

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**  
**Unaudited Consolidated Statement of Comprehensive Income**  
**Six months ended 31 December 2010**

	Note	Period Oct. - Dec. \$'000	Y-T-D Dec-10 \$'000	Period Oct. - Dec. \$'000	Y-T-D Dec-09 \$'000
<b>Revenue</b>	<b>2</b>	151,381	358,025	173,782	344,724
Direct expenses		-135,452	-295,124	-143,449	-286,087
<b>Gross Profit</b>		15,929	62,901	30,333	58,637
Other operating income		2,318	7,115	4,036	6,994
Administration expenses		-31,585	-61,026	-28,495	-54,519
<b>Operating Profit/(Loss)</b>		-13,338	8,990	5,874	11,112
Finance costs - interest expense		-1,436	-2,597	-1,328	-1,854
<b>Net Profit/(Loss)</b>		-14,774	6,393	4,546	9,258
<b>Other Comprehensive Income:</b>					
Unrealised (losses) on available-for-sale investments		-1,064	-1,589	-420	-469
<b>Total Comprehensive Income</b>		-15,838	4,804	4,126	8,789
<b>Profit/(Loss) Attributable to:</b>					
Stockholders of the company		-14,790	6,398	4,558	9,283
Non-controlling interest		16	-5	-12	-25
		-14,774	6,393	4,546	9,258
<b>Total Comprehensive Income Attributable to:</b>					
Stockholders of the company		-15,745	4,978	4,205	8,883
Non-controlling interest		-93	-174	-79	-94
		-15,838	4,804	4,126	8,789
<b>Earnings/(loss) per Stock Unit Attributable to</b>					
Stockholders of the Company	<b>3</b>	-10.29	4.45	3.17	6.46

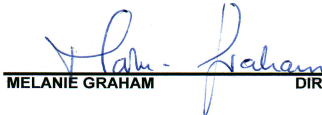
**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**  
**Unaudited Consolidated Statement of Financial Position**  
**31 December 2010**

	<b>Dec-10</b>	<b>Jun-10</b>	<b>Dec-09</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	225,943	180,164	189,663
Investments	6,563	8,152	8,289
Deferred tax assets	2,144	2,144	6,956
Post-employment benefit assets	25,036	25,036	25,016
<b>Current Assets</b>			
Inventories	28,867	24,314	30,385
Receivables	34,821	36,877	26,400
Taxation recoverable	0	0	295
Cash and bank balances	66,012	106,971	107,085
	129,700	168,162	164,165
<b>Current Liabilities</b>			
Payables	83,042	81,520	87,706
Taxation payable	5,269	6,428	0
Current portion of long term liabilities	5,152	5,037	3,198
Bank overdraft	3,050	0	1,916
	96,513	92,985	92,820
<b>Net Current Assets</b>	33,187	75,177	71,345
	292,873	290,673	301,269
<b>Stockholders' Equity</b>			
Share capital	1,437	1,437	1,437
Capital reserve	166,488	166,488	166,488
Fair value reserve	6,754	8,174	8,280
Retained earnings	83,494	77,096	76,932
	258,173	253,195	253,137
<b>Non-controlling Interest</b>	5,281	5,455	5,507
	263,454	258,650	258,644
<b>Non-Current Liabilities</b>			
Long term liabilities	23,276	25,880	28,779
Deferred tax liabilities	6,143	6,143	13,846
	292,873	290,673	301,269

Approved for issue by the Board of Directors on 8 February 2011 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 2010

	Attributable to the Company's Stockholders					Non-Controlling Interest	Total
	Number of Shares	Share Capital	Capital Reserve	Fair Value Reserve	Retained Earnings		
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2009</b>	1,437	1,437	166,488	8,680	67,649	5,601	249,855
<b>Total Comprehensive Income</b>							
Net profit	-	-	-	-	9,283	-25	9,258
Other comprehensive income	-	-	-	-400	-	-69	-469
	0	0	0	-400	9,283	-94	8,789
<b>Balance at 31 December 2009</b>	1,437	1,437	166,488	8,280	76,932	5,507	258,644
<b>Total Comprehensive Income</b>							
Net profit	-	-	-	-	164	-21	143
Other comprehensive income	-	-	-	-106	-	-31	-137
	0	0	0	-106	164	-52	6
<b>Balance at 30 June 2010</b>	1,437	1,437	166,488	8,174	77,096	5,455	258,650
<b>Total Comprehensive Income</b>							
Net profit	-	-	-	-	6,398	-5	6,393
Other comprehensive income	-	-	-	-1,420	-	-169	-1,589
	0	0	0	-1,420	6,398	-174	4,804
<b>Balance at 31 December 2010</b>	1,437	1,437	166,488	6,754	83,494	5,281	263,454

