

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Comprehensive Income
Six months ended 31 December 2022

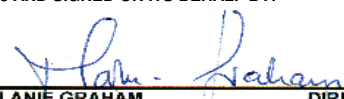
	Note	Period Oct. - Dec. \$'000	Y-T-D Dec-22 \$'000	Period Oct. - Dec. \$'000	Y-T-D Dec-21 \$'000
REVENUE	2	486,350	736,059	151,153	231,667
Direct expenses		-348,590	-599,004	-176,406	-303,948
GROSS PROFIT/(LOSS)		137,760	137,055	-25,253	-72,281
Other operating income	3	2,672	5,336	957	2,147
Administration expenses		-47,407	-89,430	-74,872	-103,994
OPERATING PROFIT/(LOSS)		93,025	52,961	-99,168	-174,128
Finance costs - interest expense		-14,366	-28,288	-12,478	-17,210
NET PROFIT/(LOSS)		78,659	24,673	-111,646	-191,338
OTHER COMPREHENSIVE INCOME:					
<i>Item(s) that will not be reclassified to profit or loss in the future -</i>					
Unrealised gains/(losses) on FVOCI investments		-1,203	-4,020	6,303	6,592
TOTAL COMPREHENSIVE INCOME		77,456	20,653	-105,343	-184,746
NET PROFIT/(LOSS) ATTRIBUTABLE TO:					
Stockholders of the Company		78,705	24,732	-111,615	-191,290
Non-controlling interest		-46	-59	-31	-48
		78,659	24,673	-111,646	-191,338
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Stockholders of the Company		77,621	21,110	-105,936	-185,351
Non-controlling interest		-165	-457	593	605
		77,456	20,653	-105,343	-184,746
EARNINGS PER STOCK UNIT ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY					
	4	54.77	17.21	-77.67	-133.12

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Financial Position
31 December 2022

	Note	Dec-22 \$'000	Jun-22 \$'000	Dec-21 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment		1,059,721	1,087,213	1,120,274
Investments	5	21,010	25,030	25,975
Right-of-use assets		106,424	213,560	262,316
Post-employment benefit asset		39,380	39,380	40,968
		1,226,535	1,365,183	1,449,533
CURRENT ASSETS				
Inventories		56,063	46,180	32,430
Receivables		45,312	47,021	35,651
Investments	5	194,406	215,406	242,952
Cash and cash equivalents	6	184,900	98,110	114,050
		480,681	406,717	425,083
CURRENT LIABILITIES				
Payables		435,274	408,426	386,100
Taxation payable		2,874	4,828	4,848
Current portion of lease liabilities		40,588	50,071	67,920
Current portion of long term liabilities		19,585	0	0
		498,321	463,325	458,868
NET CURRENT ASSETS/(LIABILITIES)				
		-17,640	-56,608	-33,785
		1,208,895	1,308,575	1,415,748
STOCKHOLDERS' EQUITY				
Share capital		1,437	1,437	1,437
Capital reserve		772,388	772,388	772,388
Fair value reserve		19,577	23,199	24,050
(Accumulated deficit)/Retained earnings		-388,979	-413,711	-347,225
		404,423	383,313	450,650
NON-CONTROLLING INTEREST				
		7,207	7,664	7,721
		411,630	390,977	458,371
NON-CURRENT LIABILITIES				
Long term liabilities		691,597	711,182	711,182
Lease liabilities		65,818	166,566	199,410
Deferred tax liabilities		39,850	39,850	46,785
		797,265	917,598	957,377
		1,208,895	1,308,575	1,415,748

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 14 FEBRUARY 2023 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 2022

	Attributable to the Company's Stockholders						
	Number of Shares	Share Capital	Capital Reserve	Fair Value Reserve	(Accumulated Deficit)/	Non - Controlling Interest	Total
					Retained Earnings		
'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
BALANCE AT 1 JULY 2021	1,437	1,437	772,388	18,111	-155,935	7,116	643,117
TOTAL COMPREHENSIVE INCOME							
Net loss	-	-	-	-	-191,290	-48	-191,338
Other comprehensive income -							
Unrealised gains on FVOCI investments	-	-	-	5,939	-	653	6,592
	-	-	-	5,939	-191,290	605	-184,746
BALANCE AT 31 DECEMBER 2021	1,437	1,437	772,388	24,050	-347,225	7,721	458,371
TOTAL COMPREHENSIVE INCOME							
Net loss	-	-	-	-	-69,381	37	-69,344
Other comprehensive income -							
Re-measurement of post-employment benefit asset	-	-	-	-	2,895	-	2,895
Unrealised losses on FVOCI investments	-	-	-	-851	-	-94	-945
	-	-	-	-851	-66,486	-57	-67,394
BALANCE AT 30 JUNE 2022	1,437	1,437	772,388	23,199	-413,711	7,664	390,977
TOTAL COMPREHENSIVE INCOME							
Net profit	-	-	-	-	24,732	-59	24,673
Other comprehensive income -							
Unrealised losses on FVOCI investments	-	-	-	-3,622	-	-398	-4,020
	-	-	-	-3,622	24,732	-457	20,653
BALANCE AT 31 DECEMBER 2022	1,437	1,437	772,388	19,577	-388,979	7,207	411,630

