

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Comprehensive Income
Three months ended 30 September 2021

	Note	Period & Y-T-D Sep-21 \$'000	Period & Y-T-D Sep-20 \$'000
REVENUE	2	80,514	29,487
Direct expenses		-127,542	-100,705
GROSS LOSS		-47,028	-71,218
Other operating income	3	1,190	756
Administration expenses		-29,122	-20,953
OPERATING LOSS		-74,960	-91,415
Finance costs - interest expense		-4,732	-3,064
NET LOSS BEFORE TAXATION		-79,692	-94,479
Taxation		0	-234
NET LOSS		-79,692	-94,713
OTHER COMPREHENSIVE INCOME:			
<i>Item(s) that will not be reclassified to profit or loss in the future -</i>			
Unrealised gains on FVOCI investments		289	1,324
TOTAL COMPREHENSIVE INCOME		-79,403	-93,389
NET LOSS ATTRIBUTABLE TO:			
Stockholders of the Company		-79,675	-94,670
Non-controlling interest		-17	-43
		-79,692	-94,713
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Stockholders of the Company		-79,415	-93,473
Non-controlling interest		12	84
		-79,403	-93,389
EARNINGS PER STOCK UNIT ATTRIBUTABLE			
TO STOCKHOLDERS OF THE COMPANY	4	-55.45	-65.88

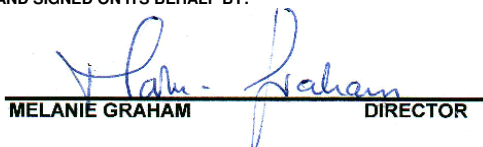
THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Financial Position
30 September 2021

	Note	Sep-21 \$'000	Jun-21 \$'000	Sep-20 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment		1,133,306	1,146,115	521,149
Investments	5	19,672	19,383	25,891
Right-of-use assets		262,316	262,316	318,749
Deferred tax assets		0	0	24,449
Post-employment benefit asset		40,968	40,968	36,365
		1,456,262	1,468,782	926,603
CURRENT ASSETS				
Inventories		41,296	36,913	55,709
Receivables		26,377	27,853	40,799
Cash and cash equivalents	6	40,060	25,656	8,225
		107,733	90,422	104,733
CURRENT LIABILITIES				
Payables		362,423	283,351	191,724
Taxation payable		4,857	4,859	4,865
Bank overdraft	6	0	29,887	15,761
Current portion of lease liabilities		67,920	67,920	71,944
Current portion of long term liabilities		28,727	28,727	11,880
		463,927	414,744	296,174
NET CURRENT LIABILITIES				
		-356,194	-324,322	-191,441
		1,100,068	1,144,460	735,162
STOCKHOLDERS' EQUITY				
Share capital		1,437	1,437	1,437
Capital reserve		772,388	772,388	165,984
Fair value reserve		18,439	18,179	25,069
(Accumulated deficit)/Retained earnings		-235,678	-156,003	109,729
		556,586	636,001	302,219
NON-CONTROLLING INTEREST				
		7,128	7,116	6,619
		563,714	643,117	308,838
NON-CURRENT LIABILITIES				
Long term liabilities		290,159	255,148	170,524
Lease liabilities		199,410	199,410	255,800
Deferred tax liability		46,785	46,785	0
		536,354	501,343	426,324
		1,100,068	1,144,460	735,162

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 1 DECEMBER 2021 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 2021

	Attributable to the Company's Stockholders						
	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	(Accumulated deficit)/Retained Earnings \$'000	Non-Controlling Interest \$'000	Total \$'000
BALANCE AT 1 JULY 2020	1,437	1,437	165,984	23,872	204,399	6,535	402,227
TOTAL COMPREHENSIVE INCOME							
Net loss	-	-	-	-	-94,670	-43	-94,713
Other comprehensive income -							
Unrealised gains on FVOCI investments	-	-	-	1,197	-	127	1,324
	-	-	-	1,197	-94,670	84	-93,389
BALANCE AT 30 SEPTEMBER 2020	1,437	1,437	165,984	25,069	109,729	6,619	308,838
TOTAL COMPREHENSIVE INCOME							
Net loss	-	-	-	-	-288,337	-25	-288,362
Other comprehensive income -							
Gains on revaluation of property, plant and equipment	-	-	606,404	-	-	-	606,404
Re-measurement of post-employment benefit asset	-	-	-	-	10,737	-	10,737
Unrealised gains on FVOCI investments	-	-	-	4,818	-	522	5,340
Realised gains/(losses) on FVOCI investments	-	-	-	-11,708	11,868	-	160
	-	-	606,404	-6,890	-265,732	497	334,279
BALANCE AT 30 JUNE 2021	1,437	1,437	772,388	18,179	-156,003	7,116	643,117
TOTAL COMPREHENSIVE INCOME							
Net loss	-	-	-	-	-79,675	-17	-79,692
Other comprehensive income -							
Unrealised gains on FVOCI investments	-	-	-	260	-	29	289
	-	-	-	260	-79,675	12	-79,403
BALANCE AT 30 SEPTEMBER 2021	1,437	1,437	772,388	18,439	-235,678	7,128	563,714

