Commercial in Confidence

Hour25 Software LLC

Audrey Project Description

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Hour25 and Our Idea

About Hour25 Software LLC

We're living in an unprecedented time. The digital world is overtaking the physical world. We're living in the Digital Hour. Hour25.

Audrey

Audrey is the name of our product, we chose the name Audrey as it's resonant with "Auditor". Audrey the Auditor will harvest the blockchain and automatically do your accounting for you.

The expression "Blockchain Harvester" describes how Audrey will take in the straw, grains and weeds of the blockchain, process them and produce a clean, pure product of only the "grains" that belong to you.

Non Blockchain Opportunities

There is considerable scope for decent accounting packages right now, without the blockchain.

SME's use MYOB, Reckon, Xero and a host of other packages. Most of these are written on old platforms, use old methodologies and it's rare to hear anyone say anything positive about them.

Large companies use things such as SAP, Oracle ERP Financials and others.

Audrey will be written so as it will be stand alone, can be used right now without the blockchain and will have the potential to become a major player in the existing Accounting/ERP area, let alone once people realise the potential of what can be done with the blockchain.

In the event that the issues with the blockchain preventing its widespread adoption are actually insurmountable (unlikely but possible), then Audrey will still be able to be used and can still make significant amounts of money, without the blockchain.

Automated Accounting

The value to Businesses, Governments and Economies of successfully moving to Automated Accounting is astronomical. Based on our research, it's likely to add value and improve efficiencies by as much as $8 Trillion dollars each year to the world economy.

If you're not in the Accounting/Tax sectors, you probably aren't aware of the incredible costs and inefficiencies of doing business and collecting tax, but they are astronomical.

Most recent estimates have put the various costs associated with collecting taxes to the USA Government, at between $US500 billion and $US1 Trillion per year. They might be the largest economy in the world, but they're only one country and only the Government sector of that country. The efficiency gains to Businesses will no doubt dwarf these figures.

Problem Being Solved

Businesses, large and small, spend a huge amount of time doing accounts and accounting for these main reasons:

1. To work out if they're making a profit or not (ongoing viability)
2. To comply with Tax and Company Laws
3. To ensure employees, contractors and suppliers are paid
4. To ensure their products and/or services are paid for
5. To allow financial analysis of the business and to increase efficiencies

Then, in most cases, when internally they're happy everything is correct or as close as it can be, they send off their accounts to an Accountant and often Lawyers, who spend even more time - and consequent costs to the businesses - to advise them on how much tax to pay and how to be legally compliant. Accounts are sent to the Government, who then look over the accounts, agree or disagree, and advise the Accountant, who then advises the Business and, eventually when everyone agrees, tax is paid.

Occasionally the whole process takes so long, that a business might discover they are bankrupt and have to close, the flow on effect can be that other businesses close due to the business that has gone broke being unable to pay outstanding debts. Anyone that has been in business for a long time would have experienced being a creditor to a bankrupt company and can attest to the stresses and difficulties that resulted because of this.

The whole process of Accounting and Tax Collection is slow, time consuming, error prone and highly inefficient.

Current attempts at Automating Accounting without the blockchain are better than not having them, but they still require a large amount of manual checking, mistakes and different classifications for the same product are rife. To call the current system "Automated Accounting" is to be rather generous. There is no comparison between current accounting software and what the blockchain and Audrey should be able to do.

How Audrey Harvests the Blockchain

Eventually any blockchain that succeeds, will have to add real world value.

The blockchain(s) that likely end up being used in the real world, will almost certainly allow the tracking and categorising of products and services and subsequent payment on receipt of goods.

Just the single change of payment on receipt of goods (or services) which the blockchain itself will provide, has been estimated by various studies, to add between 2% and 5% efficiency to the economy. A staggering amount for the simplest of changes, which despite being easy enough to implement now, never has been and is unlikely to ever be implemented until the blockchain arrives to everyday transactions.

There will end up being Unique International Categories that each product or service falls into which will extend XBRL (eXtensible Business Reporting Language) which is currently being implemented in some countries, however, XBRL cannot be fully automated (at least at

this stage). These categories will be attached to a product or service on the blockchain. This will allow Automated Accounting via Audrey.

Audrey will have the potential to near instantly and near costlessly audit and automatically classify, every single transaction in the entire world, for Business and for Government. The implications of this to the efficiencies and the cost reductions of doing business, are mind blowing.

