.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Australian Commonwealth or of any jurisdiction where it intends to operate.

Information on directors

Anthony (Tony) Harris– *Non-executive Chairman.*

Experience and expertise

Tony was appointed a director on 6 September 2014. He is an owner and Director at Blink Mobile Interactive, a cloud based Mobile Enterprise Applications Platform provider. Tony has extensive experience at managing and growing computer software companies, he has held senior positions with Tibco software, Retriever communications and with SAP including CEO ANZ.

Other current directorships None.

Former directorships in last 3 years None.

Special responsibilities Chairman of the Board.

Information on directors (Continued)

Leigh Kelson – *CEO and founder.*

Experience and expertise

Leigh Kelson was appointed as CEO in 1997. He is a web technologies veteran and Australian cloud computing pioneer. After commencing his career in the technology sector in the mid 1980s, Mr Kelson founded PRM in 1996 and pioneered cloud computing in Australia by establishing the first Salesforce.com professional services practice in Melbourne, which is now one of the longest serving Salesforce.com partners in Australia.

Other current directorships None.

Former directorships in last 3 years None.

Special responsibilities Chief Executive Officer.

Christoher Doran - *Chief Operating Officer.*

Experience and expertise

Christopher Doran was appointed as an executive director on 23 August 2013. Mr Doran is a marketing executive with a background in engineering, a deep knowledge of Cloud technology, and a track record of leading revenue growth through high impact marketing programs at companies including Salesforce.com, Manticore Technology, and AMD. He is recognised as a thought leader and expert in demand generation, digital marketing technology and utilising social media to drive new business. Mr Doran is skilled at developing aggressive and effective marketing programs with lean teams and small budgets within both start-up firms and Fortune 1000 companies.

Other current directorships None.

Former directorships in last 3 years None.

Special responsibilities Chief Operating Officer

Caren Gollan – *Executive director (resigned 23 August 2013)*

Experience and expertise

Caren Gollan co-founded the Company's business with Leigh Kelson and served as a director from 12 May 1997 until her resignation.

Other current directorships None.

Former directorships in last 3 years None.

Special responsibilities None

John Nicholson FCA – *Non-executive director (resigned 3September 2014)*

Experience and expertise

John Nicholson was a non-executive director from 23 August 2013 until his resignation on 3 September 2014. John co-founded a successful accounting practice in Perth, employing 50 people which was sold to an antecedent firm of Ernst and Young. He also founded what was to become a leading Financial Services business; Sealcorp, which is now owned by Westpac. More recently John co-founded an internet based continuing education source for fitness professionals and health clubs which was an early entrant in the cloud computing space and dominated this niche sector.

Other current directorships None.

Former directorships in last 3 years None.

Special responsibilities None

Company secretary

Mr Garry Edwards MBA, FIPA, FAICD, ACSA, is the Company Secretary and the Chief Financial Officer of the Company (appointed 4 August 2014). He has served as Company Secretary and as Chief Financial Officer of several ASX listed companies over the past 18 years.

Meetings of directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2014, and the numbers of meetings attended by each director were:

	Board Meetings Attended	Meetings Held During Time of Office
Leigh Kelson	4	4
Christopher Doran	4	4
Caren Gollan	1	1
John Nicholson	4	4

Loans to directors and executives

The Company had an historical loan to a director / shareholder and a personally related party of $251,934 (2013 – 250,057) until 30 June 2014 when it was written off in consideration for a deed of release and indemnity in respect of any and all counter-claims. The amount is included in reconstruction costs in the Statement of Profit and Loss and other comprehensive income. Details of the loan are set out in note 19.

Shares under option

Ordinary shares of the Company under option at the date of this report are as follows: (2013: Nil).

Date options granted	Expiry date	Issue price of shares	Number under option
18 July 2014	18/7/2019	$0.025	40,000,000

Insurance of officers and auditors

The Company has not insured directors, secretaries and executive officers of the Company against any liability incurred as director, secretary or executive officer.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. The auditor was not engaged on additional assignments during the financial year but has been after the end of the financial 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 7.

This report is made in accordance with a resolution of directors.

Leigh Kelson
Managing Director
Biggera Waters
11 September 2014

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Auditor's Independence Declaration
to the Directors of PRM Cloud Solutions Limited

As lead auditor for the audit of PRM Cloud Solutions Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the audit of PRM Cloud Solutions Limited during the year.

