



**QUARTER END
Q2 – SEPTEMBER 30, 2021
BSEG FINANCIAL REPORT**

BIG SCREEN ENTERTAINMENT GROUP

Table of Contents

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED BALANCE SHEETS	PG 3
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS	PG 4
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	PG 5
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	PG 6
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	PG 7-8

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

	<u>September 30, 2021</u>	<u>March 31, 2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 23,615	\$ 30,347
Accounts Receivable	87,751	85,626
Total Current Assets	<u>111,366</u>	<u>115,973</u>
NON-CURRENT ASSETS		
Capitalized Gaming Production Costs	638,044	638,044
Capitalized Production Costs, net of accumulated amortization	4,778,822	4,717,248
Other Assets	966	-
Total Non-Current Assets	<u>5,417,832</u>	<u>5,355,292</u>
TOTAL ASSETS	<u><u>\$ 5,529,198</u></u>	<u><u>\$ 5,471,265</u></u>
LIABILITIES & SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,100	\$ 3,617
Accrued Salaries - Officers	72,000	48,000
Note payable - Related party	180,077	184,043
FEG Loan	81,934	80,734
Total Current Liabilities	<u>335,111</u>	<u>316,394</u>
LONG-TERM LIABILITIES		
SBA Loan	2,200	2,200
SHAREHOLDERS' EQUITY		
Common Stock, par value \$.001 per share, 385,000,000 shares authorized, 104,816,636 shares issued and outstanding as of September 30, 2021, and March 31, 2021, respectively	104,817	104,817
Additional Paid-In Capital	11,827,702	11,827,702
Accumulated Deficit	<u>(6,740,632)</u>	<u>(6,779,848)</u>
Total Shareholders' Equity	<u>5,191,887</u>	<u>5,152,671</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	<u><u>\$ 5,529,198</u></u>	<u><u>\$ 5,471,265</u></u>

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		For the Six Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
REVENUES				
Distribution	\$ -	\$ 5,658	\$ -	\$ 5,658
Licensing	10,520	-	29,329	5,933
Online	7,725	-	7,725	-
Services	33,351	13,500	69,966	36,000
Other	17,800	66	17,800	66
Total Revenues	<u>69,396</u>	<u>19,224</u>	<u>124,820</u>	<u>47,657</u>
COSTS AND EXPENSES				
Service Costs	16,019	12,946	31,801	16,304
Distribution and Marketing	2,721	-	6,282	-
Bad debt expenses	-	-	-	37,939
General and Administrative	31,115	22,680	60,203	-
Total Expense	<u>49,855</u>	<u>35,626</u>	<u>98,286</u>	<u>54,243</u>
OPERATING INCOME (LOSS)	<u>19,541</u>	<u>(16,402)</u>	<u>26,534</u>	<u>(6,586)</u>
OTHER INCOME (EXPENSE)				
Interest Expense	(277)	(284)	(1,104)	(1,177)
Other Income (Expense)	479	(9,925)	533	75
Total Other Income (expense)	<u>202</u>	<u>(10,209)</u>	<u>(571)</u>	<u>(1,102)</u>
NET INCOME (LOSS)	<u>\$ 19,743</u>	<u>\$ (26,611)</u>	<u>\$ 25,963</u>	<u>\$ (7,688)</u>
Net Income (Loss) per Common Share, Basic & Diluted	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>
Weighted Average Number of Shares Outstanding	<u>104,816,636</u>	<u>103,816,636</u>	<u>104,816,636</u>	<u>103,816,636</u>

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

BIG SCREEN ENTERTAINMENT GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2021, AND 2020.

