



MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED RESULTS

FOR FIRST QUARTER ENDED JANUARY 31, 2018



REPORT TO STOCK HOLDERS Three Months Ended January 31, 2018

I

The Board of Directors of Main Event Entertainment Group Limited is pleased to present the Company's unaudited financial statements for the first quarter ending January 31, 2018.

Year-To-Date Performance Highlights:

- Revenues of \$361.409M. An increase of \$28.587M or 8.59%
 - Gross Profit of \$160.480M. An increase of \$28.491M or 21.59%
 - Net Profit of \$32.973M. An increase of \$9.448M, or 40.16%
 - Earnings Per Share of \$0.11. An increase of one cent, or 10%
-

The quarter was a positive one for the Company.

Total revenues for the quarter was a record high of \$361.409 million. This shows an 8.59% growth over \$332.822 million for the same period in 2017. The revenue performance this quarter was driven by expansions in our core business of entertainment and promotions, with increased opportunities coming from our major clients and with the increased revenue opportunities from our growing rental and décor equipment base. Revenues from audio, multimedia and digital signage were average this quarter.

Gross profits of \$160.480 million show a \$28.491 million, or 21.59%, growth over the previous year. Average performances in audio, multimedia and digital signage have had a negative impact on the gross margins; which have narrowed to 44% from 50% in the previous quarter ending October 31, 2017. A growth pattern is still evident when compared to 40% for the same period in 2017.

Other operating income of \$1.866 million includes interest earnings of \$1.808 million realized on short term deposits this quarter; which is not expected to recur at this high level.

The year-to-date increase in administrative, selling and distribution costs, combined, was \$21.358 million, or 20.42%. Depreciation charges, marketing expenses, staff costs and transportation expenses continue to be the major contributing factors; accounting for \$19.161 million (or 90% of the overall increase) in expenses.

Finance costs showed a decrease of \$0.635 million or 15.71% compared to the same period in 2017, due to continuing debt service, and reductions in interest rates and services charges.

Net profit for the three-month period was \$32.973 million, representing a \$9.448 million or 40.16% increase over the corresponding period in 2017.

REPORT TO STOCK HOLDERS

Three Months Ended January 31, 2018

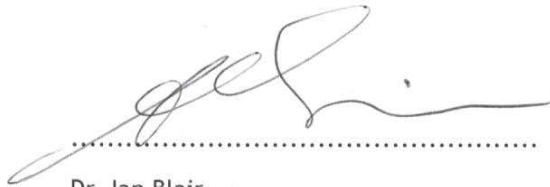
II

The Balance Sheet shows a \$121.362 million or 19.14% increase in total assets when compared to the similar period last year.

For the current year-to-date, the Company has seen a \$36.4909 million growth in total assets and a \$6.774 million increase in loans. Current assets grew by \$23.066 million: the net result of a \$56.464 million increase in receivables; and a \$37.600 million contraction in available cash resources.

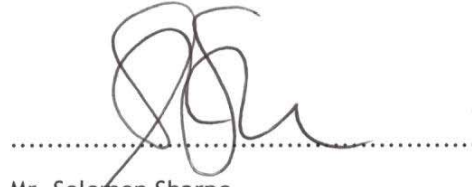
The Company has utilized cash reserves and available credit lines to support its planned capital expenditure this quarter. Total capital expenditure for the quarter was \$34.240 million. Receivables at the end of the period also include \$15.959 million in deposits on capital assets.

The outlook for the current year is good. We plan to continue to innovate and develop our operations. We expect to realize ongoing benefits of modernizing our fleet and from our continuing investments in rental equipment. We are enthusiastic about our ability to leverage our strengths and scale to meet and exceed Customer demands and expectations. We wish to thank our shareholders, employees, customers and other stakeholders for their continued support.



Dr. Ian Blair

Chairman, Finance Committee



Mr. Solomon Sharpe

Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDING JANUARY 31, 2018

MAIN EVENT ENTERTAINMENT GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDING JANUARY 31, 2018


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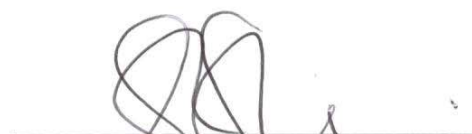
MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
(unaudited)
AS AT JANUARY 31, 2018