Moore Stephens Sydney

Moore Stephens Sydney
Chartered Accountants

SWhiddett

Scott Whiddett
Partner

Dated in Sydney this Thursday, 11 September 2014

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Statement of profit or loss and other comprehensive income for the year ended 30 June 2014

	Note	2014 $	2013 $
Revenue from continuing operations	5		
Services income		875,254	873,372
Software licences and support		158,966	-
		1,034,220	873,372
Other income		226,787	4,657
Expenses			
Auditing and accounting		69,429	23,077
Consulting fees		263,966	140,557
Depreciation and amortisation	6	78,210	24,669
Employee benefits	6	792,353	255,002
Finance costs		60,191	35,725
Other expenses		288,765	276,431
Restructuring costs		402,849	-
Travel		129,925	83,341
Total expenses		2,085,688	838,802
(Loss) / profit before income tax		(824,681)	39,227
Income tax	7	-	-
(Loss) / profit for the year		(824,681)	39,227

Earnings per share		Cents	Cents
Basic and diluted earnings per share for the year	25	(1.2)	0.1

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position
as at 30 June 2014

	Note	2014 $	2013 $
ASSETS			
Current assets			
Cash and cash equivalents	8	4,508	2,237
Trade and other receivables	9	143,694	134,290
Loans	10	6,441	250,057
Other assets	11	-	7,166
Total Current Assets		154,643	393,750
Non-current assets			
Property, plant and equipment	12	38,450	49,854
Intangibles	13	619,348	390,760
Total Non-Current Assets		657,798	440,614
Total assets		**812,441**	**834,364**
LIABILITIES			
Current liabilities			
Trade and other payables	14	319,917	288,101
Borrowings	15	640,262	277,474
Provisions	16	36,177	-
Total Current Liabilities		996,356	565,575
Non-current liabilities			
Borrowings	17	25,378	216,946
Total Non-current Liabilities		25,378	216,946
Total liabilities		**1,021,734**	**782,521**
Net (liabilities) / assets		**(209,293)**	**51,843**
EQUITY			
Contributed equity	18	663,559	100,014
Accumulated losses		(872,852)	(48,171)
Total equity		**(209,293)**	**51,843**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity for the year ended 30 June 2014

	Contributed equity $	Accumulated losses $	Total equity $
At 1 July 2012	100,014	(87,398)	12,616
Profit for the year	-	39,227	39,227
Total comprehensive income for the year	**-**	**39,227**	**39,227**
Transactions with owners in their capacity as owners			
Issue of shares	-	-	-
Cost of share issue	-	-	-
At 30 June 2013	100,014	(48,171)	51,843
Loss for the year	-	(824,681)	(824,681)
Total comprehensive income for the year	-	(824,681)	(824,681)
Transactions with owners in their capacity as owners			
Issue of shares	660,000	-	660,000
Cost of share issue	(96,455)	-	(96,455)
	563,545	-	563,545
At 30 June 2014	663,559	(872,852)	(209,293)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows
for the year ended 30 June 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Receipts from customers		1,092,773	937,685
Payments to suppliers and employees		(1,560,280)	(767,503)
Other revenue		226,671	4,657
Interest received		117	-
Interest and other costs of finance paid		(46,191)	(35,725)
Net cash (outflow) / inflow from operating activities		(286,910)	139,115
Cash flows from investing activities			
Payments for property plant and equipment		(1,679)	(37,126)
Payments for proprietary software development		(444,630)	(379,081)
Loans		(6,441)	(14,994)
Net cash (outflow) from investing activities		(452,750)	(431,202)
Cash flows from financing activities			
Proceeds from issue of shares		660,000	0
Share issue costs		(89,289)	(7,166)
Proceeds from borrowings		225,001	294,443
Repayment of borrowings		(53,781)	(41,008)
Net cash inflow from financing activities		741,931	246,269
Net increase / (decrease) in cash and cash equivalents		2,271	(45,818)
Cash and cash equivalents at the beginning of the year		2,237	48,055
Cash and cash equivalents at the end of the year	8	4,508	2,237

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.* PRM Cloud Solutions Limited is a for-profit entity for the purpose of preparing the financial statements. The financial statements were authorised for issue on 11 September 2014 by the board of PRM Cloud Solutions Limited

i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements of PRM Cloud Solutions Limited comply with International Financial Reporting Standards (IFRS).

ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

iii) Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

(b) Going Concern

At 30 June 2014, the Company had a deficiency of assets over liabilities of $209,293 and the Company's current liabilities exceeded its total assets by $841,713.

