

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Comprehensive Income
Three months ended 30 September 2017

	Note	Period & Y-T-D Sep-17 \$'000	Period & Y-T-D Sep-16 \$'000
REVENUE	2	259,962	231,841
Direct expenses		<u>-204,658</u>	<u>-187,093</u>
GROSS PROFIT		55,304	44,748
Other operating income	3	2,476	2,535
Administration expenses		<u>-47,887</u>	<u>-44,255</u>
OPERATING PROFIT		9,893	3,028
Finance costs - interest expense		<u>-592</u>	<u>-346</u>
NET PROFIT		9,301	2,682
OTHER COMPREHENSIVE INCOME:			
Item(s) that may be reclassified to profit or loss in the future -			
Unrealised gains/(losses) on available-for-sale investments		1,713	-263
TOTAL COMPREHENSIVE INCOME		<u>11,014</u>	<u>2,419</u>
NET PROFIT ATTRIBUTABLE TO:			
Stockholders of the company		9,344	2,730
Non-controlling interest		<u>-43</u>	<u>-48</u>
		<u>9,301</u>	<u>2,682</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Stockholders of the company		11,071	2,488
Non-controlling interest		<u>-57</u>	<u>-69</u>
		<u>11,014</u>	<u>2,419</u>
EARNINGS PER STOCK UNIT ATTRIBUTABLE			
TO STOCKHOLDERS OF THE COMPANY	4	<u>6.50</u>	<u>1.90</u>

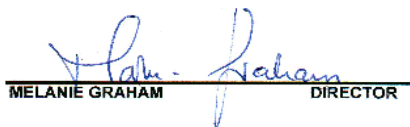
THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Financial Position
30 September 2017

	Note	Sep-17 \$'000	Jun-17 \$'000	Sep-16 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment		212,363	219,246	221,430
Investments		17,897	16,184	14,877
Post-employment benefit asset		42,130	42,130	26,367
		272,390	277,560	262,674
CURRENT ASSETS				
Inventories		42,757	45,109	41,895
Receivables		44,064	44,815	56,221
Taxation recoverable		-	-	2,428
Short term deposits	5	60,947	60,348	59,633
Cash and cash equivalents	6	86,015	81,155	24,804
		233,783	231,427	184,981
CURRENT LIABILITIES				
Payables		89,247	100,403	100,610
Taxation payable		1,321	2,183	3
Current portion of long term liabilities		7,237	7,237	4,836
		97,805	109,823	105,449
NET CURRENT ASSETS		135,978	121,604	79,532
		408,368	399,164	342,206
STOCKHOLDERS' EQUITY				
Share capital		1,437	1,437	1,437
Capital reserve		166,488	166,488	166,488
Fair value reserve		17,460	15,733	14,341
Retained earnings		182,105	172,761	134,908
		367,490	356,419	317,174
NON-CONTROLLING INTEREST				
		4,602	4,659	4,889
		372,092	361,078	322,063
NON-CURRENT LIABILITIES				
Long term liabilities		19,895	21,705	9,272
Deferred tax liabilities		16,381	16,381	10,871
		408,368	399,164	342,206

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 14 NOVEMBER 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
Three months ended 30 September 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 2016	1,437	1,437	166,488	14,583	132,178	4,958	319,644
TOTAL COMPREHENSIVE INCOME							
Net profit	-	-	-	-	2,730	-48	2,682
Other comprehensive income -							
Unrealised losses on available-for-sale investments	-	-	-	-242	-	-21	-263
	-	-	-	-242	2,730	-69	2,419
BALANCE AT 30 SEPTEMBER 2016	1,437	1,437	166,488	14,341	134,908	4,889	322,063
TOTAL COMPREHENSIVE INCOME							
Net profit	-	-	-	-	30,283	-145	30,138
Other comprehensive income -							
Re-measurement of post-employment benefit asset	-	-	-	-	9,007	-	9,007
Unrealised gains on available-for-sale investments	-	-	-	1,392	-	-85	1,307
	-	-	-	1,392	39,290	-230	40,452
TRANSACTIONS WITH OWNERS							
Dividends paid	-	-	-	-	-1,437	-	-1,437
BALANCE AT 30 JUNE 2017	1,437	1,437	166,488	15,733	172,761	4,659	361,078
TOTAL COMPREHENSIVE INCOME							
Net profit	-	-	-	-	9,344	-43	9,301
Other comprehensive income -							
Unrealised gains on available-for-sale investments	-	-	-	1,727	-	-14	1,713
	-	-	-	1,727	9,344	-57	11,014
BALANCE AT 30 SEPTEMBER 2017	1,437	1,437	166,488	17,460	182,105	4,602	372,092

