Q2 – SEPTEMBER 30, 2016
BIG SCREEN ENTERTAINMENT GROUP
FINANCIAL REPORT

BIG SCREEN ENTERTAINMENT GROUP

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FINANCIAL INFORMATION

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

	September. 30, 2016	March 31, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 269,939	$ 35,749
Accounts Receivable	1,701,439	1,697,077
Total Current Assets	1,971,378	1,732,828
NON-CURRENT ASSETS		
Notes Receivable	27,894	27,894
Capitalized Gaming Production Costs	638,044	638,044
Capitalized Production Costs, net of accumulated amortization	6,035,699	6,035,699
Fixed Assets	2,072,233	2,072,233
Lend to CCCO	7,975	0
Lend to BSEG 2-Year Loan (FEG)	34,346	58,050
Lend to BSEG Holdings (FEG)	10,000	10,000
Total Non-Current Assets	8,826,191	8,841,919
TOTAL ASSETS	$ 10,797,569	$ 10,574,745
LIABILITIES & SHAREHOLDERS' EQUITY		
LIABILITIES		
Accounts Payable	$ 44,596	$ 64,779
Accrued Salaries - Officers	24,000	
Notes payable - Related party	52,389	137,864
Total other current liabilities	102,971	-
FEG Loan	75,641	68,050
Production Loans	-	-
Total Liabilities	299,596	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	13,203,446	13,250,756
Accumulated Deficit	(3,029,486)	(3,029,486)
Net (Loss) Income	220,196	(21,035)
Total Shareholders' Equity	10,497,972	10,304,052
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 10,797,569	$ 10,574,745

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 Six Months Ended September 30, 2016	2015
REVENUES		
Distribution	$ 1,873,878	$ 795
Licensing	-	18,173
Services	-	54,730
Other	-	10,357
Total Revenues	$ 1,873,878	$ 84,055
COSTS AND EXPENSES		
Costs related to production revenues	-	50,011
Distribution and Marketing	5,027	1,300
Bad Debt expense	-	-
General and Administrative	1,633,064	150,587
Total Expense	1,638,091	201,899
INCOME (LOSS)	235,786	(117,843)
OTHER INCOME (EXPENSE)		
Other Income	-	52,510
Other Expense	15,591	28,761
Total Other Income (expense)	(15,591)	23,749
NET INCOME (LOSS)	$ 220,196	$ (94,082)
Net (Loss) per Common Share, Basic & Diluted	$ (0.00)	$ (0.00)
Weighted Average Number of Shares Outstanding	103,816,636	103,816,636

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 YEAR ENDED JUNE 30, 2016

	Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Shareholders Equity
Balance March 31, 2016 (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				$ 220,196	$ 220,196
Fairfax Equity (Indendent)			$ 3,008,530		$ 3,008,530
September 30, 2016 (unaudited)	103,816,636	$ 103,817	$ 13,203,446	$ (2,809,290)	$ 10,497,972

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, 2016	September 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ 220,196	$ 190,496
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,127,737	1,118,980
Allowance for bad debt	-	-
Changes in assets and liabilities:		-
(Increase)/Decrease in Accounts Receivable	(12,334)	(106,950)
(Increase)/Decrease in Capitalized R&D Gaming	-	64,151
(Increase)/Decrease in Capitalized Production Costs	(1,073,143)	(1,280,652)
(Increase)/Decrease in Notes Receivable	-	(10,225)
(Decrease)/Increase in Accounts Payable	27,458	124,831
NET CASH (USED IN) PROVIDED BY OPERATING ACITIVITIES	289,914	100,631
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	1,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	1,000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on Notes Payable to Officers	(14,851)	(7,824)
Principal Payments on Production Loans - Related Party	(30,523)	98,975
Proceeds from Sale of Stock	-	-
NET CASH (USED IN) FINANCING ACTIVITIES	(45,374)	91,151
NET (DECREASE) INCREASE IN CASH	244,540	192,151
CASH AT BEGINNING OF PERIOD	25,399	25,399
CASH AT END OF PERIOD	$ 269,939	$ 218,180
Supplemental Disclosure for Cash Flow Information:		
Non-cash Financing Activity:		
Stock issued in payment of labor and production loans	$ -	$ -

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 December 31, 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, 2016	September 30, 2015
Gaming	$ 638,044	$ 638,044
Completed – theatrical	6,705,741	5,379,143
Less: accumulated amortization	(670,042)	(502,532)
Total film and gaming production costs	$ 6,673,743	$ 5,514,655

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 to accrue salaries that can be paid in either stock or cash. The current balance ending September 30, 2016 for officer salary is $24,000.

NOTE D – PRODUCTION LOANS AND PRINTS AND ADVERTISING LOANS

Production and loans payable consist of the following at:

	September 30, 2016	September 30, 2015
Notes payable - Related party	$ 52,389	$ 143,768
Total notes payable	$ 52,389	$ 143,768

NOTE E – RELATED PARTY TRANSACTIONS

As of September 30, 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 September 30, 2016 there are 385,000,000 shares of authorized common stock. Total common stock issued and outstanding at September 30, 2016 and September 30, 2015 was 103,816,636 and 103,816,636 respectively.

NOTE G - SUBSEQUENT EVENTS

The Company paid down liabilities this last quarter on the 2-Year Loan with FEG by $23,604 and Accounts Payable by $20,173. Company Notes Payable has been reduced from September 30, 2015 to September 30, 2016 by $91,379.

The Company has evaluated events from September 30, 2016, through the date whereupon the financial statements were issued and has determined that there are no additional items to disclose.