

C2W MUSIC LIMITED

FINANCIAL STATEMENTS

(UNAUDITED)

NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

Prepared by



C2W MUSIC LIMITED
FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

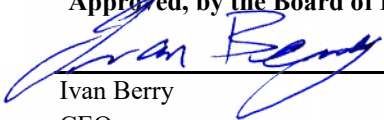
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C2W MUSIC LIMITED
STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT SEPTEMBER 30, 2017

	<u>Notes</u>	Un-audited Nine (9) months ended September 30, 2017 <u>US\$</u>	Un-audited Nine (9) months ended September 30, 2016 <u>US\$</u>	Audited Year ended December 31, 2016 <u>US\$</u>
ASSETS				
Non-current assets				
Property and equipment	5	448	1,479	1,373
Intangible asset	6	1	1	1
Advances to songwriters	7	269,942	251,207	269,942
		<u>270,391</u>	<u>252,687</u>	<u>271,316</u>
Current assets				
Tax recoverable		1,413	1,413	1,412
Receivables	8	19,574	10,000	-
Cash and bank balances	9	106	2,324	42,728
Total current assets		<u>21,093</u>	<u>13,737</u>	<u>44,140</u>
Total assets		<u>291,484</u>	<u>266,424</u>	<u>315,456</u>
EQUITY & LIABILITIES				
Equity				
Share capital	10	1,286,619	1,286,619	1,286,619
Accumulated deficit		(1,245,590)	(1,268,077)	(1,219,505)
Total equity		<u>41,029</u>	<u>18,542</u>	<u>67,114</u>
Non-current liability				
Director's loans	11	23,839	65,280	58,280
Current liabilities				
Loans payable	12	93,457	87,854	89,312
Due to related parties		-	-	-
Payables	13	133,159	94,748	100,750
Total current liabilities		<u>226,616</u>	<u>182,602</u>	<u>190,062</u>
Total equity and liabilities		<u>291,484</u>	<u>266,424</u>	<u>315,456</u>

Approved, by the Board of Directors and signed on its behalf by:


Ivan Berry
CEO


Derek Wilkie
Director

C2W MUSIC LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

	Un-audited	Un-audited	Un-audited	Un-audited	Audited
	Quarter ended	Quarter ended	Nine (9) months	Nine (9) months	Year ended
	September 30,	September 30,	ended	ended	December 31,
	2017	2016	September 30,	September 30,	2016
Notes	US\$	US\$	US\$	US\$	US\$
Revenues:					
Performance royalty	2,711	-	5,587	356	35,569
Digital royalty	-	-	-	-	-
Synchronization royalty	-	-	-	5,000	5,000
Management and consulting	-	10,000	-	10,000	-
Total revenues	4 <u>2,711</u>	<u>10,000</u>	<u>5,587</u>	<u>15,356</u>	<u>40,569</u>
Less expenses:					
Song writing camps and development expenses	14	-	-	10,544	13,275
Administrative expenses	15	14,596	28,396	17,129	4,151
		<u>(14,596)</u>	<u>(28,396)</u>	<u>(27,673)</u>	<u>(17,426)</u>
Operating (loss) / profit		(11,885)	5,351	(22,809)	(12,317)
Finance costs	16	1,520	1,542	4,776	4,862
(Loss) / profit for the period / year		(13,405)	3,809	(27,585)	(17,179)
Other income:					
Sponsorship income		-	-	11,180	11,180
Management and consulting fee		-	1,500	-	15,000
		<u>-</u>	<u>1,500</u>	<u>11,180</u>	<u>26,180</u>
Net (loss) / profit being total comprehensive (expense) / income for the period / year		(13,405)	3,809	(26,085)	(5,999)
(Loss) / profit per stock unit:	17	(0.003) cents	0.001 cents	(0.007) cents	(0.001) cents
		<u>0.011 cents</u>		<u>0.011 cents</u>	

C2W MUSIC LIMITED
STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

	Share capital <u>US\$</u>	Accumulated deficit <u>US\$</u>	Total <u>US\$</u>
Audited balances at December 31, 2015	1,286,619	(1,262,078)	24,541
Net loss, being total comprehensive expense for the period	<u>-</u>	<u>(5,999)</u>	<u>(5,999)</u>
Unaudited balances at September 30, 2016	<u>1,286,619</u>	<u>(1,268,077)</u>	<u>18,542</u>
Audited balances at December 31, 2016	1,286,619	(1,219,505)	67,114
Net loss, being total comprehensive expense for the period	<u>-</u>	<u>(26,085)</u>	<u>(26,085)</u>
Unaudited balances at September 30, 2017	<u>1,286,619</u>	<u>(1,245,590)</u>	<u>41,029</u>

