

Pulse Investments Limited

**Financial Statements
30 June 2024**

Pulse Investments Limited

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30 June 2024

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INDEPENDENT AUDITORS' REPORT

To the Members of
Pulse Investments Limited

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Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Pulse Investments Limited as at 30 June 2024, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the Jamaican Companies Act.

What we have audited

Pulse Investments Limited financial statements comprise:

- the statement of financial position as at 30 June 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other matter

The financial statements of Pulse Investments Limited for the year ended 30 June 2023, were audited by another firm of Auditors who expressed an unmodified opinion on those financial statements on the 11 October 2023.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Pulse Investments Limited
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Report on the audit of the financial statements (continued)**Our audit approach****Audit scope**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our company audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Our 2024 audit was planned and executed having regard to the fact that the operations of the company remain largely unchanged from the prior year.

In establishing the overall company's audit strategy and plan, we determined the type of work that was needed to be performed on the components by the engagement team.

Emphasis of Matter – Advertising Entitlement

We draw attention to Note 10 concerning advertisement entitlements and the advertising entitlements component of revenue reflected in Note 27.

Advertising entitlements represents non-cash consideration receivable for shows produced by the company and delivered to various media houses under contracts. Advertising entitlement is in the nature of a barter transaction giving rise to the consideration receivable. The consideration is to be settled by way of advertising entitlement contractually agreed with the media houses. The valuation of the advertisement entitlement for accounting purposes is determined by making reference to the approximate number of advertising spots and the average cost to a third party of acquiring these spots on an arm's length basis. The company may utilize these entitlements itself or make them available to others.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
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Report on the audit of the financial statements (continued)

Emphasis of Matter – Advertising Entitlement (continued)

The consideration is recognized as revenue in the period in which it arises, however, timing and mode of utilization of the advertising entitlement is uncertain and the accumulated value is considerable and growing. Impairment provision recognized is 10% of the advertising entitlement from media houses to which the company has not sold any production in the last three (3) years. While management is unable to determine reliable estimates of timing of utilization of the entitlements, it maintains that recovery of the consideration is probable. It is noted that advertising entitlements earned and utilized have been confirmed by broadcasters each year on the basis tested. Also, the full balance recognized is due to the company, including amounts from prior years, have been confirmed by broadcasters. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT (continued)

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Report on the audit of the financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Impairment Assessment of Intangible Assets</p> <p>Refer to Note 3(d) and 9 to the financial statements for management’s related accounting policies and disclosures.</p> <p>At 30 June 2024, the recorded intangible assets of \$92.7 million arose from acquisitions of patents and trademarks from Pulse Entertainment Group Limited.</p> <p>The company is required to test these assets annually for impairment. This annual impairment test was significant to our audit because the assessment process is complex and judgmental and based on assumptions that are affected by expected future cash flows and projected economic conditions.</p>	<p>Our audit procedures performed to address this key audit matter included the following procedures, amongst others, over management’s intangible assets impairment assessment:</p> <ul style="list-style-type: none"> • Evaluated management’s future cash flow forecasts and process by which they were prepared, including testing the underlying assumptions and calculations. • Challenged management forecasts and compared them with historical results, by comparing assumptions to externally derived data where possible, including market expectations of investment returns and projected revenue growth. • Assessed the adequacy of the disclosures in accordance with the accounting standards.
<p>Valuation of Property, Plant & Equipment</p> <p>Refer to Note 3(a) and 6 to the financial statements for management’s related accounting policies and disclosures.</p> <p>During the year, management determined the value of leasehold properties and improvements which amounted to \$518.7 million.</p> <p>We focused on this area as the valuation requires significant estimation which is impacted by uncertainty of market factors, pricing assumptions, management’s judgement and estimation of future cash flows from the assets based on assumptions that are affected by projected economic conditions.</p>	<p>Our audit procedures performed to address this key audit matter included the following:</p> <ul style="list-style-type: none"> • Considered the provisions of IFRS 13, Fair Value Measurement; reviewed the sources of data and underlying assumptions utilized to value the properties. We also examined the parameters used to determine the discount rate used, since even relatively small changes in the discount rate can have a material effect on the amount of the value determined. • Evaluated the appropriateness of the future cash flows used by management in the calculation. For this, among other things, we compare this information with the budgets contained in the five years plan adopted by the Board and checked it against market expectations. • Assessed the adequacy and appropriateness of the disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Pulse Investments Limited
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Report on the audit of the financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Valuation of Investment Properties</p> <p>Refer to Note 3(b) and 7 to the financial statements for management’s related accounting policies and disclosures.</p> <p>As at 30 June 2024, investment properties amounted to \$8.2 billion or 69% of total assets.</p> <p>During the year, the carrying value of investment properties were determined as follows:</p> <ul style="list-style-type: none"> • Freehold land and buildings of \$5.1 billion was determined by management. • Leasehold improvements amounting to \$3.1 billion was determined by management. <p>We focused on this area as the valuation requires significant estimation which is impacted by uncertainty of market factors, pricing assumptions, management’s judgement and estimation of future cash flows from the asset based on assumptions that are affected by projected economic conditions.</p>	<p>Our audit procedures performed to address this key audit matter included the following:</p> <ul style="list-style-type: none"> • Considered the provisions of IFRS 13, Fair Value Measurement; reviewed the sources of data and underlying assumptions utilized to value the properties. Since even relatively small changes in the discount rate can have a material effect on the amount of the value determined in this way, we also examined the parameters used to determine the discount rate used. • Evaluated the objectivity and qualification of management’s valuation experts, to determine that the valuations were free of management bias. • Evaluated the appropriateness of the future cash flows used by management in the calculation. For this, among other things, we compare this information with the budgets contained in the five years plan adopted by the Board and checked it against market expectations. • Assessed the adequacy and appropriateness of the disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
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Report on the audit of the financial statements (continued)

Key audit matters (continued)

Key audit matter	How the matter was addressed in our audit
<p>Valuation of advertising entitlements</p> <p>Refer to Note 3(e) and 10 to the financial statements for management’s related accounting policies and disclosures.</p> <p>As at 30 June 2024, advertising entitlements amounted to \$2.359 billion or 20% of the company’s total assets.</p> <p>Advertising entitlement is in the nature of a barter transaction giving rise to consideration receivable for shows produced by the company and delivered to various media houses in exchange for advertising entitlements.</p> <p>The valuation of the advertising entitlements is based on estimation while the timing of utilization of the benefit is uncertain.</p> <p>We focused on this area as the recoverability of the carrying value is based on the continued operation of media houses and the company’s rights to enforceability and collectability of contracts between media houses.</p>	<p>Our audit procedures in response to this matter included:</p> <ul style="list-style-type: none"> • Evaluated the method used by management to determine the recoveries from individual media houses. We discussed and reviewed the basis on which impairment is considered for outstanding entitlements. • Assessed and tested the fairness of the advertising entitlements balance by positive confirmation from media houses. • Obtained legal opinion on the enforceability and collectability of contracts between media houses and the company.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
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Report on the audit of the financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Allowance for Expected Credit Loss</p> <p>Refer to Note 4(c) (i) and 5(b) (ii) to the financial statements for management’s related accounting policies and disclosures.</p> <p>IFRS 9 Financial Instruments, is complex and requires the Company to recognise expected credit losses (‘ECL’) on financial assets. The determination of ECL is highly subjective and requires management to make significant judgement and estimates, particularly regarding significant increase in credit risk and forward-looking information.</p> <ul style="list-style-type: none"> • The identification of significant increases in credit risk is a key area of judgement as the criteria determine whether a 12-month or lifetime allowance is recorded. • IFRS 9 requires the company to incorporate forward-looking information that reflects a range of possible future economic conditions, in measuring expected credit losses. Significant management judgement is used in determining the economic scenarios, the probability weightings and management overlay. <p>We have determined that the estimates of impairment in respect of trade receivables have a high degree of estimation uncertainty.</p>	<p>We performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> • Obtained an understanding of the model used by management for the calculation of expected credit losses on receivables. • Tested the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis. • Involved our financial risk modelling specialists to evaluate the appropriateness of the Company’s impairment methodologies, including the criteria used for determining significant increase in credit risk and independently assessed the assumptions and compliance with the new requirement of IRFS 9, Financial Instrument. • Involved our financial risk modelling specialists to evaluate the appropriateness of the economic parameter, including the use of forward-looking information. • Assessed the adequacy of the disclosures of the key assumptions and judgements as well as compliance with IFRS 9. <p>Based on audit procedures performed, no adjustments to the financial statements were deemed necessary.</p>

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
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Report on the audit of the financial statements (continued)

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
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Report on the audit of the financial statements (continued)***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
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Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (continued)

