

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Comprehensive Income
Nine months ended 31 March 2017

	Note	Period Jan -Mar. \$'000	Y-T-D Mar-17 \$'000	Period Jan -Mar. \$'000	Y-T-D Mar-16 \$'000
REVENUE	2	247,343	691,082	208,552	659,910
Direct expenses		-195,379	-562,120	-164,109	-530,251
GROSS PROFIT		51,964	128,962	44,443	129,659
Other operating income	3	2,476	5,927	2,221	7,421
Administration expenses		-41,062	-129,002	-40,801	-125,610
OPERATING PROFIT		13,378	5,887	5,863	11,470
Finance costs - interest expense		-231	-958	-507	-1,584
NET PROFIT		13,147	4,929	5,356	9,886
OTHER COMPREHENSIVE INCOME:					
Item(s) that may be reclassified to profit or loss in the future -					
Unrealised gains/(losses) on available-for-sale investments		1,103	1,248	-1,483	-903
TOTAL COMPREHENSIVE INCOME		14,250	6,177	3,873	8,983
NET PROFIT/(LOSS) ATTRIBUTABLE TO:					
Stockholders of the company		13,187	5,045	5,365	9,980
Non-controlling interest		-40	-116	-9	-94
		13,147	4,929	5,356	9,886
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Stockholders of the company		14,266	6,338	4,029	9,260
Non-controlling interest		-16	-161	-156	-277
		14,250	6,177	3,873	8,983
EARNINGS PER STOCK UNIT ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY	4	9.18	3.51	3.73	6.95

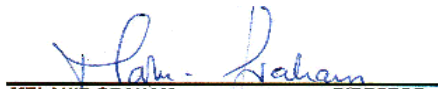
THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Financial Position
31 March 2017

	Note	Mar-17 \$'000	Jun-16 \$'000	Mar-16 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment		219,127	223,189	218,701
Investments		16,388	15,140	14,547
Post-employment benefit asset		26,367	26,367	24,040
		261,882	264,696	257,288
CURRENT ASSETS				
Inventories		38,001	45,296	43,404
Receivables		38,999	46,592	38,940
Taxation recoverable		3,319	2,298	4,535
Short term deposits	5	60,211	58,516	56,206
Cash and cash equivalents	6	38,439	49,540	44,252
		178,969	202,242	187,337
CURRENT LIABILITIES				
Payables		94,585	120,130	105,503
Taxation payable		-	296	-
Current portion of long term liabilities		3,477	5,855	6,874
		98,062	126,281	112,377
NET CURRENT ASSETS				
		80,907	75,961	74,960
		342,789	340,657	332,248
STOCKHOLDERS' EQUITY				
Share capital		1,437	1,437	1,437
Capital reserve		166,488	166,488	166,488
Fair value reserve		15,876	14,583	14,031
Retained earnings		135,786	132,178	125,962
		319,587	314,686	307,918
NON-CONTROLLING INTEREST				
		4,797	4,958	4,968
		324,384	319,644	312,886
NON-CURRENT LIABILITIES				
Long term liabilities		7,534	10,142	11,011
Deferred tax liabilities		10,871	10,871	8,351
		342,789	340,657	332,248

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 9 MAY 2017 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
Nine months ended 31 March 2017

	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
BALANCE AT 1 JULY 2015	1,437	1,437	166,488	14,751	118,497	5,245	306,418
TOTAL COMPREHENSIVE INCOME							
Net profit	-	-	-	-	9,980	-94	9,886
Other comprehensive income -							
Unrealised losses on available-for-sale investments	-	-	-	-720	-	-183	-903
	-	-	-	-720	9,980	-277	8,983
TRANSACTIONS WITH OWNERS							
Dividends paid	-	-	-	-	-2,515	-	-2,515
BALANCE AT 31 MARCH 2016	1,437	1,437	166,488	14,031	125,962	4,968	312,886
TOTAL COMPREHENSIVE INCOME							
Net profit	-	-	-	-	6,371	-51	6,320
Other comprehensive income -							
Re-measurement of post-employment benefit asset	-	-	-	-	-155	-	-155
Unrealised gains on available-for-sale investments	-	-	-	552	-	41	593
	-	-	-	552	6,216	-10	6,758
BALANCE AT 30 JUNE 2016	1,437	1,437	166,488	14,583	132,178	4,958	319,644
TOTAL COMPREHENSIVE INCOME							
Net profit	-	-	-	-	5,045	-116	4,929
Other comprehensive income -							
Unrealised gains on available-for-sale investments	-	-	-	1,293	-	-45	1,248
	-	-	-	1,293	5,045	-161	6,177
TRANSACTIONS WITH OWNERS							
Dividends paid	-	-	-	-	-1,437	-	-1,437
BALANCE AT 31 MARCH 2017	1,437	1,437	166,488	15,876	135,786	4,797	324,384

