



MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED RESULTS

SIX (6) MONTHS ENDED APRIL 30, 2017



REPORT TO STOCK HOLDERS

Six Months Ended April 30, 2017

The Board of Directors is pleased to report the unaudited results of the Company for the six (6) month period ending April 30, 2017.

Performance Highlights

- Revenues of \$652.152M. An increase of \$49.161M or 8%
 - Gross Profit of \$304.426M. An increase of \$66.641M or 28%
 - Net Profit of \$74.860M, representing a \$10.459M increase, or 16%
 - Earnings Per Share of \$0.25. An increase of \$0.04
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In the first six months of the 2017 financial year, sales increased by \$49.161 million or 8% over the corresponding period last year. The growth in revenue reflects increased sales in all three segments of the business, with the most significant contributions from the Entertainment and Promotions segment, which is up 6% or \$28.764 million and the Digital Signage segment, up 32% or \$13.513million.

Gross profit reported for the period was \$66.641 million or 28% above the \$237.785 million reported for the similar period in 2016. The margin was positively influenced by the continuing investment in fleet and transportation solutions, general and rental equipment and human resources.

Administrative, selling and distribution costs combined increased by \$56.83 million or 34%. The major contributing factors were increased transportation and fleet management costs, marketing expenses, staff costs and depreciation charges.

Finance costs remained stable, increasing by 1% from \$7.626 million in corresponding period to \$7.689 million.

Net profit recorded for the six-month period was \$74.860 million, representing a \$10.459 million or 16% increase over the corresponding period in 2016, when net profit of \$64.401 million was reported.

Total Assets less Current liabilities was \$548.236 million, which represents growth of \$201.426 million or 58% when compared to the similar period last year. This increase was driven by growth in non-current assets, trade receivables, cash and cash equivalents.

We wish to thank our shareholders, employees, customers and other stakeholders for their support as we work to improve and expand our business and bring greater value to all parties.


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Dr. Ian Blair
Chairman, Finance Committee


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Richard Bair
Chief Operations Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
(unaudited)
AS AT APRIL 30, 2017

	Unaudited April 30, 2017 \$'000	Unaudited April 30, 2016 \$'000	Audited October 31, 2016 \$'000
ASSETS			
Non-current Assets			
Property, plant and equipment	429,792	311,653	365,901
Deferred tax asset	13,481	13,230	13,481
	<u>443,273</u>	<u>324,883</u>	<u>379,382</u>
Current Assets			
Construction in progress	4,303	-	-
Receivables	243,862	166,306	156,262
Due from related parties	11,470	9,590	8,621
Taxation recoverable	280	777	-
Cash and bank balances	65,031	9,239	18,843
	<u>324,946</u>	<u>185,912</u>	<u>183,726</u>
Total Assets	<u><u>768,219</u></u>	<u><u>510,795</u></u>	<u><u>563,108</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	103,015	0	0
Retained earnings	317,093	250,135	242,233
	<u>420,108</u>	<u>250,135</u>	<u>242,233</u>
Non-current Liabilities			
Related party loans	100,781	72,706	97,311
Loans	11,051	11,455	6,203
Finance lease obligation	16,297	12,513	7,400
	<u>128,129</u>	<u>96,674</u>	<u>110,914</u>
Current Liabilities			
Payables	117,386	99,678	115,646
Due to related parties	62,714	38,126	46,992
Bank overdraft	31,802	20,288	25,905
Current portion of loans	4,364	5,361	16,660
Finance lease obligation	3,716	533	3,484
Taxation	-	-	1,274
	<u>219,982</u>	<u>163,986</u>	<u>209,961</u>
Total Equity and Liabilities	<u><u>768,219</u></u>	<u><u>510,795</u></u>	<u><u>563,108</u></u>

Approved and signed on behalf of the Board by:

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Director

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Director

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(unaudited)
FOR SIX (6) MONTHS ENDED APRIL 30, 2017