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Cash Flows
Six months ended 31 December 2022

	Note	Dec-22 \$'000	Dec-21 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by/(used in) operating activities	8	95,520	-47,064
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-1,428	-2,578
Purchase of investments		-4,376	-251,074
Encashment of investments		25,376	8,122
Interest received		2,405	61
Cash provided by/(used in) investing activities		21,977	-245,469
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		0	-260,651
Long term loans received		0	687,958
Principal element of lease payments		-3,095	0
Interest paid		-28,288	-17,210
Cash provided by/(used in) financing activities		-31,383	410,097
		86,114	117,564
Exchange gain on foreign cash balances		676	717
Increase in cash and cash equivalents		86,790	118,281
Cash and cash equivalents at beginning of period		98,110	-4,231
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	184,900	114,050

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

	Dec-22 \$'000	Dec-21 \$'000
At 1 July	711,182	283,875
Loans received	0	687,958
Loans repaid	0	-260,651
	711,182	711,182

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Comprehensive Income
Six months ended 31 December 2022

	Note	Period Oct. - Dec. \$'000	Y-T-D Dec-22 \$'000	Period Oct. - Dec. \$'000	Y-T-D Dec-21 \$'000
REVENUE		372,387	564,610	111,668	173,884
Direct expenses		-263,633	-450,115	-132,915	-229,305
GROSS PROFIT/(LOSS)		108,754	114,495	-21,247	-55,421
Other operating income	3	10,776	17,537	3,835	6,353
Administration expenses		-47,407	-89,430	-74,872	-103,994
OPERATING PROFIT/(LOSS)		72,123	42,602	-92,284	-153,062
Finance costs - interest expense		-14,269	-28,158	-12,392	-17,124
NET PROFIT/(LOSS) & TOTAL COMPREHENSIVE INCOME		57,854	14,444	-104,676	-170,186

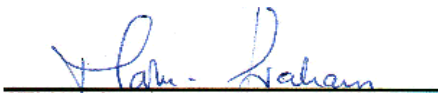
THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Financial Position
31 December 2022

	Note	Dec-22 \$'000	Jun-22 \$'000	Dec-21 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment		547,297	566,426	589,930
Investments	5	485	485	485
Right-of-use assets		106,424	213,560	262,316
Post-employment benefit asset		39,380	39,380	40,968
Due from subsidiaries		56,618	85,959	93,901
		750,204	905,810	987,600
CURRENT ASSETS				
Inventories		53,046	44,261	30,772
Receivables		40,426	45,727	30,622
Investments	5	194,406	215,406	242,952
Taxation recoverable		1,946	0	0
Cash and cash equivalents	6	183,809	97,306	112,768
		473,633	402,700	417,114
CURRENT LIABILITIES				
Payables		402,296	390,970	374,218
Taxation payable		0	7	28
Current portion of lease liabilities		40,588	50,071	67,920
Current portion of long term liabilities		19,585	0	0
		462,469	441,048	442,166
NET CURRENT ASSETS/(LIABILITIES)				
		11,164	-38,348	-25,052
		761,368	867,462	962,548
STOCKHOLDERS' EQUITY				
Share capital		1,437	1,437	1,437
Capital reserve		385,490	385,490	385,490
(Accumulated Deficit)/Retained earnings		-439,110	-453,554	-390,773
		-52,183	-66,627	-3,846
NON-CURRENT LIABILITIES				
Due to subsidiaries		44,807	45,012	43,322
Long term liabilities		691,597	711,182	711,182
Lease liabilities		65,818	166,566	199,410
Deferred tax liabilities		11,329	11,329	12,480
		813,551	934,089	966,394
		761,368	867,462	962,548

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DOUGLAS GRAHAM

DIRECTOR


MELANIE GRAHAM

DIRECTOR

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Changes in Equity
Six months ended 31 December 2022

