Big Screen Entertainment Group

YEAR END
Q4 - MARCH 31, 2016
BSEG FINANCIAL REPORT

BIG SCREEN ENTERTAINMENT GROUP

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FINANCIAL INFORMATION

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

	March 31, 2016	March 31, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 35,749	$ 25,399
Accounts Receivable	1,697,077	1,689,105
Total Current Assets	1,732,826	1,714,504
NON-CURRENT ASSETS		
Notes Receivable	27,894	27,894
Capitalized Gaming Production Costs	638,044	702,195
Capitalized Production Costs, net of accummulated amortization	6,035,699	4,962,556
Fixed Assets	2,072,233	1,000
Lend to BSEG 2-Year Loan (FEG)	58,050	-
Lend to BSEG Holdings(FEG)	10,000	-
Total Non-Current Assets	8,841,919	5,693,645
TOTAL ASSETS	$ 10,574,745	$ 7,408,149
LIABILITIES & SHAREHOLDERS' EQUITY		
LIABILITIES		
Accounts Payable	$ 64,779	$ 17,138
Accrued Salaries - Officers		38,851
Notes payable - Related party	137,864	82,912
Total other current liabilities		-
FEG Loan	68,050	-
BOA Loan		
Production Loans	-	-
Total Liabilities	270,693	138,901
SHAREHOLDERS' EQUITY		
Common Stock, par value $.001 per share, 385,000,000 shares authorized, 103,816,636 shares issued and outstanding	103,817	103,817
Additional Paid-In Capital	13,250,756	10,194,916
Accumulated Deficit	(3,029,486)	(2,645,846)
Net (Loss) Income	(21,035)	(383,640)
Total Shareholders' Equity	10,304,052	7,269,247
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 10,574,745	$ 7,408,148

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

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

	For the Twelve Months Ended March 31, 2016	2015
REVENUES		
Distribution	$ 80,507	$ -
Licensing	50,404	32,337
Services	8,513,784	241,443
Other	218,073	60,097
Total Revenues	$ 8,862,768	$ 333,877
COSTS AND EXPENSES		
Costs related to production revenues	132,735	232,679
Distribution and Marketing	540,602	28,438
Bad Debt expense		168,010
General and Administrative	8,118,261	288,447
Total Expense	8,791,598	717,574
INCOME (LOSS)	71,170	(383,697)
OTHER INCOME (EXPENSE)		
Other Income	104,499	57
Other Expense	196,705	-
Total Other Income (expense)	(92,206)	57
NET INCOME (LOSS)	$ (21,035)	$ (383,640)
Net (Loss) per Common Share, Basic & Diluted	$ (0.00)	$ (0.00)
Weighted Average Number of Shares Outstanding	103,816,636	103,615,266

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 QUARTER ENDED MARCH 31, 2016

	Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Shareholders Equity
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	$ 154	$ 9,846		$ 10,000
Stock issued for Notes Payable	$ 5,344,282	$ 5,344	$ 529,084		$ 534,428
Stock split	$ 9,800,000	$ 9,800	$ (9,800)		
Net loss				$ (383,640)	$ (383,640)
Balance March 31, 2015 (unaudited)	$ 103,816,636	$ 103,817	$ 10,194,916	$ (3,029,486)	$ 7,269,247
Net loss				$ (21,035)	$ (21,035)
FEG Equity (Independent)			$ 3,055,840		$ 3,255,546
March 31, 2016 (unaudited)	103,816,636	$ 103,817	$ 13,250,756	$ (3,030,521)	$ 10,304,052

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 Twelve Months Ended	
	March 31, 2016	March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ (21,035)	$ (383,640)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,048,758	125,633
Allowance for bad debt		168,010
Changes in assets and liabilities:		
(Increase)/Decrease in Accounts Receivable	(7,972)	(57,268)
(Increase)/Decrease in Capitalized R&D Gaming	-	1,223
(Increase)/Decrease in Capitalized Production Costs	(1,073,143)	283,741
(Increase)/Decrease in Notes Receivable		
(Decrease)/Increase in Accounts Payable	47,641	(21,198)
NET CASH (USED IN) PROVIDED BY OPERATING ACITIVITIES	(5,751)	116,501
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	(38,851)	(557,662)
Principal Payments on Production Loans - Related Party	54,952	(82,241)
Proceeds from Sale of Stock	-	544,428
NET CASH (USED IN) FINANCING ACTIVITIES	16,101	(95,475)
NET (DECREASE) INCREASE IN CASH	10,350	21,025
CASH AT BEGINNING OF PERIOD	25,399	4,373
CASH AT END OF PERIOD	$ 35,749	$ 25,398
Supplemental Disclosure for Cash Flow Information:		
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 March 31, 2016, 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:

	March 31, 2016		March 31, 2015
Gaming	638,044	$	702,195
Completed – theatrical	6,705,741		5,716,354
Less: accumulated amortization	(670,042)		(753,798)
Total film and gaming production costs	6,673,743	$	5,664,751

NOTE C – ACCRUED SALARIES - OFFICERS

The Company's officers have signed contracts that allows them to accrue salaries that can be paid in either stock or cash. The current balance ending March 2016, the Company accrued $45,351 for officer salaries. The balance for officer salaries at March 2015 was $557,662. All officer salaries, short term debts are located in Note D of this report

NOTE D – PRODUCTION LOANS, OFFICER SALARIES AND LINES OF CREDIT

Production and loans payable consist of the following at:

		March 31, 2016		March 31, 2015
Notes payable - Related party	$	137,864	$	82,912
Total notes payable	$	137,864	$	82,912

NOTE E – RELATED PARTY TRANSACTIONS

As of March 31, 2016 the Company has a loan payable to FEGifund, a 34.9% shareholder of the Company's outstanding shares of stock. FEGifund is also controlled by Big Screen's current Chairman of the Board and Director, Jimmy Jiang.

NOTE F - SHAREHOLDERS' EQUITY

As of March 31, 2016, there are 385,000,000 shares of authorized common stock. Total common stock issued and outstanding at March 31, 2016 and March 31, 2015 was 103,816,636 and 103,816,636 respectively.

NOTE G - SUBSEQUENT EVENTS

The Company has evaluated events from March 31, 2016, through the date whereupon the financial statements were issued and has determined that there are no additional items to disclose.