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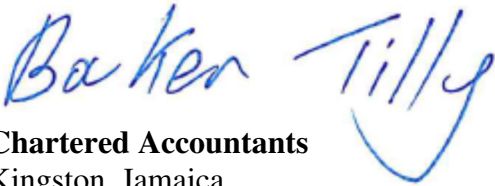
Report on the audit of the financial statements (continued)

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this Independent Auditors' Report is Royal Thorpe



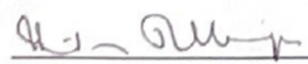
Chartered Accountants
Kingston, Jamaica
27 November 2024

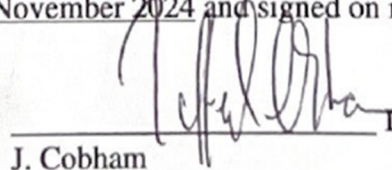
**Statement of Financial Position
As at 30 June 2024**

	Note	2024 \$'000	*Restated 2023 \$'000	*Restated 2022 \$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	6	535,310	537,820	468,999
Investment properties	7	8,207,196	7,770,022	6,425,856
Development expenditure	8	514,035	424,773	255,300
Intangible assets	9	92,720	92,720	92,720
Advertising entitlements	10	2,358,813	2,298,845	1,812,329
		<u>11,708,074</u>	<u>11,124,180</u>	<u>9,055,204</u>
Current Assets				
Investment properties held for sale	11	68,250	117,000	-
Receivables	12	15,099	44,624	45,601
Investment securities	13	2,228	2,228	2,157
Cash and cash equivalents	14	26,777	91,565	217,029
		<u>112,354</u>	<u>255,417</u>	<u>264,787</u>
TOTAL ASSETS		<u><u>11,820,428</u></u>	<u><u>11,379,597</u></u>	<u><u>9,319,991</u></u>
EQUITY AND LIABILITIES				
Stockholders' Equity				
Share capital	15	147,529	147,529	147,529
Share premium	16	366,376	366,376	366,376
Capital reserve	17	2,637	2,637	2,637
Capital redemption reserve	18	20,500	20,500	20,500
Revaluation reserve	19	491,694	491,694	420,288
Shares to be issued	20	2,609	2,609	2,609
Retained earnings		8,225,392	7,715,055	6,283,515
		<u>9,256,737</u>	<u>8,746,400</u>	<u>7,243,454</u>
Non-Current Liabilities				
Bond payable	21	774,708	710,444	621,385
Long term loan	22	7,683	8,900	10,034
Due to related party	23	1,061,540	1,307,967	1,004,092
Deferred taxation	24	504,513	470,690	329,202
		<u>2,348,444</u>	<u>2,498,001</u>	<u>1,964,713</u>
Current Liabilities				
Payables	25	153,920	84,541	77,665
Taxation		59,414	48,256	33,101
Current portion of long term loan	22	1,217	1,134	1,058
Bank overdraft	26	696	1,265	-
		<u>215,247</u>	<u>135,196</u>	<u>111,824</u>
TOTAL EQUITIES AND LIABILITIES		<u><u>11,820,428</u></u>	<u><u>11,379,597</u></u>	<u><u>9,319,991</u></u>

*Restated, see Note 38

Approved for issue by the Board of Directors on 27 November 2024 and signed on its behalf by:


Hilary Phillips Interim Chairman


J. Cobham Director

Pulse Investments Limited

Statement of Comprehensive Income Year ended 30 June 2024

	Note	2024 \$'000	*Restated 2023 \$'000
Turnover	27	815,097	948,933
Administrative and other expenses	29	(284,685)	(268,581)
Impairment losses on financial assets	4(c)(i)	(49,487)	(52,710)
Other impairment losses	10(b)	(262,090)	-
		218,835	627,642
Other operating income	30	388,733	972,277
Operating profit	31	607,568	1,599,919
Finance costs, net	32	(13,106)	(8,984)
Profit before taxation		594,462	1,590,935
Taxation	33	(51,510)	(159,395)
Net profit for the year		542,952	1,431,540
Other comprehensive income:			
Items that will not be reclassified to profit or loss-			
Surplus arising on revaluation of leasehold properties and improvements	6	-	71,406
Total comprehensive income		542,952	1,502,946
Earnings per ordinary stock unit attributable to stockholders of the company	35	8 cents	23 cents

* Restated, see Note 38

Pulse Investments Limited

Statement of Changes in Equity Year ended 30 June 2024

	Share Capital	Share Premium	Capital Reserves	Capital Redemption Reserve	Revaluation Reserve	Shares to be issued	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at 1 July 2022 as previously reported	147,529	366,376	2,637	20,500	317,572	2,609	6,586,132	7,443,355
Impact of correction of errors and change in estimate	-	-	-	-	102,716	-	(302,617)	(199,901)
Restated balance at 1 July 2022	147,529	366,376	2,637	20,500	420,288	2,609	6,283,515	7,243,454
Total comprehensive income:								
Net profit for the year	-	-	-	-	-	-	1,431,540	1,431,540
Other comprehensive income	-	-	-	-	71,406	-	-	71,406
	-	-	-	-	71,406	-	1,431,540	1,502,946
Balances at 30 June 2023 (restated)	147,529	366,376	2,637	20,500	491,694	2,609	7,715,055	8,746,400
Total comprehensive income:								
Net profit for the year	-	-	-	-	-	-	542,952	542,952
Transactions with Owners:								
Dividends (Note 36)							(32,615)	(32,615)
Balances at 30 June 2024	147,529	366,376	2,637	20,500	491,694	2,609	8,225,392	9,256,737

Statement of Cash Flows
Year ended 30 June 2024

	Note	<u>2024</u> \$'000	<u>2023</u> \$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN):			
Cash Flows from Operating Activities			
Profit before taxation		594,462	1,590,935
Adjustments for:			
Depreciation	6	3,513	4,307
Amortization of bond transaction costs	21	11,531	12,395
Advertising entitlements net movement	10(c)	(322,058)	(486,516)
Impairment losses on financial assets	4(c)(i)	49,487	52,710
Other impairment losses	10(b)	262,090	-
Fair value appreciation on investment	7	(388,423)	(972,260)
Foreign exchange loss		1,021	89
Interest income		(283)	(4,242)
Interest expense		837	742
		<u>212,177</u>	<u>198,160</u>
Changes in operating assets and liabilities:			
Increase in receivables		(19,962)	(51,733)
Increase in payables		69,380	6,875
(Decrease)/increase in due to related parties		(246,427)	303,875
Development expenditure	10(a)	(89,262)	(169,473)
		(74,094)	287,704
Income tax paid		(6,531)	(2,751)
Interest received		283	4,242
Interest paid		(837)	(742)
Cash provided by operating activities		<u>(81,179)</u>	<u>288,453</u>
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	6	(1,003)	(1,722)
Additions to investment properties		-	(488,906)
Proceeds from investments		-	2,157
Purchase of investments		-	(2,228)
Cash used in investing activities		<u>(1,003)</u>	<u>(490,699)</u>
Balance carried forward		<u>(82,182)</u>	<u>(202,246)</u>

Pulse Investments Limited

Statement of Cash Flows Year ended 30 June 2024

	2024	2023
Note	\$'000	\$'000
Balance brought forward	(82,182)	(202,246)
Cash Flows from Financing Activities		
Dividend paid	(32,615)	-
Long term loan repayment	(1,134)	(1,058)
Bond proceeds, net of transaction cost	52,733	76,664
Effect of foreign exchange on cash and cash equivalents	(1,021)	(89)
Cash provided by financing activities	17,963	75,517
Net decrease in cash and cash equivalents	(64,219)	(126,729)
Cash and cash equivalents at the beginning of the year	90,300	217,029
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>26,081</u>	<u>90,300</u>
Represented by:		
Cash and cash equivalents	14 26,777	91,565
Bank overdraft	26 (696)	(1,265)
	<u>26,081</u>	<u>90,300</u>

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

1. Identification and Principal Activities

Pulse Investments Limited (the company) was incorporated in Jamaica under the Companies Act on 6 August 1993 and commenced trading on 1 November 1993. The company is domiciled in Jamaica. The company's shares are listed on the Jamaica Stock exchange.

The principal activities of the company are the development and production of media content (mainly television and internet), hospitality and leisure, subletting of owned and leasehold properties, property development, model agency representation and live show production. The registered office of the company is situated at 38A Trafalgar Road, Kingston 10, Jamaica W.I.

These financial statements are presented in Jamaican dollars, which is the functional currency.

2. Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Amounts are rounded to the nearest thousand, unless otherwise stated.

