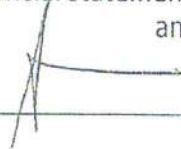


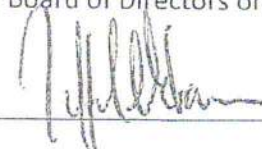
PULSE INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION  
Quarter ended September 30, 2017

|                                      | Notes | 30/09/17<br>\$'000 | Audited<br>30/06/17<br>\$'000 | 30/09/16<br>\$'000 | Audited<br>30/06/16<br>\$'000 |
|--------------------------------------|-------|--------------------|-------------------------------|--------------------|-------------------------------|
| <b>ASSETS</b>                        |       |                    |                               |                    |                               |
| <b>NON-CURRENT ASSETS:</b>           |       |                    |                               |                    |                               |
| Property, plant & equipment          |       | 160,399            | 160,774                       | 114,790            | 115,050                       |
| Intangible assets                    |       | 92,720             | 92,720                        | 92,720             | 92,720                        |
| Investment properties                |       | 1,524,837          | 1,481,868                     | 1,347,492          | 1,309,400                     |
| Deferred tax asset                   |       | 127,080            | 127,080                       | 123,510            | 123,510                       |
|                                      |       | <u>1,905,036</u>   | <u>1,862,442</u>              | <u>1,678,512</u>   | <u>1,640,680</u>              |
| <b>CURRENT ASSETS</b>                |       |                    |                               |                    |                               |
| Trade and other receivables          |       | 31,089             | 38,444                        | 28,034             | 24,764                        |
| Advertising entitlements receivable  |       | 609,237            | 567,237                       | 471,187            | 439,237                       |
| Cash and cash equivalents            |       | 38,930             | 15,705                        | 31,209             | 18,656                        |
|                                      |       | <u>679,256</u>     | <u>621,386</u>                | <u>530,430</u>     | <u>482,657</u>                |
|                                      |       | <u>2,584,292</u>   | <u>2,483,828</u>              | <u>2,208,942</u>   | <u>2,123,337</u>              |
| <b>RESERVES AND LIABILITIES</b>      |       |                    |                               |                    |                               |
| <b>SHAREHOLDERS EQUITY</b>           |       |                    |                               |                    |                               |
| Share capital                        |       | 152,367            | 152,367                       | 152,367            | 152,367                       |
| Share premium                        |       | 366,376            | 366,376                       | 366,376            | 366,376                       |
| Capital reserve                      |       | 2,637              | 2,637                         | 2,637              | 2,637                         |
| Capital redemption reserve           |       | 20,500             | 20,500                        | 20,500             | 20,500                        |
| Revaluation reserve                  |       | 97,123             | 94,650                        | 61,265             | 58,792                        |
| Shares to be issued                  |       | 2,609              | 2,609                         | 2,609              | 2,609                         |
| Retained earnings                    |       | 1,748,772          | 1,647,933                     | 1,484,264          | 1,393,537                     |
|                                      |       | <u>2,390,384</u>   | <u>2,287,072</u>              | <u>2,090,018</u>   | <u>1,996,818</u>              |
| <b>NON-CURRENT LIABILITY</b>         |       |                    |                               |                    |                               |
| Long-term loans                      |       | 9,022              | 9,692                         | 13,046             | 13,346                        |
| Related Party                        |       | 161,777            | 149,698                       | 90,264             | 90,264                        |
|                                      |       | <u>170,799</u>     | <u>159,390</u>                | <u>103,310</u>     | <u>103,610</u>                |
| <b>CURRENT LIABILITIES</b>           |       |                    |                               |                    |                               |
| Accounts payable and accrued charges |       | 7,736              | 17,134                        | 4,459              | 8,149                         |
| Taxation                             |       | 11,155             | 11,155                        | 4,609              | 4,609                         |
| Bank overdraft                       |       | 161                | 5,020                         | 2,489              | 6,094                         |
| Current portion of long term loans   |       | 4,057              | 4,057                         | 4,057              | 4,057                         |
|                                      |       | <u>23,109</u>      | <u>37,366</u>                 | <u>15,614</u>      | <u>22,909</u>                 |
|                                      |       | <u>2,584,292</u>   | <u>2,483,828</u>              | <u>2,208,942</u>   | <u>2,123,337</u>              |

The financial statements on pages 3 to 8 were approved for issue by the Board of Directors on 10<sup>th</sup> NOVEMBER 2017 and signed on its behalf by:-