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED****Unaudited Consolidated Statement of Cash Flows**

Six months ended 31 December 2010

	<b>Dec-10</b> <b>\$'000</b>	<b>Dec-09</b> <b>\$'000</b>
<b>Cash Flows from Operating activities</b>		
Cash provided by operating activities	19,704	33,956
<b>Cash Flows from Investing activities</b>		
Purchase of property, plant and equipment	-61,599	-18,646
Proceeds from sale of property, plant and equipment	330	0
Interest received	2,568	2,558
Dividend received	73	86
Cash used in investing activities	-58,628	-16,002
<b>Cash Flows from Financing activities</b>		
Long term loans received	0	26,495
Long term loans repaid	-2,488	-663
Interest paid	-2,597	-1,854
Cash (used in)/provided by financing activities	-5,085	23,978
(Decrease)/increase in cash and cash equivalents	-44,009	41,932
Cash and cash equivalents at beginning of period	106,971	63,237
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>62,962</b>	<b>105,169</b>

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**
**Unaudited Notes to the Financial Statements**
**31 December 2010**

**Note 1 -** The figures are unaudited and accounting policies remain as stated in the 2009/2010 Annual Accounts.

**Note 2 -** Segment Reporting

	2010						
	Cinema activities			Screen			
	Carib Cinema	Palace Cineplex	Palace Multiplex	Odeon Cineplex	Film Activities	Advertising	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue -							
Box office receipts	114,357	39,146	50,247	14,792	-	-	218,542
Confectionery sales	50,320	17,049	18,935	6,564	-	-	92,868
Film rental	-	-	-	-	131,861	-	131,861
Screen advertising	-	-	-	-	-	16,846	16,846
Other activities	7,207	3,068	2,944	984			14,203
	171,884	59,263	72,126	22,340	131,861	16,846	474,320
Eliminations							-116,295
Revenue from external customers							358,025
Capital Expenditure -	12,465	10,577	12,211	11,102	4,749	-	51,104
Unallocated head office capital expenditure							10,495
Total capital expenditure							61,599
Depreciation -	3,154	1,754	6,243	3,061	316	6	14,534
Unallocated head office depreciation							1,225
Total depreciation							15,759
Interest Expense -	1,193	545	-	-	-	-	1,738
Unallocated head office interest expense							859
Total interest expense							2,597

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**
**Unaudited Notes to the Financial Statements**
**31 December 2010**
**Note 2 - Segment Reporting (continued)**

	2009					
	Cinema activities				Screen	
	Carib Cinema	Palace Cineplex	Palace Multiplex	Odeon Cineplex	Film Activities	Advertising
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue -</b>						
Box office receipts	113,751	40,211	42,223	14,220	-	-
Confectionery sales	49,161	17,202	16,440	6,342	-	-
Film rental	-	-	-	-	137,675	-
Screen advertising	-	-	-	-	-	11,968
Other activities	3,640	1,618	2,048	701	-	-
	166,552	59,031	60,711	21,263	137,675	11,968
Eliminations						-112,476
Revenue from external customers						344,724
<b>Capital Expenditure -</b>	2,488	1,876	12,920	370	169	-
Unallocated head office capital expenditure						823
Total capital expenditure						18,646
<b>Depreciation -</b>	2,687	1,170	5,327	2,877	4	6
Unallocated head office depreciation						1,081
Total depreciation						13,152
<b>Interest Expense -</b>	292	88	4	-	-	-
Unallocated head office interest expense						1,470
Total interest expense						1,854

**Note 3 -** The earnings/(loss) 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 Statement of Comprehensive Income****Six months ended 31 December 2010**