	Unaudited January 31, 2018 \$'000	Unaudited January 31, 2017 \$'000	Audited October 31, 2017 \$'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	434,424	383,193	421,081
Deferred tax asset	6,345	13,481	6,345
	<u>440,769</u>	<u>396,674</u>	<u>427,426</u>
CURRENT ASSETS:			
Receivables	235,958	210,323	179,494
Due from related parties	21,089	13,817	20,144
Taxation recoverable	909	-	604
Cash and bank balances	56,598	13,147	91,246
	<u>314,554</u>	<u>237,287</u>	<u>291,488</u>
Total Assets	<u><u>755,323</u></u>	<u><u>633,961</u></u>	<u><u>718,914</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	103,652	600	103,652
Retained earnings	375,653	265,158	342,680
	<u>479,305</u>	<u>265,758</u>	<u>446,332</u>
Non-current Liabilities			
Related party loans	65,844	98,905	80,049
Loans	-	8,418	-
Finance lease obligations	10,569	18,680	8,454
	<u>76,413</u>	<u>126,003</u>	<u>88,503</u>
Current Liabilities			
Payables	92,967	133,895	102,229
Due to related parties	35,620	60,852	32,649
Bank overdraft	33,358	26,035	30,405
Current portion of loans	34,294	16,660	16,449
Finance lease obligations	3,366	3,484	2,347
Taxation	-	1,274	-
	<u>199,605</u>	<u>242,200</u>	<u>184,079</u>
Total Equity and Liabilities	<u><u>755,323</u></u>	<u><u>633,961</u></u>	<u><u>718,914</u></u>

Approved and signed on behalf of the Board by:



Director



Director

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(unaudited)
QUARTER ENDING JANUARY 31, 2018

	Unaudited Quarter Ended January 31, 2018 \$'000	Unaudited Quarter Ended January 31, 2017 \$'000	Audited Year ended October 31, 2017 \$'000
REVENUE	361,409	332,822	1,175,427
Direct expenses	<u>(200,929)</u>	<u>(200,833)</u>	<u>(610,262)</u>
Gross profit	160,480	131,989	565,165
Other operating income	<u>1,866</u>	<u>186</u>	<u>2,229</u>
	162,346	132,175	567,394
EXPENSES			
Administrative and general	<u>97,297</u>	<u>86,320</u>	<u>362,099</u>
Selling and promotion	<u>7,768</u>	<u>3,352</u>	<u>8,223</u>
Depreciation	<u>20,898</u>	<u>14,933</u>	<u>73,443</u>
	<u>125,963</u>	<u>104,605</u>	<u>443,765</u>
OPERATING PROFIT	36,383	27,570	123,629
Finance costs	<u>(3,410)</u>	<u>(4,045)</u>	<u>(15,446)</u>
PROFIT BEFORE TAXATION	32,973	23,525	108,183
Taxation	<u>-</u>	<u>-</u>	<u>(7,136)</u>
Net profit	32,973	23,525	101,047
Other Comprehensive Income:	<u>-</u>	<u>-</u>	<u>-</u>
NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>32,973</u></u>	<u><u>23,525</u></u>	<u><u>101,047</u></u>
Earnings per share for profit attributable to the equity holders of the company:			
Number of shares	300,005	240,004	285,005
Earnings per share	<u><u>0.11</u></u>	<u><u>0.10</u></u>	<u><u>0.35</u></u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY
(unaudited)
QUARTER ENDING JANUARY 31, 2018

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT OCTOBER 31, 2017	103,652	342,680	446,332
TOTAL COMPREHENSIVE INCOME:			
Net profit	-	32,973	32,973
TRANSACTIONS WITH OWNERS:			
Issue of bonus shares	-	-	-
	-	-	-
	-	32,973	32,973
BALANCE AT JANUARY 31, 2018	103,652	375,653	479,305
BALANCE AT OCTOBER 31, 2016	-	242,233	242,233
TOTAL COMPREHENSIVE INCOME:			
Net profit	-	23,525	23,525
TRANSACTIONS WITH OWNERS:			
Issue of bonus shares	600	(600)	-
	600	(600)	-
	600	22,925	23,525
Balance at January 31, 2017	600	265,158	265,758

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CASH FLOWS
(unaudited)
QUARTER ENDING JANUARY 31, 2018

