MAINEVENT
Entertainment Group Limited.

2018 Annual Report

TABLE OF Contents

Vision, Mission AND Core Values

OUR MISSION "We are just a bunch of passionate people committed to creating magical memories. We believe in doing almost anything to deliver your crazy ideas; bringing the best of the world to satisfy the imagination and beyond."

OUR VISION "To be the region's number one brand in delivering phenomenal experiences."

CORE VALUES

1. Create phenomenal experiences.
2. Deliver excellence through service.
3. Challenge the industry through innovation & creativity.
4. Be solution-oriented.
5. Be self-motivated.
6. Communicate with a positive, open & respectful attitude.
7. Celebrate & support each other - one team, one family.
8. Be accountable - accept responsibility.
9. Exceed all expectations.
10. Always show up - committed, dedicated & professional.
11. Be humble, compassionate & caring.
12. Do the right thing, always.

NOTICE OF Annual General Meeting

Notice is hereby given that the Annual General Meeting of Main Event Entertainment Group Limited (the "Company") will be held on Tuesday, March 26, 2019, 10:30 am, at the Knutsford Court Hotel in Kingston, to consider, and if thought fit, pass the following resolutions:

1. AUDITED ACCOUNTS

To receive the Audited Accounts for the financial year of the Company ended 31 October 2018, together with the Reports of the Directors and Auditors thereon.

Ordinary Resolution No. 1

'That the Audited Accounts for the financial year of the Company ended October 31, 2018, together with the Reports of the Directors and Auditors thereon, be and are hereby adopted.'

2. ELECTION OF DIRECTORS

In accordance with Article 97 of the Company's Articles of Incorporation, Ms. Donna Waithe and Dr. Ian Blair retire from office by rotation, and being eligible, offer themselves for re-election.

Ordinary Resolution No. 2

'That Ms. Donna Waithe be and is hereby re-elected a Director of the Company.'

Ordinary Resolution No. 3

'That Dr. Ian Blair be and is hereby re-elected a Director of the Company.'

3. DIRECTORS' REMUNERATION

To authorise the Board of Directors to fix the remuneration of Directors.

Ordinary Resolution No. 4

'That the amount shown in the Audited Accounts for the year ended 31 October 2018 as fees to the Directors for services as Directors, be and is hereby approved.'

4. RE-APPOINTMENT AND REMUNERATION OF AUDITORS

To appoint the Auditors and authorise the Board of Directors to fix the remuneration of the Auditors.

Ordinary Resolution No. 5

'That BDO Chartered Accountants who have consented to continue as the auditors of the Company be and are hereby re-appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company.'

5. OTHER ROUTINE BUSINESS

To deal with any other business that is considered routine and appropriate for the Annual General Meeting.

Ordinary Resolution No. 6

'To transact any other ordinary business of the Company that can be transacted at an Annual General Meeting.'

Dated this 20th day of February, 2019

BY ORDER OF THE BOARD

RICHARD BAIR
COMPANY SECRETARY

NOTE: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed and, if it is used, it should be completed in accordance with the instructions on the form and returned so as to reach the Company's Registrar at the address shown on the form not less than forty-eight (48) hours before the time fixed for the meeting.


PAN
PAN
PAN
SMALL
BUSINESS
LOANS

DIRECTORS' Report

The Directors are pleased to submit their report along with the Audited Financial Statements of the Company for the year ended October 31, 2018.

Over the recent past our mission has been to expand our footprint from being just about events to being all about our clients products and reaching their target customers through the best possible channels. Therefore our future initiatives are geared towards acquiring or developing the necessary businesses that will allow us to refine this mission.

Financial Results

The Company achieved record revenue of **$1.397253 billion** as at the end of 2018 financial year, an increase of 19 percent over $1.175426 billion in 2017. .

Total assets increased from $719 million to $942 million in 2018, a 24% growth.

Dividends

No dividends were announced or paid to shareholders of the Company in the financial year 2018.