Basis of measurement and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 5.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

2. Basis of preparation (continued)

Basis of measurement and statement of compliance (continued)

Standards and amendments to published standards effective in the current year that are relevant to the company's operations

The following standards have been adopted by the company for the first time which have been issued and are effective for mandatory adoption for the financial year beginning on or after 1 January 2023:

Amendments to IAS 1 – Presentation of Financial Statements on Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2023) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs
- refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Effective July 1, 2023, the Company adopted the amendments to IAS 1, which resulted in the Company disclosing material accounting policies, rather than significant accounting policies, based on the following definition from the amended standard:

“Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements”.

Pulse Investments Limited**Notes to the Financial Statements
30 June 2024**

2. Basis of preparation (continued)**Basis of measurement and statement of compliance (continued)****Standards and amendments to published standards effective in the current year that are relevant to the company's operations (continued)**

Deferred Tax related to assets and liabilities (Amendments to IAS 12 Income Taxes) (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37), (effective for annual periods beginning on or after 1 January 2023) specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments did not result in any material effect on the company's financial statements.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

2. Basis of preparation (continued)

Basis of measurement and statement of compliance (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the company

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the company has not early adopted. The company has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

Amendments to IAS 1, 'Presentation of financial statements', (effective for accounting periods beginning on or after 1 January 2024). The amendments in classification of liabilities as current or non-current affects only the presentation of the liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end or reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place at the end of reporting period should affect the classification of liability. The adoption of these amendments is not expected to have significant impact on the company.

Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7) (effective for annual periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis

Leases on sale and leaseback (Amendments to IFRS 16) (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

There are no other standards, amendments or interpretations that are not yet effective that would be expected to have a material impact on the company.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

3. Summary of material accounting policies

(a) Property, plant and equipment

Items of property, plant and equipment, excluding leasehold property, are recorded at historical or deemed cost, less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Leasehold properties are carried at fair value, determined in a manner similar to investment properties. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognized in profit or loss.

Depreciation is computed and charged to the statement of profit or loss on the straightline basis at annual rates estimated to write down the property, plant and equipment to their estimated residual values over their expected useful lives. The rates used to write off the cost of assets are as follows:

Furniture and fixtures	10%
Equipment	20%
Computer	33 1/3%
Motor Vehicles	20%
Leasehold properties and improvements	Over the life of the assets

The asset's residual values and useful lives and depreciation rates are revised and adjusted if appropriate, at each reporting date.

At the date of revaluation, the accumulated depreciation on the revalued leasehold properties and improvements is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repairs and maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

3. Summary of material accounting policies (continued)

(b) Investment properties

Investment properties are carried at fair value estimated on an annual basis by the directors with periodic revaluation done by independent valuers. On 30 June 2020, the Board of Directors decided to restrict the yearly surplus on the valuation of leasehold properties to a maximum of 30% of the carrying value of prior period once not exceeding the market value as determined by the external valuers. Changes in the fair value of investment properties are recognized in the profit or loss. Rental income from investment properties is accounted for as described in accounting policy Note 27.

For properties that have dual usage, in order to determine the portion that can qualify as investment property, the directors, based on their judgement, estimate that if five percent or less of the total square footage (including common area) is being used for own use, the balance will qualify as investment property.

(c) Development expenditure

Development expenditure represents expenditure on housing development inclusive of borrowing cost and related cost as determined by a quantity surveyor using industry standard rates.

Upon completion of the housing development these amounts will be transferred to inventory and investment property for the proportionate that will be sold against the number of units that will be used for rentals.

(d) Intangible assets

Intangible assets represent expenditure incurred for the acquisition of trademarks and patents. These are recognized initially at cost. Trademarks and patents are stated at cost less impairment losses. Trademarks and patents are determined to have an indefinite useful life as there are no foreseeable limit to the period over which they are expected to generate net cash inflows for the company. Trademarks and patents are tested annually for impairment.

(e) Advertising entitlements

Advertising entitlements represent non-cash consideration receivable for shows produced by the company and delivered to various media houses under contracts. Advertising entitlement is in the nature of a barter transaction giving rise to the consideration receivable which is recognised in the period in which it arises to the extent that amounts are recoverable. The cost of advertising entitlement is determined by making reference to the cost of the advertising spots as per the media houses under contract.

Advertising entitlements are assessed for impairment annually to determine whether amounts are recoverable from the media houses. An impairment provision of 10% is recognised on advertising entitlements for media houses which the company has not sold any production in the last three (3) years.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

3. Summary of material accounting policies (continued)

(f) Investment properties held for sale

Investment properties held for sale are recognised when the entity determines that the property held as investment property is to be sold.

Investment properties held for sale are measured at fair value estimated by the directors up to the point of sale. Changes in the fair value of investment properties held for sale are recognised in the profit or loss.

(g) Leases

At inception of a contract the company assesses whether a contract is or contain a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The definition of a lease in IFRS 16 is used to assess whether a contract conveys the right to control the use of an identified asset.

As a lessee

The company has a peppercorn lease agreement with a related party for fifty (50) years for which payments have been paid up in advance. (See note 34 for further details).

As a lessor

The company acts as a lessor when it determines from the lease inception that the lease is an operating lease. The company recognises lease payments received under operating leases as rental income on a straight line basis over the lease term.

(h) Receivables

Receivables are stated at their nominal value as reduced (where applicable) by appropriate allowances. The company maintains an allowance for credit losses, which in management's opinion, is adequate to absorb all credit related losses in its portfolio. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

(i) Resale agreements

Resale agreements (otherwise called "Reverse repurchase agreements") are short-term transactions whereby securities are bought with simultaneous agreements to resell the securities on a specified date and at a specified price. The difference between the purchase and resale considerations is recognised on the accrual basis over the period of the agreements, using the effective yield method, and is included in interest income.

Where the company's investments in resale agreements are for periods of three months or less from the date of acquisition, they are regarded as cash equivalents, while those for longer periods are regarded as short term investments. Resale agreements are measured at amortised cost, less impairment loss.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

3. Summary of material accounting policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and demand and call deposits with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitment rather than for investment or other purposes.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of ordinary shares are recognised as a deduction from equity.

(l) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost, with any difference between proceeds (net of transaction costs) and redemption value being recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

Debt issuance costs represent financing and certain related fees associated with security long-term borrowings. Amortisation is charged to profit or loss on the effective interest basis over the life of the related borrowings.

(m) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognized in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

3. Summary of material accounting policies (continued)

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity in another entity.

Financial assets

i. Classification

The company classifies its financial assets in the following subsequent measurement categories:

those to be measured at amortised cost,

those to be measured at fair value through Other Comprehensive Income (FVOCI),

and

those to be measured at fair value through profit or loss. (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The company measures financial assets at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company measures financial assets at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company measures financial assets at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, unless the company has made an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

The company reclassifies financial assets when and only when its business model for managing those assets changes.

ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Pulse Investments Limited**Notes to the Financial Statements
Year ended 30 June 2024**

3. Summary of material accounting policies (continued)**(n) Financial instruments (continued)****Financial assets (continued)****iii. Initial measurement**

At initial recognition, (except for trade receivables which are measured at their transaction price), the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

iv. Subsequent measurement

After initial recognition, the company measures financial assets in accordance with the classification categories as follows:

- **Amortised cost:** Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVTPL:** A gain or loss on an investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Pulse Investments Limited**Notes to the Financial Statements
Year ended 30 June 2024**

3. Summary of material accounting policies (continued)**(n) Financial instruments (continued)****Financial assets (continued)****v. Impairment**

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. The company makes provision on lifetime expected losses. To determine the lifetime expected credit losses for receivables the probability is multiplied by the amount of the expected loss multiplied by the outstanding receivables balance at year end. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within the statement of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: bond payable, loans, due to related company, payables and bank overdraft.

The company derecognizes a financial liability when its contractual obligations expire or are discharged or cancelled.

(o) Impairment of non-current asset

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Pulse Investments Limited**Notes to the Financial Statements
Year ended 30 June 2024**

3. Summary of material accounting policies (continued)**(p) Related party transactions**

A party is related to the company, if:

- (i) directly, or indirectly through one or more intermediaries, the party, is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the company 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 the company 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 has a post-employment benefit plan for the benefit of employees of the company, or of any company that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The company has a related party relationship with its directors and key management personnel, representing certain senior officers of the company.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

3. Summary of material accounting policies (continued)

(q) Current and deferred income taxes

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

(r) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the date of the statement of financial position, that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

(s) Segment reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Based on the information presented for review by the chief operating decision maker, the entire operations of the company are viewed as one operating segment.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

3. Summary of material accounting policies (continued)

(t) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured.

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

i. Advertising entitlements/Sale of TV programmes

Advertising entitlements are received in part or full consideration for the company's production and branded TV programmes distributed to broadcasting stations by way of barter transactions. Revenue from advertising entitlements is recognized in the statement of profit or loss to the extent that recovery is estimated.

ii. Sponsorships in kind

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

iii. Model agency representation

Revenue from model agencies is recognized as commissions or management fees earned. Commissions are earned when models represented by the company have completed modelling assignments. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

iv. Operating leases

Income under operating leases are recognized in the statement of profit or loss on a straight line basis over the term of the lease.