C2W MUSIC LIMITED
STATEMENT OF CASH FLOWS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

	Unaudited Nine (9) months ended September 30, 2017 US\$	Unaudited Nine (9) months ended September 30, 2016 <u>US\$</u>	Audited Year ended December 31, 2016 <u>US\$</u>
(Loss) / profit for the period / year	(26,085)	(5,999)	42,573
Adjustments for:			
Depreciation and amortization	925	317	423
Finance costs	4,145	4,142	5,600
Interest income	(1)	(1)	(1)
Operating cash flows before movements in working capital	(21,016)	(1,541)	48,595
Decrease in operating assets			
Receivables	(19,574)	(10,000)	-
Increase/ (decrease) / in operating liabilities			
Payables	32,408	5,448	11,450
Director's loan	(34,441)	(13,000)	(20,000)
Cash (used in) / generated from operations	(42,623)	(19,093)	40,045
Interest received	1	-	1
Net cash (used in) / provided by operating activities	(42,622)	(19,093)	40,046
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in advances to songwriters	-	-	(18,735)
Net cash used in investing activities	-	-	(18,735)
NET (DECREASE) / INCREASE IN CASH AND BANK BALANCES	(42,622)	(19,093)	21,311
CASH AND BANK BALANCES AT BEGINNING OF YEAR	42,728	21,417	21,417
CASH AND BANK BALANCES AT THE END OF PERIOD / YEAR	106	2,324	42,728

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

1. IDENTIFICATION

- (a) C2W Music Limited (the "Company") is a limited liability company incorporated and domiciled in Jamaica. The Company is listed on the Junior Stock Exchange. The registered office is situated at Unit 27B, 80 LMR, 80 Lady Musgrave Road, Kingston 6, Jamaica. The company commenced operations in November 2011.
- (b) The Company was established for the purpose of obtaining intellectual property rights, namely, licensing and publication rights to songs developed by Caribbean songwriters. The principal activities of the company involve developing the talents of Caribbean songwriters, acquiring licensing rights to their compositions and promoting the commercial use of the compositions.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim financial statements have been prepared under the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These financial statements are expressed in United States of America dollars, which is the company's functional currency.

The interim financial report is to be read in conjunction with the audited financial statements for the year ended December 31, 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended December 31, 2016.

The principal accounting policies are set out below:

(a) Property and equipment

Property and equipment for use in the Company are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets using the straight line method over a period, being the shorter of their estimated useful lives or the remaining concession period. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. An item of property and equipment is derecognised upon disposal or where no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(b) Intangible assets

Intangible assets with finite useful lives that are acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged so as to write off the cost of the assets over the estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(c) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised immediately in the statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Cash and bank balances

Cash and bank balances comprise cash in bank.

(e) Receivables

Receivables are stated at amortized cost.

Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(f) Payables

Payables are stated at amortized cost.

(g) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services provided in the normal course of business, net of discounts.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Sponsorship income

Sponsorship income is not recognised until there is reasonable assurance that the income will be received.

Sponsorship income is recognised in the statement of comprehensive income on a systematic basis over the period in which the Company recognises as expenses the related costs for which the sponsorships are for the purpose intended to compensate. Sponsorship income that is receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support to the Company with no future related costs is recognised in profit or loss in the period in which they become receivable.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Related parties

A party is related to the Company if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Company (this includes parent, subsidiaries and fellow subsidiaries);
 - has an interest in the entity that gives it significant influence over the Company; or
 - has joint control over the Company;
- (ii) the party is an associate of the Company;
- (iii) the party is a joint venture in which the Company is a venturer;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

Related party transactions and balances are recognised and disclosed in the financial statements.

Transactions with related parties are recorded in accordance with the normal policies of the Company at transaction dates.

(i) Foreign currencies

Transactions in currencies other than the United States of America Dollars, the Company's functional currency, are recognised at the rates of exchange prevailing on the dates of the transactions. The United States of America dollar is deemed the functional currency as projected revenues to be charged by the Company are linked to the value of the

United States of America dollar in relation to the Jamaican dollar and the majority of its liabilities and other expenditure are denominated in this currency. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the statement of comprehensive income for the period in which they arise.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of comprehensive income

(k) Taxation

Taxation is based on profit for the period adjusted for taxation purposes and comprises income tax at 25%.

