

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Comprehensive Income
Year ended 30 June 2023

	Note	Period April - June \$'000	Y-T-D Jun-23 \$'000	Period April - June \$'000	Y-T-D Jun-22 \$'000
REVENUE	2	480,306	1,519,457	275,396	649,044
Direct expenses		-362,509	-1,222,131	-229,868	-706,270
GROSS PROFIT/(LOSS)		117,797	297,326	45,528	-57,226
Other operating income	3	9,569	15,351	6,575	9,415
Administration expenses		-73,724	-207,017	-37,052	-174,487
OPERATING PROFIT/(LOSS)		53,642	105,660	15,051	-222,298
Finance costs - interest expense		-9,609	-57,781	-13,933	-45,319
PROFIT/(LOSS) BEFORE TAXATION		44,033	47,879	1,118	-267,617
Taxation		0	0	6,935	6,935
NET PROFIT/(LOSS)		44,033	47,879	8,053	-260,682
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, net of taxation		3,456	-933	-945	5,647
Re-measurement of post-employment benefit asset, net of taxation		0	0	2,895	2,895
Total other Comprehensive Income		3,456	-933	1,950	8,542
TOTAL COMPREHENSIVE INCOME		47,489	46,946	10,003	-252,140
NET PROFIT/(LOSS) ATTRIBUTABLE TO:					
Stockholders of the company		44,061	47,978	8,055	-260,671
Non-controlling interest		-28	-99	-2	-11
		44,033	47,879	8,053	-260,682
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Stockholders of the company		47,174	47,137	10,099	-252,688
Non-controlling interest		315	-191	-96	548
		47,489	46,946	10,003	-252,140
EARNINGS PER STOCK UNIT ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY	4	0.05	0.06	0.01	-0.30

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Financial Position
30 June 2023

	Note	Jun-23 \$'000	Jun-22 \$'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,033,374	1,087,213
Investments	5	24,097	25,030
Right-of-use assets		61,123	213,560
Post-employment benefit asset		39,380	39,380
		1,157,974	1,365,183
CURRENT ASSETS			
Inventories		62,552	46,180
Receivables		46,584	47,021
Investments	5	224,106	215,406
Cash and cash equivalents	6	168,585	98,110
		501,827	406,717
CURRENT LIABILITIES			
Payables		410,579	408,426
Taxation payable		1,040	4,828
Current portion of lease liabilities		39,551	50,071
Current portion of long term liabilities		187,080	0
		638,250	463,325
NET CURRENT ASSETS/(LIABILITIES)			
		-136,423	-56,608
		1,021,551	1,308,575
STOCKHOLDERS' EQUITY			
Share capital		1,437	1,437
Capital reserve		772,388	772,388
Fair value reserve		22,358	23,199
Retained earnings/(Accumulated deficit)		-365,733	-413,711
		430,450	383,313
NON-CONTROLLING INTEREST			
		7,473	7,664
		437,923	390,977
NON-CURRENT LIABILITIES			
Long term liabilities		524,102	711,182
Lease liabilities		19,676	166,566
Deferred tax liabilities		39,850	39,850
		583,628	917,598
		1,021,551	1,308,575

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 8 AUGUST 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
Year ended 30 June 2023

	Attributable to the Company's Stockholders						Total \$'000
	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	(Accumulated Deficit)/ Retained Earnings \$'000	Non- Controlling Interest \$'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	-	-	-	-	-260,671	-11	-260,682
Other comprehensive income -							
Re-measurement of post-employment benefit asset	-	-	-	-	2,895	-	2,895
Unrealised gains on FVOCI investments	-	-	-	5,088	-	559	5,647
	-	-	0	5,088	-257,776	548	-252,140
BALANCE AT 30 JUNE 2022	1,437	1,437	772,388	23,199	-413,711	7,664	390,977
TOTAL COMPREHENSIVE INCOME							
Net profit	-	-	-	-	47,978	-99	47,879
Stock split of shares	860,780	-	-	-	-	-	-
Other comprehensive income -							
Unrealised losses on FVOCI investments	-	-	-	-841	-	-92	-933
	860,780	-	-	-841	47,978	-191	46,946
BALANCE AT 30 JUNE 2023	862,217	1,437	772,388	22,358	-365,733	7,473	437,923