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Cash Flows
Three months ended 30 September 2017

	Note	Sep-17 \$'000	Sep-16 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by/(used in) operating activities	8	8,430	-17,016
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-1,581	-6,271
Proceeds for sale of property, plant and equipment		300	-
Short term deposits, net		-659	-1,180
Interest received		323	364
Dividend received		44	669
Cash used in investing activities		-1,573	-6,418
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		-1,810	-1,889
Interest paid		-592	-346
Cash used in financing activities		-2,402	-2,235
Exchange gain on foreign cash balances		4,455	-25,669
		405	933
Increase/(decrease) in cash and cash equivalents		4,860	-24,736
Cash and cash equivalents at beginning of period		81,155	49,540
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	86,015	24,804

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Comprehensive Income
Three months ended 30 September 2017

	Note	Period & Y-T-D Sep-17 \$'000	Period & Y-T-D Sep-16 \$'000
REVENUE		183,145	167,734
Direct expenses		<u>-139,797</u>	<u>-132,890</u>
GROSS PROFIT		43,348	34,844
Other operating income	3	9,016	8,527
Administration expenses		<u>-47,887</u>	<u>-44,255</u>
OPERATING PROFIT/(LOSS)		4,477	-884
Finance costs - interest expense		<u>-576</u>	<u>-336</u>
NET PROFIT/(LOSS)		3,901	-1,220
OTHER COMPREHENSIVE INCOME:			
Item(s) that may be reclassified to profit or loss in the future -			
Unrealised gains/(losses) on available-for-sale investments		<u>1,857</u>	<u>-45</u>
TOTAL COMPREHENSIVE INCOME		<u><u>5,758</u></u>	<u><u>-1,265</u></u>

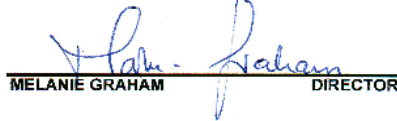
THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Financial Position
30 September 2017

	Note	Sep-17 \$'000	Jun-17 \$'000	Sep-16 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment		89,059	92,390	82,789
Investments		8,161	6,304	4,143
Post-employment benefit asset		42,130	42,130	26,367
Due from subsidiaries		33,903	35,971	71,293
		173,253	176,795	184,592
CURRENT ASSETS				
Inventories		39,982	42,345	39,529
Receivables		38,376	42,656	45,412
Taxation recoverable		351	-	2,428
Short term deposits	5	60,947	60,348	59,633
Cash and cash equivalents	6	84,978	79,764	23,973
		224,634	225,113	170,975
CURRENT LIABILITIES				
Payables		77,627	85,136	88,221
Taxation payable		-	283	-
Current portion of long term liabilities		7,237	7,237	4,836
		84,864	92,656	93,057
NET CURRENT ASSETS				
		139,770	132,457	77,918
		313,023	309,252	262,510
STOCKHOLDERS' EQUITY				
Share capital		1,437	1,437	1,437
Capital reserve		148,365	148,365	148,365
Fair value reserve		7,604	5,747	3,586
Retained earnings		107,212	103,311	74,744
		264,618	258,860	228,132
NON-CURRENT LIABILITIES				
Due to subsidiaries		20,422	20,599	21,412
Long term liabilities		19,895	21,705	9,272
Deferred tax liabilities		8,088	8,088	3,694
		313,023	309,252	262,510

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 DOUGLAS GRAHAM

DIRECTOR


 MELANIE GRAHAM

DIRECTOR

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Changes in Equity
Three months ended 30 September 2017

	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT 1 JULY 2016	1,437	1,437	148,365	3,631	75,964	229,397
TOTAL COMPREHENSIVE INCOME						
Net loss	-	-	-	-	-1,220	-1,220
Other comprehensive income -						
Unrealised losses on available-for-sale investments	-	-	-	-45	-	-45
	-	-	-	-45	-1,220	-1,265
BALANCE AT 30 SEPTEMBER 2016	1,437	1,437	148,365	3,586	74,744	228,132
TOTAL COMPREHENSIVE INCOME						
Net profit	-	-	-	-	20,997	20,997
Other comprehensive income -						
Re-measurement of post-employment benefit asset	-	-	-	-	9,007	9,007
Unrealised gains on available-for-sale investments	-	-	-	2,161	-	2,161
	-	-	-	2,161	30,004	32,165
TRANSACTIONS WITH OWNERS						
Dividends paid	-	-	-	-	-1,437	-1,437
BALANCE AT 30 JUNE 2017	1,437	1,437	148,365	5,747	103,311	258,860
TOTAL COMPREHENSIVE INCOME						
Net profit	-	-	-	-	3,901	3,901
Other comprehensive income -						
Unrealised gains on available-for-sale investments	-	-	-	1,857	-	1,857
	-	-	-	1,857	3,901	5,758
BALANCE AT 30 SEPTEMBER 2017	1,437	1,437	148,365	7,604	107,212	264,618

