

**PULSE INVESTMENTS LIMITED**

**FINANCIAL STATEMENTS**

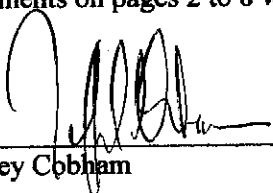
**NINE MONTHS ENDED MARCH 31, 2009**

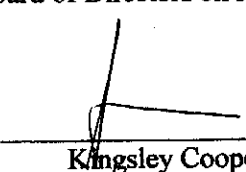
**PULSE INVESTMENTS LIMITED**

Balance Sheet  
March 31, 2009

	<u>Notes</u>	<u>31/3/09</u>	<u>31/12/08</u>	<u>Audited 30/6/08</u>	<u>31/3/08</u>
<b>Current assets</b>					
Bank Balances		16,056,514	24,890,695	62,416,413	28,498,909
Trade and other receivables		30,385,895	21,587,211	35,825,932	35,333,913
Advertising entitlements		1,218,314,886	1,124,314,886	924,867,290	778,583,806
Unexpired sponsorships in kind		111,626,906	111,626,906	28,146,144	56,984,261
		<u>1,376,384,201</u>	<u>1,282,419,698</u>	<u>1,051,255,779</u>	<u>899,400,389</u>
<b>Current liabilities</b>					
Bank overdraft		7,429,563	7,208,508		1,471,995
Accounts payable and accrued charges		9,306,562	10,040,594	16,741,979	18,842,410
Due to related parties		56,404,980	63,662,693	29,628,040	34,865,798
Current portion of long-term liabilities		<u>17,103,191</u>	<u>17,103,191</u>	<u>17,103,191</u>	<u>447,161</u>
		<u>90,244,296</u>	<u>98,014,986</u>	<u>63,473,210</u>	<u>55,627,364</u>
<b>Net current assets</b>		<u>1,286,139,905</u>	<u>1,184,404,712</u>	<u>987,782,569</u>	<u>843,773,025</u>
<b>Non-current assets</b>					
Investment property		137,086,399	121,712,205	59,313,872	
Intangible assets		92,720,000	92,720,000	92,720,000	88,790,000
Property, plant & equipment		<u>333,395,313</u>	<u>350,549,267</u>	<u>353,047,501</u>	<u>336,617,760</u>
		<u>563,201,712</u>	<u>564,981,472</u>	<u>505,081,373</u>	<u>422,009,168</u>
		<u>1,849,341,617</u>	<u>1,749,386,184</u>	<u>1,492,863,942</u>	<u>1,265,782,193</u>
Financed by:					
Stockholders' equity					
Share capital		152,367,035	152,367,035	152,367,035	25,367,036
Share premium		366,375,604	366,375,604	366,375,604	373,188,302
Capital reserve		2,636,853	2,636,853	2,636,853	2,636,853
Capital redemption reserve		20,499,988	20,499,988	20,499,988	
Retained earnings		<u>1,303,047,293</u>	<u>1,201,344,770</u>	<u>940,136,357</u>	<u>844,362,718</u>
		<u>1,844,926,773</u>	<u>1,743,224,250</u>	<u>1,482,015,837</u>	<u>1,245,554,909</u>
<b>Non-current liabilities</b>					
Long-term loans		4,414,844	6,161,934	10,848,105	20,227,284
Preference shares					
Shares					
Share premium		0		0	
		<u>1,849,341,617</u>	<u>1,749,386,184</u>	<u>1,492,863,942</u>	<u>832,142,611</u>

The financial statements on pages 2 to 8 were approved by the Board of Directors on May 14, 2009 and signed on its behalf by:

