



MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED RESULTS

FOR NINE (9) MONTHS ENDED JULY 31, 2017



REPORT TO STOCK HOLDERS

Nine Months Ended July 31, 2017

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The Board of Directors of Main Event Entertainment Group Limited is pleased to present the Company's unaudited financial statements for the third quarter ending July 31, 2017.

Year-To-Date Performance Highlights:

- Revenues of \$941.780M. An increase of \$86.571M or 10%
 - Gross Profit of \$447.489M. An increase of \$120.373M or 37%
 - Net Profit of \$101.154M. An increase of \$41.410M, or 69%
 - Earnings Per Share of \$0.36. An increase of \$0.11
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The Company has recorded year-to-date growth in Revenues of 10%, increasing from \$855.209 million to \$941.780 million. For the current quarter, revenues of \$289.628 million reflect a 15% increase over the \$252.218 million recorded for the same period in 2016.

Our focus on the expansion of the general and rental equipment base and fleet has equipped us to offer increasing service elements to our customers with stronger controls over our operations and operating costs. Margins continue to strengthen, with gross profits increasing from \$327.116 million to \$447.489 million, to register a 37% increase over the similar period last year.

The year-to-date increase in administrative, selling and distribution costs, combined, was \$77.151 million, or 30%. Major contributing factors continue to be transportation costs, marketing expenses, staff costs and depreciation charges.

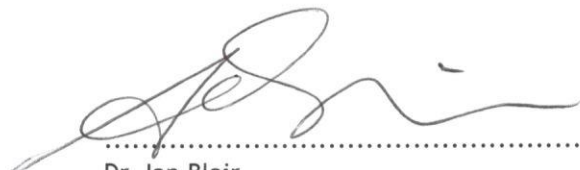
Finance costs showed an increase of \$1.997 million or 18%, due to higher interest and finance lease charges compared to the same period in 2016.

Net profit for the nine-month period was \$101.154 million, representing a \$41.410 million or 69% increase over the corresponding period in 2016. In this quarter, net profit of \$26.294 million was recorded, compared to a loss of \$4.657 million for the same period in 2016.

The Balance Sheet shows a \$161.138 million or 30% increase in total assets when compared to the similar period last year, due chiefly to growth in non-current assets, trade receivables and cash and cash equivalents. For the current year-to-date, the Company has seen a \$53.989 million growth in non-current assets and a \$75.732 million increase in cash resources.

REPORT TO STOCK HOLDERS
Nine Months Ended July 31, 2017

We remain very confident in our strategies, and in the Company's prospects for further growth and new business opportunities. We wish to thank our shareholders, employees, customers and other stakeholders for their continued support.



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Dr. Ian Blair
Chairman, Finance Committee



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Mr. Solomon Sharpe
Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(unaudited)
NINE (9) MONTHS ENDED JULY 31, 2017

	Unaudited Nine (9) Months Ended July 31, 2017 \$'000	Unaudited Nine (9) Months Ended July 31, 2016 \$'000	Unaudited Quarter Ended July 31, 2017 \$	Unaudited Quarter Ended July 31, 2016 \$
Revenues	941,780	855,209	289,628	252,218
Cost of sales	<u>(494,291)</u>	<u>(528,093)</u>	<u>(146,564)</u>	<u>(162,887)</u>
Gross profit	447,489	327,116	143,063	89,331
Other operating income	<u>573</u>	<u>387</u>	<u>136</u>	<u>661</u>
	448,062	327,504	143,199	89,992
EXPENSES				
Administrative and general	270,201	207,543	92,202	75,736
Selling and promotion	10,208	8,423	3,075	3,624
Depreciation	53,530	40,823	16,349	11,944
	<u>333,939</u>	<u>256,788</u>	<u>111,625</u>	<u>91,304</u>
OPERATING PROFIT	114,123	70,716	31,574	(1,312)
Finance costs	<u>(12,969)</u>	<u>(10,972)</u>	<u>(5,280)</u>	<u>(3,345)</u>
PROFIT BEFORE TAXATION	101,154	59,744	26,294	(4,657)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>101,154</u>	<u>59,744</u>	<u>26,294</u>	<u>(4,657)</u>
Earnings per share for profit attributable to the equity holders of the company:				
Number of shares	280,005	240,004	300,005	240,004
Earnings per share	<u>0.36</u>	<u>0.25</u>	<u>0.09</u>	<u>(0.02)</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
(unaudited)
AS AT JULY 31, 2017

	Unaudited July 31, 2017 \$'000	Unaudited July 31, 2016 \$'000	Audited October 31, 2016 \$'000
ASSETS			
Non-current Assets			
Property, plant and equipment	4 419,890	341,628	365,901
Deferred tax asset	13,481	13,230	13,481
	<u>433,371</u>	<u>354,858</u>	<u>379,382</u>
Current Assets			
Construction in progress	5,206	-	-
Receivables	175,739	165,386	156,262
Due from related parties	8,390	9,780	8,621
Taxation recoverable	416	2,217	-
Cash and bank balances	79,923	9,666	18,843
	<u>269,674</u>	<u>187,049</u>	<u>183,726</u>
Total Assets	<u><u>703,045</u></u>	<u><u>541,907</u></u>	<u><u>563,108</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	103,015	-	-
Retained earnings	343,387	245,478	242,233
	<u>446,402</u>	<u>245,478</u>	<u>242,233</u>
Non-current Liabilities			
Related party loans	78,508	97,590	97,311
Loans	-	18,252	6,203
Finance lease obligation	13,923	8,471	7,400
	<u>92,431</u>	<u>124,313</u>	<u>110,914</u>
Current Liabilities			
Payables	107,798	105,121	115,646
Due to related parties	27,249	35,715	46,992
Bank overdraft	11,253	22,203	25,905
Current portion of loans	13,887	5,361	16,660
Finance lease obligation	4,025	3,716	3,484
Taxation	-	-	1,274
	<u>164,212</u>	<u>172,116</u>	<u>209,961</u>
Total Equity and Liabilities	<u><u>703,045</u></u>	<u><u>541,907</u></u>	<u><u>563,108</u></u>