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

PULSE INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Quarter ended September 30, 2017

|  | 30/09/17<br>\$'000 | Audited<br>30/06/17<br>\$'000 | 30/09/16<br>\$'000 | Audited<br>30/06/16<br>\$'000 |
|--|--------------------|-------------------------------|--------------------|-------------------------------|
| REVENUE  |                    |                               |                    |                               |
| Operating Revenue                              | 119,380            | 390,999                       | 108,103            | 350,583                       |
| Administrative and other expense               | (46,273)           | (217,117)                     | (44,548)           | (202,630)                     |
| PROFIT FROM OPERATIONS                         | 73,107             | 173,882                       | 63,555             | 147,953                       |
| Fair value appreciation on investment property | 28,402             | 97,622                        | 27,402             | 94,877                        |
| Other income                                   |                    |                               |                    |                               |
| Profit before finance costs                    | 101,509            | 271,504                       | 90,957             | 242,830                       |
| Net finance costs:                             |                    |                               |                    |                               |
| Finance costs                                  | (670)              | (3,092)                       | (230)              | (3,753)                       |
| PROFIT BEFORE TAXATION                         | 100,839            | 268,412                       | 90,727             | 239,077                       |
| Taxation                                       | 0                  | 8,440                         | -                  | 138,498                       |
| NET PROFIT                                     | 100,839            | 276,852                       | 90,727             | 377,575                       |
| Other comprehensive income:                    |                    |                               |                    |                               |
| Gain on leasehold revaluation                  | 2,473              | 47,274                        | 2,473              | 10,098                        |
| Deferred tax effect                            |                    | (11,416)                      |                    | (19,597)                      |
|  | 2,473              | 35,858                        | 2,473              | (9,499)                       |
| Total comprehensive income for the period      | 103,312            | 312,710                       | 93,200             | 368,076                       |
| EARNINGS PER SHARE                             | 0.06               | 0.16                          | 0.05               | 0.22                          |

RESTATEMENT OF EARNINGS PER SHARE

Note: Stock has been split 6 for 1 in this quarter therefore earnings per share for the previous periods have been restated for conformity.

**PULSE INVESTMENTS LIMITED**

**Statement of changes in Stockholders' Equity  
Quarter ended September 30, 2017**

|   | Share<br>Capital<br>\$'000 | Share<br>premium<br>\$'000 | Capital<br>reserve<br>\$'000 | Capital<br>redemption<br>reserve<br>\$'000 | Revaluation<br>reserve<br>\$'000 | Shares<br>to be<br>issued<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>\$'000 |
|---|----------------------------|----------------------------|------------------------------|--|----------------------------------|-------------------------------------|--------------------------------|-----------------|
| Balances as at 1 July 2016  | 152,367                    | 366,376                    | 2,637                        | 20,500                                     | 58,792                           | 2,609                               | 1,393,537                      | 1,996,818       |
| Total comprehensive income<br>Profit/(Loss) for the quarter<br>ended September 30, 2016 |                            |                            |                              |  | 2,473                            |                                     | 90,727                         | 93,200          |
| Balance at 30/9/2016  | 152,367                    | 366,376                    | 2,637                        | 20,500                                     | 61,265                           | 2,609                               | 1,484,264                      | 2,090,018       |
| Balances as at July 1, 2016   | 152,367                    | 366,376                    | 2,637                        | 20,500                                     | 58,792                           | 2,609                               | 1,393,537                      | 1,996,818       |
| Total comprehensive income:<br>Profit for the year                                      |                            |                            |                              |  | 276,852                          |                                     | 276,852                        | 276,852         |
| Other comprehensive income  |                            |                            |                              |  | 35,858                           |                                     | 35,858                         | 35,858          |
| TRANSACTIONA WITH OWNERS<br>Dividends paid  |                            |                            |                              |  |                                  |                                     | 276,852                        | 312,710         |
| Balance at June 30, 2017  | 152,367                    | 366,376                    | 2,637                        | 20,500                                     | 94,650                           | 2,609                               | 1,647,933                      | 2,287,072       |
| Total comprehensive income<br>Profit for the quarter<br>ended September 30, 2017        |                            |                            |                              |  | 2,473                            |                                     | 100,839                        | 103,312         |
|   | 152,367                    | 366,376                    | 2,637                        | 20,500                                     | 97,123                           | 2,609                               | 1,748,772                      | 2,390,384       |