	Unaudited Six (6) Months Ended April 30, 2017 \$'000	Unaudited Six (6) Months Ended April 30, 2016 \$'000	Unaudited Quarter Ended April 30, 2017 \$	Unaudited Quarter Ended April 30, 2016 \$	Audited Year ended October 31, 2016 \$'000
Revenues	652,152	602,991	319,330	318,708	1,131,941
Cost of sales	<u>(347,726)</u>	<u>(365,206)</u>	<u>(146,893)</u>	<u>(185,743)</u>	<u>(703,870)</u>
Gross profit	304,426	237,785	172,437	132,965	428,071
Other operating income	<u>437</u>	<u>(273)</u>	<u>250</u>	<u>(553)</u>	<u>538</u>
	304,863	237,512	172,687	132,412	428,609
EXPENSES					
Administrative and general	<u>177,999</u>	<u>131,807</u>	<u>91,678</u>	<u>66,501</u>	<u>284,240</u>
Selling and promotion	<u>7,134</u>	<u>4,798</u>	<u>3,782</u>	<u>2,657</u>	<u>11,558</u>
Depreciation	<u>37,181</u>	<u>28,879</u>	<u>22,248</u>	<u>18,039</u>	<u>57,764</u>
	<u>222,314</u>	<u>165,484</u>	<u>117,708</u>	<u>87,197</u>	<u>353,562</u>
OPERATING PROFIT	82,549	72,028	54,979	45,215	75,047
Finance costs	<u>(7,689)</u>	<u>(7,627)</u>	<u>(3,644)</u>	<u>(3,956)</u>	<u>(15,200)</u>
PROFIT BEFORE TAXATION	74,860	64,401	51,335	41,259	59,847
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,348)</u>
NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>74,860</u>	<u>64,401</u>	<u>51,335</u>	<u>41,259</u>	<u>56,499</u>
Earnings per share for profit attributable to the equity holders of the company:					
Number of shares ('000)	270,005	240,004	300,005	240,004	240,004
Earnings per share (\$)	<u>0.28</u>	<u>0.27</u>	<u>0.17</u>	<u>0.17</u>	<u>0.24</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY
(unaudited)
FOR SIX (6) MONTHS ENDED APRIL 30, 2017

	Share Capital <u>\$'000</u>	Retained Earnings <u>\$'000</u>	Total <u>\$'000</u>
Balance at October 31, 2016	-	242,233	242,233
Shares issued and paid in full	120,002	-	120,002
Shares issue costs	(16,987)		(16,987)
Total comprehensive income for the period	<u>-</u>	<u>74,860</u>	<u>74,860</u>
Balance at April 30, 2017	<u>103,015</u>	<u>317,093</u>	<u>420,108</u>
Balance at October 31, 2015	-	185,734	185,734
Shares issued and paid in full	-	-	-
Shares issue costs	-	-	-
Total comprehensive income for the period	<u>-</u>	<u>64,401</u>	<u>64,401</u>
Balance at April 30, 2016	<u>-</u>	<u>250,135</u>	<u>250,135</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CASH FLOWS
(unaudited)
FOR SIX (6) MONTHS ENDED APRIL 30, 2017

	Unaudited Six (6) Months Ended April 30, 2017 \$'000	Unaudited Six (6) Months Ended April 30, 2016 \$'000	Audited Year ended October 31, 2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	74,860	64,401	56,499
Items not affecting cash resources -			
Depreciation	37,181	28,879	57,764
Interest expense	5,875	5,559	11,811
Interest income	(46)	-	(16)
Exchange loss / (gain) on foreign balances	(1,004)	(266)	2,202
Taxation (credit) / charge	-	-	3,348
Loss / (gain) on disposal of equipment	170	(246)	(776)
Operating cash flows before movements in working capital	<u>117,036</u>	<u>98,327</u>	<u>130,832</u>
Changes in operating assets and liabilities			
Receivables	(87,600)	34,488	50,151
Related party balances	13,439	(16,918)	4,062
Payables and accruals	1,740	(17,549)	(3,671)
	<u>44,615</u>	<u>98,349</u>	<u>181,374</u>
Taxation paid	(1,555)	(4,792)	(6,340)
Cash provided by operating activities	<u>43,060</u>	<u>93,557</u>	<u>175,034</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Construction in progress	(4,303)	-	-
Purchase of property, plant and equipment	(102,710)	(60,839)	(144,122)
Proceeds from disposal of property, plant and equipment	1,469	246	926
Interest received	46	-	16
Net cash used in investing activities	<u>(105,498)</u>	<u>(60,593)</u>	<u>(143,180)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net capital paid in, from initial public offering (ipo)	103,015	-	-
Loans received	19,587	-	12,900
Loan repayments	(14,436)	(18,225)	(19,714)
Interest paid	(5,875)	(5,559)	(11,811)
Net cash provided by / (used in) financing activities	<u>102,291</u>	<u>(23,784)</u>	<u>(18,625)</u>
NET INCREASE IN CASH AND BANK BALANCES	39,853	9,180	13,229
Exchange loss on foreign cash balances	438	266	204
Cash and cash equivalents at beginning of year	<u>(7,062)</u>	<u>(20,495)</u>	<u>(20,495)</u>
CLOSING CASH AND BANK BALANCES	<u>33,229</u>	<u>(11,049)</u>	<u>(7,062)</u>
REPRESENTED BY:			
Cash and bank deposits	65,031	9,239	18,843
Bank overdraft	(31,802)	(20,288)	(25,905)
	<u>33,229</u>	<u>(11,049)</u>	<u>(7,062)</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
FOR SIX (6) MONTHS ENDED APRIL 30, 2017