Having Audrey available so that Business and Governments can see the real world potential of the blockchain, will not only make Audrey central to the new world of Economics, but it will help drive the adoption of the blockchain. Put simply, if you can actually see that using Audrey and the blockchain is going to save you significant time and money, and drastically improve your efficiency, you'd be crazy not to move to the blockchain as fast as you possibly can.

Audrey has the potential to:

1. Automate Tax and Internal Accounting
2. Drastically increase efficiencies and reduce the costs of doing business
3. Drastically reduce taxes, by increasing:
    a. The efficiencies with which they can be collected
    b. The time frame with which they can be collected
    c. Eliminating the ability of large companies to profit shift and generally avoid tax
    d. Eliminating the ability of wealthy individuals and families to generally avoid tax

Add this to the blockchains ability to reduce financial transaction costs and the cost of goods and services should drop dramatically. The potential for the increase in the standard of living of ordinary people, across the entire globe, is very high and Audrey will potentially be a big part of this.

Blockchain Independent

Which blockchain(s) will end up being adopted? We have no idea, that's why Audrey will be blockchain independent.

You won't have to gamble on whether Bitcoin, Ethereum or some other blockchain becomes used or dominant. It will access the various blockchains and harvest the information that is relevant to your business address(es).

We would suspect that there will end up being many blockchains, possibly dozens, adopted across the world. In time, we may even make our own blockchain.

Audrey will have the ability to connect to the various blockchains and harvest your information from the blockchain and automatically do your accounting for you.

What about the Government

As a business, Audrey will connect with the Government, tell the Government how much tax the business should pay, and pay it. All the Government needs to do is occasionally change the rules as business and the world evolves.

But wait, paying tax… isn't that a bad thing?

No, and most businesses and people are happy to pay a sensible level of tax. The level of tax, if everyone paid it and big business didn't avoid it, would be much lower. The problem for anyone that isn't Super Wealthy, is that the Super Wealthy pay zero or minimal tax and therefore the average person has to pay substantially more tax to cover the shortfall. In an automated system, you can't avoid tax. For anyone that currently pays tax, this will be a fantastic advantage and your tax bills will drop drastically. For the Super Wealthy, they're going to have to get used to paying tax like everyone else.

Some Examples Please

Here are some examples of how this will actually work for the average business and an average Government.

At the moment, this is how your business accounting might work, (things will vary from country to country).

Example 1

We'll take the example of a travelling Sales Rep. There will be receipts for food. Some of these may be entertainment, which will probably have a Fringe Benefit or similar Tax line associated with them. Some of these may be for meals away from home, which will have a 100% deductible employee expense tax line. Some will have drinks, some of which will fall under one of the two mentioned categories, some may need to be repaid to the company if they are outside company guidelines.

Where the Sales Rep has paid cash and lost the receipt (or couldn't obtain one) and wished to claim a work expense, an internal form will need to be filled out. Cash balances will need to be reconciled. Some lost receipts may result in either no payment to the Sales Rep or no tax deduction to the business. Paper receipts also need to be kept for many years to justify the expenses. This increases the liability of a business, as paper receipts deteriorate, can get lost or in the case of a fire, get burnt. None of which generally removes your liability for having receipts to justify your claims.

All of this will have to be entered and checked by the Finance Dept worker, where typo's have been made, they will have to spend time on working out where the errors are and reconciling end of day payments.

This will eventually be part of the accounting that gets sent to the Accountant, who will have to look through everything to make sure it's approximately right, then it will eventually make its way to the Tax Department, who have to check the Accountant's work and send an advice back to the Accountant as to how much tax to pay and when to pay it. There is bound to be errors in the accounts. They may be large or they may be small. In the case of a Tax Office Audit, they may pick up these errors and the business may be liable for unpaid taxes and subject to large fines. Even without any negative Tax Audit outcomes, the cost to some businesses in time and money to have their Accountants answer all the Tax Office questions, has been enough to send many a business broke, so much so, that we now have the absurd situation where businesses in some countries are urged to take out insurance against being Audited by the Tax Office.

With the blockchain and Audrey, all that happens is the Sales Rep pays for their expenses using the blockchain and allocates the expense as Business or Personal at the time. Everything else is automatic, correct and near instant and will only require the one click authorisation of their Manager.