Directors

The Directors of the Company as at October 31, 2018, were:

Harriat Maragh	Chairman		
Solomon Sharpe	Executive Director	Dr. Ian Blair	Independent Member
Richard Bair	Executive Director	Hugh Graham	Independent Member
Donna Waithe	Executive Director	Tania Waldron-Gooden	Independent Member

Auditors

BDO Chartered Accountants of 26 Beechwood Avenue, Kingston 5, Saint Andrew will continue in office as Auditors in accordance with the provisions of Section 154(2) of the Companies Act.

Dated February 20, 2019 , BY ORDER OF THE BOARD

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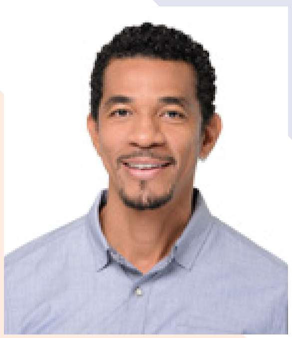
Richard Bair

Company Secretary

BOARD OF Directors

Solomon Sharpe
Chief Executive Officer

Solomon O. Sharpe is the founder and CEO of the Company. Mr. Sharpe spearheads the Client Relations, Business Development and Product Diversification departments of the Company. Prior to founding the Company, he worked at Desnoes and Geddes and developed new approaches to event planning, marketing and promotion, focusing on sporting events in particular including the Red Stripe Super Stakes, Red Stripe Cup Cricket, Red Stripe Bowl Cricket and the Red Stripe Cricket Mound, as well as music events such as Reggae Sunsplash and Reggae Sumfest. Solomon is also Chairman of the Board of Directors for Supreme Ventures Racing & Entertainment Limited.



Richard Bair
Chief Operating Officer
Company Secretary

Richard Bair currently serves as Chief Operating Officer of the Company. He is responsible for the day to day commercial and financial operations of the business, and has oversight of large-scale projects/events. Prior to forming the Company, Mr. Bair worked at Cable and Wireless, Porter Brothers, and his proprietary entertainment promotions business, RAS Promotions.

Harriat Maragh
Independent Non-Executive Director

Harriat (Harry) Maragh is currently the Chief Executive Officer of Lannaman & Morris Shipping Limited. Mr. Maragh has worked in the local shipping industry for over 20 years, having previously acted as Freight Sales Representative for both Hapag Lloyd and Harrison Line in Jamaica. He is also Chairman of the Kingston Port Workers Superannuation Fund and Metro Investments Limited as well as a Past President of the Shipping Association of Jamaica. His other associations include the Shipping Association of Jamaica, Shipping Association of Jamaica Property Limited, Seafreight Agencies Inc., ADVANTUM, National Cruise Council of Jamaica and Assessment Recoveries Limited. Mr. Maragh is a member of the Institute of Chartered Shipbrokers. He has been a lecturer in the Jamaica National Export Corporation (JNEC) training program for new employees in the shipping industry. Mr. Maragh attended Humber College of Applied Arts and Technology in Toronto, Canada.

