

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Comprehensive Income
Year ended 30 June 2020

	Note	Period April - June \$'000	Y-T-D Jun-20 \$'000	Period April - June \$'000	Y-T-D Jun-19 \$'000
REVENUE	2	5,007	904,181	337,997	1,112,639
Direct expenses		-51,956	-863,362	-261,767	-900,088
GROSS PROFIT/(LOSS)		-46,949	40,819	76,230	212,551
Other operating income	3	0	6,250	4,238	6,137
Non-operating income	4	0	0	-168	46,557
Administration expenses		-32,868	-172,852	-42,316	-186,739
OPERATING PROFIT/(LOSS)		-79,817	-125,783	37,984	78,506
Finance costs - interest expense		-2,369	-5,471	-374	-1,696
PROFIT/(LOSS) BEFORE TAXATION		-82,186	-131,254	37,610	76,810
Taxation		0	0	-6,439	-6,448
NET PROFIT/(LOSS)		-82,186	-131,254	31,171	70,362
OTHER COMPREHENSIVE INCOME:					
Item(s) that will not be reclassified to profit or loss in the future -					
Unrealised gains/(losses) on FVOCI investments, net of taxation		742	-3,466	4,589	9,663
Re-measurement of post-employment benefit asset, net of taxation		0	0	-12,535	-12,535
Total other Comprehensive Income		742	-3,466	-7,946	-2,872
TOTAL COMPREHENSIVE INCOME		-81,444	-134,720	23,225	67,490
NET PROFIT/(LOSS) ATTRIBUTABLE TO:					
Stockholders of the company		-82,196	-131,421	31,157	82,431
Non-controlling interest		10	167	14	-12,069
		-82,186	-131,254	31,171	70,362
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Stockholders of the company		-81,649	-135,014	23,141	79,389
Non-controlling interest		205	294	84	-11,899
		-81,444	-134,720	23,225	67,490
EARNINGS/(LOSSES) PER STOCK UNIT ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY					
	5	-57.20	-91.46	21.68	57.36

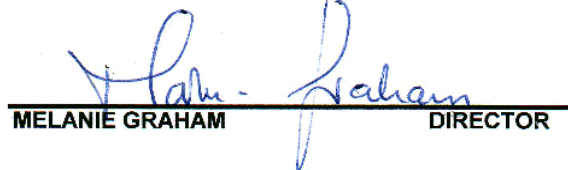
THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Financial Position
30 June 2020

	Note	Jun-20 \$'000	Jun-19 \$'000
NON-CURRENT ASSETS			
Property, plant and equipment		531,166	452,423
Investments	6	24,567	65,924
Post-employment benefit asset		37,749	37,749
		593,482	556,096
CURRENT ASSETS			
Inventories		62,135	61,502
Receivables		29,360	46,046
Cash and cash equivalents	7	7,482	39,235
		98,977	146,783
CURRENT LIABILITIES			
Payables		191,697	165,099
Taxation payable		4,866	8,509
Bank overdraft	7	23,595	0
Current portion of long term liabilities		18,133	6,947
		238,291	180,555
NET CURRENT LIABILITIES		-139,314	-33,772
		454,168	522,324
STOCKHOLDERS' EQUITY			
Share capital		1,437	1,437
Capital reserve		165,984	165,984
Fair value reserve		23,872	27,465
Retained earnings		172,628	304,049
		363,921	498,935
NON-CONTROLLING INTEREST		6,473	6,179
		370,394	505,114
NON-CURRENT LIABILITIES			
Long term liabilities		74,084	7,520
Deferred tax liabilities		9,690	9,690
		83,774	17,210
		454,168	522,324

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 11 AUGUST 2020 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
Year ended 30 June 2020