Unaudited Consolidated Statement of Cash Flows
Three months ended 30 September 2021

	Note	Sep-21 \$'000	Sep-20 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by/(used in) operating activities	8	15,448	-76,169
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-1,506	-4,471
Proceeds for sale of property, plant and equipment		0	2,209
Interest received		5	4
Cash used in investing activities		-1,501	-2,258
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		0	0
Long term loans received		35,011	90,187
Interest paid		-4,732	-3,064
Cash provided by financing activities		30,279	87,123
		44,226	8,696
Exchange gain/(loss) on foreign cash balances		65	-119
Increase in cash and cash equivalents		44,291	8,577
Cash and cash equivalents at beginning of period		-4,231	-16,113
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	40,060	-7,536

Reconciliation of movements of liabilities to cash flows arising from financing activities:
Amounts represent bank and other loans, excluding bank overdraft.

	Sep-21 \$'000	Sep-20 \$'000
At 1 July	283,875	92,217
Loans received	35,011	90,187
Loans repaid	0	0
	<u>318,886</u>	<u>182,404</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Comprehensive Income
Three months ended 30 September 2021

	Note	Period & Y-T-D Sep-21 \$'000	Period & Y-T-D Sep-20 \$'000
REVENUE		62,216	22,966
Direct expenses		<u>-96,390</u>	<u>-73,392</u>
GROSS LOSS		-34,174	-50,426
Other operating income	3	2,518	1,127
Administration expenses		<u>-29,122</u>	<u>-20,953</u>
OPERATING LOSS		-60,778	-70,252
Finance costs - interest expense		<u>-4,732</u>	<u>-3,064</u>
NET LOSS		-65,510	-73,316
OTHER COMPREHENSIVE INCOME:			
<i>Item(s) that will not be reclassified to profit or loss in the future -</i>			
Unrealised gains on FVOCI investments		<u>0</u>	<u>39</u>
TOTAL COMPREHENSIVE INCOME		<u><u>-65,510</u></u>	<u><u>-73,277</u></u>

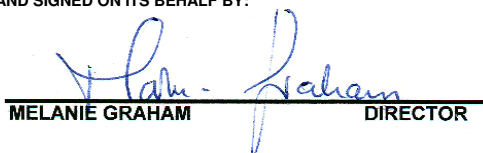
THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Financial Position
30 September 2021

	Note	Sep-21 \$'000	Jun-21 \$'000	Sep-20 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment		598,184	606,214	375,547
Investments	5	485	485	12,265
Right-of-use assets		262,316	262,316	318,749
Deferred tax assets		0	0	24,388
Post-employment benefit asset		40,968	40,968	36,365
Due from subsidiaries		86,628	79,857	43,292
		988,581	989,840	810,606
CURRENT ASSETS				
Inventories		40,075	35,279	54,329
Receivables		24,555	25,663	39,509
Cash and cash equivalents	6	39,257	25,396	8,249
		103,887	86,338	102,087
CURRENT LIABILITIES				
Payables		349,454	272,740	179,656
Taxation payable		36	38	45
Bank overdraft	6	0	29,887	15,761
Current portion of lease liabilities		67,920	67,920	71,944
Current portion of long term liabilities		28,727	28,727	11,880
		446,137	399,312	279,286
NET CURRENT LIABILITIES		-342,250	-312,974	-177,199
		646,331	676,866	633,407
STOCKHOLDERS' EQUITY				
Share capital		1,437	1,437	1,437
Capital reserve		385,490	385,490	148,365
Fair value reserve		0	0	11,708
(Accumulated deficit)/Retained earnings		-286,097	-220,587	1,581
		100,830	166,340	163,091
NON-CURRENT LIABILITIES				
Due to subsidiaries		43,452	43,488	43,992
Long term liabilities		290,159	255,148	170,524
Lease liabilities		199,410	199,410	255,800
Deferred tax liability		12,480	12,480	0
		545,501	510,526	470,316
		646,331	676,866	633,407

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 1 DECEMBER 2021 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
Three months ended 30 September 2021