Donna Waithe

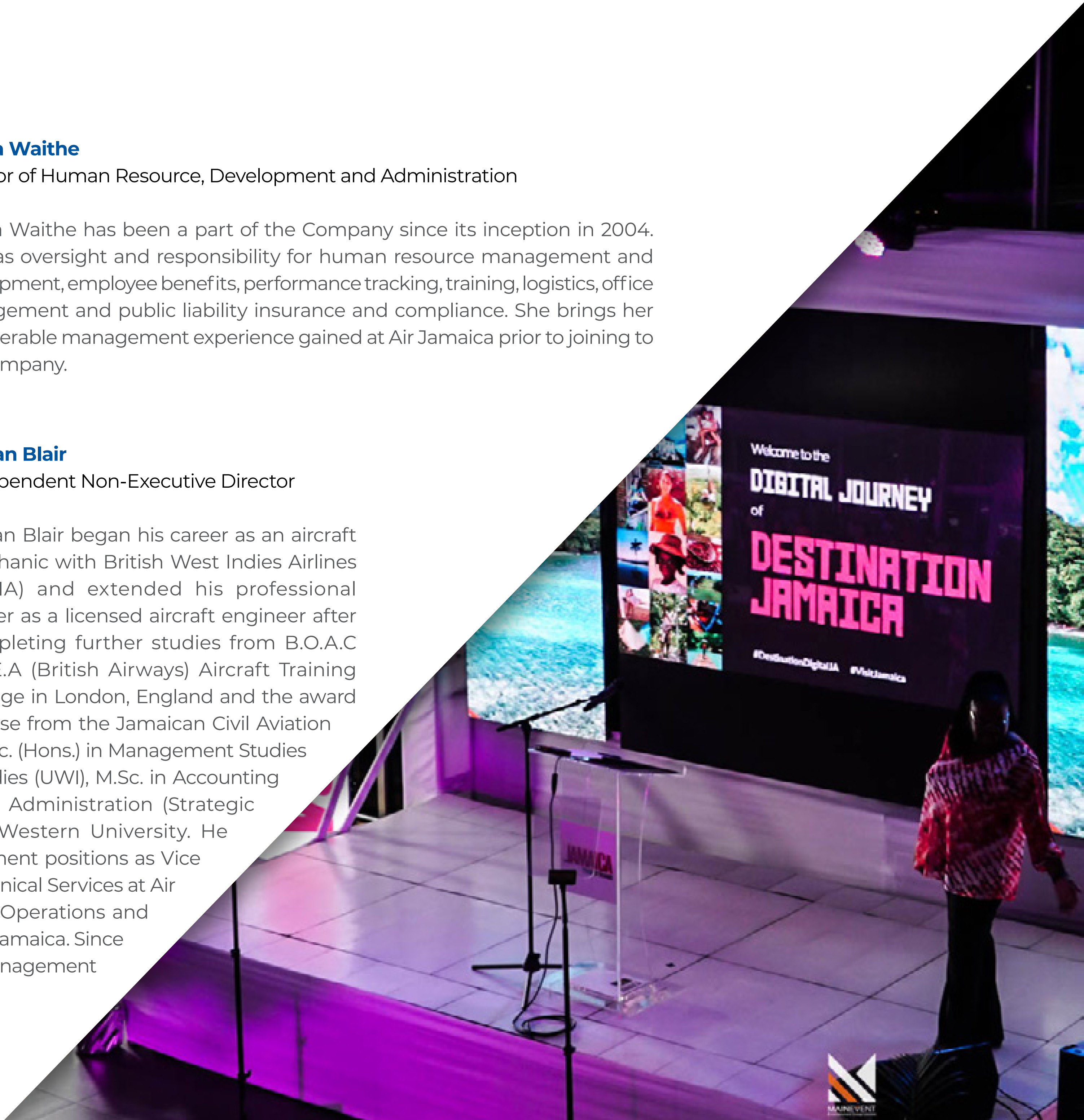
Director of Human Resource, Development and Administration

Donna Waithe has been a part of the Company since its inception in 2004. She has oversight and responsibility for human resource management and development, employee benefits, performance tracking, training, logistics, office management and public liability insurance and compliance. She brings her considerable management experience gained at Air Jamaica prior to joining to the Company.

Dr. Ian Blair

Independent Non-Executive Director

Dr. Ian Blair began his career as an aircraft mechanic with British West Indies Airlines (BWIA) and extended his professional career as a licensed aircraft engineer after completing further studies from B.O.A.C / B.E.A (British Airways) Aircraft Training College in London, England and the award of a civil aircraft engineer's license from the Jamaican Civil Aviation Authority. Dr. Blair received a B.Sc. (Hons.) in Management Studies at the University of the West Indies (UWI), M.Sc. in Accounting (UWI) and a Ph.D. in Business Administration (Strategic Management) from Kennedy-Western University. He previously held senior management positions as Vice President Maintenance and Technical Services at Air Jamaica, Senior Vice President Operations and Development, Port Authority of Jamaica. Since 2005, Dr. Blair has worked as a Management and Aviation consultant.



Hugh Graham
Independent Non-Executive Director

Mr. Hugh Graham founded Paramount Trading (Jamaica) Limited in 1991 and has been its Chief Executive Officer and Managing Director since February 1991. Prior to forming the company, Mr. Graham was a sales agent for international chemical manufacturers and distributors of May and Baker Limited and Rhone Poulenc Inc. Under his guidance Paramount Trading has grown considerably and is now a publicly traded company listed on the Junior Market of the JSE. In addition to his role on the board of Paramount Trading, Mr. Graham has served as Councillor of the St. Catherine Parish Council for the Lluidas Vale Division since 2007. He has also served on the Boards of The JUTC, Spectrum Management Authority, Ultimate Tyre Company, the National Water Commission and Rural Water Supply Limited.

