

PULSE MARKETS PTY LIMITED
A.B.N 14 081 505 268

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016

PULSE MARKETS PTY LIMITED
A.B.N 14 081 505 268

Directors' Report

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PULSE MARKETS PTY LIMITED
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Pulse Markets Pty Limited
Directors' Report
30 June 2016

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Braund
Jason Norval (appointed 17/12/15)

Principal activities

The principal activities of the company during the financial year were stockbroking and the provision of financial advice under an Australian Financial Services License (AFSL).

Dividends

A dividend of \$ 120,000 was declared and paid during the current year (2015: nil).

Review of operations

The profit for the company after providing for income tax amounted to \$186,979 (30 June 2014: \$ 446,384 profit).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no options outstanding as at 30 June 2016.

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Shares issued on the exercise of options

There were no shares of the company issued on the exercise of options during the year ended 30 June 2016.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Indemnity and insurance of auditor

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Braund
Director



Jason Norval
Director

PULSE MARKETS PTY LIMITED
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Income			
Revenue		5,574,812	2,482,765
Other income		10,979	(3,983)
		<u>5,585,791</u>	<u>2,478,782</u>
Expenditure			
Auditor's remuneration		(900)	(750)
Bad and doubtful debt expenses		-	(1,130)
Depreciation and amortisation expenses		(9,047)	(5,239)
Employee benefits		(358,592)	(9,676)
Lease expenses		(2,164)	(1,232)
Other expenses		(4,936,881)	(1,818,849)
		<u>278,207</u>	<u>641,906</u>
Profit before income tax		<u>278,207</u>	<u>641,906</u>
Income tax expense		(91,228)	(195,523)
Net Profit for the year after Income Tax		<u>186,979</u>	<u>446,384</u>
Add			
Retained Earnings at beginning of year		553,902	107,519
Dividend Paid		(120,000)	-
Retained Earnings at 30 June 2016		<u>620,881</u>	<u>553,902</u>

The accompanying notes form part of these financial statements.

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BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	200,853	24,984
Trade and other receivables	4	432,590	862,729
Financial assets	5	210,784	1,350
TOTAL CURRENT ASSETS		<u>844,227</u>	<u>889,063</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	41,003	34,005
Provision for Deferred Income Tax Benefits		6	6
TOTAL NON-CURRENT ASSETS		<u>41,009</u>	<u>34,011</u>
TOTAL ASSETS		<u>885,236</u>	<u>923,074</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	195,561	311,095
TOTAL CURRENT LIABILITIES		<u>195,561</u>	<u>311,095</u>
NON-CURRENT LIABILITIES			
Provision for Deferred Tax Liability		10,840	123
TOTAL NON-CURRENT LIABILITIES		<u>10,840</u>	<u>123</u>
TOTAL LIABILITIES		<u>206,401</u>	<u>311,218</u>
NET ASSETS		<u>678,835</u>	<u>611,856</u>
EQUITY			
Issued capital			
10,512,542 Ordinary Shares		57,954	57,954
Retained earnings	8	620,881	553,902
TOTAL EQUITY		<u>678,835</u>	<u>611,856</u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

The financial statements cover the business of Pulse Markets Pty Limited and have been prepared to meet the needs of stakeholders and to assist in the preparation of the tax return.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The Company is non reporting since there are unlikely to be any users who would rely on the general purpose financial statements.

The special purpose financial statements have been prepared in accordance with the significant accounting policies described below and do not comply with any Australian Accounting Standards unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

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FOR THE YEAR ENDED 30 JUNE 2016

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. All assets excluding freehold land, are depreciated over their useful lives to the company or under the Simplified Depreciation Rules.

Impairment of Non-Financial Assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income statement.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Revenue and Other Income

Revenue is recognised when the business is entitled to it.

All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case, then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

Other income is recognised on an accruals basis when the company is entitled to it.

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
3 Cash and Cash Equivalents		
Macquarie Bank – Operating Account	93,668	23,799
Macquarie Bank – Cash Management Account	107,185	1,185
	<u>200,853</u>	<u>24,984</u>
4 Trade and Other Receivables		
Current		
Sundry Debtors	1,470	75
Trade Debtors	124,002	502,059
Security Deposit – Pershing Securities Ltd	200,000	155,000
Unsecured loan		98,988
Security Deposit - Premises	106,618	106,084
Short-term Deposits	500	523
	<u>432,590</u>	<u>862,729</u>
5 Financial Assets		
Current		
Shares in Unlisted Companies	105,000	-
Shares held for Trading	105,784	1,350
	<u>210,784</u>	<u>1,350</u>
6 Property, Plant and Equipment		
Land and Buildings		
Property Improvements	7,450	10,050
Less: Accumulated Depreciation	(611)	(367)
	<u>6,839</u>	<u>9,683</u>
Total Land and Buildings	<u>6,839</u>	<u>9,683</u>
Office Furniture & Equipment at Cost	77,395	69,909
Less: Accumulated Depreciation	(43,231)	(45,587)
	<u>34,164</u>	<u>24,322</u>
Total Plant and Equipment	<u>34,164</u>	<u>24,322</u>
Total Property, Plant and Equipment	<u>41,003</u>	<u>34,005</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
<hr/>		
7 Trade and Other Payables		
Current		
Trade Creditors	127,286	114,112
Income Tax payable	70,556	161,662
Other Taxes	(2,281)	35,321
	<hr/>	<hr/>
	195,561	311,095
	<hr/>	<hr/>
8 Retained Earnings		
Retained earnings at the beginning of the financial year	553,902	107,518
Net profit attributable to members of the company	186,979	446,384
Dividends paid	(120,000)	-
Retained earnings at the end of the financial year	<hr/> <hr/>	<hr/> <hr/>
	620,881	553,902

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DIRECTORS' DECLARATION


The director has determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The director of the company declares that:

1. The financial statements and notes, as set out on pages 1 to 8, present fairly the Company's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the director.

Director:


Mr Andrew J Braund

Director:


Mr Jason Norval

Dated this 24th day of November 2016

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PULSE MARKETS PTY LIMITED
A.B.N 14 081 505 268**

**Independent Auditor's Report
To the Members of Pulse Markets Pty Limited**

We have audited the accompanying financial report, being a special purpose financial report, of Pulse Markets Pty Limited (the "Company"), which comprises the directors' report, statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and a summary of significant accounting policies, other explanatory notes to the financial report and the directors' declaration of the company.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report, and have determined that the accounting policies used and described in Note 1 to the financial report, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and the needs of the members. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Company is an Australian Financial Services licensee and as such is regulated under Chapter Seven of the Corporations Act 2001. The directors are responsible for establishing and maintaining effective internal controls in relation to compliance with the requirements of the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

Our responsibility extends to forming an opinion as to whether the company has complied with the internal controls used by the licensee to comply with Division 2,3,4,5,6, and 7 of the Act.

In forming this opinion, our procedures have been conducted in accordance with Australian Auditing Standards, and accordingly included such tests and procedures that we considered necessary in the circumstances.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PULSE MARKETS PTY LIMITED
A.B.N 14 081 505 268**

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

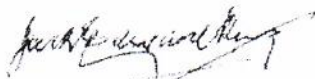
the financial report of Pulse Markets Pty Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001 and

the controls used by the licensee to comply with:

- (a) Division 2, 3, 4 and 5 of Part 7.8 of the Act; and
- (b) Division 7 of Part 7.8 of the Act other than Section 991A.

are effective.



JACK EDWARD KING

Registered Company Auditor
Sydney, 24 November 2016