	Number of Shares	Share Capital	Capital Reserve	(Accumulated Deficit)/ Retained Earnings	Total
	'000	\$'000	\$'000	\$'000	\$'000
BALANCE AT 1 JULY 2021	1,437	1,437	385,490	-220,587	166,340
TOTAL COMPREHENSIVE INCOME					
Net loss	-	-	-	-170,186	-170,186
	-	-	-	-170,186	-170,186
BALANCE AT 31 DECEMBER 2021	1,437	1,437	385,490	-390,773	-3,846
TOTAL COMPREHENSIVE INCOME					
Net loss	-	-	-	-65,676	-65,676
Other comprehensive income -					
Re-measurement of post-employment benefit asset	-	-	-	2,895	2,895
	-	-	0	-62,781	-62,781
BALANCE AT 30 JUNE 2022	1,437	1,437	385,490	-453,554	-66,627
TOTAL COMPREHENSIVE INCOME					
Net profit	-	-	-	14,444	14,444
	-	-	-	14,444	14,444
BALANCE AT 31 DECEMBER 2022	1,437	1,437	385,490	-439,110	-52,183

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Cash Flows
Six months ended 31 December 2022

	Note	Dec-22 \$'000	Dec-21 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by/(used in) operating activities	8	94,550	-48,172
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-875	-2,578
Purchase of investments		-4,376	-251,074
Encashment of investments		25,376	8,122
Interest received		2,405	61
Cash provided by/(used in) investing activities		22,530	-245,469
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		0	-260,651
Long term loans received		0	687,958
Principal element of lease payments		-3,095	0
Interest paid		-28,158	-17,124
Cash provided by/(used in) financing activities		-31,253	410,183
Exchange gain on foreign cash balances		85,827	116,542
		676	717
Increase in cash and cash equivalents		86,503	117,259
Cash and cash equivalents at beginning of period		97,306	-4,491
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	183,809	112,768

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

	Dec-22 \$'000	Dec-21 \$'000
At 1 July	711,182	283,875
Loans received	0	687,958
Loans repaid	0	-260,651
	711,182	711,182

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
Six months ended 31 December 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The figures are unaudited and accounting policies remain as stated in the 2021/2022 Audited Accounts.

The Period in Review

The Company's performance in the second Quarter ended December 31, 2022 was very encouraging - as seen in the Segment Report of Note 2. It was an unusual but welcomed experience for the industry to have three (3) block-buster pictures released in the same Quarter - *Woman King*, *Black Panther 2: Wankanda Forever* and *Avatar 2: The Way of Water*; and the films certainly helped to focus attention on the bright lights and big screens of our cinemas. Our patrons' response was close to 215,000 visits in the Quarter and this helped to push the overall attendance at the end of the six months to over 80% of pre-pandemic numbers. As a result, the trend of steady improvements in Revenues continued - growing by \$486M in the period to end at \$736M for the Group. All locations registered a positive bottom line for the first time since the pandemic, except for the New Kingston Drive In, which was closed in the previous Quarter - due to ambient light and noise concerns.

Even as the activity levels continued its upward trend, the re-instatement of matinee (early) shows on weekends at some locations was seen as a sign of progress, along with the increase in Cinema Rental requests - for a wide range of uses including Independent Film Festivals, celebratory moments and private screenings etc. But, as was expected, there were attendant costs associated with the increase in operational activities; so, the push to maintain efficiency in all our locations while balancing costs and controlling cash flows was continued - and was bolstered by the implementation of new agreements with the Owners of the leased properties that we occupy; all in an effort to strengthen our footing in the months ahead.

Our goal to ensure that our audience enjoys the ultimate movie experience is still high on our agenda and re-engaging them is our priority; hence our recent listing as a merchant on the *Gift Me* platform is aimed at meeting that objective while improving accessibility and market reach.

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
Six months ended 31 December 2022

Note 2 - SEGMENT REPORTING (continued)

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

	Dec-22	Dec-21
	\$'000	\$'000
Profits/(losses) from reportable segments	137,412	-71,941
Unallocated income -		
Other operating income	5,336	2,147
Unallocated costs -		
Administrative expenses	-89,430	-103,994
Other	-487	-426
	-89,917	-104,420
Unallocated interest expense	-28,158	-17,124
Eliminations	0	0
	-28,158	-17,124
	<u>24,673</u>	<u>-191,338</u>

Note 3 - OTHER OPERATING INCOME

	The Group		The Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	\$'000	\$'000	\$'000	\$'000
Management fees	-	-	12,201	4,206
Interest income	4,359	71	4,359	71
Exchange gain on foreign balances	773	820	773	820
Other	204	1,256	204	1,256
	<u>5,336</u>	<u>2,147</u>	<u>17,537</u>	<u>6,353</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
Six months ended 31 December 2022

Note 4 - EARNINGS PER STOCK UNIT

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

	Dec-22	Dec-21
Net profit/(loss) attributable to stockholders (\$'000)	24,732	-191,290
Number of ordinary stock units ('000)	1,437	1,437
Earnings per stock unit (\$ per share)	17.21	-133.12

The Company has no potentially dilutive ordinary shares.