(u) Earnings per share

Earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue.

(v) Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders. In the case of interim dividends, this is recognised when declared by the directors.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

4. Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk and capital management. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

The company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the company's risk management framework. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

Audit Committee

The Board of Directors has also established an Audit Committee to assist in managing the company's risk profile. This Committee oversees how management monitors compliance with the company's risk management policies and reviews the adequacy of the risk management framework.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) Principal financial instruments

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Investment securities
- Receivables
- Cash and bank balances
- Payables
- Due to related party
- Long term loan
- Bank overdraft
- Bond payable

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

4. Financial risk management (continued)

(b) Financial instruments by category

Financial assets

	Amortised Cost	
	2024	2023
	\$'000	\$'000
Cash and cash equivalents	26,777	91,565
Receivables	15,099	40,195
Investment securities	2,228	2,228
Total financial assets	44,104	133,988

Financial liabilities

	Amortised Cost	
	2024	2023
	\$'000	\$'000
Payables	153,920	84,541
Due to related party	1,061,540	1,307,967
Bank overdraft	696	1,265
Bond payable	774,708	710,444
Long term loan	8,900	10,034
Total financial liabilities	1,999,764	2,114,251

(c) Financial risk factors

(i) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and investments, as well as outstanding receivables from credit sales.

Maximum exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of investment, trade receivables and cash and bank balances in the statement of financial position.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The company does not hold any collateral as security.

Pulse Investments Limited**Notes to the Financial Statements
30 June 2024**

4. Financial risk management (continued)**(c) Financial risk factors (continued)****(i) Credit risk (continued)****Cash and bank balances and investment**

Cash and investment transactions are limited to high credit quality financial institutions and collateral is not required for such accounts as management regards the institutions as strong and as such credit risk is low.

Impairment of financial assets

The company has one type of financial asset that is subject to the expected credit loss model:

- Trade receivables for rental of premises and the provision of other services.

While investment and cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The company has policies in place to ensure that rental premises and provision of other services are made to customers with an appropriate credit history. The company manages the customers' credit worthiness prior to entering into agreements, establishing credit limits and the rigorous follow-up of receivables including procedures for eviction of tenants and recovery of amounts owing.

The company applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk.

The expected loss rates are based on the company's historical credit losses experienced over the two year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the inflation rate of the country in which it offers its facilities to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

4. Financial risk management (continued)

(c) Financial risk factors (continued)

(i) Credit risk (continued)

Trade receivables (continued)

On that basis, the loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for trade receivables:

30 June 2024	Model agents \$'000	Rental \$'000	Sponsor- ship \$'000	Total \$'000
Expected loss rate	93.66%	99.17%	100.00%	94.31%
Gross carrying amount – trade receivables	166,448	16,777	4,750	187,975
Loss allowance	155,895	16,637	4,750	177,282

30 June 2023	Model agents \$'000	Rental \$'000	Sponsor- ship \$'000	Total \$'000
Expected loss rate	93.66%	94.78%	0.00%	76.07%
Gross carrying amount – trade receivables	119,184	17,056	31,750	167,990
Loss allowance	111,629	16,166	-	127,795

The closing loss allowances for trade receivables as at 30 June 2024 and 30 June 2023 reconcile to the opening loss allowances as follows:

	Trade receivables	
	2024	2023
	\$'000	\$'000
Opening expected credit loss allowance	127,795	75,085
Increase in loss allowance recognised in profit or loss during the year	49,487	52,710
Closing expected credit loss allowance (Note 12)	177,282	127,795

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

4. Financial risk management (continued)

(c) Financial risk factors (continued)

(i) Credit risk (continued)

Trade receivables (continued)

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 30 June 2024, there were no lifetime expected credit losses of the full value of the receivables.

Net impairment losses on financial assets recognised in profit or loss

During the year, the following losses were recognised in profit or loss in relation to impaired financial assets:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Impairment losses		
- movement in loss allowance for trade receivables	49,487	52,710
Net impairment losses on trade receivables	<u>49,487</u>	<u>52,710</u>

(ii) Liquidity risk

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The company's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis;
- (ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining a committed line of credit.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

4. Financial risk management (continued)

(c) Financial risk factors (continued)

(ii) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities

The maturity profile of the company's financial liabilities at year end on contractual undiscounted payments was as follows:

	Within 6 months \$'000	6 to 12 months \$'000	1 to 5 years \$'000	No specific maturity \$'000	Total \$'000	Carrying amount \$'000
30 June 2024						
Payables	123,459	30,461	-	-	153,920	153,920
Loong term loan	900	900	9,150	-	10,950	8,900
Due to related party	-	-	-	1,061,540	1,061,540	1,061,540
Bond payable	88,960	171,434	609,488	-	869,882	774,708
Bank overdraft	696	-	-	-	696	696
	214,015	202,795	618,638	1,061,540	2,096,988	1,999,764
30 June 2023						
Payables	54,104	30,437	-	-	84,541	84,541
Long term loan	900	900	10,951	-	12,751	10,034
Due to related party	-	-	-	1,307,967	1,307,967	1,307,967
Bond payable	41,611	41,611	1,006,749	-	1,089,971	710,444
Bank overdraft	1,265	-	-	-	1,265	1,265
	97,880	72,948	1,017,700	1,307,967	2,496,495	2,114,251

Management believes that the company will be able to meet its financial liabilities, as they fall due.

Pulse Investments Limited**Notes to the Financial Statements
30 June 2024**

4. Financial risk management (continued)**(c) Financial risk factors (continued)****(iii) Market risk**

The company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in interest rates (4(c)(iv)) and foreign currency risk (4(c)(ii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk exposures are measured using sensitivity analysis. There has been no significant exposure to market risks or the manner in which the company manages and measures the risk.

(iv) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

In previous years the company primarily contracted financial liabilities at fixed interest rates. As at June 2024, the company is primarily exposed to fair value interest rate risks on its fixed rate borrowing. The company analyses its interest rate exposure arising from borrowings on an ongoing basis, taking into consideration the options of refinancing, renewal of existing positions and alternative financing.

Investment securities, cash and bank balances, bank overdraft, bond payable and long term loan are the only interest-bearing assets and liabilities, respectively within the company.

Interest rate sensitivity

There is no significant exposure on cash and bank balances and bank overdraft as interest earned or incurred on bank balances are immaterial.

As the interest rate on the company's bond payable, which was issued on 30 June 2022, is fixed up to two years, interest rate on the loan is fixed up to maturity and interest earned from the company's interest earning bank account is immaterial, there would be no material impact on the results of the company's operation as a result of fluctuations in interest rates.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

4. Financial risk management (continued)

(c) Financial risk factors (continued)

(v) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company incurs foreign currency risk on transactions that are denominated in currencies other than the Jamaican dollar. The main currency giving rise to this risk is the United States Dollar (US\$). The company ensures that the net exposure is kept to an acceptable level by monitoring its daily positions against approved limits.

Concentration of currency risk

The table below shows the company's exposure to foreign currency rate risk at the reporting date.

	2024	2023
	\$'000	\$'000
Advertising entitlement	2,675,186	2,353,128
Trade receivables	166,448	119,184
Cash and cash equivalents	25,291	42,390
Payables (Pulse home deposits)	(30,461)	(30,436)
	<u>2,836,464</u>	<u>2,484,266</u>
	2024	2023
	\$'000	\$'000
Currency		
USD	18,314	16,200
Rate of exchange	<u>154.88</u>	<u>153.35</u>

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the following exchange rates of the company before tax with all other variables held constant. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates.

Currency	Change in exchange rate	2024	2023
		\$'000	\$'000
Revaluation	1% (2023 – 1%)	(28,365)	(24,843)
Devaluation	4% (2023 – 4%)	<u>113,459</u>	<u>99,371</u>

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

4. Financial risk management (continued)

(c) Financial risk factors (continued)

(vi) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The amount included in the financial statements for cash and cash equivalents, receivables, and due from/(to) related parties reflect their approximate fair values because of the short-term maturity of these instruments. Long term liabilities, and bond payables approximate amortized costs.

(vii) Capital management

The policy of the Board of Directors is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business and ensure it continues as a going concern.

The company considers its capital to be its total equity inclusive of unappropriated profits and share capital. The company's financial objective is to generate a targeted operating surplus, in order to strengthen and provide for the future continuity of the company as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Directors regularly review the financial position of the company at meetings and monitor the return on capital and the level of dividends to the ordinary shareholders. They seek to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

Consistent with others in the industry, the company monitors capital based on the gearing ratio. This ratio is calculated as total borrowings divided by capital plus total borrowings. Total borrowings is calculated as current and non-current borrowings, as shown in the statement of financial position. Capital is calculated as equity, as shown in the statement of financial position plus total borrowings.