	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	(Accumulated deficit)/Retaine d Earnings \$'000	Total \$'000
BALANCE AT 1 JULY 2020	1,437	1,437	148,365	11,669	74,897	236,368
TOTAL COMPREHENSIVE INCOME						
Net loss	-	-	-	-	-73,316	-73,316
Other comprehensive income -						
Unrealised gains on FVOCI investments	-	-	-	39	-	39
	-	-	-	39	-73,316	-73,277
BALANCE AT 30 SEPTEMBER 2020	1,437	1,437	148,365	11,708	1,581	163,091
TOTAL COMPREHENSIVE INCOME						
Net loss	-	-	-	-	-244,773	-244,773
Other comprehensive income -						
Gains on revaluation of property, plant and equipment	-	-	237,125	-	-	237,125
Re-measurement of post-employment benefit asset	-	-	-	-	10,737	10,737
Realised gains/(losses) on FVOCI investments	-	-	-	-11,708	11,868	160
	-	-	237,125	-11,708	-222,168	3,249
BALANCE AT 30 JUNE 2021	1,437	1,437	385,490	0	-220,587	166,340
TOTAL COMPREHENSIVE INCOME						
Net loss	-	-	-	-	-65,510	-65,510
Other comprehensive income -						
	-	-	-	-	-	-
	-	-	-	0	-65,510	-65,510
BALANCE AT 30 SEPTEMBER 2021	1,437	1,437	385,490	0	-286,097	100,830

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Cash Flows
Three months ended 30 September 2021

	Note	Sep-21 \$'000	Sep-20 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by/(used in) operating activities	8	14,905	-74,100
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-1,506	-4,288
Proceeds for sale of property, plant and equipment		0	18
Interest received		5	4
Cash used in investing activities		-1,501	-4,266
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		0	0
Long term loans received		35,011	90,187
Interest paid		-4,732	-3,064
Cash provided by financing activities		30,279	87,123
Exchange gain/(loss) on foreign cash balances		43,683	8,757
Increase in cash and cash equivalents		65	-119
Cash and cash equivalents at beginning of period		43,748	8,638
Cash and cash equivalents at end of period		-4,491	-16,150
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	39,257	-7,512

Reconciliation of movements of liabilities to cash flows arising from financing activities:
Amounts represent bank and other loans, excluding bank overdraft.

	Sep-21 \$'000	Sep-20 \$'000
At 1 July	283,875	92,217
Loans received	35,011	90,187
Loans repaid	0	0
	<u>318,886</u>	<u>182,404</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 September 2021

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The figures are unaudited and accounting policies remain as stated in the 2020/2021 Audited Accounts.

Impact of the COVID-19 Pandemic

Towards the end of the 2021 Financial Year, the Group re-opened its cinemas in late June, after another long period of closure - this time, including Palace Multiplex in Montego Bay. Despite the curfew restrictions imposed by the Government, which resulted in the number of shows being reduced to one per day, the response to the latest in the Fast & Furious series: **F9: The Fast Saga** was encouraging - with over 30,000 patrons welcomed in the month of July. Unfortunately another wave of the Covid 19 virus caused interest to wane in August and September, when no-movement days were instituted.

Even as the Group continues to take significant operational steps to preserve cash and control costs, it also continues to seek opportunities to pivot and to generate revenues wherever possible. This approach gave rise to:

- the Drive In cinema (which was opened in October 2020), becoming a registered participant of the E-Commerce National Delivery System (ENDS) program; that collaboration allows our patrons to retain their ticket stubs for authentication on their way home from the movies during a curfew, if stopped by the police.
- the implementation of Mid-afternoon weekend Matinees on early curfew days.
- the promotion of Buyouts and Cinema Rental packages (with food combos if desired), to schools and corporate entities as a way of meeting up with friends and colleagues in this "work from home" era.

North America's vaccination program has seen cinema chains across the US re-opened after a long hiatus and release dates for some block-busters were brought forward - signalling a hopeful path to recovery for the Industry. Here in Jamaica, as the number of positive cases of the virus continue to ebb and flow, we remain steadfast to our goal of keeping our doors open and good pictures on our screens, and as we look forward to the slate of pictures set for release in the months ahead, we hope that that patrons will too.