Note 5 - INVESTMENTS

	The Group		The Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	\$'000	\$'000	\$'000	\$'000
Quoted equities - at fair value through OCI	21,010	25,975	0	0
Repurchase agreements	194,406	242,952	194,406	242,952
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>215,416</u>	<u>268,927</u>	<u>194,891</u>	<u>243,437</u>

Repurchase agreements for the Group and Company matures within 12 months and were classified as current assets.

Note 6 - CASH AND CASH EQUIVALENTS

	The Group		The Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	184,900	114,050	183,809	112,768
Cash and cash equivalents	<u>184,900</u>	<u>114,050</u>	<u>183,809</u>	<u>112,768</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
Six months ended 31 December 2022

Note 7 - EXPENSES BY NATURE

Total direct and administration expenses:

	The Group		The Company	
	Dec-22 \$'000	Dec-21 \$'000	Dec-22 \$'000	Dec-21 \$'000
Advertising and promotion	4,966	5,747	3,620	3,928
Auditors' remuneration -				
Current year	2,361	2,361	1,896	1,896
Bank security & fees	4,329	1,549	2,704	961
Cost of inventories recognised as expense	131,093	40,371	73,443	21,753
Depreciation	28,920	28,419	20,004	18,862
Film cost	193,239	72,847	193,239	72,847
Insurance	7,084	6,433	4,530	4,090
Legal and professional fees	2,041	44,119	1,586	43,817
Licence fees	4,136	1,284	2,584	752
Motor vehicle expenses	2,716	1,861	2,716	1,861
Other	12,398	8,065	9,885	6,324
Repairs, maintenance and renewals	22,330	15,179	17,906	13,264
Security	13,259	6,618	8,583	4,970
Staff costs	150,774	78,336	117,078	61,836
Stationery and supplies	18,295	8,255	11,344	5,694
Theatre rental	25,122	45,771	25,122	45,771
Transportation and courier	1,569	1,419	1,188	1,084
Utilities	63,802	39,308	42,117	23,589
	688,434	407,942	539,545	333,299

Note 8 - CASH FLOWS FROM OPERATING ACTIVITIES

	The Group		The Company	
	Dec-22 \$'000	Dec-21 \$'000	Dec-22 \$'000	Dec-21 \$'000
Net profit/(loss)	24,673	-191,338	14,444	-170,186
Items not affecting cash resources:				
Depreciation	28,920	28,419	20,004	18,862
Interest income	-4,359	-71	-4,359	-71
Exchange gain on foreign balances	-773	-820	-773	-820
Interest expense	28,288	17,210	28,158	17,124
	76,749	-146,600	57,474	-135,091
Changes in operating assets and liabilities:				
Inventories	-9,883	4,483	-8,785	4,507
Receivables	1,808	-7,499	5,401	-4,660
Due from subsidiaries	-	-	29,136	-14,210
Payables	26,846	102,552	11,324	101,282
	95,520	-47,064	94,550	-48,172
Taxation paid	0	0	0	0
Cash provided by/(used in) operating activities	95,520	-47,064	94,550	-48,172

THE PALACE AMUSEMENT COMPANY (1921) LIMITED

Shareholders Listing

31 December 2022

DIRECTORS	HOLDING
Charles "Douglas" Graham	111,127
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
Carol Lee	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
Christine Stiebel	NIL
Sharon St. Juste	NIL
Paul Facey	NIL
Sabrina Facey	NIL
Toby Facey	NIL
Ashleigh Facey	NIL
Hugh Lee	NIL

SENIOR MANAGEMENT	HOLDING
Gillian Crosskill	NIL
David Chong	NIL
Trace Clarke	NIL
Garfield Williams	NIL

CONNECTED PERSONS	HOLDING
Patricia Chong	NIL
Natalee Johnson Clarke	NIL
Jelani Clarke	NIL
Shawna-kay Williams	NIL
Gabriauna Williams	NIL

TEN (10) LARGEST	HOLDING	HOLDING
Russgram Investments Limited	947,673	65.9
Charles "Douglas" Graham	111,127	7.7
Bridgeton Management Services	62,647	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	12,155	0.8
Est. Olive Lamb Sharp (Deceased)	11,988	0.8