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Total borrowings	1,845,844	2,029,710
Capital	9,256,737	8,746,400
Equity and total borrowings	<u>11,102,581</u>	<u>10,776,110</u>
Gearing ratio	<u>17%</u>	<u>19%</u>

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

5. Critical accounting estimates and judgments in applying accounting policies

The Company makes estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, income and expenses reported in these financial statements. Amounts and disclosures based on these estimates assumptions and judgements may be different from actual outcomes, and these differences may be reported in the financial statements of the next financial year. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

(a) Critical judgements in applying the company's accounting policies

In the process of applying the company's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

(b) Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below:

(i) Fair value estimation

Certain assets and liabilities included in the company's financial statements require measurement at, and/or disclosure of, at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement of the company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized.

The standard requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

- (i) Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

5. Critical accounting estimates and judgments in applying accounting policies (continued)

(b) Key sources of estimation uncertainty (continued)

(i) Fair value estimation (continued)

(iii) Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above level is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

Transfers of items between levels are recognised in the period they occur.

The company measures the following items at fair value.

Property, plant and equipment -	Note 6
Investment properties -	Note 7

(ii) Impairment of financial assets

In determining amounts recorded for impairment of receivables in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default in meeting settlement obligation and adverse economic conditions.

Management also makes estimates of the likely estimated future cash flows from impaired receivables, as well as the timing of such cash flows. Expected credit losses (ECL) is applied to determine impairment of financial assets. When measuring ECL, the company considers the maximum contractual period over which the company is exposed to credit risk. All contractual terms are considered when determining the expected life. The expected life is estimated based on the period over which the company is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Pulse Investments Limited**Notes to the Financial Statements
30 June 2024**

5. Critical accounting estimates and judgments in applying accounting policies (continued)**(iii) Income taxes**

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain in the ordinary course of business. In cases of such uncertainty, the Company recognises liabilities for possible additional taxes based on its judgement. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

(iv) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

Pulse Investments Limited

Notes to the Financial Statements Year ended 30 June 2024

6. Property, plant and equipment

	Leasehold Property and Improvements	Furniture, Office equipment and Computer	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000
Cost/Valuation -				
1 July 2022	446,790	25,394	17,700	489,884
Additions	-	1,722	-	1,722
Revaluation	71,406	-	-	71,406
30 June 2023	518,196	27,116	17,700	563,012
Additions	533	470	-	1,003
30 June 2024	518,729	27,586	17,700	564,015
Depreciation -				
1 July 2022	-	12,786	8,099	20,885
Charge for year	-	1,907	2,400	4,307
30 June 2023	-	14,693	10,499	25,192
Charge for year	-	2,013	1,500	3,513
30 June 2024	-	16,706	11,999	28,705
Net Book Value -				
30 June 2024	518,729	10,880	5,701	535,310
30 June 2023	518,196	12,423	7,201	537,820

Leasehold properties represent the section of properties situated at 38a Trafalgar Road, Kingston 10, St. Andrew that is occupied by the company, and excludes the section that is held for rental which is carried as investment properties (Note 7). The land at 38a Trafalgar Road on which the leasehold properties are situated is owned a director. The lease is for fifty years (50) at an amount of \$1,000 per annum which has been prepaid and will expire in 2066. These properties were previously leased by Pulse Entertainment Group Limited, a related company, and the leases are part of the assets acquired on the restructuring of Pulse Entertainment Group Limited, and terms have been upgraded since acquisition. The surplus arising on revaluation is included in revaluation reserve (Note 19).

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

6. Property, plant and equipment (continued)

The fair value of leasehold properties and improvements is a level 3 recurring fair value measurement. The details on fair value of the leasehold properties and improvements are disclosed in note 19. A reconciliation of the opening and closing fair value is as follows:

	Leasehold properties and improvements	
	2024	2023
	\$'000	\$'000
Opening balance	518,196	446,790
Revaluation adjustments included in Other Comprehensive Income	-	71,406
Additions	533	-
Closing balance (level 3 recurring fair values)	<u>518,729</u>	<u>518,196</u>

7. Investment properties

	Leasehold property and building	Freehold land and building	Total
	\$'000	\$'000	\$'000
At fair value:			
1 July 2022	2,521,351	3,904,505	6,425,856
Transfer to held for sale (Note 11)	-	(148,830)	(148,830)
Additions	57,326	431,580	488,906
Fair value adjustment (Note 19)	403,466	600,624	1,004,090
June 30, 2022	<u>2,982,143</u>	<u>4,787,879</u>	<u>7,770,022</u>
Transfer to held for sale (Note 11)	-	48,750	48,750
Fair value adjustment (Note 19)	149,117	239,306	388,423
30 June 2024	<u>3,131,260</u>	<u>5,075,935</u>	<u>8,207,195</u>

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

7. Investment properties (continued)

The properties at Trafalgar Road and Villa Ronai were revalued at \$8.4 billion as follows:

<u>Location</u>	<u>2024</u>	<u>2023</u>
	<u>(Market Value (income approach))</u>	<u>Market Value (income approach)</u>
	<u>\$'000</u>	<u>\$'000</u>
Trafalgar Road	3,500,000	3,500,000
Villa Ronai	4,900,000	4,900,000

The appraisal was done on June 30, 2023 by TASC Property Appraisals Company Limited, independent valuers, who has an appropriate recognized professional qualification and experience in the location and category of the properties being valued.

The fair value of the properties was determined using the income capitalization approach with the discounted cash flow method. The discount rate used was 8% with a 10% growth rate annually for the Trafalgar Road property and a 5% growth rate for Villa Ronai.

The fair value movement recognised during the year is restricted to a maximum of 30% of the carrying value of prior period, not exceeding the market value as determined by the external valuers. The fair value movement recognised during the year was in line with management's best estimates and judgment and was determined using a rate of 4%.

The increase in the fair value of property, plant and equipment and the investment property has been credited to other comprehensive income and profit or loss, respectively.

The fair value of investment properties is a level 3 recurring fair value measurement.

At 30 June 2024, freehold land and leasehold land aggregated to \$153,895,000 (2023: \$153,895,000).

The land on which the leasehold properties are situated is owned by a director and shareholder (Note 34). The lease is for fifty years (50) at an amount of \$1,000 per annum and will expire in 2066.

During the year, the following were included in the Statement of Comprehensive Income:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Income earned from properties (Note 30)	157,197	153,902
Property related expenses (Note 29)	(40,960)	(37,531)
	<u>116,237</u>	<u>116,371</u>

Expenses incurred on investment properties are borne by the tenants.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

8. Development expenditure

	2024	2023
	\$'000	\$'000
Professional fees and cost for building approval and related services	217,800	217,800
Development of infrastructure works including roadways, retaining walls, excavation and bridge	75,230	75,230
Mortgage stamps duty other project costs	13,328	13,144
Capitalised interest cost	170,177	81,099
Preliminary works as it relates to site clearance land surveying exercise and general infrastructure	37,500	37,500
	<u>514,035</u>	<u>424,773</u>

The movement in development expenditure during the year was as follows:

	2024	2023
	\$'000	\$'000
Balance at the beginning of the year	<u>424,773</u>	<u>255,300</u>
Expenditure during the year, comprising:		
Development of infrastructure works including roadways, retaining walls, excavation and bridge	-	75,230
Mortgage stamps duty other project costs	184	13,144
Capitalised interest cost	89,078	81,099
	<u>89,262</u>	<u>169,473</u>
balance at the end of the year	<u><u>514,035</u></u>	<u><u>424,773</u></u>

The development expenditure represents the costs incurred to date on Phase 1 of the Pulse Homes at Villa Ronai. Pulse Homes at Villa Ronai is a housing development where 30 homes, a club house and a pool will be built in two phases. Phase 1 will have fifteen (15) homes and Phase 2 the additional fifteen (15) homes. The construction was initially scheduled to be done over a two (2) year period by G.L. Superb Limited, a company owned by a director. The company is in the process of arranging for another contractor to undertake the project.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

9. Intangible assets

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Patents	90,000	90,000
Trademarks	<u>2,720</u>	<u>2,720</u>
	<u>92,720</u>	<u>92,720</u>

Intangible assets represent patents and trademarks acquired from Pulse Entertainment Group Limited.

The recoverable amounts of the intangible assets were determined based on a value in use calculation using estimated cash flow projections. The pre-tax discount rate applied to the cash flow projections is 10%. The projected cash flows are estimated using a growth rate of 6%.