Example 2

A person from the Warehousing Department buys $500 worth of markers, packing tape etc and books it to the company account. To do this, they require a purchase order. The purchase order has to be raised by the person's Manager, printed and signed.

At the end of the month, an invoice is received by the accounts payable section. The purchase orders for the month need to be received from the Warehousing Department and matched against the account. If everything balances, and at some stage, a payment made for the purchases. The payment, if over a certain amount, may require a manager to authorise it or perform it.

The invoice will need to be keyed in to the accounting system and the balance will need to match once the payment has been drawn.

With the blockchain and Audrey, all that happens is the Warehouse Person pays for their expenses using the blockchain. Everything else is automatic, correct and near instant.

Efficiencies

This will drastically increase the efficiencies of business so that they can concentrate on their core business activities, rather than on accounting and associated tax and legal matters.

It will be a huge help for people wanting to start their own business. You will be able to just do what you're good at. You won't have to spend time learning accounting procedures, and worry about whether you've made a mistake somewhere and are accidentally not compliant with tax legislation or pay people to do your accounting.

Businesses can drastically reduce the accounts department size and cost, many won't require anyone at all in accounts, they can retire their accountant, the Government does away with its tens of thousands of tax office employees, transactions are quick, cheap, efficient and accurate. Business can do what it does best, provide products and services instead of spending a great deal of their time complying with tax and doing paperwork that benefits no one.

Economic Forecasting

At the moment, Economic Forecasting done by Governments, Banks, Social Groups etc, is done using information that, at times, can even be years old.

Example 3

Real Estate Forecasting

Things will vary from country to country.

At the moment, forecasting of sales, loans, median or average prices, rents, growth, everything, is done by relying on a combination of Real Estate Agents reporting, Bank reporting, Property Transfer reporting and others.

No one really likes reporting, so for business, this can be done haphazardly, can be late, not accurate or not at all. For Government Agencies, they tend to be slow and often require businesses to inform them of certain things, so reporting can be months behind. Reporting often varies from State to State, so getting a consistent report for a Federal (Country) Government can sometimes require reworking the data.

In some countries, Real Estate Forecasting can be a year behind reality. In many countries, they have no idea of the level of Foreign Ownership or how many properties a single person or company owns.

With the blockchain and Audrey, all that happens is the purchaser and Real Estate Agent pays for their expenses using the blockchain. Everything else is automatic, correct and near instant. Note that Audrey is only responsible for the financial accounting, property title transfer and title record keeping, will be done by specialised Real Estate applications.

Example 4
Government Forecasting
At the moment, forecasting of key indicators by Governments, relies on reports from the Tax Office, Banks, Industries, Statistics Offices and more.

This reporting can sometimes be years behind, as Tax Offices chase up people and companies that haven't lodged tax returns, Statistics Offices chase up businesses that have failed to lodge statistics or whose statistics don't appear correct.

Best case scenario, is that the eventually published forecasts rely on mostly correct data.

With the blockchain and Audrey, a vast array of Government and Industry financial reporting will be near instant and accurate.

No more waiting on CPI, Employment, Real Estate Sales or any other figures, just logon and it's all there waiting for you.

Waiting on the Blockchain

There's no doubt that the blockchain is coming, but at the moment, the world is waiting for a reason to use it. Audrey will provide that reason. The increases in efficiencies of doing business using Audrey are staggering.

Audrey will be designed to be able to be dual purpose, as both a Blockchain Harvester and a non-blockchain accounting system and to take advantage of the existing XBRL where possible.

This will have the advantage of businesses and users that are Blockchain Reluctant to be able to use Audrey and ease their way in to the 25th Hour that the world is entering.

If they wish to run a hybrid system for a while and when they eventually make the move there will be no transition period for Audrey customers, it will be instant and seamless.

What will an Audrey Token be used for

This section does not constitute a prospectus. All figures are fictitious and used purely to demonstrate how an Audrey Token may work.

Business and Government that want to use Audrey (and who wouldn't) will require a Token to use it.

The formula will be:

Tokens/Annual Turnover

We are hoping to eventually set this at 1.0 full Token per $US10 million Annual Turnover.

We would expect a business of this size would save between 2% & 5% in accounting costs by using Audrey. This would equate to a saving of between $US200,000 and $US500,000.

A business, if they do not own a Token, will have to buy a Token from a Token holder. What price the Token holder sells the Token for, is up to the Token holder.

Time to Market

We're hoping to have Audrey v1.0 released in about 18-24 months after the close of the token sale.

