

**Veriluma Pty Ltd**

**ABN 16 117 490 785**

**FINANCIAL STATEMENTS**

**FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015**

**Veriluma Pty Ltd**  
**ABN 16 117 490 785**

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# **Veriluma Pty Ltd**

**ABN 16 117 490 785**

## **Director Report**

The director presents this report on the company for the six month period ended 31 December 2015.

### **Director**

The name of the director in office at any time during or since the end of the period is

Richard Charles Anstey

The Director has been in office since the start of the financial period to the date of this report unless otherwise stated.

### **Review of Operations**

The loss of the company for the period after providing for income tax amounted to: \$346,451.

A review of the operations of the company during the financial period and the results of those operations are in line with management expectations.

### **Significant Changes in the State of Affairs**

No significant changes in the company's state of affairs occurred during the financial period.

### **Principal Activities**

The principal activities of the company during the course of the financial period was software development

No significant change in the nature of these activities occurred during the financial period.

### **After Balance Date Events**

At the end of December 2015, Parmelia Resources Limited ACN 142 901 353 (Parmelia) and the shareholders of Veriluma Pty Ltd ACN 117 490 785 (Veriluma) entered into a binding heads of agreement whereby Parmelia agreed to purchase 100% of the issued capital in Veriluma. In consideration of the shareholders selling 100% of the issued capital of Veriluma, Parmelia will issue the shareholders Parmelia Shares, in respective individual proportions. Parmelia will issue a prospectus pursuant to s709 of the Corporations Act to undertake a re-compliance capital raising. The principal raising will not be underwritten. Parmelia will, with Veriluma's assistance apply to the ASX, including by re-complying with the admission requirements of Chapters 1 and 2 of the ASX listing rules, for the re-quotation on the ASX of Parmelia's shares for trading on terms satisfactory to both Parmelia and Veriluma.

**Veriluma Pty Ltd**  
**ABN 16 117 490 785**  
**Directors Report**

**Environmental Issues**

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**

No dividends were declared or paid since the start of the financial period. No recommendation for payment of dividends has been made.

**Director's Benefits**

The directors have not received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the company or related body corporate with the directors, a firm which the directors are a member or an entity in which the directors have substantial financial interest.

**Indemnifying Officer or Auditor**

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial period, to 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 period.

**Auditor's Independence Declaration**

The auditor's Independence declaration as required under section 307C of the corporations Act is set out on page 3.

Signed in accordance with a resolution of the director:



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Richard Charles Anstey

Director

Dated: 22/3/16



**DICKFOS DUNN ADAM**  
AUDIT AND ASSURANCE

**Veriluma Pty Ltd**

**ABN 16 117 490 785**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTOR OF VERILUMA PTY LTD**

I declare to the best of my knowledge and belief, during period ended 31 December 2015 there have been:

- (i) no contraventions of the auditor independence requirements set out in the Corporations Act 2001 in relation to the audit; and
- (i) Any applicable code of professional conduct in relation to the audit.

DICKFOS DUNN ADAM

Audit & Assurance

.....20.3.16.....

Dated

..........

T L Adam

SOUTHPORT



**Veriluma Pty Ltd**

**ABN 16 117 490 785**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

	Note	31 December 2015 \$	30 June 2015 \$
Revenue		6,236	74,744
<b>Gross profit</b>		<b>6,236</b>	<b>74,744</b>
Other Income	2	-	164,803
Depreciation expenses	3	(489)	(1,169)
Employee expenses		(169,655)	(341,859)
Other expenses		(112,272)	(79,415)
<b>Operating (loss)</b>		<b>(276,180)</b>	<b>(182,896)</b>
Finance costs	3	(70,271)	(184,739)
(Loss) before tax		<b>(346,451)</b>	<b>(367,635)</b>
Income tax expense		-	-
<b>Profit/(loss) for the period</b>		<b>(346,451)</b>	<b>(367,635)</b>
<b>Other comprehensive income</b>			
Debt forgiveness		-	1,136,126
<b>Total comprehensive income for the financial reporting period</b>		<b>(346,451)</b>	<b>786,491</b>