At 30 June 2024, the recoverable amount of each of the segment exceeded their carrying amount. With respect to the assumptions used in determining the value in use of Cash Generating Units (CGUs) in each of the segment, management believes that there are no reasonably possible changes in the key assumptions made which might cause the carrying amount of the CGUs to exceed their recoverable amount.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

10. Advertising entitlements

(a) Advertising entitlements -

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	2,353,129	1,866,613
Amounts recognised as income during the year (Note 27)	<u>322,058</u>	<u>486,516</u>
	2,675,187	2,353,129
Provision for impairment	<u>(316,374)</u>	<u>(54,284)</u>
Balance at end of year	<u>2,358,813</u>	<u>2,298,845</u>

Advertising entitlements represent non-cash consideration receivable for shows produced by the company and delivered to various media houses under contracts. Advertising entitlements is in nature of a barter transaction giving rise to the consideration receivable. The company may utilize these entitlements itself or make them available to others. The consideration is recognised as revenue in the period in which it arises and an expense in the period upon utilization or disposal. The timing and mode of the utilization of the advertising is uncertain.

No advertising entitlements were utilized during the current and prior year.

Management has made an estimation of the value of advertising entitlements receivable as consideration for the company's produced and branded TV programmes delivered to broadcasting stations by making reference to the approximate number of advertising spots and the average cost of acquiring these spots.

(b) Impairment provision -

The movement in impairment provision in respect of advertising entitlements was as follows:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Provision at the beginning of the year	54,284	54,284
Increase in provision recognised in profit or loss during the year	<u>262,090</u>	<u>-</u>
Provision at the end of the year	<u>316,374</u>	<u>54,284</u>

(c) Movement for the statement of cash flows purposes on advertising entitlement during the year:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Amount recognised as income during the year	<u>322,058</u>	<u>486,516</u>

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

11. Investment properties held for sale

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	117,000	-
Transferred (to)/from investment properties (Note 7)	(48,750)	148,830
Fair value adjustment (Note 30)	-	(31,830)
Balance at end of year	<u>68,250</u>	<u>117,000</u>

12. Receivables

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Trade receivables	187,940	167,990
Provision for impairment (Note 4 (c) (i))	(177,282)	(127,795)
	10,658	40,195
Prepayments	3,373	3,373
Other receivables	1,068	1,056
	<u>15,099</u>	<u>44,624</u>

13. Investment securities

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Barita Investments Limited	<u>2,228</u>	<u>2,228</u>

This represents securities purchased under resale agreement held with Barita Investments Limited. The weighted average interest rate on the investment is 7.25% with a maturity of over 181 days.

Notes to the Financial Statements
30 June 2024

14. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Short term investments:		
NCB Capital Markets Limited	-	18,011
Cash at bank:		
Interest reserve account (JMD)	374	31,034
Escrow account (USD)	24,155	24,131
Savings account (USD)	1,136	18,258
Chequing account (JMD)	988	121
	<u>26,653</u>	<u>73,554</u>
Cash in hand	124	10
	<u>26,777</u>	<u>91,565</u>

(i) The saving deposit accounts are interest bearing as follows:

	2024	2023
	%	%
Interest reserve account	1.5	4.00
Escrow account	0.25	0.25
Savings account	0.05	0.12

(ii) The interest reserve account is being held as security for the payment of bond interest for the first eighteen (18) months of the bond payable (Note 21).

(iii) The escrow account represents deposits paid by purchasers under a pre-payment contract which the company may withdraw up to ninety percent (90%) of the deposit and utilize same in the construction of the project. During the period \$Nil (2023: \$6,215,000) was withdrawn from the Escrow account for preliminary cost of construction, payment of stamp duty and interest earned, net of withholding tax of \$Nil (2023: \$36,000).

(iv) Short term investments are held at licensed financial institutions and attract interest at 6.25% per annum with an original maturity of less than 90 days. They all have remaining maturities of less than three months, substantially comprise Reverse Repurchase Agreements or Certificates of Participation, consisting of an interest in, or is collateralised by mainly Government of Jamaica and Bank of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. The risk is managed primarily by reviews of the financial status of the counterparty.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

14. Cash and cash equivalents (continued)

(v) Reconciliation of movements of liabilities to cash flows arising from financing activities:

Amounts represent loan and bond payable.

	2024		2023	
	\$'000	\$'000	\$'000	\$'000
At 1 July		720,478		632,477
Loan prepaid				(1,058)
Bonds proceeds	52,733		90,642	
Transaction cost to be amortized	-	52,733	(13,978)	76,664
Non-cash				
Transaction costs amortised (Note 21)		11,531		12,395
At 30 June		784,742		720,478

15. Share capital

	2024	2023
	No. of shares	No. of shares
Authorised ordinary shares at no par value	7,482,500,000	7,482,500,000
Authorized preference shares at no par value	17,500,000	17,500,000
	2024	2023
	\$'000	\$'000
Issued and fully paid-		
6,522,952,176 (2023: 6,522,952,176) ordinary stock units of no par value	147,529	147,529

The holders of ordinary shares are entitled to receive dividends if declared and are entitled to one vote per share at meetings of the company.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

16. Share premium

	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Share premium is made up as follows:		
31,549,768 (2023: 31,549,768) ordinary shares – premium of \$0.51 per share	16,042	16,042
91,341,692 (2023: 91,341,692) ordinary shares – premium of \$3.91 per share	357,146	357,146
	<u>373,188</u>	<u>373,188</u>
Costs of rights issue	(6,812)	(6,812)
	<u>366,376</u>	<u>366,376</u>

Share premium is retained in accordance with the provisions of Section 39 (7) of the Companies Act.

17. Capital reserve

The amount represents surplus arising on the purchase of net assets of Pulse Entertainment Group Limited.

18. Capital redemption reserve

The amount represents the total redemption value of redeemed preference shares that was transferred from retained earnings in accordance with the requirements of the Jamaican Companies Act.

19. Revaluation reserve

The revaluation reserve represents the accumulated surplus arising on the revaluation of certain leasehold properties.

20. Shares to be issued

This represents the value of professional services provided by Capital Options Limited which has confirmed its intention to convert 2,608,698 ordinary shares in the company. During 2013, Capital Options Limited transferred its rights to the shares to a director. If these shares were issued, the earnings per share (EPS) would not be diluted because the quantity of shares is insignificant.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

21. Bond payable

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Amortised senior secured bond	809,300	756,567
Less transaction cost:		
Brought forward from prior year	(46,123)	(44,540)
Incurred during the year	-	(13,978)
Amortised for the year (Note 32)	11,531	12,395
	<u>(34,592)</u>	<u>(46,123)</u>
	<u>774,708</u>	<u>710,444</u>

- (i) On 30 June 2022, the company issued a senior secured bond of up to One Billion One Hundred Million Dollars (\$1,100,000,000) to be disbursed on a drawn down basis within a twenty-four (24) month construction period after the issue date. As at 30 June 2024, the company has drawn a total of \$809,300,000 (2023: \$756,531,000) to assist with repayment of bridge facility with Barita Investments Limited, construction of Phase 1 of Pulse Homes Development, funding of interest reserve account and bond issuance costs.

During the year, the company drew down an additional \$52,733,000 (2023: \$90,642,000).

- (ii) The transaction costs are being amortised over the life of the bond.
- (iii) The bond interest rate is fixed at 11% per annum for the first two (2) years after the issue date thereafter variable at the prevailing three (3) month weighted average treasury bill yield plus a spread of 3.22% and matures 29 June 2027. The bond was arranged by Barita Investments Limited and is registered with JCSD Trustee Services Limited.
- (iv) Interest is payable on a monthly basis for a period of eighteen (18) months from 30 June 2022 and then payable quarterly on arrears thereafter until the maturity date.

