



**MAIN EVENT ENTERTAINMENT GROUP LIMITED**

**UNAUDITED RESULTS**

**FOR NINE (9) MONTHS ENDED JULY 31, 2018**



## REPORT TO STOCK HOLDERS

### Nine Months Ended July 31, 2018

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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, 2018.

#### Year-To-Date Performance Highlights:

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- Revenues of \$1,065.761M. An increase of \$123.982M or 13%
  - Gross Profit of \$511.642M. An increase of \$64.153M or 14%
  - Net Profit of \$105.478M. An increase of \$4.323M, or 4%
  - Earnings Per Share of \$0.35. A decrease of \$0.01
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The third quarter has been an active and positive period.

Revenues grew to a total \$ 1,065.761 million: a 13.16% increase when compared to \$941.780 million at the end of the third quarter of 2017. For the current quarter, revenues of \$363.708 million reflect a 25.58% increase over the \$289.628 million recorded for the same period in 2017.

Gross profits have increased by 14.34% or \$64.153 million year over year; and despite a delay in the anticipated savings from new product offerings, margins have held stable at 48%.

Operating profits show modest year to date growth of 4.38%, or \$4.995 million; increasing to \$119.118 million (from \$114.123 million in 2017).

Operating expenses have increased by \$60.969 million or 18.26% over the same period in 2017. Performance has been negatively impacted by write downs on trade receivables (to align with the new reporting standard, IFRS 9); continued start up expenditure for new service offerings and higher staff costs with higher head counts and incentive compensation. We have accelerated margin improvement initiatives and are improving our processes to drive improvements in operational performance.

Depreciation charges show a 29.46% or \$15.769 million increase year to date; and finance costs show a \$0.672 million or 5.18% increase over the same period in 2017.

Earnings per share stands at 35 cents at the end of the current quarter, which is a 2.78% decrease from the 36 cents for the comparable period in 2017.

## REPORT TO STOCK HOLDERS

### Nine Months Ended July 31, 2018

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The Balance Sheet shows a \$163.420 million or 23.24% increase in total assets when compared to the similar period last year; as we continue to invest in high quality assets and related growth prospects, with a focus to build on the positive sales momentum. Capital expenditure in the current year to date total \$160.289 million, compared with \$109.157 million last year; and receivables at the end of the current period include another \$54.401 million in deposits on capital assets.

Net cash flows in the current quarter were negative. Due to delays in the receipt of expected external funding, continuing investments in capital assets were financed from operating cash flows. We expect the working capital and cash flows to normalize with the receipt of funding.

We wish to thank our shareholders, customers and other stakeholders for their continued support. We also wish to thank all our dedicated employees and contractors who have made such a difference, with a strong engagement in our business and a persisting drive for continuous improvement. We remain confident in our ability to execute toward achieving our key objectives and capturing market opportunities that open up to us.



.....  
Dr. Ian Blair  
Chairman, Finance Committee



.....  
Mr. Solomon Sharpe  
Chief Executive Officer

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**NINE (9) MONTHS ENDING JULY 31, 2018**

MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

NINE (9) MONTHS ENDING JULY 31, 2018

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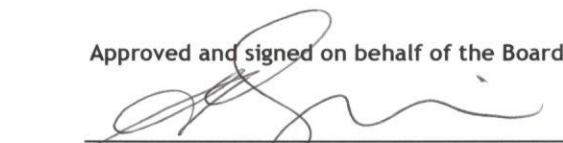
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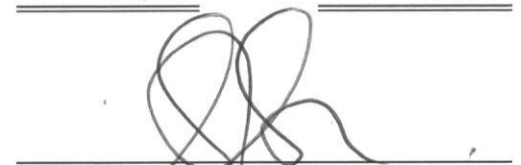
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**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
(unaudited)  
**AS AT JULY 31, 2018**

	Unaudited July 31, 2018 <u>\$'000</u>	Unaudited July 31, 2017 <u>\$'000</u>	Audited October 31, 2017 <u>\$'000</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	510,619	419,890	421,081
Deferred tax asset	6,345	13,481	6,345
	<u>516,964</u>	<u>433,371</u>	<u>427,426</u>
<b>CURRENT ASSETS:</b>			
Receivables	303,912	180,945	179,494
Due from related parties	16,146	8,390	20,144
Taxation recoverable	730	416	604
Cash and bank balances	28,713	79,923	91,246
	<u>349,501</u>	<u>269,674</u>	<u>291,488</u>
<b>Total Assets</b>	<u><u>866,465</u></u>	<u><u>703,045</u></u>	<u><u>718,914</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	103,652	103,652	103,652
Retained earnings	448,158	342,750	342,680
	<u>551,810</u>	<u>446,402</u>	<u>446,332</u>
<b>Non-current Liabilities</b>			
Related party loans	69,021	78,508	80,049
Loans	20,310	-	-
Finance lease obligations	16,353	13,923	8,454
	<u>105,684</u>	<u>92,431</u>	<u>88,503</u>
<b>Current Liabilities</b>			
Payables	129,947	107,798	102,229
Due to related parties	40,311	27,249	32,649
Bank overdraft	29,729	11,253	30,405
Current portion of loans	4,047	13,887	16,449
Finance lease obligations	4,937	4,025	2,347
	<u>208,971</u>	<u>164,212</u>	<u>184,079</u>
<b>Total Equity and Liabilities</b>	<u><u>866,465</u></u>	<u><u>703,045</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)  
**NINE (9) MONTHS ENDING JULY 31, 2018**