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Cash Flows
Nine months ended 31 March 2017

	Note	Mar-17 \$'000	Mar-16 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by operating activities	8	14,352	18,682
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-20,475	-6,705
Proceeds from sale of property, plant and equipment		1,250	2,031
Short term deposits, net		-1,825	-3,033
Interest received		946	826
Dividend received		864	419
Cash used in investing activities		-19,240	-6,462
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		-4,986	-5,665
Dividends paid		-1,437	-2,515
Interest paid		-958	-1,584
Cash used in financing activities		-7,381	-9,764
Exchange gain on foreign cash balances		-12,269	2,456
(Decrease)/increase in cash and cash equivalents		1,168	2,984
Cash and cash equivalents at beginning of period		-11,101	5,440
		49,540	38,812
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	<u>38,439</u>	<u>44,252</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Comprehensive Income
Nine months ended 31 March 2017

	Note	Period Jan -Mar. \$'000	Y-T-D Mar-17 \$'000	Period Jan -Mar. \$'000	Y-T-D Mar-16 \$'000
REVENUE		176,152	500,429	150,186	475,745
Direct expenses		-137,405	-396,121	-112,704	-369,594
GROSS PROFIT		38,747	104,308	37,482	106,151
Other operating income	3	8,915	23,251	7,592	24,887
Administration expenses		-41,062	-129,002	-40,801	-125,610
OPERATING PROFIT/(LOSS)		6,600	-1,443	4,273	5,428
Finance costs - interest expense		-200	-887	-468	-1,495
NET PROFIT/(LOSS)		6,400	-2,330	3,805	3,933
OTHER COMPREHENSIVE INCOME:					
Item(s) that may be reclassified to profit or loss in the future -					
Unrealised gains on available-for-sale investments		864	1,705	2	949
TOTAL COMPREHENSIVE INCOME		7,264	-625	3,807	4,882

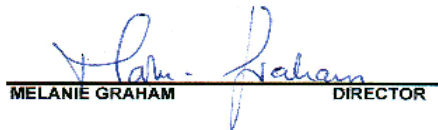
THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Financial Position
31 March 2017

	Note	Mar-17 \$'000	Jun-16 \$'000	Mar-16 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment		88,573	86,262	88,356
Investments		5,893	4,188	4,016
Post-employment benefit asset		26,367	26,367	24,040
Due from subsidiaries		52,278	62,813	59,345
		173,111	179,630	175,757
CURRENT ASSETS				
Inventories		35,399	42,846	41,514
Receivables		36,476	44,223	38,773
Taxation recoverable		3,121	2,298	4,272
Short term deposits	5	60,211	58,516	56,206
Cash and cash equivalents	6	36,917	48,495	43,052
		172,124	196,378	183,817
CURRENT LIABILITIES				
Payables		82,321	105,308	94,357
Current portion of long term liabilities		3,477	5,855	6,874
		85,798	111,163	101,231
NET CURRENT ASSETS				
		86,326	85,215	82,586
		259,437	264,845	258,343
STOCKHOLDERS' EQUITY				
Share capital		1,437	1,437	1,437
Capital reserve		148,365	148,365	148,365
Fair value reserve		5,336	3,631	3,459
Retained earnings		72,197	75,964	69,957
		227,335	229,397	223,218
NON-CURRENT LIABILITIES				
Due to subsidiaries		20,874	21,612	21,935
Long term liabilities		7,534	10,142	11,011
Deferred tax liabilities		3,694	3,694	2,179
		259,437	264,845	258,343

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 9 MAY 2017 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
Nine months ended 31 March 2017

	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT 1 JULY 2015	1,437	1,437	148,365	2,510	68,539	220,851
TOTAL COMPREHENSIVE INCOME						
Net profit	-	-	-	-	3,933	3,933
Other comprehensive income -						
Unrealised gains on available-for-sale investments	-	-	-	949	-	949
	-	-	-	949	3,933	4,882
TRANSACTIONS WITH OWNERS						
Dividends paid	-	-	-	-	-2,515	-2,515
BALANCE AT 31 MARCH 2016	1,437	1,437	148,365	3,459	69,957	223,218
TOTAL COMPREHENSIVE INCOME						
Net profit	-	-	-	-	6,162	6,162
Other comprehensive income -						
Re-measurement of post-employment benefit asset	-	-	-	-	-155	-155
Unrealised gains on available-for-sale investments	-	-	-	172	-	172
	-	-	-	172	6,007	6,179
BALANCE AT 30 JUNE 2016	1,437	1,437	148,365	3,631	75,964	229,397
TOTAL COMPREHENSIVE INCOME						
Net loss	-	-	-	-	-2,330	-2,330
Other comprehensive income -						
Unrealised gains on available-for-sale investments	-	-	-	1,705	-	1,705
	-	-	-	1,705	-2,330	-625
TRANSACTIONS WITH OWNERS						
Dividends paid	-	-	-	-	-1,437	-1,437
BALANCE AT 31 MARCH 2017	1,437	1,437	148,365	5,336	72,197	227,335