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) Main Event Entertainment Group Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 70-72 Lady Musgrave Road, Kingston 10.
- (b) The principal activities of the company are to carry on the business of entertainment promoter, agent and manager.
- (c) The majority of the company's issued share capital is held by MEEG Holdings Limited, a company incorporated and domiciled in Saint Lucia.

2. REPORTING CURRENCY:

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operated ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared in accordance with requirements of the Jamaican Companies Act.

All policies are consistent with those presented in the last audited financial statements.

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
FOR SIX (6) MONTHS ENDED APRIL 30, 2017

4. MOVEMENT IN FIXED ASSETS

	<u>Equipment</u>	<u>Leasehold</u> <u>Improvements</u>	<u>Furniture &</u> <u>Fixtures</u>	<u>Computer</u> <u>Equipment</u>	<u>Audio and</u> <u>Filming</u>	<u>Motor</u> <u>Vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$
At Cost/Valuation							
Beginning of period	143,283	6,122	5,671	30,932	339,003	61,609	586,620
Current period Additions	46,023	-	370	2,538	50,378	3,400	102,710
Current period Disposals	-	-	-	(301)	-	(2,489)	(2,790)
End of Period	189,306	6,122	6,041	33,170	389,381	62,520	686,540
Accumulated Depreciation							
Beginning of year	41,518	1,281	2,404	22,266	127,970	25,280	220,719
Charge for period	11,788	337	242	1,535	20,120	3,159	37,181
Disposals	-	-	-	(53)	-	(1,099)	(1,152)
End of period	53,306	1,618	2,646	23,748	148,090	27,340	256,748
Net Book Value							
End of period	136,000	4,504	3,395	9,422	241,291	35,180	429,792
End of prior period	101,765	4,841	3,267	8,666	211,033	36,329	365,901

Assets are depreciated on the straight line basis to depreciate items over their useful lives.

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
FOR SIX (6) MONTHS ENDED APRIL 30, 2017

5. SHARE CAPITAL

	Unaudited April 30, 2017 \$'000	Unaudited April 30, 2016 \$'000	Audited October 31, 2016 \$'000
Authorized share capital	<u>103,015</u>	<u>0</u>	<u>0</u>
Issued share capital	<u>103,015</u>	<u>0</u>	<u>0</u>
	# of shares	# of shares	# of shares
Authorized ordinary shares of no par value	<u>300,005,000</u>	<u>200</u>	<u>200</u>
Issued ordinary shares of no par value	<u>300,005,000</u>	<u>200</u>	<u>200</u>

6. EARNINGS PER SHARE

The earnings per share were calculated in accordance with IAS 33.

Prior periods, October 31, 2016 and April 30, 2016 were restated to reflect the bonus issue and split of ordinary shares in January, 2017.

SHAREHOLDINGS OF TOP TEN (10) STOCKHOLDERS AND DIRECTORS

AS AT APRIL 30, 2017

Top (10) Stockholders

Number of Shares Held

Meeg Holdings Limited	240,004,000
Mayberry West Indies Limited	30,018,643
Konrad Berry	1,439,250
Bamboo Group Holdings Limited	1,439,250
Ian Blair	1,220,085
Lannaman & Morris (Shipping) Limited	1,039,505
Wakefield Farms Limited	1,037,881
Owen Sharpe	1,000,000
Hugh Graham	976,376
Duncan P. Stewart	865,866

Directors

Number of Shares Held

Richard Bair	[Meeg Holdings Limited - 120,002,000]	120,002,000
Solomon Sharpe	[Meeg Holdings Limited - 120,002,000]	120,002,000
Donna R. Waithe	[Owen Sharpe - 1,000,000]	1,847,763
Ian Blair		1,220,085
Harry Maragh	[Lannaman & Morris (Shipping) Ltd - 1,039,505]	1,039,505
Hugh Graham		976,376
Tania Waldron-Gooden		263,712