Approved and signed on behalf of the Board by:

.....
Director

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Director

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY
(unaudited)
NINE (9) MONTHS ENDED JULY 31, 2017

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
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>101,154</u>	<u>101,154</u>
Balance at July 31, 2017	<u>103,015</u>	<u>343,387</u>	<u>446,402</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>59,744</u>	<u>59,744</u>
Balance at July 31, 2016	<u>-</u>	<u>245,478</u>	<u>245,478</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CASH FLOWS
(unaudited)
NINE (9) MONTHS ENDED JULY 31, 2017

	Unaudited Nine (9) Months Ended July 31, 2017 \$'000	Unaudited Nine (9) Months Ended July 31, 2016 \$'000	Audited Year ended October 31, 2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	101,154	59,744	56,499
Items not affecting cash resources -			
Depreciation	53,530	40,823	57,764
Interest expense	10,230	8,339	11,811
Interest income	(65)	-	(16)
Exchange loss / (gain) on foreign balances	(2,610)	3,568	2,202
Taxation (credit) / charge	-	-	3,348
Loss / (gain) on disposal of equipment	170	(396)	(776)
Operating cash flows before movements in working capital	162,409	112,078	130,832
Changes in operating assets and liabilities			
Receivables	(19,477)	35,409	50,151
Related party balances	(18,946)	(23,391)	4,062
Payables and accruals	(7,848)	(12,105)	(3,671)
	116,138	111,991	181,374
Taxation paid	(1,691)	(6,232)	(6,340)
Cash provided by operating activities	114,447	105,759	175,034
CASH FLOWS FROM INVESTING ACTIVITIES:			
Construction in progress	(5,206)	-	-
Purchase of property, plant and equipment	(109,157)	(102,757)	(144,122)
Proceeds from disposal of property, plant and equipment	1,469	396	926
Interest received	65	-	16
Net cash used in investing activities	(112,829)	(102,361)	(143,180)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net capital paid in, from initial public offering (ipo)	103,015	-	-
Loans received	19,587	-	12,900
Loan repayments	(40,303)	12,598	(19,714)
Interest paid	(10,230)	(8,339)	(11,811)
Net cash provided by / (used in) financing activities	72,069	4,259	(18,625)
NET INCREASE IN CASH AND BANK BALANCES	73,687	7,657	13,229
Exchange gain on foreign cash balances	2,045	301	204
Cash and cash equivalents at beginning of year	(7,062)	(20,495)	(20,495)
CLOSING CASH AND BANK BALANCES	68,670	(12,537)	(7,062)
REPRESENTED BY:			
Cash and bank deposits	79,923	9,666	18,843
Bank overdraft	(11,253)	(22,203)	(25,905)
	68,670	(12,537)	(7,062)

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
NINE (9) MONTHS ENDED JULY 31, 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)
NINE (9) MONTHS ENDED JULY 31, 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	47,320	-	483	3,058	54,896	3,400	109,157
Current period Disposals	-	-	-	(301)	-	(2,489)	(2,790)
End of Period	<u>190,603</u>	<u>6,122</u>	<u>6,154</u>	<u>33,690</u>	<u>393,899</u>	<u>62,520</u>	<u>692,987</u>
Accumulated Depreciation							
Beginning of year	41,518	1,281	2,404	22,266	127,970	25,280	220,719
Charge for period	18,505	460	369	1,609	27,698	4,889	53,530
Disposals	-	-	-	(53)	-	(1,099)	(1,152)
End of period	<u>60,023</u>	<u>1,741</u>	<u>2,773</u>	<u>23,823</u>	<u>155,668</u>	<u>29,070</u>	<u>273,097</u>
Net Book Value							
End of period	<u>130,580</u>	<u>4,381</u>	<u>3,381</u>	<u>9,867</u>	<u>238,231</u>	<u>33,450</u>	<u>419,890</u>
End of prior period	<u>101,765</u>	<u>4,841</u>	<u>3,267</u>	<u>8,666</u>	<u>211,033</u>	<u>36,329</u>	<u>365,901</u>

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)
NINE (9) MONTHS ENDED JULY 31, 2017

	Unaudited July 31, 2017 \$'000	Unaudited July 31, 2016 \$'000	Audited October 31, 2016 \$'000
5. SHARE CAPITAL			
Authorized ordinary shares of no par value	<u>103,015</u>	<u>-</u>	<u>-</u>
Issued ordinary shares of no par value	<u>103,015</u>	<u>-</u>	<u>-</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 period, July 31, 2016, was restated to reflect the bonus issue and split of ordinary shares in January, 2017.

**SHAREHOLDINGS OF TOP TEN (10) STOCKHOLDERS,
DIRECTORS AND SENIOR OFFICERS
AS AT JULY 31, 2017**

Top Ten (10) Stockholders	Number of Shares Held
Meeg Holdings Limited	240,004,000
Mayberry Investments Limited	29,891,383
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	120,002,000
Solomon Sharpe	120,002,000
Donna R. Waithe	1,847,763
Ian Blair	1,220,085
Harry Maragh	1,039,505
Hugh Graham	976,376
Tania Waldron-Gooden	136,912