  
\_\_\_\_\_  
Jeffrey Cobham Director

  
\_\_\_\_\_  
Kingsley Cooper Director

The accompanying notes form an integral part of the financial statements

**PULSE INVESTMENTS LIMITED**Income Statement  
Nine Months ended March 31, 2009

	<u>Notes</u>	3 Mths. ended <u>31/3/09</u>	3 Mths. ended <u>31/3/08</u>	9 Mths. ended <u>31/3/09</u>	9 Mths. ended <u>31/3/08</u>
Operating revenue		378,529,662	169,729,943	817,516,042	510,742,240
Operating expenses		<u>(276,652,724)</u>	<u>(79,517,349)</u>	<u>(454,480,786)</u>	<u>(197,261,696)</u>
Operating profit		101,876,938	90,212,594	363,035,256	313,480,544
Other income		<u>215,440</u>	<u>1,293,381</u>	<u>818,832</u>	<u>1,293,381</u>
Profit before net finance costs		102,092,378	91,505,975	363,854,088	314,773,925
Net finance costs		<u>389,855</u>	<u>101,897</u>	<u>943,151</u>	<u>1,156,260</u>
Net profit attributable to members		101,702,523	91,404,078	362,910,937	313,617,665
Basic earnings per stock unit	8	<u>0.37</u>	<u>0.36</u>	<u>1.33</u>	<u>1.24</u>
Fully diluted earnings per stock unit	8				

The attached notes form an integral part of these financial statements.

**PULSE INVESTMENTS LIMITED**

Statement of Changes in Stockholders' Equity  
 Nine months ended March 31, 2009

	Share Capital	Share premium	Capital reserve	Capital redemption reserve	Retained earnings	Total
Balance at June 30, 2006	25,367,036	373,188,302	2,636,853	-	264,601,577	665,793,768
Net profit attributable to members	-	-	-	-	266,143,477	266,143,477
Balance as at June 30, 2007	25,367,036	373,188,302	2,636,853	-	530,745,054	931,937,245
Net profit attributable to members	-	-	-	-	429,891,292	429,891,292
Transfer to capital redemption reserve	-	-	-	20,499,988	(20,499,988)	(6,812,698)
Cost of rights share issue	-	(6,812,698)	-	-	-	(6,812,698)
Rights share issue	126,999,999	-	-	-	-	126,999,999
Balance at June 30, 2008	152,367,035	366,375,604	2,636,853	20,499,988	940,136,357	1,482,015,837
Net profit attributable to members	-	-	-	-	362,910,936	362,910,936
Balance as at March 31, 2009	152,367,035	366,375,604	2,636,853	20,499,988	1,303,047,293	1,844,926,773

**PULSE INVESTMENTS LIMITED**Statement of Cash Flows  
Nine months ended March 31, 2009

	3 Mths. ended <u>31/3/09</u>	3 Mths. ended <u>31/3/08</u>	9 Mths. ended <u>31/3/09</u>	9 Mths. ended <u>31/3/08</u>
Cash flows from operating activities				
Net profit attributable to members	101,702,523	91,404,078	362,910,936	313,617,665
Adjustments to reconcile net profit attributable to members to net cash provided/(used) by operating activities:				
Depreciation	1,813,764	1,073,537	5,437,096	3,220,612
Amortization of patents and trademarks		1,310,000		3,930,000
Item reclassified				
Interest expense	<u>347,892</u>	<u>52,323</u>	<u>649,734</u>	<u>634,571</u>
Operating profit before changes in working capital	103,864,179	93,839,938	368,997,766	321,402,848
(Increase)/decrease in current assets:				
Trade and other receivables	(8,798,684)	1,883,815	5,440,037	15,089,816
Due from related company				
Advertising entitlements	(94,000,000)	(89,342,500)	(376,928,358)	(309,314,001)
Increase/(decrease) in current liabilities:				
Accounts payable and accrued charges	(734,032)	8,187,688	(7,435,417)	5,418,188
Current portion of long term loan				(10,340,390)
Due to related party	<u>(7,257,713)</u>	<u>7,002,004</u>	<u>26,776,940</u>	<u>22,360,518</u>
Cash provided/(used)by operating activities	(6,926,250)	21,570,945	16,850,968	44,616,979
Interest paid	<u>(347,892)</u>	<u>(52,323)</u>	<u>(649,734)</u>	<u>(634,571)</u>
	(7,274,142)	21,518,622	16,201,234	43,982,408
<b>Cash flows from investing activities:</b>				
Acquisition of property, plant & equipment	(34,004)	(246,664)	(63,557,435)	(614,449)
Proceeds from disposal of property, plant & equipment	-	-	-	-
Net cash used in investing activities	<u>(34,004)</u>	<u>(246,664)</u>	<u>(63,557,435)</u>	<u>(614,449)</u>
Cash Flows from financing activities				
Bank overdraft	221,055	(1,137,391)	7,429,563	(3,028,613)
Loans received			1,655,600	8,550,472
Loans repaid	<u>(1,747,090)</u>	<u>(22,034,330)</u>	<u>(8,088,861)</u>	<u>(22,034,330)</u>
Net cash provided by financing activities	<u>(1,526,035)</u>	<u>(23,171,721)</u>	<u>996,302</u>	<u>(16,512,471)</u>
Net (decrease)/ increase in cash and cash equivalents	(8,834,181)	(1,899,264)	(46,359,899)	26,855,985
Cash and cash equivalents at beginning of period	24,890,695	30,398,173	62,416,413	1,642,923
Cash and cash equivalents at end of period	16,056,514	28,498,909	16,056,514	28,498,909

