
BIG SCREEN
Entertainment Group

BIG SCREEN ENTERTAINMENT GROUP

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BIG SCREEN ENTERTAINMENT GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2014	March 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 61,245	$ 4,373
Accounts Receivable	1,675,197	1,799,847
Total Current Assets	1,736,441	1,804,220
NON-CURRENT ASSETS		
Notes Receivable	27,894	27,894
Capitalized Gaming Production Costs	702,195	703,418
Capitalized Production Costs, net of accummulated amortizati	4,949,634	5,371,929
Fixed Assets	1,000	1,000
Total Non-Current Assets	5,680,723	6,104,241
TOTAL ASSETS	$ 7,417,164	$ 7,908,461
LIABILITIES & SHAREHOLDERS' EQUITY		
LIABILITIES		
Accounts Payable	$ 17,249	$ 38,336
Accrued Salaries - Officers	97,484	596,513
Production Loans	-	165,153
Total Liabilities	114,733	800,002
SHAREHOLDERS' EQUITY		
Common Stock, par value $.001 per share, 385,000,000 shares authorized, 103,816,636 and 88,518,508 shares issued and outstanding, respectively	103,821	88,519
Additional Paid-In Capital	10,194,912	9,665,786
Accumulated Deficit	(2,645,846)	(4,150,469)
Net (Loss) Income	(350,456)	1,504,623
Total Shareholders' Equity	7,302,431	7,108,459
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 7,417,164	$ 7,908,461

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIG SCREEN ENTERTAINMENT GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
	2014	2013	2014	2013
REVENUES				
Distribution	$ -	$ -	$ -	$ -
Licensing	1,421	18,447	8,533	61,392
Services	20,313	29,939	31,813	42,439
Other	101	55	43,461	55
Total Revenues	21,835	48,441	83,807	103,886
COSTS AND EXPENSES				
Costs related to production revenues	64,932	-	153,428	-
Distribution and Marketing	28,699	19,561	41,511	30,906
Bad Debt expense	168,010	-	168,010	-
General and Administrative	14,159	33,000	155,256	73,790
Total Expense	275,800	52,561	518,205	104,696
NET INCOME (LOSS)	$ (253,965)	$ (4,120)	$ (434,398)	$ (810)
OTHER INCOME (EXPENSE)				
Other Income	88,135	200	97,605	200
Other Expense	-	-	13,663	-
Total Other Income	88,135	200	83,942	200
NET INCOME (LOSS)	$ (165,830)	$ (3,920)	$ (350,456)	$ (610)
Net (Loss) per Common Share, Basic & Diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted Average Number of Shares Outstanding	103,316,636	87,593,508	97,237,155	87,593,508

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIG SCREEN ENTERTAINMENT GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2014

	Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Shareholders Equity
Balance March 31, 2013 (unaudited)	87,593,508	$ 87,594	$ 9,621,211	$ (4,150,469)	$ 5,558,336
Stock issued for cash	725,000	725	24,775		25,500
Stock issued for Notes Payale	200,000	200	19,800		20,000
Net income				1,504,623	1,504,623
Balance March 31, 2014 (unaudited)	88,518,508	$ 88,519	$ 9,665,786	$ (2,645,846)	$ 7,108,459
Stock issued for cash	153,846	$ 158	$ 9,842		10,000
Stock issued for Notes Payale	5,344,282	$ 5,344	$ 529,084		534,428
Stock split	9,800,000	$ 9,800	$ (9,800)		-
Net income				$ (350,456)	(350,456)
September 30, 2014 (unaudited)	103,816,636	$ 103,821	$ 10,194,912	$ (2,996,302)	$ 7,302,431

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIG SCREEN ENTERTAINMENT GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Six Months Ended	
	September 30, 2014	September 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ (350,456)	$ (610)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	125,633	-
Changes in assets and liabilities:		
(Increase)/Decrease in Accounts Receivable	124,651	-
(Increase)/Decrease in Capitalized R&D Gaming	1,223	-
(Increase)/Decrease in Capitalized Production Costs	296,663	7,248
(Increase)/Decrease in Notes Receivable	-	(27,894)
(Decrease)/Increase in Accounts Payable	(21,087)	(28)
(Decrease)/Increase in Accrued Salaries - Officers	-	(433)
NET CASH (USED IN) PROVIDED BY OPERATING ACITIVITIES	176,625	(21,717)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on Notes Payable to Officers	(499,029)	-
Principal Payments on Production Loans - Related Party	(165,153)	-
Proceeds from Sale of Stock	544,428	-
NET CASH (USED IN) FINANCING ACTIVITIES	(119,754)	-
NET (DECREASE) INCREASE IN CASH	56,872	(21,717)
CASH AT BEGINNING OF PERIOD	4,373	27,492
CASH AT END OF PERIOD	$ 61,245	$ 5,775
Supplemental Disclosure for Cash Flow Information:		
Cash paid during the year:		
Interest paid	$ -	$ -
Taxes paid	$ -	$ -
Non-cash Financing Activity:		
Stock issued in payment of labor and production loans	$ 534,428	$ -

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTE A - BUSINESS ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Big Screen Entertainment Group ("Company") or ("BSEG") was incorporated under the laws of the state of Nevada. The Company produces and distributes feature films and video games.