Tania Waldron – Gooden
Independent Non –Executive Director, Mentor

Tania Waldron-Gooden is the Senior Vice President, Corporate Finance, Research & Special Projects at Mayberry Investments Limited. As the Mentor of the Company, she is responsible for providing the Board with support in establishing proper procedures, systems and controls for its compliance with the Junior Market Rule requirements for financial reporting, good corporate governance, and the making of timely announcements. Mrs. Waldron-Gooden joined Mayberry as a Management Trainee approximately seven years ago. She rotated through the Research, Asset Management, Equity Trading, Corporate Financing, Risk & Compliance and Information Technology departments. Before joining Mayberry, Mrs. Waldron-Gooden worked in Pension Fund and Client Portfolio Management. She holds a B.Sc. (Hons.) in Geology from the UWI. Mrs. Waldron-Gooden also holds an M.B.A. from the University of Sunderland. Mrs. Waldron-Gooden has completed the Jamaica Securities Course as well as the Canadian Securities Course administered by the Canadian Securities Institute.

MANAGEMENT Team

A great company starts with a great team. As experienced leaders within their respective market disciplines, our management team collaborates to protect and grow our business success and shareholder value.

Main Event Management Team

Solomon Sharpe
Chief Executive Officer

Richard Bair
Chief Operating Officer

Shermaine Bolton
Client Services Operations Manager

Sasha Forrester
Manager Operations, Business Development and Optimization Unit

Donna Hussey
Corporate Affairs Manager

Glendon Phillips
Field Services Manager

Elaine Maharaja-Rattray
Processes, Training & Development Manager

Kim-Natalie Moodie
Commercial Operations Manager - Western Division

Gregory Seymour
Finance Manager

CHAIRMAN'S Report

On behalf of the Board of Directors, I am pleased to report that Main Event Entertainment Group Limited (MEEG) has completed yet another year of improved performance and growth, from both an operational and financial perspective.

The 2018 financial year has delivered revenue growth of 19%, which can be accredited to substantial sales advancement, cutting-edge product offerings and continual operational improvements.

Throughout the year, the Company has devoted efforts and placed heavy focus on identifying unique and modern trends, while simultaneously establishing and executing new brand initiatives and ideas.

Our recently established and high-end decor division, has been well received, playing a significant role in the overall growth of the company's revenue, with the help of stunning executions, delivery and a calculated increase in media presence.

As the premier entertainment company in Jamaica, it has always been MEEG's goal to bolster our operation and reach. In an effort to expand the business and amplify our product offerings, the company has acquired a base for M Style XP on Ardenne Road in Kingston, where we can concurrently showcase our products while supplying our own business needs and house staff.

We have increased our commitment to serving the Western end of the island, as well as providing a solid platform for client growth by securing a new location in Montego Bay, St. James.

The 2018 financial year was not without its challenges, but as a team we continue to rise to the occasion. The year closed with a net profit of $94.66 million, representing earnings of $0.32 per share. This embodies a 6% reduction from $101.05 million concerning the 2017 financial year.

Profit levels reflect the brunt of direct cost rates, higher depreciation of our growing asset base, the investment in our staff, acute marketing action, research and development.

While MEEG remains number one in the industry, we understand that there is competition and will never rest on our laurels, thus we continue to make strategic steps to ensure that we remain at the top.

We recognize that our long-term success will be attributed to our staff, and as we continue to grow, we remain cognizant that the business demands highly skilled individuals, with experience and dedication to our cause. With this in mind we have been deliberate in our commitment to training our personnel through various coaching and research initiatives, which will in turn be profitable for our company and the building of the nation.

As we prepare for the future, it is our aim to continuously grow while consolidating the business from a geographical and third party service standpoint, in an effort to reduce costs.

I would like to take this opportunity to thank you, our stakeholders, for your continued support. We hope to continue to exceed your expectations as we promote Main Event and expand its offerings in 2019 and beyond.