	Attributable to the Company's Stockholders					Non-	Total
	Number of	Share	Capital	Fair Value	Retained	Controlling	
	Shares	Capital	Reserve	Reserve	Earnings	Interest	
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
BALANCE AT 1 JULY 2018	1,437	1,437	165,984	17,972	297,955	18,078	501,426
TOTAL COMPREHENSIVE INCOME							
Net profit	-	-	-	-	82,431	-12,069	70,362
Other comprehensive income -							
Re-measurement of post-employment benefit asset	-	-	-	-	-12,535	-	-12,535
Unrealised gains on FVOCI investments	-	-	-	9,493	-	170	9,663
	-	-	-	9,493	69,896	-11,899	67,490
TRANSACTIONS WITH OWNERS							
Dividends paid	-	-	-	-	-2,875	-	-2,875
Capital Distribution paid	-	-	-	-	-60,927	-	-60,927
	-	-	-	-	-63,802	-	-63,802
BALANCE AT 30 JUNE 2019	1,437	1,437	165,984	27,465	304,049	6,179	505,114
TOTAL COMPREHENSIVE INCOME							
Net loss	-	-	-	-	-131,421	167	-131,254
Other comprehensive income -							
Unrealised losses on FVOCI investments	-	-	-	-3,593	-	127	-3,466
	-	-	-	-3,593	-131,421	294	-134,720
BALANCE AT 30 JUNE 2020	1,437	1,437	165,984	23,872	172,628	6,473	370,394

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Cash Flows
Year ended 30 June 2020

	Note	Jun-20 \$'000	Jun-19 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by/(used in) operating activities	9	-35,944	81,138
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-133,880	-289,114
Proceeds from sale of property, plant and equipment		1,865	16,107
Encashment of investments		38,845	131,640
Increase in fair value of investments		-954	-3,942
Interest received		1,106	5,173
Dividend received		651	235
Capital distribution received		0	46,557
Cash used in investing activities		-92,367	-93,344
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		-9,027	-7,238
Long term loans received		86,777	0
Dividends paid		0	-2,875
Capital distribution paid		0	-60,927
Interest paid		-5,471	-1,696
Cash provided by/(used in) financing activities		72,279	-72,736
Exchange gain on foreign cash balances		-56,032	-84,942
		684	4,812
Decrease in cash and cash equivalents		-55,348	-80,130
Cash and cash equivalents at beginning of year		39,235	119,365
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	-16,113	39,235

Reconciliation of movements of liabilities to cash flows arising from financing activities:

Amounts represent bank and other loans, excluding bank overdraft.

	Jun-20 \$'000	Jun-19 \$'000
At 1 July	14,467	21,705
Loans received	86,777	0
Loans repaid	-9,027	-7,238
	92,217	14,467

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Comprehensive Income
Year ended 30 June 2020

	Note	Period April - June \$'000	Y-T-D Jun-20 \$'000	Period April - June \$'000	Y-T-D Jun-19 \$'000
REVENUE		4,438	695,629	236,550	773,689
Direct expenses		-36,288	-650,037	-184,436	-619,175
GROSS PROFIT/(LOSS)		-31,850	45,592	52,114	154,514
Other operating income	3	-276	21,848	12,593	33,679
Non-operating income	4	0	0	-168	30,451
Administration expenses		-32,868	-172,852	-42,316	-186,739
OPERATING PROFIT/(LOSS)		-64,994	-105,412	22,223	31,905
Finance costs - interest expense		-2,332	-5,362	-362	-1,601
PROFIT/(LOSS) BEFORE TAXATION		-67,326	-110,774	21,861	30,304
Taxation		0	0	-1,440	-1,449
NET PROFIT/(LOSS)		-67,326	-110,774	20,421	28,855
OTHER COMPREHENSIVE INCOME:					
Item(s) that will not be reclassified to profit or loss in the future -					
Unrealised gains/(losses) on FVOCI investments, net of taxation		-1,227	-4,747	3,883	7,948
Re-measurement of post-employment benefit asset, net of taxation		0	0	-12,535	-12,535
Total Other Comprehensive Income		-1,227	-4,747	-8,652	-4,587
TOTAL COMPREHENSIVE INCOME		-68,553	-115,521	11,769	24,268