The attached notes form an integral part of these financial statements.

## PULSE INVESTMENTS LIMITED

### Notes to the Financial Statements

#### Nine months ended March 31, 2009

#### 1. The company

The company was incorporated in Jamaica under the Companies Act on August 6, 1993 and is domiciled in Jamaica. It commenced trading on November 1, 1993.

The principal activities of the company are model agency representation, multi-media production, marketing, show promotion and sub-letting of leasehold properties. The registered office of the company is located at 38a Trafalgar Road, Kingston 10, Jamaica.

On June 30, 2005 Pulse Investments Limited (PIL) entered into an agreement with Pulse Entertainment Group Limited (PEGL), a related company, to acquire certain assets and liabilities in PEGL in exchange for shares in PIL.

#### 2. Statement of compliance, basis of preparation and significant accounting policies

##### (a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the provisions of the Companies Act.

These financial statements have been prepared using the same accounting policies and methods of computation as compared with the audited financial statements for the year ended June 30, 2008.

#### 3. Revenue recognition:

Revenue is recognized in the income statement on the accrual basis, except for sponsorship in kind which is recorded as income, at estimated market value, when activities to be performed by the company in return for the sponsorships or advertising entitlement have been substantially completed.

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

#### 4. Government grants:

An unconditional government grant relating to event promotion is recognized in the income statement as operating income when the grant is received. Grants that compensate the company for expenses incurred are recognized as revenue in the income statement on a systematic basis in the same period in which the expenses are incurred.

#### 5. Advertising entitlements and unexpired sponsorship in kind

Unexpired sponsorship represents in kind services which have not been utilized and are recorded at estimated market value. The unexpired portion is carried forward and written off in the following year.

	<u>31/3/09</u>	<u>30/6/08</u>	<u>31/3/08</u>	<u>30/6/07</u>
Opening balance	953,013,434	526,254,066	526,254,066	263,843,929
Sponsorships received	762,735,002	1,622,729,463	421,885,501	951,049,007
Amount recognized in income	<u>(385,806,645)</u>	<u>(1,195,970,095)</u>	<u>(111,415,000)</u>	<u>(688,638,870)</u>
	1,329,941,792	953,013,434	836,724,567	526,254,066

**PULSE INVESTMENTS LIMITED**

Notes to the Financial Statements

Nine months ended March 31, 2009

**6. Bank overdraft**

The bank overdraft is secured by a bill of sale over a motor vehicle owned by a director and an unlimited personal guarantee from that director.

**7. Operating revenue**

Operating revenue comprises income from television entitlements, market sponsorships, model agency representation, government grants, income from subletting of leasehold properties and ticket sales.

**8. Earnings per stock unit**

Basic and fully diluted earnings per share are calculated based on the net profit for the period attributable to members of \$101,589,761 (2008: 91,404,078) and the number of shares of 271,789,683 (2008: 253,670,362) and 271,789,683 (2008: 262,670,405) ordinary and ordinary cumulative convertible redeemable preference shares in issue, respectively.