**PULSE INVESTMENTS LIMITED**

Statement of Cash Flows  
Quarter ended September 30, 2017

|   | 30/09/17<br>\$'000   | Audited<br>30/06/17<br>\$'000 | 30/09/16<br>\$'000   | Audited<br>30/06/16<br>\$'000 |
|---|----------------------|-------------------------------|----------------------|-------------------------------|
| <b>Cash flows from operating activities</b>       |                      |                               |                      |                               |
| Net Profit for the period                         | 103,312              | 276,852                       | 93,200               | 377,575                       |
| Items not affecting cash resources                |                      |                               |                      |                               |
| Fair value appreciation on investment property    | (28,402)             | (93,906)                      | (27,402)             | (93,996)                      |
| Advertising entitlement                           | (42,000)             | (128,000)                     | (31,950)             | (115,486)                     |
| Depreciation                                      | 430                  | 1,792                         | 430                  | 1,808                         |
| Interest expense                                  | 670                  | 3,092                         | 230                  | 3,753                         |
| Deferred taxation                                 | -                    | (14,986)                      |                      | (143,107)                     |
| Taxation expense                                  |                      | 6,546                         |                      | 4,609                         |
|   | <u>34,010</u>        | <u>51,390</u>                 | <u>34,508</u>        | <u>35,156</u>                 |
| Changes in operating assets and liabilities:      |                      |                               |                      |                               |
| Trade and other receivables                       | 7,355                | (13,680)                      | (3,270)              | (8,846)                       |
| Payables and accruals                             | (9,398)              | 8,985                         | (3,690)              | 609                           |
| Related party                                     | 12,079               | 59,434                        | -                    | 40,669                        |
|   |                      |                               |                      |                               |
| Cash provided by operating activities             | 44,046               | 106,129                       | 27,548               | 67,588                        |
| <b>Cash flows from investing activities</b>       |                      |                               |                      |                               |
| Purchase of property, plant & equipment           | (55)                 | (242)                         | (170)                | (266)                         |
| Additions to investment properties                | (14,567)             | (78,562)                      | (10,690)             | (40,454)                      |
|   |                      |                               |                      |                               |
| Net cash used by investing activities             | <u>(14,622)</u>      | <u>(78,804)</u>               | <u>(10,860)</u>      | <u>(40,720)</u>               |
| <b>Cash from financing activities</b>             |                      |                               |                      |                               |
| Interest paid                                     | (670)                | (3,092)                       | (230)                | (3,753)                       |
| Dividend paid                                     | -                    | (22,456)                      | -                    | (16,842)                      |
| Loans repaid                                      | (670)                | (3,654)                       | (300)                | (3,414)                       |
|   |                      |                               |                      |                               |
| Net cash (used)/provided by financing activities  | <u>(1,340)</u>       | <u>(29,202)</u>               | <u>(530)</u>         | <u>(24,009)</u>               |
| Net increase in cash and cash equivalents         | 28,084               | (1,877)                       | 16,158               | 2,859                         |
| Cash and cash equivalents at beginning of period  | 10,685               | 12,562                        | 12,562               | 9,703                         |
| Effects of exchange rate translation              |                      | -                             |                      |                               |
|   |                      |                               |                      |                               |
| <b>Cash and cash equivalents at end of period</b> | <u><u>38,769</u></u> | <u><u>10,685</u></u>          | <u><u>28,720</u></u> | <u><u>12,562</u></u>          |

The accompanying notes form an integral part of the financial statements.

## PULSE INVESTMENTS LIMITED

Notes to the Financial Statements  
Quarter ended September 30, 2017

### 1. The company

The company was incorporated in Jamaica under the Companies Act on August 6, 1993 and commenced trading on November 1, 1993. The company is domiciled in Jamaica and is controlled by the Executive Chairman, Mr. Kingsley Cooper. The company's shares are listed on the Jamaica Stock Exchange.

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

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

#### (a) Statement of compliance

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

These financial statements have been prepared using the same accounting policies and methods of computation as contained in the audited financial statements for the year ended June 30, 2017.

#### (b) Revenue recognition:

Operating revenue represents income from sale of T V programming, market sponsorship, model agency representation, show production and promotion, and rental income from sub-letting leasehold properties.

##### *Advertising entitlements/Sale of TV programming*

Advertising entitlements are received in part or full consideration for the company's produced and branded TV programmes sold to broadcasting stations. The company utilises these entitlements or makes them available to sponsors. Revenue from advertising entitlements is recognised to the extent of expenses that are recoverable.

##### *Sponsorship in kind*

Sponsorship in kind represent services provided by sponsors. These are recognised in income in the period that the associated expenses are recognised.

##### *Model agency representation*

Revenue from model agencies is recognised as commissions or management fees earned. Commissions are earned when models represented by the company have completed modelling

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

#### *Show production*

Revenue from the production and promotion of shows is recognised in accordance with the terms of the various contractual agreements.

#### *Operating leases*

Income and expenses under operating leases are recognised in profit and loss on a straight line basis over the term of the lease.