	Shares		Common Stock Amount		Additional Paid-in Capital		Accumulated Deficit		Shareholders Equity
Balance March 31, 2020 (unaudited)	103,816,636	\$	103,817	\$	11,808,702	\$	(6,722,670)	\$	5,189,849
Net loss	-		-		-		18,925		18,925
Balance June 30, 2020 (unaudited)	103,816,636	\$	103,817	\$	11,808,702	\$	(6,703,745)	\$	5,208,774
Net loss	-		-		-		(26,611)		(26,611)
Balance September 30, 2020 (unaudited)	103,816,636	\$	103,817	\$	11,808,702	\$	(6,730,356)	\$	5,182,163
Balance March 31, 2021 (unaudited)	104,816,636	\$	104,817	\$	11,827,702	\$	(6,779,848)	\$	5,152,671
Net loss	-		-		-	\$	6,220	\$	6,220
Prior year adjustment	-		-		-	\$	13,253	\$	13,253
Balance June 30, 2021 (unaudited)	104,816,636	\$	104,817	\$	11,827,702	\$	(6,760,375)	\$	5,172,144
Net loss	-		-		-	\$	19,743	\$	19,743
Balance September 30, 2021 (unaudited)	104,816,636	\$	104,817	\$	11,827,702	\$	(6,740,632)	\$	5,191,887

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, 2021	September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ 25,963	\$ (7,686)
Adjustments to reconcile net income (net loss) to net cash provided by (used in) operating activities		
Prior period adjustment	13,252	-
Accounts Receivable	(2,124)	27,491
Other assets	(966)	-
Capitalized Production Costs	(61,573)	(12,910)
Accounts Payable	(2,517)	46
Accrued salaries - Officers	24,000	24,000
Other Current Liabilities	-	-
Note payable - Related party	(3,967)	(13,009)
FEG Loan	1,200	6,738
NET CASH (USED IN) PROVIDED BY OPERATING ACITIVITIES	(6,732)	24,670
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from SBA loan	-	12,500
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	12,500
 NET (DECREASE) INCREASE IN CASH	(6,732)	37,170
CASH AT BEGINNING OF PERIOD	30,347	2,333
CASH AT END OF PERIOD	\$ 23,615	\$ 39,503
 Supplemental Disclosure for Cash Flow Information:		
Cash paid during the year:		
Interest paid	\$ 1,104	\$ 1,177
Taxes paid	\$ -	\$ -

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, 2021, 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, 2021	March 31, 2021
Gaming	\$ 638,044	\$ 638,044
Completed – theatrical, net of amortization	\$ 4,778,822	\$ 4,717,248
Total film and gaming production costs	<u>\$ 5,416,866</u>	<u>\$ 5,355,292</u>

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 as of September 30, 2021, and March 31, 2021, for officer salary are \$ 72,000 and \$48,000, respectively.

NOTE D– PRODUCTION LOANS AND PRINTS AND ADVERTISING LOANS

Production and loans payable consist of the following at:

	September 30, 2021	March 31, 2021
Notes payable - Related party	\$ 180,077	\$ 184,043
Total notes payable	<u>\$ 180,077</u>	<u>\$ 184,043</u>

NOTE E – FORMER RELATED PARTY TRANSACTIONS

As of September 30, 2021, and March 31, 2021, the Company has a loan payable to FEGifund, a shareholder of the Company. FEGifund had been a financial party with Big Screen Entertainment Group, the arrangement between FEGifund and Big Screen has expired. Chairman/Director Jimmy Jiang resigned from Big Screen on May 1, 2020. The Company has a balance of \$81,934 and \$80,734, as of September 30, 2021, and March 31, 2021, respectively.

NOTE F - SHAREHOLDERS’ EQUITY

As of September 30, 2021, there are 385,000,000 shares of authorized common stock. Total common stock issued and outstanding at September 30, 2021 and March 31, 2021, was 104,816,636. The Company has not issued any common stock during the three and six months ended September 30, 2021.

NOTE G - SUBSEQUENT EVENTS

Management has evaluated subsequent events pursuant to the issuance of the financial statements and has determined that no reportable subsequent events exist through the date of these financial statements.