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Consolidated Statement of Cash Flows
Year ended 30 June 2023

	Note	Jun-23 \$'000	Jun-22 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by operating activities	8	181,845	12,883
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-4,047	-4,034
Purchase of investments		-59,449	-251,074
Encashment of investments		50,749	35,668
Interest received		8,514	3,581
Dividend received		0	709
Cash used in investing activities		-4,233	-215,150
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		0	-260,651
Long term loans received		0	687,958
Principal elements of lease payments		-50,915	-75,488
Interest paid		-57,781	-45,319
Cash provided by/(used in) financing activities		-108,696	306,500
		68,916	104,233
Exchange gain/(loss) on foreign cash balances		1,559	-1,892
Increase in cash and cash equivalents		70,475	102,341
Cash and cash equivalents at beginning of year		98,110	-4,231
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	168,585	98,110
Reconciliation of movements of liabilities to cash flows arising from financing activities:			
Amounts represent bank and other loans, excluding bank overdraft.			
		Jun-23 \$'000	Jun-22 \$'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
Year ended 30 June 2023

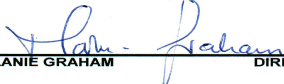
	Note	Period April - June \$'000	Y-T-D Jun-23 \$'000	Period April - June \$'000	Y-T-D Jun-22 \$'000
REVENUE		365,817	1,154,422	216,070	489,664
Direct expenses		-278,349	-926,168	-169,390	-527,206
GROSS PROFIT/(LOSS)		87,468	228,254	46,680	-37,542
Other operating income	3	18,207	41,512	10,642	20,062
Administration expenses		-73,724	-207,017	-37,052	-174,487
OPERATING PROFIT/(LOSS)		31,951	62,749	20,270	-191,967
Finance costs - interest expense		-9,496	-57,307	-13,812	-45,047
PROFIT/(LOSS) BEFORE TAXATION		22,455	5,442	6,458	-237,014
Taxation		0	0	1,151	1,151
NET PROFIT/(LOSS)		22,455	5,442	7,609	-235,863
OTHER COMPREHENSIVE INCOME:					
<i>Item(s) that will not be reclassified to profit or loss in the future -</i>					
Re-measurement of post-employment benefit asset, net of taxation		0	0	2,895	2,895
Total Other Comprehensive Income		0	0	2,895	2,895
TOTAL COMPREHENSIVE INCOME		22,455	5,442	10,504	-232,968

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Financial Position
30 June 2023

	Note	Jun-23 \$'000	Jun-22 \$'000
NON-CURRENT ASSETS			
Property, plant and equipment		529,116	566,426
Investments	5	485	485
Right-of-use assets		61,123	213,560
Post-employment benefit asset		39,380	39,380
Due from subsidiaries		17,222	85,959
		647,326	905,810
CURRENT ASSETS			
Inventories		59,191	44,261
Receivables		44,428	45,727
Investments	5	224,106	215,406
Taxation recoverable		3,780	0
Cash and cash equivalents	6	167,442	97,306
		498,947	402,700
CURRENT LIABILITIES			
Payables		381,060	390,970
Taxation payable		0	7
Current portion of lease liabilities		39,551	50,071
Current portion of long term liabilities		187,080	0
		607,691	441,048
NET CURRENT ASSETS/(LIABILITIES)			
		-108,744	-38,348
		538,582	867,462
STOCKHOLDERS' EQUITY			
Share capital		1,437	1,437
Capital reserve		385,490	385,490
Retained earnings/(Accumulated deficit)		-448,112	-453,554
		-61,185	-66,627
NON-CURRENT LIABILITIES			
Due to subsidiaries		44,660	45,012
Long term liabilities		524,102	711,182
Lease liabilities		19,676	166,566
Deferred tax liabilities		11,329	11,329
		599,767	934,089
		538,582	867,462

