

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**

**Unaudited Consolidated Profit and Loss Account**

**Six months ended 31 December 2008**

	Note	Period Oct. - Dec. \$'000	Y-T-D Dec-08 \$'000	Period Oct. - Dec. \$'000	Y-T-D Dec-07 \$'000
<b>Revenue</b>	2	119,236	250,538	112,740	235,221
Direct expenses		-110,035	-223,029	-88,198	-181,654
<b>Gross Profit</b>		9,201	27,509	24,542	53,567
Other operating income		13,372	23,504	5,593	12,287
Administration expenses		-30,356	-59,227	-27,726	-52,967
Other operating expenses		-648	-1,327	-1,059	-1,929
<b>Operating (Loss)/Profit</b>		-8,431	-9,541	1,350	10,958
Finance costs - interest expense		-933	-1,276	-500	-1,030
<b>NET (LOSS)/PROFIT</b>		-9,364	-10,817	850	9,928
<b>Attributable to:</b>					
Stockholders of the company		-9,340	-10,650	850	9,905
Minority interest		-24	-167	0	23
		-9,364	-10,817	850	9,928
<b>Earnings per Stock Unit Attributable to Stockholders of the Company</b>	3	-6.50	-7.41	0.59	6.89

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**  
**Unaudited Consolidated Balance Sheet**  
**31 December 2008**

	Dec-08 \$'000	Jun-08 \$'000	Dec-07 \$'000
<b>Non-Current Assets</b>			
Fixed assets	143,343	149,992	153,004
Investments	8,413	10,243	7,834
Deferred tax assets	2,715	2,715	489
Pension surplus	32,475	32,475	29,049
<b>Current Assets</b>			
Inventories	27,461	19,227	14,912
Accounts receivable	21,787	15,327	17,345
Taxation recoverable	199	10,120	11,026
Cash and bank balances	100,560	95,115	73,968
	150,007	139,789	117,251
<b>Current Liabilities</b>			
Accounts payable	55,558	55,584	48,334
Current portion of long term liabilities	2,523	4,390	4,390
Bank overdraft	20,380	3,773	2,603
	78,461	63,747	55,327
<b>Net Current Assets</b>	71,546	76,042	61,924
	258,492	271,467	252,300
<b>Stockholders' Equity</b>			
Share capital	1,437	1,437	1,437
Capital reserve	166,488	166,488	166,685
Fair value reserve	8,335	10,165	7,666
Retained earnings	64,201	74,851	64,166
	240,461	252,941	239,954
<b>Minority Interest</b>	5,674	5,841	4,675
	246,135	258,782	244,629
<b>Non-Current Liabilities</b>			
Long term liabilities	0	328	2,443
Deferred tax liabilities	12,357	12,357	5,228
	258,492	271,467	252,300

Approved for issue by the Board of Directors on 10 February 2009 and signed on its behalf by:

**DOUGLAS GRAHAM**

**DIRECTOR**

**MELANIE GRAHAM**

**DIRECTOR**

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**

**Unaudited Consolidated Statement of Changes in Equity**

Six months ended 31 December 2008

	Attributable to the Company's Stockholders					Minority	Total
	Number of	Share	Capital	Fair Value	Retained	Interest	
	Shares	Capital	Reserve	Reserve	Earnings		
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2007</b>	1,437	1,437	166,685	7,118	54,261	4,652	234,153
Net profit	-	-	-	-	9,905	23	9,928
Increase in fair value of investments	-	-	-	548	-	-	548
<b>Balance at 31 December 2007</b>	1,437	1,437	166,685	7,666	64,166	4,675	244,629
Net profit	-	-	-	-	10,488	1,166	11,654
Increase in fair value of investments	-	-	-	2,499	-	-	2,499
Transfer of realised reserves	-	-	-197	-	197	-	0
<b>Balance at 30 June 2008</b>	1,437	1,437	166,488	10,165	74,851	5,841	258,782
Net loss	-	-	-	-	-10,650	-167	-10,817
Decrease in fair value of investments	-	-	-	-1,830	-	-	-1,830
<b>Balance at 31 December 2008</b>	1,437	1,437	166,488	8,335	64,201	5,674	246,135

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**  
**Unaudited Consolidated Statement of Cash Flows**  
**Six months ended 31 December 2008**

	<b>Dec-08</b>	<b>Dec-07</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows from Operating activities</b>		
Cash (used in)/provided by operating activities	-4,429	26,041
<b>Cash Flows from Investing activities</b>		
Purchase of fixed assets	-3,323	-1,563
Proceeds from sale of investment	0	66
Dividend received	61	23
Cash used in investing activities	<u>-3,262</u>	<u>-1,474</u>
<b>Cash Flows from Financing activities</b>		
Long term loans repaid	-2,195	-5,252
Interest paid	-1,276	-1,030
Cash used in financing activities	<u>-3,471</u>	<u>-6,282</u>
(Decrease)/Increase in cash and cash equivalents	-11,162	18,285
Cash and cash equivalents at beginning of period	91,342	53,080
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>80,180</u></u>	<u><u>71,365</u></u>

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED****Unaudited Notes to the Financial Statements****31 December 2008**

**Note 1** - The figures are unaudited and accounting policies remain as stated in the 2007/2008 Annual Accounts.

**Note 2** - Segment Report

**Primary Reporting Format - Geographical segments:**

	Montego			
	Kingston	Bay	Mandeville	Total
	2008	2008	2008	2008
	\$'000	\$'000	\$'000	\$'000
Revenue	183,869	48,697	17,972	250,538
Capital Expenditure	3,286	16	21	3,323
Depreciation	2,006	5,105	2,861	9,972