	Unaudited Quarter Ended January 31, 2018 \$'000	Unaudited Quarter Ended January 31, 2017 \$'000	Audited Year ended October 31, 2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	32,973	23,525	101,047
Items not affecting cash resources -			
Depreciation	20,898	14,933	73,443
Interest expense	2,996	4,045	12,123
Interest income	(59)	-	(205)
Exchange loss / (gain) on foreign balances	(586)	(1,146)	(3,293)
Taxation expense	-	-	7,136
Loss / (gain) on disposal of property, plant and equipment	-	(52)	511
Operating cash flows before movements in working capital	56,222	41,305	190,762
Changes in operating assets and liabilities			
Receivables	(56,464)	(52,046)	(17,794)
Related party balances	(12,179)	10,258	(43,128)
Payables	(9,263)	16,234	(16,191)
	(21,683)	15,751	113,649
Taxation paid	(305)	-	(1,878)
Cash (used in) / provided by operating activities	(21,988)	15,751	111,771
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(34,240)	(32,225)	(137,275)
Proceeds from disposal of property, plant and equipment	-	52	8,141
Interest received	59	-	205
Net cash used in investing activities	(34,181)	(32,173)	(128,929)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loans received	21,707	13,087	13,087
Loan repayments	(729)	408	(19,584)
Interest paid	(2,996)	(4,045)	(12,123)
Proceeds from issue of ordinary share - net	-	-	103,052
Net cash provided by financing activities	17,982	9,450	84,432
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS	(38,187)	(6,972)	67,274
Exchangeloss on foreign cash balances	586	1,146	629
Cash and cash equivalents at beginning of year	60,841	(7,062)	(7,062)
CASH AND CASH EQUIVALENTS AT END OF YEAR	23,240	(12,888)	60,841

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
QUARTER ENDING JANUARY 31, 2018

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 company is a subsidiary of MEEG Holdings, a company incorporated and domiciled in Saint Lucia.
- (d) The company was listed on the Junior Market of the Jamaica Stock Exchange on 8 February 2017.

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)
QUARTER ENDING JANUARY 31, 2018

4. MOVEMENT IN FIXED ASSETS

	<u>Equipment</u>	<u>Leasehold Improvements</u>	<u>Furniture & Fixtures</u>	<u>Rentals, Décor & Tent Fittings</u>	<u>Computer Equipment</u>	<u>Audio and Filming</u>	<u>Motor Vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$
At Cost/Valuation								
Beginning of period	201,178	6,444	6,382	10,610	34,169	399,733	54,708	713,225
Current period Additions	9,661	601	641	15,959	1,495	1,849	4,033	34,240
Current period Disposals	-	-	-	-	-	-	-	-
End of Period	<u>210,840</u>	<u>7,045</u>	<u>7,023</u>	<u>26,569</u>	<u>35,664</u>	<u>401,582</u>	<u>58,741</u>	<u>747,465</u>
Accumulated Depreciation								
Beginning of year	66,894	1,895	2,908	370	24,902	165,605	29,569	292,143
Charge for period	7,760	171	151	2,077.01	718	9,328	694	20,898
Disposals	-	-	-	-	-	-	-	-
End of period	<u>74,654</u>	<u>2,066</u>	<u>3,059</u>	<u>2,447</u>	<u>25,620</u>	<u>174,933</u>	<u>30,263</u>	<u>313,041</u>
Net Book Value								
End of period	<u>136,186</u>	<u>4,979</u>	<u>3,964</u>	<u>24,122</u>	<u>10,044</u>	<u>226,649</u>	<u>28,478</u>	<u>434,424</u>
End of prior period	<u>134,284</u>	<u>4,549</u>	<u>3,474</u>	<u>10,240</u>	<u>9,267</u>	<u>234,128</u>	<u>25,139</u>	<u>421,081</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)
QUARTER ENDING JANUARY 31, 2018

	Unaudited January 31, 2018 \$'000	Unaudited January 31, 2017 \$'000	Audited October 31, 2017 \$'000
5. SHARE CAPITAL			
Authorized ordinary shares of no par value	<u>103,652</u>	<u>600</u>	<u>103,652</u>
Issued ordinary shares of no par value	<u>103,652</u>	<u>600</u>	<u>103,652</u>
	# of shares	# of shares	# of shares
Authorized ordinary shares of no par value	<u>320,004,000</u>	<u>320,004,000</u>	<u>320,004,000</u>
Issued ordinary shares of no par value	<u>300,005,000</u>	<u>240,004,000</u>	<u>300,005,000</u>

6. EARNINGS PER SHARE

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

**SHAREHOLDINGS OF TOP TEN (10) STOCKHOLDERS,
DIRECTORS AND SENIOR OFFICERS
AS AT JANUARY 31, 2018**

Top Ten (10) Stockholders

Number of Shares Held

Meeg Holdings Limited	240,004,000
Mayberry West Indies Limited	30,819,007
SSL Money Managers Growth	1,769,471
Konrad Berry	1,439,250
PWL Bamboo Group Holdings Limited	1,439,250
Ian Blair	1,220,085
Lannaman & Morris (Shipping) Limited	1,039,505
Owen Sharpe	1,000,000
Hugh Graham	976,376
Duncan P. Stewart	865,866
Donna R. Waithe	847,763

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		61,912