	Unaudited Nine (9) Months Ended July 31, 2018 \$'000	Unaudited Nine (9) Months Ended July 31, 2017 \$'000	Unaudited Quarter Ended July 31, 2018 \$'000	Unaudited Quarter Ended July 31, 2017 \$'000	Audited Year ended October 31, 2017 \$'000
<b>REVENUE</b>	1,065,761	941,780	363,708	289,628	1,175,427
Direct expenses	<u>(554,119)</u>	<u>(494,291)</u>	<u>(199,758)</u>	<u>(146,565)</u>	<u>(610,262)</u>
<b>Gross profit</b>	511,642	447,489	163,950	143,063	565,165
Other operating income	<u>2,384</u>	<u>573</u>	<u>373</u>	<u>136</u>	<u>2,229</u>
	514,026	448,062	164,323	143,199	567,394
<b>EXPENSES</b>					
Administrative and general	310,932	270,201	110,953	92,202	362,099
Selling and promotion	14,678	10,208	(746)	3,074	8,223
Depreciation	69,298	53,530	24,417	16,349	73,443
	<u>394,908</u>	<u>333,939</u>	<u>134,625</u>	<u>111,625</u>	<u>443,765</u>
<b>OPERATING PROFIT</b>	119,118	114,123	29,698	31,574	123,629
Finance costs	<u>(13,640)</u>	<u>(12,969)</u>	<u>(5,153)</u>	<u>(5,280)</u>	<u>(15,446)</u>
<b>PROFIT BEFORE TAXATION</b>	105,478	101,154	24,545	26,294	108,183
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,136)</u>
<b>Net profit</b>	105,478	101,154	24,545	26,294	101,047
Other Comprehensive Income:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>105,478</u>	<u>101,154</u>	<u>24,545</u>	<u>26,294</u>	<u>101,047</u>
<b>Earnings per share for profit attributable to the equity holders of the company:</b>					
Number of shares	300,005	280,005	300,005	300,005	285,005
Earnings per share	<u>0.35</u>	<u>0.36</u>	<u>0.08</u>	<u>0.09</u>	<u>0.35</u>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY**  
**(unaudited)**  
**NINE (9) MONTHS ENDING JULY 31, 2018**

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
<b>BALANCE AT OCTOBER 31, 2017</b>	<b>103,652</b>	<b>342,680</b>	<b>446,332</b>
<b>TOTAL COMPREHENSIVE INCOME:</b>			
Net profit	-	105,478	105,478
<b>TRANSACTIONS WITH OWNERS:</b>			
Shares issued and paid in full	-	-	-
Shares issue costs	-	-	-
Issue of bonus shares	-	-	-
	-	-	-
	-	105,478	105,478
<b>BALANCE AT JULY 31, 2018</b>	<b>103,652</b>	<b>448,158</b>	<b>551,810</b>
<b>BALANCE AT OCTOBER 31, 2016</b>	<b>-</b>	<b>242,233</b>	<b>242,233</b>
<b>TOTAL COMPREHENSIVE INCOME:</b>			
Net profit	-	101,154	101,154
<b>TRANSACTIONS WITH OWNERS:</b>			
Shares issued and paid in full	120,002	-	120,002
Share issue costs	(16,987)	-	(16,987)
Issue of bonus shares	600	(600)	-
	103,615	(600)	103,015
	103,615	100,554	204,169
<b>BALANCE AT JULY 31, 2017</b>	<b>103,615</b>	<b>342,787</b>	<b>446,402</b>



**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF CASH FLOWS**  
(unaudited)  
**NINE (9) MONTHS ENDING JULY 31, 2018**