Notwithstanding the company's deficiency of net assets, the financial report has been prepared on the going concern basis as the directors are of the opinion that the Company has sufficient financial resources to fund its activities for the next twelve months. The financial position of the company is underpinned by:

i) the value of its assets which include intangibles that are not recorded on a current valuation basis and are therefore not reflected in the balance sheet;

ii) an equity raising of $1,880,000 after costs, completed after year end, on 18 July 2014;

iii) repayment of approximately $623,000 of borrowings after year end; and

iv) plans to raise a further $2,572,000 after costs from an underwritten Initial Public Offering before the end of 2014, to enable a significant acceleration of development and marketing of the Company's cloud based software product.

(c) Segment reporting

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board which is at the Company level.

Accordingly, management currently identifies the Company as having only one reportable segment, being the sale of software and related support activities. There have been no changes in the operating segments during the year. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is PRM Cloud Solutions Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. All foreign exchange gains and losses are presented in the profit or loss on a net basis within income or expenses.

(c) Foreign currency translation (continued)

(ii) Transactions and balances (continued)
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, refunds, rebates and amounts collected on behalf of third parties.
The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.
Revenue is recognised for the major business activities as follows:

(i) Sale of software and related support activities
Domestic and export sales of goods are recognised when the Company has delivered products or services to the purchaser and there is no unfulfilled obligation that could affect the purchasers acceptance of the products or service.

(ii) Interest
Interest income is recognised using the effective interest method.

(f) Income Tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (continued)
time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(g) Leases

Leases of property, plant and equipment, where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the term of the lease.

(h) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities on the Statement of Financial Position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(k) Investments and other financial assets

Classification

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (continued)

Recognition and de-recognition
Regular purchases and sales of financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss, are initially recognised at fair value and transaction costs are expensed. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement
After initial recognition, loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Available-for-sale financial assets are carried at fair value.

Impairment of Financial Assets
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(l) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which it is incurred.

Depreciation is calculated using the diminishing value method to allocate the cost or revalued amounts, net of their residual values, over the estimated useful lives as follows:

– Vehicles; 5-10 years
– Office furniture and equipment; 5 years

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 carrying amount. These are included in profit or loss.

(m)Intangibles

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangibles (continued)

costs of materials and service, employee costs and an appropriate portion of relevant overheads.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Capitalised software development costs; 6 years

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 – 60 days of recognition. Amounts received in respect of subscriptions for software products or services are also included in trade and other payables until the product or service is delivered.

(o) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method. Fees paid for establishing loan facilities are recognised as transaction costs if it is probable that some or all of the facility will be drawn down, and deferred until the draw down occurs. If it is not probable that the facility will be drawn down, fees are capitalised as prepayments for liquidity services and amortised over the period to which the facility relates.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract has been discharged, cancelled or expires. The difference between the carrying amount of the borrowing derecognised and the consideration paid is recognised in profit or loss as other income or finance costs

Where the terms of a borrowing are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of a borrowing, the equity instruments issued as part of the debt for equity swap are measured at the fair value of the equity instruments issued, unless the fair value cannot be measured reliably, in which case, they are measured at the fair value of the debt extinguished. The difference between the carrying amount of the debt extinguished and the fair value of the equity instruments issued is recognised as a gain or loss in profit or loss.

All borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(p) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and years of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at reporting date.

(t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. Where the GST is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of the asset or as part of the expense.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goods and Services Tax (GST) (continued)

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 taxation authority 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 taxation authority, are presented as operating cash flow.

(v) New accounting standards and interpretations

No new or revised Australian Accounting Standards that have been issued but not yet effective have been applied in the preparation of these financial statements. Such standards are not expected to have a material impact on the Company's financial report on initial application.

NOTE 2: FINANCIAL RISK MANAGEMENT

(a) General Objectives, Policies and Processes

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

Financial Assets
- Cash and cash equivalents
- Trade and other receivables
- Unsecured loans

Financial Liabilities
- Trade and other payables
- Borrowings

The Board has overall responsibility for the determination of the Company's risk management objectives and policies.

The Company's activities expose it to a variety of financial risks: market risk (interest rate risk and price risk), credit risk and liquidity 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 different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and price risks and aging analysis for credit risk.