	Period Oct. - Dec. \$'000	Y-T-D Dec-10 \$'000	Period Oct. - Dec. \$'000	Y-T-D Dec-09 \$'000
<b>Revenue</b>	109,016	257,010	125,296	248,017
Direct expenses	-90,863	-205,963	-101,434	-204,301
<b>Gross Profit</b>	18,153	51,047	23,862	43,716
Other operating income	9,254	24,126	12,530	24,124
Administration expenses	-31,585	-61,026	-28,495	-54,519
<b>Operating Profit/(Loss)</b>	-4,178	14,147	7,897	13,321
Finance costs - interest expense	-841	-1,404	-1,083	-1,562
<b>Net Profit/(Loss)</b>	-5,019	12,743	6,814	11,759
<b>Other Comprehensive Income:</b>				
Unrealised gains on available-for-sale investments	39	117	258	232
<b>Total Comprehensive Income</b>	-4,980	12,860	7,072	11,991


**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**  
**Unaudited Company Statement of Financial Position**  
**31 December 2010**

	<b>Dec-10</b>	<b>Jun-10</b>	<b>Dec-09</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	117,084	80,556	87,512
Investments	2,157	2,040	1,866
Post-employment benefit assets	25,036	25,036	25,016
Due from subsidiary companies	62,679	46,943	64,792
<b>Current Assets</b>			
Inventories	27,331	22,718	28,124
Receivables	34,821	36,732	26,211
Taxation recoverable	0	0	295
Cash and bank balances	64,412	105,971	105,435
	126,564	165,421	160,065
<b>Current Liabilities</b>			
Payables	71,245	69,983	73,373
Taxation payable	5,269	6,428	0
Current portion of long term liabilities	5,152	5,037	3,198
Bank overdraft	3,050	0	1,916
	84,716	81,448	78,487
<b>Net Current Assets</b>	41,848	83,973	81,578
	248,804	238,548	260,764
<b>Stockholders' Equity</b>			
Share capital	1,437	1,437	1,437
Capital reserve	148,365	148,365	148,365
Fair value reserve	1,600	1,483	1,309
Retained earnings	67,983	55,240	67,028
	219,385	206,525	218,139
<b>Non-Current Liabilities</b>			
Long term liabilities	23,276	25,880	28,779
Deferred tax liabilities	6,143	6,143	13,846
	248,804	238,548	260,764

Approved for issue by the Board of Directors on 8 February 2011 and signed on its behalf by:

  
DOUGLAS GRAHAM

DIRECTOR

  
MELANIE GRAHAM

DIRECTOR



**THE PALACE AMUSEMENT COMPANY (1921) LIMITED**
**Unaudited Company Statement of Changes in Equity**
**Six months ended 31 December 2010**

	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 1 July 2009</b>	1,437	1,437	148,365	1,077	55,269	206,148
<b>Total Comprehensive Income</b>						
Net profit	-	-	-	-	11,759	11,759
Other comprehensive income	-	-	-	232	-	232
	0	0	0	232	11,759	11,991
<b>Balance at 31 December 2009</b>	1,437	1,437	148,365	1,309	67,028	218,139
<b>Total Comprehensive Income</b>						
Net loss	-	-	-	-	-11,788	-11,788
Other comprehensive income	-	-	-	174	-	174
	0	0	0	174	-11,788	-11,614
<b>Balance at 30 June 2010</b>	1,437	1,437	148,365	1,483	55,240	206,525
<b>Total Comprehensive Income</b>						
Net profit	-	-	-	-	12,743	12,743
Other comprehensive income	-	-	-	117	-	117
	0	0	0	117	12,743	12,860
<b>Balance at 31 December 2010</b>	<b>1,437</b>	<b>1,437</b>	<b>148,365</b>	<b>1,600</b>	<b>67,983</b>	<b>219,385</b>

**THE PALACE AMUSEMENT COMPANY (1921) LIMITED****Unaudited Company Statement of Cash Flows**

Six months ended 31 December 2010

	<b>Dec-10</b> <b>\$'000</b>	<b>Dec-09</b> <b>\$'000</b>
<b>Cash Flows from Operating activities</b>		
Cash provided by operating activities	5,475	29,932
<b>Cash Flows from Investing activities</b>		
Purchase of property, plant and equipment	-49,133	-16,158
Proceeds from sale of property, plant and equipment	300	0
Interest received	2,568	2,558
Dividend received	73	86
Cash used in investing activities	-46,192	-13,514
<b>Cash Flows from Financing activities</b>		
Long term loans received	0	26,495
Long term loans repaid	-2,488	-663
Interest paid	-1,404	-1,562
Cash (used in)/provided by financing activities	-3,892	24,270
(Decrease)/increase in cash and cash equivalents	-44,609	40,688
Cash and cash equivalents at beginning of period	105,971	62,831
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>61,362</b>	<b>103,519</b>