4 The accompanying notes form part of the financial statements and should be read in conjunction with the attached independent auditor's report

**Veriluma Pty Ltd**  
**ABN 16 117 490 785**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015**

	Note	31 December 2015 \$	30 June 2015 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	78,151	1,653
Trade and other receivables	5	13,465	164,803
Other Assets	6	13,895	9,750
<b>Total Current Assets</b>		<b>105,511</b>	<b>176,206</b>
<b>Non-Current Asset</b>			
Property, plant and equipment	7	3,911	4,400
Intangible assets	8	455	498
<b>Total Non-Current Assets</b>		<b>4,366</b>	<b>4,898</b>
<b>Total Assets</b>		<b>109,877</b>	<b>181,104</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	64,420	16,406
Other liabilities	10	15,520	57,428
Provisions	11	65,167	58,600
Current financial liabilities	12	750,449	910,907
<b>Current Liabilities</b>		<b>895,556</b>	<b>1,043,341</b>
<b>Total Liabilities</b>		<b>895,556</b>	<b>1,043,341</b>
<b>Net Assets (Liabilities)</b>		<b>(785,679)</b>	<b>(862,237)</b>
<b>Equity</b>			
Issued Capital	13	423,109	100
Retained profits / (accumulated losses)		(1,208,788)	(862,337)
<b>Total Equity</b>		<b>(785,679)</b>	<b>(862,237)</b>

5 The accompanying notes form part of the financial statements and should be read in conjunction with the attached independent auditor's report

**Veriluma Pty Ltd**  
**ABN 16 117 490 785**  
**STATEMENT OF CHANGE IN EQUITY AS AT 31 DECEMBER 2015**

	Issued Capital Ordinary \$	Retained Earnings \$	Total \$
<b>Balance at 1 July 2014</b>	100	(1,630,828)	(1,630,728)
<b>Comprehensive income</b>			
Profit / (Loss) for the financial period	-	(367,635)	(367,635)
Other comprehensive income for the financial period	-	1,136,126	1,136,126
<b>Total comprehensive income for the financial period attributable to members of the entity</b>		768,491	768,491
<b>Balance at 30 June 2015</b>	<b>100</b>	<b>(862,337)</b>	<b>(862,237)</b>
 <b>Balance at 1 July 2015</b>	 100	 (862,337)	 (862,237)
<b>Comprehensive income</b>			
Profit / (Loss) for the financial period	-	(346,451)	(346,451)
Other comprehensive income for the financial period	-	-	-
<b>Total comprehensive income for the financial period attributable to members of the entity</b>		(346,451)	(346,451)
Shares issued	450,009	-	450,009
Capital raising costs	(27,000)	-	(27,000)
<b>Total transactions with owners</b>	<b>423,009</b>	<b>-</b>	<b>423,009</b>
<b>Balance at 31 December 2015</b>	<b>423,109</b>	<b>(1,208,788)</b>	<b>(785,679)</b>



**Veriluma Pty Ltd**  
**ABN 16 117 490 785**  
**STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

	Notes	31 December 2015 \$	30 June 2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		167,353	279,963
Payments to suppliers and employees		(283,301)	(393,484)
Interest received		236	265
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	14	<u>(115,712)</u>	<u>(113,256)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the issue of additional shares		423,009	-
Proceeds from borrowings		268,908	106,203
Repayment of loans and borrowings		(500,000)	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<u>191,917</u>	<u>106,203</u>
<b>Net increase in cash held</b>		76,205	(7,053)
Cash at beginning of period		1,653	8,706
Cash and cash equivalent at end of reporting period	4	<u>77,858</u>	<u>1,653</u>

7 The accompanying notes form part of the financial statements and should be read in conjunction with the attached independent auditor's report

# **Veriluma Pty Ltd**

**ABN 16 117 490 785**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

### **Note 1: Summary of Significant Accounting Policies**

#### **Basis of Preparation**

Veriluma Pty Ltd (the 'company') is a company limited by shares, incorporated and domiciled in Australia. The company is primarily involved in software development.