	Unaudited Nine (9) Months Ended July 31, 2018 \$'000	Unaudited Nine (9) Months Ended July 31, 2017 \$'000	Audited Year ended October 31, 2017 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit	105,478	101,154	101,047
<b>Items not affecting cash resources -</b>			
Depreciation	69,298	53,530	73,443
Interest expense	10,478	10,230	12,123
Interest income	(155)	(65)	(205)
Exchange loss / (gain) on foreign balances	(1,633)	(2,610)	(3,293)
Taxation expense	-	-	7,136
Loss / (gain) on disposal of property, plant and equipment	1,454	170	511
<b>Operating cash flows before movements in working capital</b>	<b>184,920</b>	<b>162,409</b>	<b>190,762</b>
<b>Changes in operating assets and liabilities</b>			
Receivables	(124,418)	(24,683)	(17,794)
Related party balances	633	(18,946)	(43,128)
Payables	27,718	(7,848)	(16,191)
	<b>88,853</b>	<b>110,932</b>	<b>113,649</b>
Taxation paid	(126)	(1,691)	(1,878)
<b>Cash provided by operating activities</b>	<b>88,727</b>	<b>109,241</b>	<b>111,771</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	(160,289)	(109,157)	(137,275)
Proceeds from disposal of property, plant and equipment	-	1,469	8,141
Interest received	155	65	205
<b>Net cash used in investing activities</b>	<b>(160,134)</b>	<b>(107,623)</b>	<b>(128,929)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Loans received	38,062	19,587	13,087
Loan repayments	(19,665)	(40,303)	(19,584)
Interest paid	(10,478)	(10,230)	(12,123)
Proceeds from issue of ordinary share - net	-	103,015	103,052
<b>Net cash provided by financing activities</b>	<b>7,919</b>	<b>72,069</b>	<b>84,432</b>
<b>NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(63,488)</b>	<b>73,687</b>	<b>67,274</b>
Exchange (gain) / loss on foreign cash balances	1,631	2,045	629
<b>Cash and cash equivalents at beginning of year</b>	<b>60,841</b>	<b>(7,062)</b>	<b>(7,062)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>(1,016)</b>	<b>68,670</b>	<b>60,841</b>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(unaudited)**  
**NINE (9) MONTHS ENDING JULY 31, 2018**

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**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)  
**NINE (9) MONTHS ENDING JULY 31, 2018**

**4. MOVEMENT IN FIXED ASSETS**

	<u>Freehold Building</u>	<u>Equipment</u>	<u>Leasehold Improvements</u>	<u>Furniture &amp; Fixtures</u>	<u>Rentals, Décor &amp; Tent Fittings</u>	<u>Computer Equipment</u>	<u>Audio and Filming</u>	<u>Motor Vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>At Cost/Valuation</b>									
Beginning of period	-	201,178	6,444	6,382	10,610	34,169	399,733	54,708	713,225
Current period Additions	34,405	21,817	601	3,169	65,835	8,708	12,384	13,370	160,289
Current period Disposals	-	-	-	-	-	-	-	(3,489)	(3,489)
<b>End of Period</b>	<u>34,405</u>	<u>222,996</u>	<u>7,045</u>	<u>9,551</u>	<u>76,444</u>	<u>42,877</u>	<u>412,117</u>	<u>64,589</u>	<u>870,025</u>
<b>Accumulated Depreciation</b>									
Beginning of year	-	66,894	1,895	2,908	370	24,902	165,605	29,569	292,143
Charge for period	214	23,743	523	468	8,626	2,188	28,783	4,753	69,298
Disposals	-	-	-	-	-	-	-	(2,035)	(2,035)
<b>End of period</b>	<u>214</u>	<u>90,637</u>	<u>2,418</u>	<u>3,376</u>	<u>8,996</u>	<u>27,090</u>	<u>194,388</u>	<u>32,287</u>	<u>359,406</u>
<b>Net Book Value</b>									
End of period	<u>34,191</u>	<u>132,359</u>	<u>4,627</u>	<u>6,175</u>	<u>67,448</u>	<u>15,787</u>	<u>217,729</u>	<u>32,302</u>	<u>510,619</u>
End of prior period	<u>-</u>	<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)  
**NINE (9) MONTHS ENDING JULY 31, 2018**

	Unaudited July 31, 2018 \$'000	Unaudited July 31, 2017 \$'000	Audited October 31, 2017 \$'000
<b>5. SHARE CAPITAL</b>			
Authorized ordinary shares of no par value	<u>103,652</u>	<u>103,652</u>	<u>103,652</u>
Issued ordinary shares of no par value	<u>103,652</u>	<u>103,652</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>300,005,000</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 JULY 31, 2018**

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<b>Top Ten (10) Stockholders</b>	<b>Number of Shares Held</b>
MEEG Holdings Limited	240,004,000
Mayberry Jamaican Equities Limited	31,059,891
Konrad Berry	1,439,250
PWL Bamboo Group Holdings Limited	1,439,250
Ian Blair	1,220,085
SSL Money Managers Growth	1,165,361
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

<b>Directors</b>	<b>Number of Shares Held</b>
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	61,912