	Montego			
	Kingston	Bay	Mandeville	Total
	2007	2007	2007	2007
	\$'000	\$'000	\$'000	\$'000
Revenue	169,241	47,487	18,493	235,221
Capital Expenditure	1,324	239	0	1,563
Depreciation	4,155	5,094	2,857	12,106

**Secondary Reporting Format - Business segments:**

	2008	2007
	\$'000	\$'000
Box Office Receipts	155,114	147,592
Confectionery Sales	71,628	69,974
Film Rental	17,368	13,680
Other Activities	6,428	3,975
	<u>250,538</u>	<u>235,221</u>

**Note 3** - The (loss)/earnings per stock unit is based on 1,437,028 ordinary stock units in issue at the end of the period.

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED****Unaudited Company Profit and Loss Account****Six months ended 31 December 2008**

	Period Oct. - Dec. \$'000	Y-T-D Dec-08 \$'000	Period Oct. - Dec. \$'000	Y-T-D Dec-07 \$'000
<b>Revenue</b>	84,102	177,294	80,602	167,606
Direct expenses	-76,061	-155,216	-60,159	-127,107
<b>Gross Profit</b>	8,041	22,078	20,443	40,499
Other operating income	19,083	35,719	10,985	23,721
Administration expenses	-30,463	-57,715	-25,949	-49,433
Other operating expenses	-648	-1,327	-1,059	-1,929
<b>Operating (Loss)/Profit</b>	-3,987	-1,245	4,420	12,858
Finance costs - interest expense	-892	-1,221	-439	-969
<b>NET (LOSS)/PROFIT</b>	-4,879	-2,466	3,981	11,889

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**  
**Unaudited Company Balance Sheet**  
**31 December 2008**

	Dec-08 \$'000	Jun-08 \$'000	Dec-07 \$'000
<b>Non-Current Assets</b>			
Fixed assets	66,743	73,431	77,935
Investments	2,039	2,437	2,448
Pension surplus	32,475	32,475	29,049
Due from subsidiary companies	34,205	24,484	26,872
<b>Current Assets</b>			
Inventories	25,876	18,533	13,849
Accounts receivable	21,484	14,135	17,345
Taxation recoverable	70	10,190	11,096
Cash and bank balances	98,850	94,765	73,258
	146,280	137,623	115,548
<b>Current Liabilities</b>			
Accounts payable	45,238	45,494	38,735
Current portion of long term liabilities	2,523	4,390	4,390
Bank overdraft	20,380	3,773	2,603
	68,141	53,657	45,728
<b>Net Current Assets</b>	78,139	83,966	69,820
	213,601	216,793	206,124
<b>Stockholders' Equity</b>			
Share capital	1,437	1,437	1,437
Capital reserve	148,365	148,365	148,365
Fair value reserve	1,482	1,880	1,813
Retained earnings	49,960	52,426	47,099
	201,244	204,108	198,714
<b>Non-Current Liabilities</b>			
Long term liabilities	0	328	2,443
Deferred tax liabilities	12,357	12,357	4,967
	213,601	216,793	206,124

Approved for issue by the Board of Directors on 10 February 2009 and signed on its behalf by:

\_\_\_\_\_  
DOUGLAS GRAHAM

\_\_\_\_\_  
DIRECTOR

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MELANIE GRAHAM

\_\_\_\_\_  
DIRECTOR

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED****Unaudited Company Statement of Changes in Equity**

Six months ended 31 December 2008

	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 1 July 2007</b>	1,437	1,437	148,365	1,725	35,210	186,737
Net profit	-	-	-	-	11,889	11,889
Increase in fair value of investments	-	-	-	88	-	88
<b>Balance at 31 December 2007</b>	1,437	1,437	148,365	1,813	47,099	198,714
Net profit	-	-	-	-	5,327	5,327
Increase in fair value of investments	-	-	-	67	-	67
<b>Balance at 30 June 2008</b>	1,437	1,437	148,365	1,880	52,426	204,108
Net loss	-	-	-	-	-2,466	-2,466
Decrease in fair value of investments	-	-	-	-398	-	-398
<b>Balance at 31 December 2008</b>	1,437	1,437	148,365	1,482	49,960	201,244



**THE PALACE AMUSEMENT COMPANY (1921) LIMITED****Unaudited Company Statement of Cash Flows****Six months ended 31 December 2008**

	<b>Dec-08</b>	<b>Dec-07</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows from Operating activities</b>		
Cash (used in)/provided by operating activities	-7,113	24,499
<b>Cash Flows from Investing activities</b>		
Purchase of fixed assets	-2,054	-542
Proceeds from sale of investment	0	66
Dividend received	61	23
Cash used in investing activities	<u>-1,993</u>	<u>-453</u>
<b>Cash Flows from Financing activities</b>		
Long term loans repaid	-2,195	-5,252
Interest paid	-1,221	-969
Cash used in financing activities	<u>-3,416</u>	<u>-6,221</u>
(Decrease)/Increase in cash and cash equivalents	-12,522	17,825
Cash and cash equivalents at beginning of period	<u>90,992</u>	<u>52,830</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>78,470</u></u>	<u><u>70,655</u></u>