Harriat Maragh

Our long-term success will be attributed to our staff. We remain cognizant that the business demands highly skilled individuals, with experience and dedication to our cause.

MANAGEMENT Discussion & Analysis

After 13 years of event management, digital signage promotions and corporate event services, the Company's shares were listed on the Junior Market of the Jamaica Stock Exchange. The Company continues to provide services to clients in countries across the English, French & Dutch speaking Caribbean along with select countries in Central America. As a company, we continue to set the standard for production services in the entertainment industry.

At the close of the 2018 financial year, the Company's market capitalization grew to $1.95 billion with the stock hitting $6.50 on October 31, 2018 or 15.60 percent higher than the $1.69 billion in the previous financial year, when the stock closed at $5.62. Contextually, the stock was listed in February 2017 at $2.00.

2017-2018 Financial Results

Revenues

At the end of the 2018 financial year, and for the third consecutive year, revenues have remained robust as the Company achieved record revenue of $1.4 billion, an increase of 19 percent over $1.18 billion in 2017. Growth in revenues was driven by an increase in customer base as well as product offering.

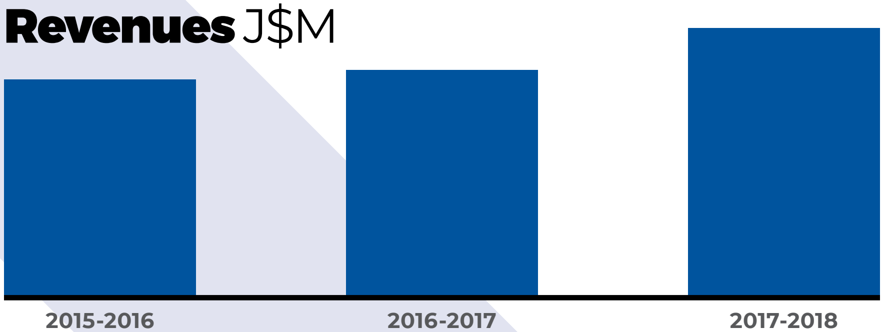
The Company expects to continue to deliver strong revenue over the next financial year. This strong revenue expectation has been bolstered by the addition of the M Style XP brand as well as the Company's investments in the latest cutting-edge equipment and technology.

Segment results showed that revenue from the Company's entertainment promotions operations stood at J$1 billion which accounted for 71.50 percent of overall revenue. This segment grew revenues by $164 million year-on-year due in part to an increased marketing spend from major clients.

Main Event also earned $222.10 million from its audio & film operations, which represented 15 percent of total revenues which increased $2.60 million when compared to earnings of $219.55 million in the 2017 financial year. During the financial year, revenue from digital signage totaled $77.3 million, or 5.5 percent of total revenues which declined $42.30 million from $119.60 million in the 2017 financial year.

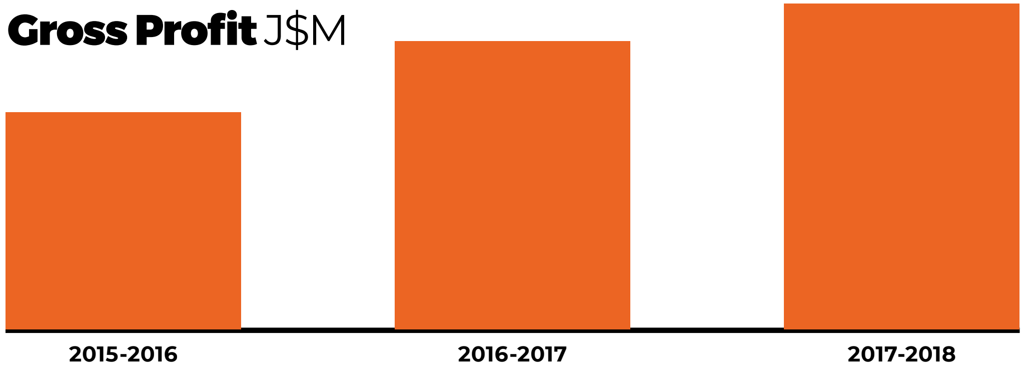
M Style XP earned $63.6 million in its initial year of operation or 4.5 percent of total revenue with a favourable outlook for 2019.