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 8 AUGUST 2023 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 2023

	Number of Shares '000	Share Capital \$'000	Capital Reserve \$'000	(Accumulated Deficit)/ Retained Earnings \$'000	Total \$'000
BALANCE AT 1 JULY 2021	1,437	1,437	385,490	-220,587	166,340
TOTAL COMPREHENSIVE INCOME					
Net loss	-	-	-	-235,862	-235,862
Other comprehensive income -					
Re-measurement of post-employment benefit asset	-	-	0	2,895	2,895
	-	-	-	-232,967	-232,967
BALANCE AT 30 JUNE 2022	1,437	1,437	385,490	-453,554	-66,627
TOTAL COMPREHENSIVE INCOME					
Net profit	-	-	-	5,442	5,442
Stock split of shares	860,780	-	-	-	-
	860,780	-	-	5,442	5,442
BALANCE AT 30 JUNE 2023	862,217	1,437	385,490	-448,112	-61,185

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Company Statement of Cash Flows
Year ended 30 June 2023

	Note	Jun-23 \$'000	Jun-22 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided by operating activities	8	179,648	12,776
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-2,663	-4,034
Purchase of investments		-59,449	-251,074
Encashment of investments		50,749	35,668
Interest received		8,514	3,581
Cash used in investing activities		-2,849	-215,859
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans repaid		0	-260,651
Long term loans received		0	687,958
Principal elements of lease payments		-50,915	-75,488
Interest paid		-57,307	-45,047
Cash provided by/(used in) financing activities		-108,222	306,772
Exchange gain/(loss) on foreign cash balances		68,577	103,689
Increase in cash and cash equivalents		1,559	-1,892
Cash and cash equivalents at beginning of year		70,136	101,797
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	97,306	-4,491
		<u>167,442</u>	<u>97,306</u>
Reconciliation of movements of liabilities to cash flows arising from financing activities:			
Amounts represent bank and other loans, excluding bank overdraft.			
		Jun-23	Jun-22
		\$'000	\$'000
At 1 July		711,182	283,875
Loans received		0	687,958
Loans repaid		0	-260,651
		<u>711,182</u>	<u>711,182</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 June 2023

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

The Period in Review

The Company's performance for the year to June 30, 2023 reflected the significant recovery being experienced in the Film Industry globally. The ebbs and flows of the Financial Year, influenced by the cyclical nature of the business and the traditional film release patterns used in the industry, resulted in substantial Revenues in the last Quarter - just under \$500M from Box Office Ticket and Food Sales. The Attendance numbers of almost 200,000 patrons in the period was reason to celebrate (with similar numbers last seen in 2018 at the release of *Black Panther*). Their fascination with the bright lights and big screens of our cinemas won them over to watch films like: *Guardians Of The Galaxy Vol 3*, *Spider-Man: Across The Spider-Verse*, *The Little Mermaid*, *Transformers: Rise Of The Beasts* and *Fast X*. These were the top performers in the period and they helped to contribute to the positive year end results.

An assessment of the reported figures and the consistent trend in the right direction augurs well for the future; with the overall attendance just under 90% of pre-pandemic numbers and Revenues for the Group exceeding \$1.5B for the first time, while more than doubling the previous year's figures. The Segment Reporting Note (2), shows the activity for each location and the respective positive results - except for the New Kingston Drive In, which was closed early in the Financial Year, due to ambient light and noise concerns. We press on to restore our earnings in areas like film distribution and screen advertising sales, even as cinema rental requests - for a wide range of uses including Independent Film Festivals, celebratory moments and private screenings continue to increase along with the demand for matinees (early shows) on weekends.