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

NOTE 2: FINANCIAL RISK MANAGEMENT (Continued)

(b) Market risk

Market risk arises from the use of interest bearing financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk). An unsecured loan is the only financial asset that is subject to interest rate risk. There is currently no fixed rate of interest for this loan.

Bank overdraft, an unsecured loan and convertible notes are the only financial liabilities of the Company that are subject to interest rate risk. Bank overdraft bears interest at a variable rate, currently 8.6%, the unsecured loan interest is currently 7% and interest on the convertible notes is 10%.

(c) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Company incurring a financial loss. The maximum exposure to credit risk at reporting date is the balances recognised in cash and trade and other receivables and the unsecured loan. Cash is deposited with major banks in Australia.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through access to debt or equity funding sources. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities
The table below analyses the Company's financial liabilities into relevant maturity groupings based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2014	**$**	**$**	**$**	**$**
	0 to 6 months	**6 to 12 months**	**Greater than 12 months**	**Carrying Amount**
Trade and other payables	319,917	-	-	319,917
Borrowings	270,261	370,001	25,378	665,640
	590,178	370,001	25,378	985,557
2013				
Trade and other payables				288,101
	288,101	-	-	
Borrowings	277,474	-	216,946	494,420
	565,575	-	216,946	782,521

(e) Fair value

The carrying value of cash and cash equivalents, receivables, payables and current borrowings are assumed to approximate their fair values due to their short-term nature. The fair value of non-current borrowings approximates the carrying amount as the impact of discounting is not significant.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. There are no critical estimates or judgements which are believed to have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

NOTE 4: SEGMENT INFORMATION

(a) Description of segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board.

Accordingly, management currently identifies the Company as having only one reportable segment, being the sale of software and related support activities. There have been no changes in the operating segments during the year. All significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

(b) Entity-wide disclosures

Revenues from each product or service;

	Software and related support activities	**Total**
	$	$
2014	1,034,220	1,034,220
2013	873,371	873,371

All of the Company's property, office furniture and equipment is located in Australia.

NOTE 5: REVENUE

	2014 **$**	**2013** **$**
From continuing operations		
Sales revenue		
Revenue from sale of software and related support activities	1,034,220	873,371
Other revenue		
Interest	117	-
FBT contribution	-	4,657
Research and development grant	149,534	
Sale of domain name	77,136	-
Total revenue from operations	**1,261,007**	**878,028**

NOTE 6: EXPENSES

	2014 $	2013 $
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Vehicles	10,340	15,693
Office furniture and equipment	2,744	3,236
Amortisation		
Proprietary software	65,126	-
Total depreciation and amortisation	78,210	18,929
Finance Costs		
Interest and finance charges paid/payable	46,191	35,725
Rental expenses relating to operating leases		
Minimum lease payments	60,596	60,000
Defined contributions superannuation expense	62,856	33,599

NOTE 7: INCOME TAX

	2014 $	2013 $
Tax losses available for subsequent financial years	474,738	58,107

The Company has incurred tax losses and has no tax liability for the financial year (2013 – nil). Deferred tax assets have not been recognised in the Statement of Financial Position as the recovery of these benefits is uncertain.

NOTE 8: CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash at bank	48	1,743
Rental bond	4,460	494
Cash at bank and in hand	**4,508**	**2,237**

Cash at bank and in hand earn zero interest (2013: zero).

NOTE 9: CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2014 $	2013 $
Trade debtors	143,694	134,290
Rental bond	4,460	494
	148,154	**134,784**

NOTE 10: CURRENT ASSETS – LOANS

	2014 $	2013 $
Employee	6,441	-
Total	**6,441**	**-**

The loan is unsecured and there are no set terms for repayment or interest.

NOTE 11: CURRENT ASSETS – OTHER

	2014 $	2013 $
Prepayments	-	7,166
Current assets – other	-	**7,166**

NOTE 12: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Vehicles $	Office furniture & equipment $	Total $
Year ended 30 June 2014			
Opening net book amount	46,306	3,548	49,854
Additions	-	1,679	1,679
Depreciation	(10,340)	(2,743)	(13,083)
Closing net book amount	35,966	2,484	38,450
At 30 June 2014			
Cost	117,027	12,849	129,876
Accumulated depreciation	(81,061)	(10,365)	(91,426)
Net Book amount	35,966	2,484	38,450

