

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

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

Directors' Report

Income Statement

Balance Sheet

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Directors' Declaration

Auditor's Report

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

**Pulse Markets Pty Limited**  
**Directors' Report**  
**30 June 2017**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2017.

**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 (resigned 12/10/2017)

**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**

No dividend was paid during the current year ( 2016: \$ 120,000).

**Review of operations**

The loss for the company after providing for income tax amounted to \$ 256,663. (30 June 2016: \$ 186,979 profit).

**Significant changes in the state of affairs**

Other than above, there were no significant changes in the state of affairs of the company during the financial year.

In October 2016, the company restructured its operations, firstly by selling the business operation to a related entity and by moving premises, relocating to premises leased by another related entity. Financial results in the last eight months of the financial year were severely affected by the above and the general down turn in the securities industry.

Both the business operator and the licensee company bore these losses, but in particular, the business operator ( Pulse Markets Unit Trust ) was funded through this time, resulting in a loan of \$ 669,191 being accumulated by 30th June 2017. A provision for non-recovery of this debt has been included in the financial accounts for the sum of \$ 417,974, as \$ 251,217 has been repaid as at the date of this report.

Other than above, 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 2017 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.

**PULSE MARKETS PTY LIMITED**  
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**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 2017.

**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 2017.

**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

**PULSE MARKETS PTY LIMITED**  
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**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>Income</b>			
Revenue		2,931,982	5,835,937
Other income		115,659	172,213
		3,047,641	6,008,150
<b>Expenditure</b>			
Auditor's remuneration		6,400	900
Bad and doubtful debt expenses		417,974	-
Depreciation and amortisation expenses		-	9,047
Employee benefits		234,056	354,464
Other expenses		2,737,946	5,365,530
		3,396,376	5,729,941
<b>Profit / (loss) before income tax</b>		(348,735)	278,209
Income tax expense		92,073	(91,228)
<b>Net Profit / (loss) for the year after Income Tax</b>		(256,662)	186,981

The accompanying notes form part of these financial statements.



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

**BALANCE SHEET**  
**AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	87,622	210,784
Trade and other receivables	4	637,492	432,029
Financial assets	5	-	210,784
<b>TOTAL CURRENT ASSETS</b>		<u>725,114</u>	<u>844,227</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	-	41,009
Financial assets	5	80,200	
Provision for Deferred Income Tax Benefits		92,887	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>173,087</u>	<u>41,009</u>
<b>TOTAL ASSETS</b>		<u>898,201</u>	<u>885,236</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	476,029	195,561
<b>TOTAL CURRENT LIABILITIES</b>		<u>476,029</u>	<u>195,561</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for Deferred Tax Liability		-	10,840
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>10,840</u>
<b>TOTAL LIABILITIES</b>		<u>476,029</u>	<u>206,401</u>
<b>NET ASSETS</b>		<u>422,172</u>	<u>678,835</u>
<b>EQUITY</b>			
Issued capital			
10,512,542 Ordinary Shares		57,954	57,954
Retained earnings	8	364,218	620,881
<b>TOTAL EQUITY</b>		<u>422,172</u>	<u>678,835</u>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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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.



**PULSE MARKETS PTY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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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 2017**

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**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.

**PULSE MARKETS PTY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
<b>3 Cash and Cash Equivalents</b>		
Macquarie Bank – Operating Account	87,572	93,668
Macquarie Bank – Cash Management Account	50	107,185
	<u>87,622</u>	<u>200,853</u>
<b>4 Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	112,686	124,002
Security Deposit – Pershing Securities Ltd	200,000	200,000
Unsecured loans – Related Entities - owing	742,780	834
Less: Provision For Doubtful Debt	(417,973)	-
Security Deposit - Premises	-	106,618
Short-term Deposits	-	575
	<u>673,493</u>	<u>432,029</u>
<b>5 Financial Assets</b>		
<b>Current</b>		
Shares in Unlisted Companies	-	105,000
Shares held for Trading	-	105,784
<b>Non-Current</b>		
Unlisted Options in Listed Company	80,200	-
	<u>80,200</u>	<u>210,784</u>
<b>6 Property, Plant and Equipment</b>		
<b>Land and Buildings</b>		
Property Improvements	-	7,450
Less: Accumulated Depreciation	-	(611)
	-	6,839
<b>Total Land and Buildings</b>	-	6,839
Office Furniture & Equipment at Cost	-	77,395
Less: Accumulated Depreciation	-	(43,231)
	-	34,164
<b>Total Plant and Equipment</b>	-	34,164
<b>Total Property, Plant and Equipment</b>	-	41,003

**PULSE MARKETS PTY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
<hr/>		
<b>7 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	217,601	127,286
Income Tax payable	25,331	70,556
Other Taxes	158,095	(2,281)
Short Term Loans – service suppliers	75,000	-
	<hr/> 476,029	<hr/> 195,561
<b>8 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	620,881	553,902
Net profit attributable to members of the company	(256,662)	186,979
Dividends paid	<hr/> -	<hr/> (120,000)
Retained earnings at the end of the financial year	<hr/> 364,220	<hr/> 620,881



**PULSE MARKETS PTY LIMITED**  
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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 2017 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

Dated this 31st day of October 2017

**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 2017, 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**

**Emphasis of Matter**

Attention is drawn to the Directors' Report under the heading Significant Changes in the State of Affairs. In my opinion, the statements made therein adequately reflect the circumstances surrounding the related entity loan of \$ 631,303 at the end of the financial year. In my opinion, the provision made for the non-recovery of this debt at the end of the financial year is adequate in the circumstances.

**Independence**

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

**Auditor's opinion**

In our opinion:

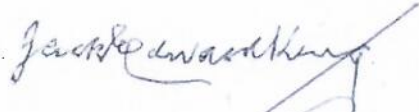
the financial report of Pulse Markets Pty Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 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, 31st October 2017