Pulse Investments Limited**Notes to the Financial Statements
30 June 2024**

21. Bond payable (continued)

The bond is secured by:

- (a) First Legal Mortgage over the development properties located in Stony Hill, St. Andrew and comprised in the Certificate of Title registered at Volumes 1400, 383 & 1099 Folios 816, 9 & 798 in the register book of Titles. The properties have a minimum projected market value of J\$3,000,000,000 (market value of J\$1,600,000,000 as at 30 June 2020) and will be registered and stamped to cover the Facility (s) amount of One Billion One Hundred Million Jamaican Dollars (J\$1,100,000,000). The proposed bonds must not exceed 75% of the projected value of the development.
- (b) First Demand Debenture over the fixed and floating, future and present assets of Pulse Investments Limited stamped to cover the Facility(s) amount.
- (c) Assignment of Contractors All Risk Insurance with the Trustee (on behalf of Bondholders) noted as Mortgage to be obtained and remain in effect for the construction period. Upon completion of the development the policy over the development the policy is to be converted to a Fire and Allied Perils Insurance policy over the development property for the full replacement value of the property with the Trustee (on behalf of Bondholders) noted as loss Mortgagee.
- (d) Subordination of Related Party Loans throughout the life of the Facility.
- (e) Interest reserve account funded with thirty-one million and thirty-four thousand \$374,945 (2023: \$31,034,000) (Note 14).
- (f) Any other collateral that may reasonably be required by the Arrangers.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

22. Long term loan

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
National Commercial Bank Jamaica Limited	<u>8,900</u>	<u>10,034</u>
Non-current portion	7,683	8,900
Current portion	<u>1,217</u>	<u>1,134</u>
	<u>8,900</u>	<u>10,034</u>

1. The loan attracts interest of 6.99% per annum and is repayable in July 2030. The loan is secured by a 2021 BMW X4 motor vehicle.
2. Securities held –
 - (i) Guarantee from a director in favour of NCB Capital Markets Limited on behalf of Pulse Investments Limited supported by:

First Legal Mortgage over property known as Villa Ronai in Old Stony Hill, St. Andrew. Letter of opinion done by TASC Property Appraisals Limited in October 2019. Proposed market value upon completion \$1.05B; Registered and stamped to cover \$250M. Assignment of five, earthquake and hurricane insurance.
 - (ii) Debt service reserve account (DSRA) at NCBM with one (1) quarter's interest, to be increased to one quarter's principal plus interest, twenty-four months after disbursement;
 - (iii) Subordination of inter-company and shareholder's loans and advances.
 - (iv) Guarantee from a director in favour of NCB Capital Markets Limited on behalf of Pulse Investments Limited, supported by: First legal mortgage over property known as Villa Ronai in Old Stony Hill, St. Andrew. Letter of Opinion done by TASC Property Appraisals Co. Limited in October 2019. Proposed market value upon completion \$1.05B; to be registered and stamped to cover \$50m. Assignment of five, earthquake and hurricane insurance.
 - (v) Debt service reserve account agreement with initial amount of \$3.125m to be built up at a rate of \$150,000 monthly over 24 months. Total lien amount \$6,725,000.

Notes to the Financial Statements
30 June 2024

23. Due to related party

The following transactions were carried out with related parties

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
G.L. Superb Limited	1,061,540	1,307,967
	<u>1,061,540</u>	<u>1,307,967</u>

G.L. Superb Limited is a company controlled by a director and related by virtue of common directorship.

The balance due to related party will not be demanded within sixty months as there is a subordination of related party loans throughout the life of the bond payable (Note 34).

24. Deferred income taxes

Deferred income taxes are calculated in full on all temporary differences under the liability method using a tax rate of 25% (2023: 25%). Assets and liabilities recognised on the statement of financial position are as follows:

The movement on the net deferred income tax balance is as follows:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Deferred income tax liabilities	(504,513)	(470,690)
Balance at end of year	<u>(504,513)</u>	<u>(470,690)</u>

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	(470,690)	(329,202)
Deferred income charged to the statement of comprehensive income (Note 33)	(33,823)	(141,488)
Balance at end of year	<u>(504,513)</u>	<u>(470,690)</u>

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

24. Deferred income taxes (continued)

Deferred income tax liabilities are attributable to the following:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Deferred income tax assets/(liabilities):		
Investment properties	(60,474)	(43,834)
Property, plant and equipment	(7,023)	(7,264)
Advertising entitlements	(589,703)	(574,711)
Expected credit loss	44,321	31,949
Bond payable	(8,648)	(11,531)
Tax losses	117,014	134,701
Net liabilities at end of year	<u>(504,513)</u>	<u>(470,690)</u>

The amounts shown in the statement of financial position include the following:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Deferred tax liabilities to be settled:		
- after more than 12 months	(504,513)	(470,690)
- within 12 months	-	-
	<u>(504,513)</u>	<u>(470,690)</u>

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

25. Trade and other payables

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Pulse home deposits (i)	30,461	30,436
Security deposits	5,156	4,313
Dividends payable	33,608	8,051
GCT payable	27,847	19,079
Withholding tax payable	18,893	14,001
Accruals charges (ii)	33,297	8,661
Other payables	4,658	-
	<u>153,920</u>	<u>84,541</u>

(i) Pulse homes deposits are held in an escrow account (note 20). In prior year the company broke ground to commence the development of Phase 1 of the Pulse homes at Villa Ronai which will consist of 15 homes i.e. (2) two bedroom unit, (3) three bedroom units and (4) two bedroom townhouse units.

(ii) Included in accrued charges is an amount of \$22,794,000 (2023: \$Nil) for interest payable.

26. Bank overdraft

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
National Commercial Bank Jamaica Limited	696	1,265

The bank overdraft is as a result of unrepresented cheques at the year end.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

27. Revenue

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Market sponsorship and advertising entitlements:		
In kind sponsorship	191,928	167,622
Advertising entitlements (Note 10)	322,058	486,516
Cash sponsorship and branding	77,381	77,429
Model agency income	66,533	62,716
Rental of properties	157,197	153,902
Fashions shows	-	748
	<u>815,097</u>	<u>948,933</u>

Rental income of \$58,581,000 (2023: \$53,532,000) and cash sponsorship and branding \$71,900,000 (2023: \$71,000,000) is from a related company (Note 34).

28. Unexpired sponsorship in kind

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Opening balance	52,503	52,503
Sponsorship in kind generated during the year	191,928	167,622
	244,431	220,125
Sponsorship recognized and utilized during the year (Note 27)	(191,928)	(167,622)
Unexpired sponsorship in kind at the end of the year	<u>52,503</u>	<u>52,503</u>

Unexpired sponsorship in kind are not recognized in the statement of financial position.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

29. Expenses by nature

	2024	2023
	\$'000	\$'000
Operating and administrative expenses:		
Accommodation and meals	4,127	4,173
Advertising and public relations	124,849	109,089
Auditors' remuneration	4,385	4,950
Bank charges	3,211	3,689
Bar costs	5,494	4,312
Cleaning and sanitation	328	264
Contracted services	16,760	13,428
Depreciation	3,513	4,307
Donation and subscriptions	349	278
Equipment rental	6,904	6,059
Insurance	11,276	13,080
Legal and professional fees	11,027	16,298
Office expenses	4,346	5,426
Property taxes	1500	-
Parking services	196	674
Repairs, maintenance and upkeep	5,352	7,450
Security services	10,138	8,032
Shows supplies and production	53,544	47,942
Travel and entertainment	521	659
Utilities	16,865	18,471
	<u>284,685</u>	<u>268,581</u>
Impairment losses on financial assets (Note 4(c) (i))	49,487	52,710
Other impairment losses (Note 10(b))	262,090	-
Finance costs, net (Note 32)	13,106	8,984
	<u><u>609,368</u></u>	<u><u>330,275</u></u>

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

30. Other operating income

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Unrealized fair value adjustment on:		
Investment properties (Note 7)	388,423	1,004,090
Investment properties held for sale (Note 11)	-	(31,830)
	<u>388,423</u>	<u>972,260</u>
Miscellaneous income	310	17
	<u>388,733</u>	<u>972,277</u>

At year end unrealized losses on assets held for sale were recognised which represents the difference between amounts quoted in sales agreement and fair value of asset when transferred from investment properties.

31. Operating profit

In arriving at the operating profit, the following have been charged:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Auditors' remuneration	4,385	4,950
Depreciation	3,513	4,307
Directors' emoluments:		
Directors' fees	5,050	5,210
Management remuneration	-	-
Impairment losses on financial assets	<u>311,577</u>	<u>52,710</u>

32. Finance costs, net

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Interest income	<u>(283)</u>	<u>(4,242)</u>
Loan interest expense	837	742
Foreign exchange losses	1,021	89
Amortised bond transaction cost (Note 21)	<u>11,531</u>	<u>12,395</u>
	<u>13,389</u>	<u>13,226</u>
	<u>13,106</u>	<u>8,984</u>

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

33. Taxation

- (a) Taxation is computed on the operating profit for the year adjusted for taxation purposes and comprises:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Current taxation	17,687	17,907
Deferred taxation (Note 24)	<u>33,823</u>	<u>141,488</u>
	<u>51,510</u>	<u>159,395</u>

- (b) The taxation charge in the statement of comprehensive income account differs from the theoretical amount that would arise using the income tax rate of 25%, as follows:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Profit before taxation	<u>594,463</u>	<u>1,590,934</u>
Income tax of 25%	148,616	397,733
Adjusted for the effects of:		
Disallowed expenses and other adjustments	-	24,233
Fair value appreciation on investment property	(97,106)	(251,022)
Other tax-exempt charges and allowance	<u>-</u>	<u>(11,549)</u>
	<u>51,510</u>	<u>159,395</u>

- (c) Subject to agreement with the Commissioner, Tax Administration Jamaica losses of approximately \$468 million (2023: \$411 million) are available for set-off against future profits. These tax losses may be carried forward indefinitely, however the amount which can be utilized in any one year is restricted to 50% of the current year's taxable profits. Deferred income tax assets are recognised for tax losses carried forward to the extent that realization of the related tax benefit through the future taxable periods is probable.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

34. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

- (a) Enterprises over which a substantial interest in the voting power is owned by key management personnel' including directors and officers and close members of families; or
- (a) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the company.