	Vehicles $	Office furniture & equipment $	Total $
Year ended 30 June 2013			
Opening net book amount	32,328	5,069	37,397
Additions	32,854	4,272	37,126
Depreciation	(18,876)	(5,793)	(24,669)
Closing net book amount	46,306	3,548	49,854
At 30 June 2013			
Cost	117,027	11,170	128,197
Accumulated depreciation	(70,721)	(7,622)	(78,343)
Net Book amount	46,306	3,548	49,854

NOTE 13: NON-CURRENT ASSETS – INTANGIBLES

	Proprietary software $
Year ended 30 June 2014	
Opening net book amount	390,760
Additions	444,629
Impairment	(150,915)
Amortisation	(65,126)
Closing net book amount	619,348
At 30 June 2014	
Cost	684,474
Accumulated amortisation	(65,126)
Net Book amount	619,348
Year ended 30 June 2013	
Opening net book amount	11,679
Additions	379,081
Amortisation	-
Closing net book amount	390,760
At 30 June 2013	
Cost	390,760
Accumulated amortisation	-
Net Book amount	390,760

NOTE 14: CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2014 $	2013 $
Trade payables	151,915	133,766
Other payables and accruals	100,045	154,335
Subscription money received for services not yet delivered.	67,957	-
	319,917	**288,101**

NOTE 15: CURRENT LIABILITIES – BORROWINGS

	2014 $	2013 $
Bank overdraft and credit card	227,943	255,055
Convertible notes	200,001	-
Unsecured loans	195,000	10,000
Lease liabilities	17,318	12,419
	640,262	**277,474**

The bank overdraft is secured over property owned by a related party of a director of the Company and has been repaid since the end of the financial period . The convertible notes were due to be repaid or converted by 18 February 2015 but have been repaid on 7 July 2014. An unsecured loan of $170,000 was repayable by 30 June 2015 unless extended and bears interest at 7% p.a but has been repaid since the end of the financial period. Another unsecured loan of $25,000 had no fixed term of repayment or interest and has been repaid since the end of the financial period.

NOTE 16: CURRENT LIABILITIES – PROVISIONS

	2014 $	2013 $
Employee benefits	**36,177**	**-**

NOTE 17: NON-CURRENT LIABILITIES – BORROWINGS

	2014 $	2013 $
Unsecured loan	-	170,000
Lease liabilities	25,378	46,946
	25,378	**216,946**

The unsecured loan is repayable by 30 June 2015 and bears interest at 7% p.a.

NOTE 18: CONTRIBUTED EQUITY

	2014 Shares	2013 Shares	2014 $	2013 $
(a) Share capital				
Ordinary shares fully paid	81,650,000	53,083,334	760,014	100,014

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	$
1 July 2012	Balance	53,083,334		100,014
30 June 2013	Balance	53,083,334		100,014
12 September 2013 – 4 March 2014	Share placements	28,566,666	0.023	660,000
	Less: Transaction costs of share issues	-	-	(96,455)
30 June 2014	Balance	81,650,000		663,559

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(d) Shares in escrow

There were no shares in escrow at 30 June 2014 (2013: Nil).

(e) Options

There were no shares under option as at 30 June 2014 (2013 – nil). 40,000,000 options were issued on 18 July 2014 – refer note 23.

NOTE 18: CONTRIBUTED EQUITY (Continued)

(f) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTE 19: KEY MANAGEMENT PERSONNEL DISCLOSURES

	2014 $	2013 $
(a) Key management personnel compensation		
Short term employee benefits	133,081	97,593
Post-employment benefits	12,311	8,783
	145,392	106,376

(b) Equity instrument disclosures relating to key management personnel

i) Share holdings

The number of shares in the parent entity held during the financial year by each director of PRM Cloud Solutions Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting year as compensation (2013: Nil).

2014

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of the Company				
Ordinary Shares				
L Kelson	30,708,586	-	(2,271,000)	28,437,586
J Nicholson	16,535,392		1,360,000	17,895,372
C Doran	-	-	-	-

2013

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of the Company				
Ordinary Shares				
L Kelson	30,708,586	-	-	30,708,586
J Nicholson	16,535,392	-	-	16,535,392
C Doran	-	-	-	-

ii) Option holdings

There were no options over ordinary shares in the Company held during the financial year by any director of PRM Cloud Solutions Limited or other key management personnel of the Company, including their personally related parties (2013: Nil). There were no options granted during the reporting year as compensation (2013: Nil).

NOTE 19: KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(c) Loans to key management personnel

Details of loans made to directors of the Company and other key management personnel of the Company, including their personally related parties are set out below.