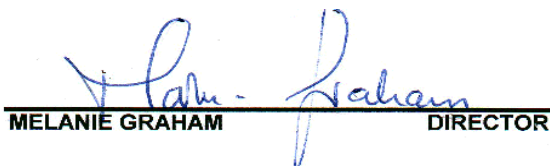
THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Financial Position
30 June 2020

	Note	Jun-20 \$'000	Jun-19 \$'000
NON-CURRENT ASSETS			
Property, plant and equipment		378,743	308,824
Investments	6	12,226	54,863
Post-employment benefit asset		37,749	37,749
Due from subsidiaries		32,408	0
		461,126	401,436
CURRENT ASSETS			
Inventories		59,063	57,919
Receivables		28,272	43,989
Cash and cash equivalents	7	7,445	38,011
		94,780	139,919
CURRENT LIABILITIES			
Payables		180,902	139,095
Taxation payable		46	1,688
Bank overdraft	7	23,595	0
Current portion of long term liabilities		18,133	6,947
		222,676	147,730
NET CURRENT LIABILITIES			
		-127,896	-7,811
		333,230	393,625
STOCKHOLDERS' EQUITY			
Share capital		1,437	1,437
Capital reserve		148,365	148,365
Fair value reserve		11,669	16,416
Retained earnings		49,025	159,799
		210,496	326,017
NON-CURRENT LIABILITIES			
Due to subsidiaries		44,227	55,665
Long term liabilities		74,084	7,520
Deferred tax liabilities		4,423	4,423
		122,734	67,608
		333,230	393,625

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 11 AUGUST 2020 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
Year ended 30 June 2020

	Number of Shares	Share Capital	Capital Reserve	Fair Value Reserve	Retained Earnings	Total
	'000	\$'000	\$'000	\$'000	\$'000	\$'000
BALANCE AT 1 JULY 2018	1,437	1,437	148,365	8,468	146,354	304,624
TOTAL COMPREHENSIVE INCOME						
Net profit	-	-	-	-	28,855	28,855
Other comprehensive income -						
Re-measurement of post-employment benefit asset	-	-	-	-	-12,535	-12,535
Unrealised gains on FVOCI investments	-	-	-	7,948	-	7,948
	-	-	-	7,948	16,320	24,268
TRANSACTIONS WITH OWNERS						
Dividends paid	-	-	-	-	-2,875	-2,875
BALANCE AT 30 JUNE 2019	1,437	1,437	148,365	16,416	159,799	326,017
Net loss	-	-	-	-	-110,774	-110,774
Other comprehensive income -						
Unrealised losses on FVOCI investments	-	-	-	-4,747	-	-4,747
	-	-	-	-4,747	-110,774	-115,521
BALANCE AT 30 JUNE 2020	1,437	1,437	148,365	11,669	49,025	210,496

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Cash Flows
Year ended 30 June 2020

	Note	Jun-20 \$'000	Jun-19 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by/(used in) operating activities	9	-60,282	14,565
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-107,185	-266,368
Proceeds from sale of property, plant and equipment		1,865	16,107
Encashment of investments		38,845	131,640
Increase in fair value of investments		-954	-3,942
Interest received		272	4,302
Dividend received		206	235
Capital distribution received		0	30,451
Cash used in investing activities		-66,951	-87,575
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		-9,027	-7,238
Long term loans received		86,777	0
Dividends paid		0	-2,875
Interest paid		-5,362	-1,601
Cash provided by/(used in) financing activities		72,388	-11,714
Exchange gain on foreign cash balances		-54,845	-84,724
		684	4,812
Decrease in cash and cash equivalents		-54,161	-79,912
Cash and cash equivalents at beginning of year		38,011	117,923
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	-16,150	38,011

Reconciliation of movements of liabilities to cash flows arising from financing activities:

Amounts represent bank and other loans, excluding bank overdraft.