Revenue Recognition. Royalty income from film contracts is derived from the sale of DVDs or from the licensing of film rights to third parties. A significant portion of royalty income is paid to the Company based on the timetable associated with royalty statements generated by third party processors, and is not typically known by the Company on a timely basis. Consequently, this revenue is not recognized until the amount is either known or reasonably estimable or until receipt of the statements from the third parties. The Company contracts with various agencies to facilitate collection of royalty income. When the Company is entitled to royalties based on gross receipts, revenue is recognized before deduction of agency fees, which are included as a component of cost of revenue.

The Company recognizes revenue from television and film productions pursuant to ASC 926-605 (formerly American Institute of Certified Public Accountants Statement of Position 00-2, "Accounting by Producers or Distributors of Films"). The following conditions must be met in order to recognize revenue under ASC 926-605: (i) persuasive evidence of a sale or licensing arrangement exists; (ii) the program is complete and has been delivered or is available for immediate and unconditional delivery; (iii) the license period of the arrangement has begun and the customer can begin its exploitation, exhibition or sale; (iv) the arrangement fee is fixed or determinable; and (v) collection of the arrangement fee is reasonably assured. Advance payments received from buyers or licensees are included in the condensed consolidated financial statements as a component of deferred revenue.

Film and Gaming Costs. Investment in film and gaming costs includes the capitalization of costs incurred to produce the film content including direct negative costs, production overhead, interest and development. These costs are recognized as operating expenses on an individual film basis in the ratio that the current year's gross revenues bear to management's estimate of total ultimate gross revenues from all sources to be earned over a seven-year period. Capitalized production costs are stated at the lower of unamortized cost or estimated fair value on an individual film basis. Revenue forecasts, based primarily on historical sales statistics, are continually reviewed by management and revised when warranted by changing conditions. When estimates of total revenues and other events or changes in circumstances indicate that a film has a fair value that is less than its unamortized cost, an impairment loss is recognized in the current period for the amount by which the unamortized cost exceeds the film's fair value.

Condensed financial Statements. The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at September 30, 2014, and for all periods presented herein, have been made.

Basis of Consolidation. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates and Assumptions. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations. Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. Accounts receivable are typically unsecured and are derived from revenues earned from customers located in the United States.

Recent Accounting Pronouncements. The Company has reviewed recently issued, but not yet adopted, accounting standards in order to determine their effects, if any, on its results of operations, financial position or cash flows. Based on that review, the Company believes that none of these pronouncements will have a significant effect on its financial statements.

Cash and Cash Equivalents. For purposes of reporting cash flows, the Company considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Income Taxes. The Company utilizes the liability method of accounting for income taxes as set forth in ASC Topic 740 (SFAS No. 109), *"Accounting for Income Taxes."* Under the liability method, deferred taxes are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. An allowance against deferred tax assets is recorded when it is more likely than not that such tax benefits will not be realized.

NOTE B – CAPITALIZED FILM AND GAMING PRODUCTION COSTS

The following table summarizes the net capitalized film and gaming production costs in various stages of production at:

	September 30, 2014	September 30, 2013
Gaming	$ 702,195	$ 703,418
Completed – theatrical	5,326,533	5,948,236
Less: accumulated amortization	(376,899)	(125,633)
Total film and gaming production costs	$ 5,651,829	$ 6,526,021

The Company expects to amortize within three to five years 90% of capitalized film and gaming costs based on the estimated costs and ultimate revenue projected.

NOTE C – ACCRUED SALARIES - OFFICERS

The Company's officers have signed contracts that allows them accrue salaries that can be paid in either stock or cash. . The officers exercised this option in the quarter ended September 30, 2014 for $534,428. The balance at September 30, 2014 and March 31, 2014 is $97,484 and $596,513, respectively.

NOTE D – PRODUCTION LOANS AND PRINTS AND ADVERTISING LOANS

Production and prints and advertising (P&A) loans consist of the following at:

	September 30, 2014	September 30, 2013
Reyes Group	$ -	$ 825,765
Less current portion	-	-
	$ -	$ 825,765

The Reyes Group made loans to the Company for the financing of the film *Babysitter Wanted*. As of September 30, 2014, Reyes Group is owed $0 in principal and $0 in interest in production loans. Under the terms of the agreement the loans bear interest at the rate of 7% per annum and Reyes will also be entitled to contingent participation of 50% of all net contingent proceeds from the picture after full recoupment after distribution, marketing fees, other investors and interest are recouped plus interest has been fulfilled.

NOTE E - SHAREHOLDERS' EQUITY

September 30, 2014 there are 385,000,000 shares of authorized common stock. Total common stock issued and outstanding at September 30, 2014 and March 31, 2014, was 103,816,636 and 88,518,508 shares, respectively.

NOTE F - SUBSEQUENT EVENTS

The Company has evaluated events from September 30, 2014, through the date whereupon the financial statements were issued and has determined that there are no additional items to disclose.