Name	Balance at the start of the year	Interest paid and payable for the year	Amount written off	Balance at the end of the year	Highest indebtedness during the year
2014 L Kelson	250,057	-	(251,934)	-	251,934
2013 L Kelson	235,062	-	-	250,057	257,057

This historical loan to a director / shareholder and a personally related party was written off as at 30 June 2014 in consideration for a deed of release and indemnity in respect of any and all counter-claims. The amount is included in reconstruction costs in the Statement of Profit and Loss and other comprehensive income.

(d) Other transactions with key management personnel

No other transactions occurred between Key management personnel and their related entities with the Company during the year (2013: Nil).

NOTE 20: REMUNERATION OF AUDITORS

	2014 $	2013 $
i) Audit services		
Moore Stephens Sydney		
Audit and review of financial reports	10,000	-
Total remuneration for audit services	10,000	-

The Company converted to a public company during the year; it was not audited in the year ended 30 June 2013.

NOTE 21: COMMITMENTS

(a) Capital commitments

The Company had no commitments in relation to capital expenditure contracted for at the reporting date but not recognised as liabilities (2013 – nil).

NOTE 22: RELATED PARTY TRANSACTIONS

(a) Key management personnel

For details of transactions that key management personnel and their related entities had with the Company during the year refer note 19.

NOTE 23: EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 18 July 2014 the Company issued 80,000,000 ordinary shares at $0.025 per share raising $2,000,000 before costs of the issue.

On 18 July 2014 the Company issued 40,000,000 options for no cash consideration, exercisable at $0.025 at any time on or before 18 July 2019, for no cash consideration as part of a fee arrangement in respect of the above issue of shares.

Bank overdraft, convertible notes and unsecured loans totalling $614,919 and included in current liabilities have been repaid since the end of the financial period.

NOTE 24: RECONCILIATION OF PROFIT / (LOSS) AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2014 $	2013 $
Profit/(loss) for the year	(824,681)	39,227
Depreciation and amortisation	78,210	24,669
Non-cash restructuring costs	400,972	-
Decrease (increase) in trade and other receivables	(9,404)	64,312
(Decrease) Increase in trade and other payables	(36,140)	10,907
(Decrease) Increase in revenue received in advance	67,957	-
(Decrease) Increase in other provisions	36,177	-
Net cash inflows / (outflows) from operating activities	(286,910)	139,115

NOTE 25: EARNINGS PER SHARE

	2014 Cents	2013 Cents
Basic earnings / (loss) per share	(1.2)	0.1
Diluted earnings / (loss) per share	(1.2)	0.1
	$	**$**
Net loss for the year attributable to owners used to calculate loss per share – basic and diluted	(824,681)	39,226
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used to calculate basic and diluted loss per share	68,792,557	53,083,334

Directors' declaration

In the opinion of the directors:

(a) The attached financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the financial position as at 30 June 2014 and the performance for the year ended on that date of the Company; and
ii) Complying with Accounting Standards, *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
iii) Complying with International Financial Reporting Standards as disclosed in Note 1(a); and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

The Directors have been given the declarations by the Chief Executive Office and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Leigh Kelson
Managing Director
Biggera Waters
11 September 2014

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Independent Auditor's Report
To the Members of PRM Cloud Solutions Limited
A.B.N. 82 009 027 178

Report on the Financial Report

We have audited the accompanying financial report of PRM Cloud Solutions Limited ("the Company"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state that the financial statements comply with International Financial Reporting Standards (IFRS).

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 about 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 entity's preparation and fair presentation of the financial report 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 entity'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.

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*.

Moore Stephens Sydney ABN 90 773 984 843. An independent member of Moore Stephens International Limited – members in principal cities throughout the world. The Sydney Moore Stephens firm is not a partner or agent of any other Moore Stephens firm.

Auditor's Opinion

In our opinion:

a) the financial report of PRM Cloud Solutions Limited 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 period 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 as disclosed in Note 1.

Moore Stephens Sydney

Moore Stephens Sydney
Chartered Accountants

S Whiddett

Scott Whiddett
Partner

Dated in Sydney on Thursday, 11 September 2014

Corporate Directory

Board of Directors
Anthony Harris, Non-executive Chairman
Leigh Kelson, Managing Director and Chief Executive Officer
Christopher Doran, Chief Operating Officer

Company Secretary
Garry Edwards

Website
www.prmcloud.com

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