	Jun-20 \$'000	Jun-19 \$'000
At 1 July	14,467	21,705
Loans received	86,777	0
Loans repaid	-9,027	-7,238
	92,217	14,467

THE PALACE AMUSEMENT COMPANY (1921) LIMITED

Unaudited Notes to the Financial Statements

30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The figures are unaudited and accounting policies remain as stated in the 2018/2019 Annual Accounts, except for the adoption of a new standard, being **IFRS 16 'Leases'** from 1 July 2019.

IFRS 16 'Leases'

The Company has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard in applying the simplified transition approach. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. It replaces the guidance in IAS 17, which made a distinction in classification between leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset (finance leases) and those that do not (operating leases). For a lessee, finance leases were recognised as an asset that was depreciated over the lease term and the amount due to the lessor recognised as borrowings. While operating leases were recognised as a periodic rental payment that was treated as a current expense in the income statement.

IFRS 16 introduces a single lease accounting model for lessees. It requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The standard includes an optional exemption for certain short-term leases and leases of low-value assets. For lessors, the accounting stays almost the same.

Accounting policy effective 1 July 2019

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

The Company is still in the process of reviewing all its leasing arrangements and the impact of IFRS 16 'Leases' on its operations.

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 June 2020

Note 2 - SEGMENT REPORTING (continued)

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

	Jun-20	Jun-19
	\$'000	\$'000
Profit from reportable segments	39,018	213,174
Unallocated income -		
Other operating income	6,250	6,137
Non operating income	0	46,557
Unallocated costs -		
Administrative expenses	-172,852	-186,739
Other	-787	-1,108
	-173,639	-187,847
Unallocated interest expense	-2,999	-1,601
Eliminations	116	390
	-2,883	-1,211
	<u>-131,254</u>	<u>76,810</u>

Note 3 - OTHER OPERATING INCOME

	The Group		The Company	
	Jun-20	Jun-19	Jun-20	Jun-19
	\$'000	\$'000	\$'000	\$'000
Management fees	-	-	16,877	28,414
Interest income	1,145	6,057	311	5,185
Dividend income	651	235	206	235
Exchange gain on foreign balances	1,149	6,920	1,149	6,920
Gain/(loss) on sale of property, plant and equipment	1,865	-8,921	1,865	-8,921
Other	1,440	1,846	1,440	1,846
	<u>6,250</u>	<u>6,137</u>	<u>21,848</u>	<u>33,679</u>

Note 4 - NON OPERATING INCOME

	The Group		The Company	
	Jun-20	Jun-19	Jun-20	Jun-19
	\$'000	\$'000	\$'000	\$'000
Capital distribution income	0	46,557	0	30,451
	<u>0</u>	<u>46,557</u>	<u>0</u>	<u>30,451</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED**Unaudited Notes to the Financial Statements****30 June 2020****Note 5 - EARNINGS/(LOSSES) PER STOCK UNIT**

Earnings/(losses) per stock unit is calculated by dividing the net profit/(loss) attributable to stockholders by the number of ordinary stock units in issue at year end.

	Jun-20	Jun-19
Net profit/(loss) attributable to stockholders (\$'000)	-131,421	82,431
Number of ordinary stock units ('000)	1,437	1,437
Earnings/(losses) per stock unit (\$ per share)	-91.46	57.36

The Company has no potentially dilutive ordinary shares.

Note 6 - INVESTMENTS

	The Group		The Company	
	Jun-20	Jun-19	Jun-20	Jun-19
	\$'000	\$'000	\$'000	\$'000
Quoted equities - at fair value through OCI	24,567	28,033	11,741	16,487
Sagicor Sigma Investments - at fair value through P&L	0	37,891	0	37,891
Unquoted - Subsidiaries, at cost:				
Cinema Company of Jamaica Ltd. 56,101 shares	-	-	272	272
Harbour View Cinema Company Ltd. 133,998 shares	-	-	68	68
Tropical Cinema Company Ltd. 116,296 shares	-	-	145	145
	24,567	65,924	12,226	54,863