The Minister of Finance and the Public Service, issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) (Remission) Notice, August 2009. The Notice effectively granted a remission of income tax to eligible companies that were admitted to the Junior Stock Exchange (JSE). Effective May 29, 2012, the Company's shares were listed on the JSE and consequently, the Company is entitled to a remission of income taxes for ten years in the proportion detailed below:

Years 1 to 5 (29 May 2012– 30 April 2017) – 100%

Years 6 to 10 (1 May 2017 – 30 April 2022) – 50 %

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

Management believe there were no judgements made in the process of applying the Company's accounting policies that had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management is of the opinion that there were no critical assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

4. REVENUES

Revenues represent the exploitation of intellectual properties and comprises of performance and synchronization royalties.

5. PROPERTY AND EQUIPMENT

	Signage US\$	Computer equipment US\$	Digital equipment US\$	Office equipment US\$	Total US\$
At Cost					
At January 1, 2017	1,237	14,782	1,122	744	17,885
Disposal	<u>(1,237)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,237)</u>
End of period	<u>-</u>	<u>14,782</u>	<u>1,122</u>	<u>744</u>	<u>16,648</u>
Accumulated depreciation					
At January 1, 2017	537	14,781	870	324	16,512
Charge for the period	31	-	168	57	256
Disposal	<u>(568)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(568)</u>
End of period	<u>-</u>	<u>14,781</u>	<u>1,038</u>	<u>381</u>	<u>16,200</u>
Carrying amount					
End of period	<u>-</u>	<u>1</u>	<u>84</u>	<u>363</u>	<u>448</u>
End of prior year	<u>700</u>	<u>1</u>	<u>252</u>	<u>420</u>	<u>1,373</u>

The following useful lives are used in the calculation of depreciation:

Signage	10 years
Computer equipment	3 years
Office equipment	10 years
Digital equipment	5 years

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

6. INTANGIBLE ASSETS

	Computer software <u>US\$</u>
At Cost	
At January 1, 2017	17,940
Additions	<u>-</u>
End of period	<u>17,940</u>
Amortisation	
At January 1, 2017	17,939
Charge for the period	<u>-</u>
	<u>17,939</u>
Carrying amount	
End of period	<u><u>1</u></u>
End of prior year	<u><u>1</u></u>

Amortization of the computer software is based on an estimated useful life of 3 years.

7. ADVANCES TO SONGWRITERS

	Unaudited September 30, 2017 <u>US\$</u>	Unaudited September 30, 2016 <u>US\$</u>	Audited December 31, 2016 <u>US\$</u>
Advances			
Non- current	<u><u>269,942</u></u>	<u><u>251,207</u></u>	<u><u>269,942</u></u>

This represents advances to songwriters to be recouped from earnings in future periods. Advances to songwriters are treated as current assets to the extent that it is expected that such amount will be recouped within the next twelve month period.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

8. RECEIVABLES

	Unaudited September 30, 2017 US\$	Unaudited September 30, 2016 <u>US\$</u>	Audited December 31, 2016 <u>US\$</u>
Royalties receivable	<u>19,574</u>	<u>10,000</u>	<u>-</u>
	<u>19,574</u>	<u>10,000</u>	<u>-</u>

The Company will provide fully for all receivables outstanding in excess of one year as management believes receivables that are past due beyond this period are generally not recoverable.

9. CASH AND BANK BALANCES

	Unaudited September 30, 2017 US\$	Unaudited September 30, 2016 <u>US\$</u>	Audited December 31, 2016 <u>US\$</u>
Cash and bank balances	<u>106</u>	<u>2,324</u>	<u>42,728</u>

10. SHARE CAPITAL

	Unaudited September 30, 2017 US\$	Unaudited September 30, 2016 <u>US\$</u>	Audited December 31, 2016 <u>US\$</u>
Authorised capital: 1,000,000,000 Ordinary shares at no par value			
Issued and fully paid: 400,000,000 Ordinary shares	<u>1,286,619</u>	<u>1,286,619</u>	<u>1,286,619</u>

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

11. DIRECTOR'S LOAN

	Unaudited	Unaudited	Audited
	September 30, 2017	September 30,	December 31, 2016
	<u>US\$</u>	2016	<u>US\$</u>
		<u>US\$</u>	<u>US\$</u>
	23,839	65,280	58,280

The amount represents advances made to the Company by a director. The amount is interest free and there are no fixed repayment terms.

12. LOANS PAYABLE

	Unaudited	Unaudited	Audited
	September 30, 2017	September 30,	December 31, 2016
	<u>US\$</u>	2016	<u>US\$</u>
		<u>US\$</u>	<u>US\$</u>
Third party loans	93,457	87,854	89,312

This represents a short term loan from two (2) third parties for working capital purposes. These loans are evidenced by promissory notes and attract interest at 8% per annum. These loans are repayable in June 2017. (See Note 16)

The third party loan balances include outstanding principal and interest as at the period / year end.