In the opinion of the director, the company is not a reporting entity. The financial statements of the company have been prepared as special purpose financial statements for distribution to the members.

The company is a for-profit entity.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of the statements are as follows:

#### **Accounting Policies**

##### **(a) Income Tax**

Income tax expense comprises current tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

##### **(b) Property, Plant and Equipment**

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

#### **Plant and equipment**

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the director to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

# **Veriluma Pty Ltd**

**ABN 16 117 490 785**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

### **Depreciation**

Items of property, plant and equipment are depreciated from the date they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of the property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonable certain that the company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- |                          |              |
|--------------------------|--------------|
| • Computer Equipment     | 5 – 10 Years |
| • Computer Software      | 2 – 5 Years  |
| • Furniture and fittings | 5 – 10 Years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### **(c) Intangibles**

#### **(i) Research and development**

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

### **(d) Financial Instruments**

#### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised as expenses in profit or loss immediately.

## **Veriluma Pty Ltd**

**ABN 16 117 490 785**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

#### **Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method. The effective interest method is used to allocate interest income or interest expense over the relevant year and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

#### *(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 and are subsequently measured at amortised cost.

#### *(ii) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### **(e) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus any related on-costs.

#### **(f) Revenue**

##### *(i) Research and development incentives*

Research and development incentives are recognised at fair value where there is reasonable assurance that the income will be received and all conditions will be met. Research and development incentives relating to expense items are recognised as income over the years necessary to match the grant to the costs they are compensating.

##### *(ii) Other Revenue*

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

## **Veriluma Pty Ltd**

**ABN 16 117 490 785**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

#### **(g) 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 borrowings in current liabilities on the statement of financial position.

#### **(h) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial year of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the year in which they are incurred.

#### **(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.

#### **(j) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for current financial period. The comparative figures are for year ended 30 June 2015.

#### **(k) Critical Accounting Estimates and Judgements**

The director evaluates estimates and judgements 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.

#### **(l) New Accounting Standards for Application in Future Years**

A number of new standards, amendments to standards and interpretations are effective for annual years beginning after 1 July 2012, and have not been applied in preparing these financial statements. Those which may be relevant to the company are set out below. The company does not plan to adopt these standards early.

##### **(i) AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)**

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting. AASB 9 (2010 and 2009) are effective for annual years beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is expected to have an impact on the companies financial assets, but no impact on the companies financial liabilities.

# Veriluma Pty Ltd

ABN 16 117 490 785

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

### (ii) AASB 119 Employee Benefits (2011)

AASB 119 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. For defined benefit plans removal of the accounting policy choice for recognition of actuarial gains and losses is not expected to have any impact on the company. However, the company may need to assess the impact of the change in measurement principles of expected return on plan assets. AASB 119 (2011) is effective for annual years beginning on or after 1 January 2013 with early adoption permitted.

### (m) Going Concern

The financial statements have been prepared on a going concern basis, which contemplated the continuation of normal business operations, the realisation of assets and settlement of liabilities in the normal course of business.

The shareholders have confirmed they will provide ongoing support as required to enable the company to be able to pay its debt as and when they become due and payable.

The Director further confirms he is aware of his fiduciary duties not to allow the company to trade or incur debts without the ability to meet the company's financial obligations.