But, while the activity levels continued its upward trajectory, as is expected, the costs associated with the operations increased as well. This is detailed in the Expenses By Nature Note (7) - with big ticket items like Inventory, Film and Staff Costs taking the lead; while heavily used expense items like Repairs, Security, Supplies and Utilities followed suit.

The general push to improve operational efficiency was continued and included an assessment of un-used parcels of land, with possible best use measures for them - even as we approach the end of the principal moratorium period in the next financial year. Thankfully, our efforts to balance costs and control cash flows was aided by the implementation of new agreements with the Owners of the leased properties that we occupy.

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 merchant listing on the *Gift Me* platform with similar potential collaborations is aimed at meeting the objective while expanding market reach and getting to an even stronger financial position in the months ahead.

The recent consideration of a Stock Split followed in that vein - improving accessibility to not just our current patrons but potential investors with an appetite for investment in the movie industry. We are happy to report that a 600:1 split was approved by shareholders at the Annual General Meeting in January 2023 and was effected a month later, in February 2023. Further details are outlined in the Earnings Per Stock Unit Note (4).

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 June 2023

Note 2 - SEGMENT REPORTING (continued)

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

	Jun-23	Jun-22
	\$'000	\$'000
Profits/(losses) from reportable segments	297,676	-56,736
Unallocated income -		
Other operating income	15,351	9,415
Unallocated costs -		
Administrative expenses	-207,017	-174,487
Other	-824	-762
	-207,841	-175,249
Unallocated interest expense	-57,307	-45,047
Eliminations	0	0
	-57,307	-45,047
	<u>47,879</u>	<u>-267,617</u>

Note 3 - OTHER OPERATING INCOME

	The Group		The Company	
	Jun-23	Jun-22	Jun-23	Jun-22
	\$'000	\$'000	\$'000	\$'000
Management fees	-	-	26,161	11,356
Interest income	12,302	3,611	12,302	3,611
Dividend income	0	709	0	0
Exchange gain/(loss) on foreign balances	2,604	-899	2,604	-899
Other	445	5,994	445	5,994
	<u>15,351</u>	<u>9,415</u>	<u>41,512</u>	<u>20,062</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 June 2023

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 year end.

	Jun-23	Jun-22
Net profit/(loss) attributable to stockholders (\$'000)	47,978	-260,671
Number of ordinary stock units ('000)	862,217	862,217
Earnings per stock unit (\$ per share)	0.06	-0.30

The Company has no potentially dilutive ordinary shares.

At the Annual General Meeting held on January 24, 2023, the shareholders approved a change in the company's capital structure - for a 600:1 stock split with an effective date of February 28, 2023. This increased the number of issued shares from 1,437,028 to 862,216,800.

The basic earnings per ordinary stock unit for 2022 has been restated after taking into consideration the stock split of shares.

Note 5 - INVESTMENTS

	The Group		The Company	
	Jun-23 \$'000	Jun-22 \$'000	Jun-23 \$'000	Jun-22 \$'000
Quoted equities - at fair value through OCI	24,097	25,030	0	0
Repurchase agreements	224,106	215,406	224,106	215,406
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>248,203</u>	<u>240,436</u>	<u>224,591</u>	<u>215,891</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	
	Jun-23 \$'000	Jun-22 \$'000	Jun-23 \$'000	Jun-22 \$'000
Cash at bank and in hand	168,585	98,110	167,442	97,306
Cash and cash equivalents	<u>168,585</u>	<u>98,110</u>	<u>167,442</u>	<u>97,306</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
30 June 2023

Note 7 - EXPENSES BY NATURE

Total direct and administration expenses:

	The Group		The Company	
	Jun-23 \$'000	Jun-22 \$'000	Jun-23 \$'000	Jun-22 \$'000
Advertising and promotion	12,775	10,488	8,815	7,334
Auditors' remuneration -				
Current year	5,965	5,560	4,800	4,500
Prior year	-96	-169	-100	-150
Bank security & fees	8,945	3,863	5,447	2,218
Cost of inventories recognised as expense	265,618	109,076	148,622	56,736
Depreciation	57,886	62,936	39,973	43,821
Film cost	416,318	182,361	416,318	182,361
Insurance	14,327	12,847	9,177	8,161
Legal and professional fees	23,397	41,713	22,910	41,338
Licence fees	8,857	3,571	5,531	2,059
Motor vehicle expenses	5,737	4,044	5,737	4,044
Other	28,180	15,748	22,877	12,040
Repairs, renewals and maintenance	46,904	36,368	38,435	29,501
Security	31,400	18,270	20,101	12,980
Staff costs	301,511	189,579	236,153	151,143
Stationery and supplies	38,033	16,490	23,006	10,544
Lease interest expense	5,049	12,641	5,049	12,641
Amortization expense	40,894	60,910	40,894	60,910
Transportation and courier	3,052	2,906	2,311	2,373
Utilities	114,396	91,555	77,129	57,139
	<u>1,429,148</u>	<u>880,757</u>	<u>1,133,185</u>	<u>701,693</u>

Note 8 - CASH FLOWS FROM OPERATING ACTIVITIES

	The Group		The Company	
	Jun-23 \$'000	Jun-22 \$'000	Jun-23 \$'000	Jun-22 \$'000
Net profit/(loss)	47,879	-260,682	5,442	-235,863
Items not affecting cash resources:				
Depreciation	57,886	62,936	39,973	43,821
Interest income	-12,302	-3,611	-12,302	-3,611
Dividend income	0	-709	0	0
Exchange (gain)/loss on foreign balances	-2,604	899	-2,604	899
Interest expense	57,781	45,319	57,307	45,047
Lease interest expense	5,049	12,641	5,049	12,641
Amortization expense	40,893	60,910	40,893	60,910
Taxation	0	-6,935	0	-1,151
	<u>194,582</u>	<u>-89,232</u>	<u>133,758</u>	<u>-77,307</u>
Changes in operating assets and liabilities:				
Inventories	-16,372	-9,267	-14,930	-8,982
Receivables	1,484	-17,969	2,347	-18,865
Post-employment benefits	0	4,483	0	4,483
Due from subsidiaries	-	-	68,385	-4,578
Payables	2,151	124,868	-9,912	118,025
	<u>181,845</u>	<u>12,883</u>	<u>179,648</u>	<u>12,776</u>
Taxation paid	0	0	0	0
Cash provided by operating activities	<u>181,845</u>	<u>12,883</u>	<u>179,648</u>	<u>12,776</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Shareholders Listing
30 June 2023

DIRECTORS	HOLDING
Charles "Douglas" Graham	66,676,200
Melanie Graham	6,868,800
Elon Beckford	5,875,200
Charles "Scott" Graham	1,916,400
Steven Cooke	600,000
Douglas Stiebel	600
Brian St. Juste	600
Heather Facey	600
Carol Lee	600

CONNECTED PERSONS	HOLDING
Russgram Investments Ltd.	568,603,800
Melanie Graham	6,868,800
Charles "Douglas" Graham	66,676,200
Elmar Development Limited	8,440,200
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
Gabriana Williams	NIL

TEN (10) LARGEST	HOLDING	% HOLDING
Russgram Investments Limited	568,603,800	65.9
Charles "Douglas" Graham	66,676,200	7.7
Bridgeton Management Services	37,588,200	4.4
Herbert Sharpe	25,924,200	3.0
Juanita Alberga	11,196,000	1.3
Roman Catholic Archbishop of Kingston	8,568,000	1.0
Exors. Est. Effie May Phillips (Deceased)	8,532,000	1.0
Elmar Development Limited	8,440,200	1.0
Est. Olive Lamb Sharp (Deceased)	7,192,800	0.8
Melanie Graham	6,868,800	0.8