Note 7 - CASH AND CASH EQUIVALENTS

	The Group		The Company	
	Jun-20	Jun-19	Jun-20	Jun-19
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	7,482	39,235	7,445	38,011
Bank overdraft	-23,595	0	-23,595	0
Cash and cash equivalents	-16,113	39,235	-16,150	38,011

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 June 2020
Note 8 - EXPENSES BY NATURE

	The Group		The Company	
	Jun-20 \$'000	Jun-19 \$'000	Jun-20 \$'000	Jun-19 \$'000
Advertising and promotion	23,869	24,500	16,866	14,364
Auditors' remuneration -				
Current year	5,250	5,830	4,250	4,600
Prior year	123	187	125	135
Bank security & fees	6,420	7,524	4,008	3,700
Cost of inventories recognised as expense	128,127	156,649	69,459	59,967
Depreciation	55,137	34,115	37,266	16,657
Film cost	268,468	342,852	268,468	342,852
Insurance	15,593	15,741	9,842	10,076
Legal and professional fees	5,590	3,839	4,543	3,405
Licence fees	5,715	6,817	3,499	3,132
Motor vehicle expenses	5,330	5,476	5,330	5,476
Other	26,528	27,211	20,438	21,269
Repairs, renewals and maintenance	40,372	36,862	28,962	23,021
Security	23,696	25,214	13,587	11,380
Staff costs	263,750	251,724	210,173	191,071
Stationery and supplies	25,283	26,130	16,697	14,246
Theatre rental	59,182	40,366	59,182	40,366
Transportation and courier	2,674	2,378	1,805	1,653
Utilities	75,107	73,412	48,389	38,544
	1,036,214	1,086,827	822,889	805,914

Note 9 - CASH FLOWS FROM OPERATING ACTIVITIES

	The Group		The Company	
	Jun-20 \$'000	Jun-19 \$'000	Jun-20 \$'000	Jun-19 \$'000
Net profit /(loss)	-131,254	70,362	-110,774	28,855
Items not affecting cash resources:				
Depreciation	55,137	34,115	37,266	16,657
(Gain)/loss on sale of property, plant and equipment	-1,865	8,921	-1,865	8,921
Interest income	-1,145	-6,057	-311	-5,185
Dividend income	-651	-235	-206	-235
Capital distribution income	0	-46,557	0	-30,451
Exchange gain on foreign balances	-1,149	-6,920	-1,149	-6,920
Interest expense	5,471	1,696	5,362	1,601
Taxation	0	6,448	0	1,449
	-75,456	61,773	-71,677	14,692
Changes in operating assets and liabilities:				
Inventories	-633	-7,655	-1,144	-7,050
Receivables	20,148	4,473	19,177	3,933
Post-employment benefits	0	-2,969	0	-2,969
Due from subsidiaries	-	-	-43,846	-14,676
Deferred income	0	-3,008	0	-3,008
Payables	23,602	41,219	38,811	29,493
	-32,339	93,833	-58,679	20,415
Taxation paid	-3,605	-12,695	-1,603	-5,850
Cash provided by/(used in) operating activities	-35,944	81,138	-60,282	14,565

THE PALACE AMUSEMENT COMPANY (1921) LIMITED

Shareholders Listing

30 June 2020

DIRECTORS	HOLDING
Charles "Douglas" Graham	111,128
Melanie Graham	11,448
Elon Beckford	9,792
Charles "Scott" Graham	3,194
Steven Cooke	1,000
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	111,128
Elmar Development Limited	14,067
Marilyn Beckford	NIL
Cameron Cooke	NIL
Christian Cooke	NIL
Christine Stiebel	NIL
Sharon St. Juste	NIL
Paul Facey	NIL
Sabrina Facey	NIL
Toby Facey	NIL
Ashleigh Facey	NIL

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

CONNECTED PERSONS	HOLDING
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	111,128	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	14,908	1.0
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