### Note 2: Other Income

	31 December 2015	30 June 2015
	\$	\$
Research & Development incentives	-	164,803
Total Other Income	164,803	164,803

### Note 3: Profit from Ordinary Income

Amortisation of intangible assets	86	86
Audit of the financial report	2,500	8,300

### Note 4: Cash and Cash Equivalents

Cash at bank	78,051	1,553
Cash on hand	100	100
Total cash and cash equivalents	78,151	1,653

**Veriluma Pty Ltd****ABN 16 117 490 785****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015****Note 5: Trade and Other Receivables**

	31 December 2015	30 June 2015
	\$	\$
Trade debtors	3,450	-
GST receivable	10,015	-
Research & Development incentives receivable	-	164,803
Total trade and other receivables	13,465	164,803

**Note 6: Other Assets**

Prepayments	4,145	-
Deposits	9,750	9,750
Total other assets	13,895	9,750

**Note 7: Property, Plant and Equipment**

## Computer Equipment:

At cost	27,276	27,276
Less accumulated depreciation	(25,175)	(24,886)
Total computer equipment	2,101	2,390

## Plant and equipment:

At cost	4,000	4,000
Less accumulated depreciation	(2,190)	(1,990)
Total plant and equipment	1,810	2,010
Total property, plant and equipment	3,911	4,400

**Note 8: Intangible Assets**

## Other intangibles:

At Cost	48,690	48,690
Less accumulated amortisation	(48,235)	(48,192)
Total intangible assets	455	498

**Note 9: Trade and Other Payables**

Trade and other payables	53,620	8,106
Accrued expenses	10,800	8,300
Total trade and other payables	64,420	16,406

**Veriluma Pty Ltd****ABN 16 117 490 785****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015****Note 10: Other Liabilities**

	31 December 2015	30 June 2015
	\$	\$
PAYG payable	6,764	6,764
Superannuation payable	8,756	24,325
GST Payable	-	5,874
Other tax liability	-	20,465
Total other liabilities	15,520	57,428

**Note 11: Employee Provisions**

Provision for annual leave	65,167	58,600
Total employee provisions	65,167	58,600

**Note 12: Financial Liabilities**

Loans from related parties	550,156	431,474
Loans from other entities	200,000	-
Convertible notes	-	479,160
Bank	293	273
Total financial liabilities	750,449	910,907

**Note 13: Issued Capital**

250,000 fully paid ordinary shares	100	100
21,429 paid ordinary shares at \$21 (yet to be issued)	450,009	-

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

At 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.

On 23<sup>rd</sup> November 2015 all class A shares were converted to Ordinary shares, resulting in 250,000 ordinary shares issued.

During December 2015 \$450,009 cash funds had been receipted from individuals purchasing 21,429 ordinary shares issued share price of \$21 each. At the time of the audit report the shares were in the process of being issued, although at the time of the audit the shares had not been formally issued due to a timing delay in receipt and legal proceedings regarding share issue.



**Veriluma Pty Ltd****ABN 16 117 490 785****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015****Note 14: Cash Flow Information**

	<b>31 December 2015</b>	<b>30 June 2015</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) for the period	(346,451)	776,791
Non-cash flows in profit		
- Depreciation and amortisation	532	1,255
- Debt forgiveness	-	(1,136,126)
- Accrued finance costs	70,271	184,739
Changes in assets and liabilities		
- Increase/(decrease) in trade payables	45,534	(10,260)
- Increase/(decrease) in other liabilities	(41,908)	15,460
- Increase/(decrease) in accrued expenses	2,500	(8,300)
- Increase/(decrease) in employee provisions	6,567	14,204
- Decrease/(increase) in trade receivables	151,388	48,981
- Decrease/(increase) in other assets	(4,145)	-
Net cash provided by/(used in) operating activities	(115,712)	(113,256)

**Note 15: Commitments**

- Not later than one year	-	29,450
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**Note 16: Contingent Liabilities**

In the opinion of the Director, there are no contingent liabilities that require reporting at 31 December 2015 (30 June 2015: None).