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Cash Flows
Nine months ended 31 March 2017

	Note	Mar-17 \$'000	Mar-16 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by operating activities	8	7,378	16,988
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-14,758	-6,363
Proceeds from sale of property, plant and equipment		1,250	2,031
Short term deposits, net		-1,825	-3,033
Interest received		1,740	2,058
Dividend received		779	132
Cash used in investing activities		-12,814	-5,175
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		-4,986	-5,665
Dividends paid		-1,437	-2,515
Interest paid		-887	-1,495
Cash used in financing activities		-7,310	-9,675
Exchange gain on foreign cash balances		-12,746	2,138
(Decrease)/increase in cash and cash equivalents		1,168	2,984
Cash and cash equivalents at beginning of period		-11,578	5,122
		48,495	37,930
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	36,917	43,052

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
31 March 2017

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The figures are unaudited and accounting policies remain as stated in the 2015/2016 Annual Accounts.

Note 2 - SEGMENT REPORTING

	2017					
	Cinema activities			Film activities	Screen Advertising activities	Group
	Carib Cinema	Palace Cineplex	Palace Multiplex			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
REVENUE -						
Box office receipts	207,526	73,750	112,950	-	-	394,226
Confectionery sales	99,380	32,872	44,159	-	-	176,411
Film rental	-	-	-	287,120	-	287,120
Screen advertising	19,106	7,927	11,341	-	23,152	61,526
Other activities	840	2,321	451	-	-	3,612
	<u>326,852</u>	<u>116,870</u>	<u>168,901</u>	<u>287,120</u>	<u>23,152</u>	<u>922,895</u>
Eliminations						-231,813
Revenue from external customers						<u>691,082</u>
SEGMENT RESULT ⁽¹⁾	<u>7,887</u>	<u>11,343</u>	<u>19,810</u>	<u>58,614</u>	<u>14,631</u>	<u>112,285</u>
Eliminations						16,615
						<u>128,900</u>
CAPITAL EXPENDITURE -	5,717	-	87	-	-	5,804
Unallocated head office capital expenditure						14,671
Total capital expenditure						<u>20,475</u>
DEPRECIATION -	12,090	3,638	2,699	59	-	18,486
Unallocated head office depreciation						6,051
Total depreciation						<u>24,537</u>
INTEREST EXPENSE -	865	30	-	-	-	895
Unallocated head office interest expense						857
Eliminations						-794
Total interest expense						<u>958</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
31 March 2017

Note 2 - SEGMENT REPORTING (continued)

(1) Profit from reportable segments is reconciled to the Group's profit before taxation as follows:

	Mar-17 \$'000	Mar-16 \$'000
Profit from reportable segments	128,900	129,003
Unallocated income -		
Other operating income	5,927	7,421
Unallocated costs -		
Administrative expenses	-129,002	-125,610
Other	-833	-806
	-129,835	-126,416
Unallocated interest expense	-857	-1,354
Eliminations	794	1,232
	-63	-122
	<u>4,929</u>	<u>9,886</u>

Note 3 - OTHER OPERATING INCOME

	The Group		The Company	
	Mar-17 \$'000	Mar-16 \$'000	Mar-17 \$'000	Mar-16 \$'000
Management fees	-	-	16,615	16,521
Interest income	1,088	1,153	1,882	2,385
Dividend income	864	419	779	132
Exchange gain on foreign balances	1,714	3,539	1,714	3,539
Gain on sale of property, plant and equipment	1,250	1,109	1,250	1,109
Other	1,011	1,201	1,011	1,201
	<u>5,927</u>	<u>7,421</u>	<u>23,251</u>	<u>24,887</u>

Note 4 - EARNINGS PER STOCK UNIT

The earnings per stock unit is based on 1,437,028 ordinary stock units in issue at the end of the period.

Note 5 - SHORT TERM DEPOSITS

These represent deposits with original maturity of greater than 90 days.