13. PAYABLES

	Unaudited	Unaudited	Audited
	September 30, 2017	September 30,	December 31, 2016
	<u>US\$</u>	2016	<u>US\$</u>
		<u>US\$</u>	<u>US\$</u>
Payables	133,159	94,748	100,750

Payables primarily comprise amounts outstanding for professional services and sub-publishing fees.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

14. SONGWRITING CAMPS AND DEVELOPMENT EXPENSES

	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Nine (9) months	Nine (9) months	For the year
	September 30,	September 30,	ended	ended	ended
	2017	2016	September 30,	September 30,	December 31, 2016
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Travel	-	-	-	4,979	5,565
Accommodation	-	-	-	5,565	7,710
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,544</u>	<u>13,275</u>

15. ADMINISTRATIVE EXPENSES

	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Nine (9) months	Nine (9) months	For the year
	September 30,	September 30,	ended	ended	ended
	2017	2016	September 30,	September 30,	December 31, 2016
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Accounting fees	1,041	1,041	3,122	3,122	4,819
Advertising and promotion	-	-	881	747	1,073
Amortised cost adjustment on advances to songwriters	-	-	-	-	(18,735)
Annual general meeting and annual reports	-	-	1,552	500	500
Asset tax	327	327	981	981	1,308
Audit fees	1,893	1,893	5,680	5,680	7,573
Legal and professional fees	5,000	-	6,000	1,050	1,050
Loss on disposal of property and equipment	-	-	669	-	-
Managerial travel and accommodation	5,321	-	5,321	815	-
Other expenses	-	-	-	-	815
Registrar and Jamaica stock exchange fees	1,014	1,388	4,190	4,234	5,748
	<u>14,596</u>	<u>4,649</u>	<u>28,396</u>	<u>17,129</u>	<u>4,151</u>

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

16. FINANCE COSTS

	Unaudited Quarter ended September 30, 2017 US\$	Unaudited Quarter ended September 30, 2016 US\$	Unaudited Nine (9) months ended September 30, 2017 US\$	Unaudited Nine (9) months ended September 30, 2016 US\$	Audited For the year ended December 31, 2017 US\$
Interest income	-	-	(1)	(1)	(1)
Loan interest	1,381	1,381	4,142	4,142	5,600
Foreign exchange loss	-	5	23	28	28
Depreciation	75	106	256	318	423
Bank charges	64	50	356	375	700
	1,520	1,542	4,776	4,862	6,750

17. (LOSS) / PROFIT PER SHARE

Basic (loss) / profit per share is calculated by dividing the loss by the weighted average number of ordinary shares in issue.

	Unaudited Quarter ended September 30, 2017 US\$	Unaudited Quarter ended September 30, 2016 US\$	Unaudited Nine (9) months ended September 30, 2017 US\$	Unaudited Nine (9) months ended September 30, 2016 US\$	Audited For the year ended December 31, 2016 US\$
(Loss) / Profit	(13,405)	3,809	(26,085)	(5,999)	42,573
Weighted average number of ordinary shares	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000
Basic (loss) / profit per share (in U.S. cents)	(0.003)	0.001	(0.007)	(0.001)	0.011

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2017

18. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of financial asset, each class of financial liability and equity instrument are disclosed in Note 2 and 3 to the financial statements.

Categories of financial instruments:

The following table sets out the financial instruments as at the end of the reporting period:

	Unaudited Nine (9) months ended September 30, 2017	Unaudited Nine (9) months ended September 30, 2016	Audited For the year ended December 31, 2016
Financial Assets			
Loans and receivables (at amortised cost) (including cash and cash equivalents)	<u><u>289,622</u></u>	<u><u>263,531</u></u>	<u><u>312,670</u></u>
Financial Liabilities			
Other financial liabilities (at amortised cost)	<u><u>250,455</u></u>	<u><u>247,882</u></u>	<u><u>248,342</u></u>

Financial risk management policies and objectives

The financial risk management seeks to minimize potential adverse effects of financial performance of the Company and covers specific areas, such as market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and other price risk), credit risk and liquidity risk.

The activity of the Company consists of obtaining intellectual property rights, namely licensing and publication rights to songs developed by Caribbean songwriters.

The financial liabilities of the Company mainly consist of trade payables and advances from related parties for which payment is due on demand or within a period of thirty days.

Capital risk management policies and objectives

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the equity balance.

The capital structure of the Company consists of cash and bank deposits and equity attributable to equity holders, comprising share capital and accumulated deficit.