**Note 17: Post Balance Sheet Events**

At the end of December 2015, Parmelia Resources Limited ACN 142 901 353 (Parmelia) and the shareholders of Veriluma Pty Ltd ACN 117 490 785 (Veriluma) entered into a binding heads of agreement whereby Parmelia agreed to purchase 100% of the issued capital in Veriluma. In consideration of the shareholders selling 100% of the issued capital of Veriluma, Parmelia will issue the shareholders Parmelia Shares, in respective individual proportions.

Parmelia will issue a prospectus pursuant to s709 of the Corporations Act to undertake a re-compliance capital raising. The principal raising will not be underwritten. Parmelia will, with Veriluma's assistance apply to the ASX, including by re-complying with the admission requirements of Chapters 1 and 2 of the ASX listing rules, for the re-quotation on the ASX of Parmelia's shares for trading on terms satisfactory to both Parmelia and Veriluma.

Also in December 2015, a deed of compromise and release was executed to forgive the financial liability owing to SJSJ Pty Ltd. This debt was forgiven in light of the planned takeover of Veriluma by Parmelia. As part of this arrangement, Veriluma must pay a \$300,000 cash payment plus the issues of Parmelia shares to SJSJ Pty Ltd when the takeover takes place.

**Veriluma Pty Ltd**  
**ABN 16 117 490 785**  
**DIRECTORS DECLARATION**

The Director has determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The Director of the company declares that:

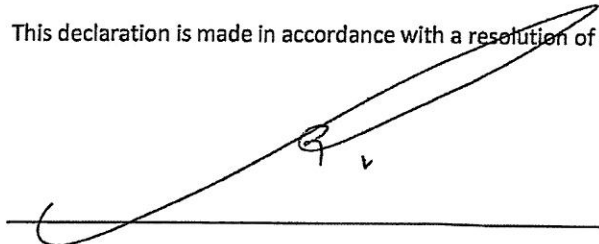
1. the financial statements and notes are in accordance with the Corporations Act 2001:

(a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations; and

(b) give a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. in the director's 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.

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



Richard Charles Anstey

Director

Dated 22/3/16



## DICKFOS DUNN ADAM

AUDIT AND ASSURANCE

### Veriluma Pty Ltd

ABN 16 117 490 785

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERILUMA PTY LTD

#### Report on the financial report

We have audited the accompanying financial report of Veriluma Pty Ltd, which comprises the statement of financial position as at 31 December 2015, 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 notes and the director's declaration.

#### *Directors' Responsibility for the Financial Report*

The Director of the company are responsible for the preparation of the financial report that gives a true and fair and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and to meet the needs of the members. The directors' responsibility also includes such internal control as the director 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.

#### *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 judgment, 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 director, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, previously provided to the director of Veriluma Pty Ltd, would be in the same terms if provided to the director as at the date of this auditor's report.



**Veriluma Pty Ltd**  
**ABN 16 117 490 785**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF VERILUMA PTY LTD**

**Unqualified Auditor's Opinion**

In our opinion, the financial report of Veriluma 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 31 December 2015 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

**Emphasis of Matter**

We draw attention to note 1(m) Going Concern which describes that the financial statements have been prepared on a going concern basis. The Statement of Financial Position reports material accumulated losses and reliance on related party loans to improve liquid asset ratios. The ongoing viability of the company is dependent on the success of the execution of the heads of agreement with Parmelia Resources and continued support from shareholders and financiers.

**Other Matters**

2013 audited financial report contained a qualified auditors opinion, due to the inability to validate opening balances as at 1 July 2012. As a result qualified auditor reports were also reported in 2014. These audit reports should be read in conjunction with the accumulated losses reported in the statement of equity at reporting date.

Please refer to Note 13 Share Capital regarding \$450,009 cash funds had been receipted from individuals purchasing 21,429 ordinary shares issued share price of \$21 each, however at the time of the audit report the shares were in the process of being formally issued.


**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 of the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

DICKFOS DUNN ADAM  
Audit & Assurance

  
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T L Adam

  
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Dated

SOUTHPORT