	2024	2023
	\$'000	\$'000
At the statement of financial position date: -		
Due to G.L. Superb Limited (Note 23)	1,061,540	1,307,967
	<u>1,061,540</u>	<u>1,307,967</u>
Charged/(credited) to statement of comprehensive income: -		
G.L. Superb Limited:		
Rental income	(58,541)	(53,532)
Cash sponsorship	(71,900)	(71,000)
Lease expense	1	1
Development expenditure (Note 8)	184	75,230
Additions to investment property	-	488,790
Salaries, wages and other benefits	5,050	5,210
	<u>5,050</u>	<u>5,210</u>

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

34. Related party transactions (continued)

The parcels of land on which the leasehold properties are situated are owned by a director and shareholders (Note 6 and 7).

Based on an agreement dated 20 December 2016 between Pulse Investments Limited and the related party property owner, lease for the Trafalgar Road controlled by Pulse, have been extended to 50 years (to expire in 2066). Peppercorn rent payable for these 50 years, in accordance with the terms of the leases, amounts have been paid up in advance. Under the terms of the extension, if the lease is terminated prior to the end of 50 years, the company and its shareholders will be compensated to the full value of the leasehold improvements and investment made by the company in the property to then date, as well as any new investments made in the future. At 30 June 2024, the total value of leasehold properties owned by a director and shareholder totalled in excess of \$3.5 billion (2023 \$3.5 billion).

35. Earnings per stock unit

	<u>2024</u>	<u>2023</u>
Net profit attributable to stockholders of the company (S'000)	<u>542,952</u>	<u>1,431,540</u>
Weighted average number of stock units (000)	<u>6,522,952</u>	<u>6,522,952</u>
Basic earnings per stock	<u>8 cents</u>	<u>23 cents</u>

Earnings per stock unit ("EPS") is computed by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue during the year.

36. Dividends

	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Declared at 0.005 (2023: Nil) cents per stock	<u>32,615</u>	<u>-</u>
Total dividends to stockholders	<u>32,615</u>	<u>-</u>

On December 1, 2023, a resolution was passed by the Board of Directors approving the recommendation for the declaration of a dividend of \$0.005 per stock unit to be paid on February 8, 2024.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

37. Commitments

The company is in the process of developing its real estate holdings which includes construction of residences. The developmental project is estimated at \$1.1 Billion to be expended over the next two years. A total of \$809,300,000 (2023: \$756,567,000) has been drawn down as at the reporting date (Note 21).

38. Restatement of prior year balances

Certain items in the company's statement of financial position as at 30 June 2023 and 30 June 2022 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended were restated to reflect the following:

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
(a) Recording surplus on revaluation reserve understated	120,568	102,716
(b) Recording adjustment to retained earnings due to correction of deferred income taxes and revaluation reserve	(444,176)	(302,617)
(c) Recording correction to deferred tax understated	323,608	199,901
	<u>-</u>	<u>-</u>

Under paragraph 42 of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this restatement would ordinarily require the presentation of a third statement of financial position as at 1 July 2021.

Below are the reconciliations of the statement of financial position as at 30 June 2023 and 30 June 2022; and the statement of comprehensive income as at 30 June 2023. There were no changes to the statement of comprehensive income as at 30 June 2022.

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

38. Restatement of prior year balances (continued)

(a) Statement of financial position as at 30 June 2023: -

	<u>As previously Stated</u> \$'000	<u>Effect of Restatement</u> \$'000	<u>As Restated</u> \$'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	537,820	-	537,820
Investment properties	7,770,022	-	7,770,022
Development expenditure	424,773	-	424,773
Intangible assets	92,720	-	92,720
Advertising entitlement	2,298,845	-	2,298,845
	<u>11,124,180</u>	<u>-</u>	<u>11,124,180</u>
Current Assets			
Investment properties held for sale	117,000	-	117,000
Receivables	44,624	-	44,624
Investment securities	2,228	-	2,228
Cash and cash equivalents	91,565	-	91,565
	<u>255,417</u>	<u>-</u>	<u>255,417</u>
TOTAL ASSETS	<u><u>11,379,597</u></u>	<u><u>-</u></u>	<u><u>11,379,597</u></u>
EQUITY AND LIABILITIES			
Stockholders' Equity			
Share capital	147,529	-	147,529
Share premium	366,376	-	366,376
Capital reserve	2,637	-	2,637
Capital redemption reserve	20,500	-	20,500
Revaluation reserve	(a) 371,126	120,568	491,694
Shares to be issued	2,609	-	2,609
Retained earnings	(b) 8,159,231	(444,176)	7,715,055
	<u>9,070,008</u>	<u>(323,608)</u>	<u>8,746,400</u>
Non-Current Liabilities			
Bond payable	710,444	-	710,444
Long term loan	8,900	-	8,900
Due to related party	1,307,967	-	1,307,967
Deferred taxation	(c) 147,082	323,608	470,690
	<u>2,174,393</u>	<u>323,608</u>	<u>2,498,001</u>
Current Liabilities			
Payables	84,541	-	84,541
Taxation	48,256	-	48,256
Current portion of long term loan	1,134	-	1,134
Bank overdraft	1,265	-	1,265
	<u>135,196</u>	<u>-</u>	<u>135,196</u>
TOTAL EQUITIES AND LIABILITIES	<u><u>11,379,597</u></u>	<u><u>-</u></u>	<u><u>11,379,597</u></u>

Notes to the Financial Statements
30 June 2024

38. Restatement of prior year balances (continued)

(b) Statement of comprehensive income for the year ended 30 June 2023: -

	<u>As Previously Stated</u>	<u>Effect of Restatement</u>	<u>As Restated</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Turnover	948,933	-	948,933
Administrative and other expenses	(321,381)	52,800	(268,581)
Impairment losses on financial assets	-	(52,710)	(52,710)
	<u>627,552</u>	<u>90</u>	<u>627,642</u>
Other operating income	976,519	(4,242)	972,277
Operating profit	1,604,071	(4,152)	1,599,919
Finance costs, net	(13,136)	4,152	(8,984)
Profit before taxation	1,590,934	-	1,590,935
Taxation	(a) (17,836)	(141,559)	(159,395)
Net profit for the year	<u>1,573,099</u>	<u>(141,559)</u>	<u>1,431,540</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss-			
Surplus arising on revaluation of leasehold properties and improvements	71,406		71,406
Deferred tax effect	(17,852)	(17,852)	-
	<u>53,554</u>	<u>(17,852)</u>	<u>71,406</u>
Total comprehensive income	<u>1,626,653</u>	<u>(123,707)</u>	<u>1,502,946</u>
Earnings per ordinary stock unit attributable to stockholders of the company	<u>24 cents</u>		<u>23 cents</u>

Pulse Investments Limited

Notes to the Financial Statements 30 June 2024

38. Restatement of prior year balances (continued)

(a) Statement of financial position as at 30 June 2022: -

	As previously Stated	Effect of Restatement	As Restated
	\$'000	\$'000	\$'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	468,999	-	468,999
Investment properties	6,425,856	-	6,425,856
Development expenditure	255,300	-	255,300
Intangible assets	92,720	-	92,720
Advertising entitlement	1,812,329	-	1,812,329
	9,055,204	-	9,055,204
Current Assets			
Receivables	45,601	-	45,601
Investment securities	2,157	-	2,157
Cash and cash equivalents	217,029	-	217,029
	264,787	-	264,787
TOTAL ASSETS	9,319,991	-	9,319,991
EQUITY AND LIABILITIES			
Stockholders' Equity			
Share capital	147,529	-	147,529
Share premium	366,376	-	366,376
Capital reserve	2,637	-	2,637
Capital redemption reserve	20,500	-	20,500
Revaluation reserve	(a) 317,572	102,716	420,288
Shares to be issued	2,609	-	2,609
Retained earnings	(b) 6,586,132	(302,617)	6,283,515
	7,443,355	(199,901)	7,234,454
Non-Current Liabilities			
Bond payable	621,385	-	621,385
Long term loan	10,034	-	10,034
Due to related party	1,004,092	-	1,004,092
Deferred taxation	(c) 129,301	199,901	329,202
	1,764,812	199,901	1,964,713
Current Liabilities			
Payables	77,665	-	77,665
Taxation	33,101	-	33,101
Current portion of long term loan	1,058	-	1,058
Bank overdraft	-	-	-
	111,824	-	111,824
TOTAL EQUITIES AND LIABILITIES	9,319,991	-	9,319,991