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 September 2021

Note 2 - SEGMENT REPORTING (continued)

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

	Sep-21 \$'000	Sep-20 \$'000
Losses from reportable segments	-46,862	-71,910
Unallocated income -		
Other operating income	1,190	756
Unallocated costs -		
Administrative expenses	-29,122	-20,953
Other	-166	-131
	-29,288	-21,084
Unallocated interest expense	-4,732	-2,241
Eliminations	0	0
	-4,732	-2,241
	<u>-79,692</u>	<u>-94,479</u>

Note 3 - OTHER OPERATING INCOME

	The Group		The Company	
	Sep-21 \$'000	Sep-20 \$'000	Sep-21 \$'000	Sep-20 \$'000
Management fees	-	-	1,328	371
Gain on sale of property, plant and equipment	0	18	0	18
Interest income	7	5	7	5
Exchange gain/(losses) on foreign balances	90	-119	90	-119
Other	1,093	852	1,093	852
	<u>1,190</u>	<u>756</u>	<u>2,518</u>	<u>1,127</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 September 2021

Note 4 - EARNINGS PER STOCK UNIT

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

	Sep-21	Sep-20
Net loss attributable to stockholders (\$'000)	-79,675	-94,670
Number of ordinary stock units ('000)	1,437	1,437
Earnings per stock unit (\$ per share)	<u>-55.45</u>	<u>-65.88</u>

The Company has no potentially dilutive ordinary shares.

Note 5 - INVESTMENTS

	The Group		The Company	
	Sep-21 \$'000	Sep-20 \$'000	Sep-21 \$'000	Sep-20 \$'000
Quoted equities - at fair value through OCI	19,672	25,891	0	11,780
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
	<u>19,672</u>	<u>25,891</u>	<u>485</u>	<u>12,265</u>

Note 6 - CASH AND CASH EQUIVALENTS

	The Group		The Company	
	Sep-21 \$'000	Sep-20 \$'000	Sep-21 \$'000	Sep-20 \$'000
Cash at bank and in hand	40,060	8,225	39,257	8,249
Bank overdraft	0	-15,761	0	-15,761
Cash and cash equivalents	<u>40,060</u>	<u>-7,536</u>	<u>39,257</u>	<u>-7,512</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 September 2021

Note 7 - EXPENSES BY NATURE

Total direct and administration expenses:

	The Group		The Company	
	Sep-21 \$'000	Sep-20 \$'000	Sep-21 \$'000	Sep-20 \$'000
Advertising and promotion	2,846	6,226	1,902	4,365
Auditors' remuneration -				
Current year	1,181	1,181	948	948
Bank security & fees	541	247	344	169
Cost of inventories recognised as expense	11,883	7,042	6,492	4,590
Depreciation	14,315	14,745	9,536	9,932
Film cost	26,461	5,690	26,461	5,690
Insurance	3,322	3,375	2,149	2,114
Legal and professional fees	328	10	285	10
Licence fees	487	230	301	155
Motor vehicle expenses	763	817	763	817
Other	1,945	3,451	1,935	2,664
Repairs, maintenance and renewals	8,455	7,128	7,179	6,103
Security	2,970	2,935	2,084	2,159
Staff costs	36,656	29,047	28,619	21,992
Stationery and supplies	2,575	1,911	1,873	1,270
Theatre rental	22,849	20,198	22,849	20,198
Transportation and courier	532	308	395	203
Utilities	18,555	17,117	11,397	10,966
	156,664	121,658	125,512	94,345

Note 8 - CASH FLOWS FROM OPERATING ACTIVITIES

	The Group		The Company	
	Sep-21 \$'000	Sep-20 \$'000	Sep-21 \$'000	Sep-20 \$'000
Net loss	-79,692	-94,713	-65,510	-73,316
Items not affecting cash resources:				
Depreciation	14,315	14,745	9,536	9,932
(Gain)/loss on sale of property, plant and equipment	0	-18	0	-18
Interest income	-7	-5	-7	-5
Exchange (gain)/loss on foreign balances	-90	119	-90	119
Interest expense	4,732	3,064	4,732	3,064
Taxation	0	234	0	0
	-60,742	-76,574	-51,339	-60,224
Changes in operating assets and liabilities:				
Inventories	-4,383	6,426	-4,796	4,734
Receivables	1,697	-10,806	1,329	-11,237
Due from subsidiaries	-	-	-6,807	-11,119
Payables	78,876	5,019	76,518	3,746
	15,448	-75,935	14,905	-74,100
Taxation paid	0	-234	0	0
Cash provided by/(used in) operating activities	15,448	-76,169	14,905	-74,100

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Shareholders Listing
30 September 2021

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
	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	63,625	4.4
Herbert & Sally-Anne Sharpe	47,000	3.3
Juanita Alberga	18,660	1.3
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
Mayberry Investments Limited	13,824	1.0
Est. Olive Lamb Sharp (Deceased)	11,988	0.8