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Cash Flows
Three months ended 30 September 2017

	Note	Sep-17 \$'000	Sep-16 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by/(used in) operating activities	8	8,020	-22,832
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-1,028	-553
Proceeds for sale of property, plant and equipment		300	-
Short term deposits, net		-659	-1,180
Interest received		518	666
Dividend received		44	669
Cash used in investing activities		-825	-398
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		-1,810	-1,889
Interest paid		-576	-336
Cash used in financing activities		-2,386	-2,225
Exchange gain on foreign cash balances		4,809	-25,455
		405	933
Increase/(decrease) in cash and cash equivalents		5,214	-24,522
Cash and cash equivalents at beginning of period		79,764	48,495
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	<u>84,978</u>	<u>23,973</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 September 2017

Note 2 - SEGMENT REPORTING (continued)

	2016					
	Cinema activities			Film Activities	Screen	
	Carib Cinema	Palace Cineplex	Palace Multiplex		Advertising Activities	Group
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
REVENUE -						
Box office receipts	70,961	27,352	37,941	-	-	136,254
Confectionery sales	33,166	11,327	14,809	-	-	59,302
Film rental	-	-	-	95,198	-	95,198
Screen advertising	6,603	2,774	3,956	-	8,054	21,387
Other activities	-	-	-	-	-	0
	<u>110,730</u>	<u>41,453</u>	<u>56,706</u>	<u>95,198</u>	<u>8,054</u>	<u>312,141</u>
Eliminations						-80,300
Revenue from external customers						<u>231,841</u>
SEGMENT RESULT ⁽¹⁾	<u>4,177</u>	<u>4,469</u>	<u>7,064</u>	<u>17,946</u>	<u>5,386</u>	<u>39,042</u>
Eliminations						<u>5,690</u>
						<u>44,732</u>
CAPITAL EXPENDITURE -	<u>5,718</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>5,731</u>
Unallocated head office capital expenditure						540
Total capital expenditure						<u>6,271</u>
DEPRECIATION -	<u>4,004</u>	<u>1,213</u>	<u>899</u>	<u>19</u>	<u>-</u>	<u>6,135</u>
Unallocated head office depreciation						1,895
Total depreciation						<u>8,030</u>
INTEREST EXPENSE -	<u>312</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331</u>
Unallocated head office interest expense						317
Eliminations						-302
Total interest expense						<u>346</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 September 2017

Note 2 - SEGMENT REPORTING (continued)

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

	Sep-17 \$'000	Sep-16 \$'000
Profit from reportable segments	55,401	44,732
Unallocated income -		
Other operating income	2,476	2,535
Unallocated costs -		
Administrative expenses	-47,887	-44,255
Other	-308	-315
	-48,195	-44,570
Unallocated interest expense	-576	-317
Eliminations	195	302
	-381	-15
	<u>9,301</u>	<u>2,682</u>

Note 3 - OTHER OPERATING INCOME

	The Group		The Company	
	Sep-17 \$'000	Sep-16 \$'000	Sep-17 \$'000	Sep-16 \$'000
Management fees	-	-	6,345	5,690
Gain on sale of property, plant and equipment	300	0	300	0
Interest income	346	401	541	703
Dividend income	44	669	44	669
Exchange gain on foreign balances	1,253	1,254	1,253	1,254
Other	533	211	533	211
	<u>2,476</u>	<u>2,535</u>	<u>9,016</u>	<u>8,527</u>

Note 4 - EARNINGS PER STOCK UNIT

Earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the number of ordinary stock units in issue at the end of the period.

	Sep-17	Sep-16
Net profit attributable to stockholders (\$'000)	9,344	2,730
Number of ordinary stock units ('000)	1,437	1,437
Earnings per stock unit (\$ per share)	6.50	1.90

The Company has no potentially dilutive ordinary shares.