Note 6 - CASH AND CASH EQUIVALENTS

	The Group		The Company	
	Mar-17 \$'000	Mar-16 \$'000	Mar-17 \$'000	Mar-16 \$'000
Cash at bank and in hand	37,329	43,174	35,807	41,974
Short term deposits (with original maturity of 90 days or less)	1,110	1,078	1,110	1,078
Cash and cash equivalents as per the cash flow statement	<u>38,439</u>	<u>44,252</u>	<u>36,917</u>	<u>43,052</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
31 March 2017

Note 7- EXPENSES BY NATURE

	The Group		The Company	
	Mar-17 \$'000	Mar-16 \$'000	Mar-17 \$'000	Mar-16 \$'000
Advertising and promotion	17,904	18,646	10,325	10,834
Auditors' remuneration -				
Current year	3,542	3,542	2,844	2,844
Bank security & fees	4,808	4,619	2,466	2,540
Cost of inventories recognised as expense	90,924	82,071	37,587	33,840
Depreciation	24,537	24,244	12,447	13,088
Film cost	222,795	207,388	222,795	207,388
Insurance	11,357	12,510	6,898	7,648
Legal and professional fees	1,903	4,790	1,652	4,371
Licence fees	4,200	4,221	2,037	2,029
Motor vehicle expenses	3,723	3,019	3,723	3,019
Other	16,483	16,230	11,477	11,457
Repairs, maintenance and renewals	23,613	21,255	17,879	15,936
Security	14,411	13,746	6,273	5,902
Staff costs	161,656	153,950	126,209	118,550
Stationery and supplies	16,059	13,869	8,453	7,402
Theatre rental	28,297	25,568	28,297	25,568
Transportation and courier	591	580	531	502
Utilities	44,319	45,613	23,230	22,286
	691,122	655,861	525,123	495,204

Note 8 - CASH FLOWS FROM OPERATING ACTIVITIES

	The Group		The Company	
	Mar-17 \$'000	Mar-16 \$'000	Mar-17 \$'000	Mar-16 \$'000
Net profit/(loss)	4,929	9,886	-2,330	3,933
Items not affecting cash resources:				
Depreciation	24,537	24,244	12,447	13,088
Gain on sale of property, plant and equipment	-1,250	-1,109	-1,250	-1,109
Interest income	-1,088	-1,153	-1,882	-2,385
Dividend income	-864	-419	-779	-132
Exchange gain on foreign balances	-1,714	-3,539	-1,714	-3,539
Interest expense	958	1,584	887	1,495
	25,508	29,494	5,379	11,351
Changes in operating assets and liabilities:				
Inventories	7,295	-1,500	7,447	-1,523
Receivables	8,260	11,906	8,414	11,567
Due from subsidiaries	-	-	9,797	16,394
Payables	-25,666	-14,515	-23,108	-15,444
	15,397	25,385	7,929	22,345
Taxation paid	-1,045	-6,703	-551	-5,357
Cash provided by operating activities	14,352	18,682	7,378	16,988

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Shareholders Listing
31 March 2017

DIRECTORS	HOLDING		CONNECTED PERSONS	HOLDING
Charles "Douglas" Graham	111,128		Russgram Investments Ltd.	947,673
Melanie Graham	11,448		Melanie Graham	11,448
Elon Beckford	9,792		Charles "Douglas" Graham	111,128
Charles "Scott" Graham	3,194		Elmar Development Limited	14,067
Steven Cooke	1,000		Marilyn Beckford	NIL
Hugh Levy Jnr.	1		Cameron Cooke	NIL
Douglas Stiebel	1		Christian Cooke	NIL
Brian St. Juste	1		Laurel Levy	NIL
			Christine Stiebel	NIL
			Sharon St. Juste	NIL
SENIOR MANAGEMENT	HOLDING		CONNECTED PERSONS	HOLDING
Eileen Thomas	NIL		Eileen & Hugh Thomas	100
Carol Lee	NIL		Hugh Thomas	NIL
Gillian Crosskill	NIL		Hugh Lee	NIL
David Chong	NIL		Nicholas Lee	NIL
Trace Clarke	NIL		Patricia Chong	NIL
Shawn Smith	NIL		Jelani Clarke	NIL
TEN (10) LARGEST	HOLDING	%		
Russgram Investments Limited	947,673	65.9%		
Charles "Douglas" Graham	111,128	7.7%		
Bridgeton Management Services	66,540	4.6%		
Herbert & Sally-Anne Sharpe	47,000	3.3%		
Juanita Alberga	18,660	1.3%		
Mayberry Investments Limited	15,950	1.1%		
Roman Catholic Archbishop of Kingston	14,280	1.0%		
Exors. Est. Effie May Phillips (Deceased)	14,220	1.0%		
Elmar Development Limited	14,067	1.0%		
Est. Olive Lamb Sharp (Deceased)	11,988	0.8%		