Marketing

Any product is only good if people use it. We will start marketing Audrey immediately we have enough funds to ensure its development and release and would hope to have a large number of buyers ready and eager the moment it is released.

Tokens

The Tokens will be required to use Audrey. No Token, no use. We intend to let the market set the rate. We will have no control over what they might eventually be worth.

We will produce only 100 million Tokens for sale at approximately $US1 each.

Token Distribution

90% of Tokens will be distributed if fully subscribed in the Crowd Sale. Yes, that's right, 90%. This is your project, managed by us. We will only keep 10% as even that we should never need if fully subscribed, but it's always a good idea to have emergency funds... just in case of a funding emergency!! Once we're sure that we have enough funds to make Audrey a success and if there is excess, we will look at options of funding other people's ideas that may not have the skills or up front cash to launch a crowd funding sale. Anyone that participated in the Audrey initial Token Sale will be eligible to participate in our next 2 issues at a 50% price discount to the open market.

Risk Mitigation

As everyone would be aware, there are risks in the Crypto Currency world. There are also risks in the Fiat Currency world, particularly if a couple of nations decide to nuke it out. To reduce the risk of a single disaster wiping out all of our funds, we will be spreading the risk across platforms, both in the Crypto and Fiat currency worlds.

Most of the incoming Crypto Tokens we receive, will be converted to $US. Some of this will be transferred to the local currency where the development of Audrey will take place. At this stage, we plan to develop in South Australia, as the English speaking business world will be

our first and main market. This is a state in a country where the sovereign risk is very low and we can get high quality developers at a reasonable price. Once we have made inroads in to the English speaking world, we will start language translations and customisations for other countries.

Crypto Currency will only be stored on an Exchange for long enough to convert to a different Crypto Currency to risk spread, then taken off in to cold storage. Only major Exchanges will be used and two or more Exchanges will be used.

We will keep some of the Crypto Coin currencies we receive.

The number of persons with access to the company funds will be limited. It's expected that only 3 people (in the case of the unexpected death of 1 or 2 people eg plane crash, car crash, the company can continue to function) will have access to funds. All 3 people will be trained in cyber security and will only access funds from a dedicated laptop/PC and/or hard wallet. Hard copies of addresses and login/password details will be kept in an Australian Data Safe system and only accessible upon the presentation of death certificates of all 3 people.

Two companies will be setup: one to handle funds, the other to handle the actual development of the products. This is the recommended strategy for legal and financial risk mitigation. The funds company will have bank accounts in at least 2 countries, but the bulk of the funds will be held where the companies head office is located, in Nevis, West Indies.

Depending on the level of funding, some funds may be used to purchase offices to reduce leasing costs and convert Fiat in to Real Estate to reduce the risk of a Fiat collapse in the event of a major military conflict.

The aim of our Risk Mitigation/Disaster Recovery system, will be for the project to continue under any circumstances, even in the event of all of the Directors of the company's unexpected deaths or a major military conflict. Token holders must be to feel confident that "The Show Must Go On".

Personnel

Everyone chosen to be on the Executive Team at Hour25 Software LLC have been chosen for these main reasons:
1. Their business skills are needed by the project and they're good at what they do
2. They are motivated by the idea of making the world a better place
3. There has been a long association with the person and they have proven to be impeccably honest and reliable

Legal Stuff

The law is a minefield and liable to change.

International Law and International Accounting is a complex thing. We could spend hundreds of millions of dollars on Legal and Accounting Advice and then it could still turn out to be wrong when tested in a court in some country somewhere. We have a legal adviser on our team to help with this and we have used a legal firm in Nevis, WI to produce the legal

documents which are legally binding in the jurisdiction where Hour25 Software LLC is located.

It is up to you to get your own legal and financial advice to ensure you comply with your own countries legislation.

We operate with honesty and integrity and choose to try to make the world a better place.

Our aim is to provide innovative, high quality software. We make no claim's whatsoever as to whether we will be able to achieve that aim and no claims whatsoever as to whether any person will make money out of being associated in any manner with Hour25 Software LLC or by purchasing any Tokens.

We hope you like our idea.

Disclaimer

This is a new project, in the developing area of the blockchain. Things change rapidly and no one can predict where the blockchain will be in a decades time. Everything is subject to change, without notice and without compensation in any form.

This project description is not a legal document and is provided without prejudice.