Note 5 - SHORT TERM DEPOSITS

Short term deposits include interest receivable amounting to \$233,000 (2016 - \$293,000) and represent deposits with original maturity of more than 90 days.

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 September 2017

Note 6 - CASH AND CASH EQUIVALENTS

	The Group		The Company	
	Sep-17 \$'000	Sep-16 \$'000	Sep-17 \$'000	Sep-16 \$'000
Cash at bank and in hand	84,888	23,710	83,851	22,879
Short term deposits (with original maturity of 90 days or less)	1,127	1,094	1,127	1,094
Cash and cash equivalents	86,015	24,804	84,978	23,973

Note 7- EXPENSES BY NATURE

	The Group		The Company	
	Sep-17 \$'000	Sep-16 \$'000	Sep-17 \$'000	Sep-16 \$'000
Advertising and promotion	6,217	5,972	3,590	3,440
Auditors' remuneration -				
Current year	1,181	1,181	948	948
Bank security & fees	1,772	1,602	888	836
Cost of inventories recognised as expense	35,884	30,319	14,764	12,700
Depreciation	8,464	8,030	4,359	4,026
Film cost	77,156	75,392	77,156	75,392
Insurance	3,431	3,840	2,189	2,325
Legal and professional fees	1,186	1,330	942	1,101
Licence fees	1,598	1,446	775	707
Motor vehicle expenses	1,117	962	1,117	962
Other	5,830	5,562	4,184	3,829
Repairs, maintenance and renewals	7,922	7,331	5,608	5,736
Security	5,354	4,775	2,240	1,999
Staff costs	62,364	53,082	47,035	42,296
Stationery and supplies	6,594	5,329	3,529	2,675
Theatre rental	9,657	9,357	9,657	9,357
Transportation and courier	194	219	123	199
Utilities	16,624	15,619	8,580	8,617
	252,545	231,348	187,684	177,145

Note 8 - CASH FLOWS FROM OPERATING ACTIVITIES

	The Group		The Company	
	Sep-17 \$'000	Sep-16 \$'000	Sep-17 \$'000	Sep-16 \$'000
Net profit/(loss)	9,301	2,682	3,901	-1,220
Items not affecting cash resources:				
Depreciation	8,464	8,030	4,359	4,026
Gain on sale of property, plant and equipment	-300	0	-300	0
Interest income	-346	-401	-541	-703
Dividend income	-44	-669	-44	-669
Exchange gain on foreign balances	-1,253	-1,254	-1,253	-1,254
Interest expense	592	346	576	336
	16,414	8,734	6,698	516
Changes in operating assets and liabilities:				
Inventories	2,352	3,401	2,363	3,317
Receivables	1,599	-9,268	5,128	-828
Due from subsidiaries	-	-	1,891	-8,680
Payables	-11,156	-19,560	-7,509	-17,127
	9,209	-16,693	8,571	-22,802
Taxation paid	-779	-323	-551	-30
Cash provided by/(used in) operating activities	8,430	-17,016	8,020	-22,832

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Shareholders Listing
30 September 2017

DIRECTORS	HOLDING
Charles "Douglas" Graham	111,127
Melanie Graham	11,448
Elon Beckford	9,792
Charles "Scott" Graham	3,194
Steven Cooke	1,000
Hugh Levy Jnr.	1
Douglas Stiebel	1
Brian St. Juste	1
Heather Facey	1

CONNECTED PERSONS	HOLDING
Russgram Investments Ltd.	947,673
Melanie Graham	11,448
Charles "Douglas" Graham	111,127
Elmar Development Limited	14,067
Marilyn Beckford	NIL
Cameron Cooke	NIL
Christian Cooke	NIL
Laurel Levy	NIL
Christine Stiebel	NIL
Sharon St. Juste	NIL
Paul Facey	NIL
Sabrina Facey	NIL
Toby Facey	NIL
Ashleigh Facey	NIL

SENIOR MANAGEMENT	HOLDING
Eileen Thomas	NIL
Carol Lee	NIL
Gillian Crosskill	NIL
David Chong	NIL
Trace Clarke	NIL
Shawn Smith	NIL

CONNECTED PERSONS	HOLDING
Eileen & Hugh Thomas	100
Hugh Thomas	NIL
Hugh Lee	NIL
Nicholas Lee	NIL
Patricia Chong	NIL
Jelani Clarke	NIL

TEN (10) LARGEST	HOLDING	% HOLDING
Russgram Investments Limited	947,673	65.9
Charles "Douglas" Graham	111,127	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