Revenues J$M



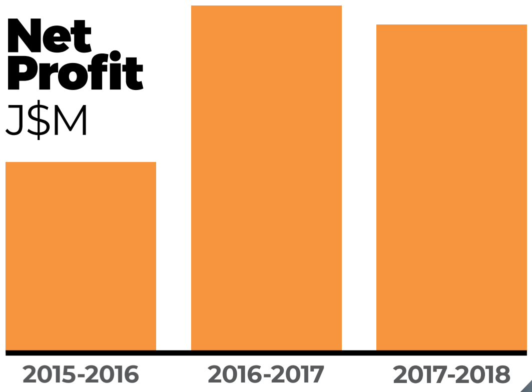
Gross Profit

Gross profit margin remained stable at 46 percent as compared to 48 percent in the 2016-2017 financial year. We have managed to keep operating cost in line with growth in revenues. Again, as with revenues, there was a significant growth of 13 percent in gross profit performance when compared to the previous financial year.

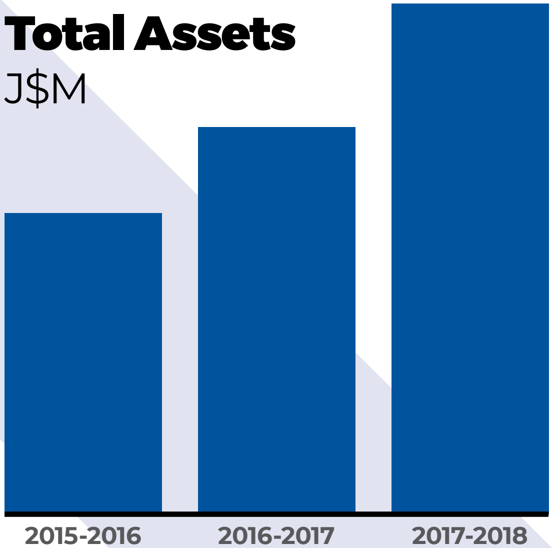


Net Profit

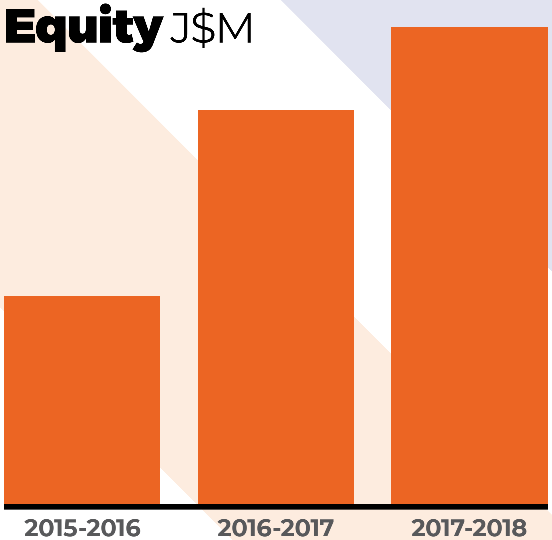
There was a marginal decline in net profit margins in the 2017-2018 financial year when compared to the net profit margin of 2016-2017 financial year. The 2017-2018 results showed a 2 percent fall in net profit margin to 7 percent when compared to the 9 percent achieved in the 2016-2017 financial year. The 7 percent margin however was in line with the average of the last three financial years. The flatter net profits in 2017-2018 was driven by higher admin cost associated with the investment and operations of the M Style XP. We expect a levelling over the next financial year with improvement expected in this key indicator.



Total Assets J$M



Equity J$M



Total Assets

In order to maintain the level of growth desired and increase shareholder value, the Company continued its aggressive investment in Property, Plant and Equipment during the 2017-2018 financial year. This was evidenced by a $223 million or 31% growth in total assets which now stands at $942 million when compared to the $719 million for the last financial year. This investment will be the catalyst for stronger revenues and improved performance for the foreseeable future.

Equity

The year ended 2018 saw a 21% growth in equity of $541 million and a 31% increase in total assets of $941.50 million, and group equity of $541 million.

The rise in equity was due to increased retained earnings. The growth in equity was also backed up by the declaration of dividends for the financial year. The Company expects continued growth in equity as our investments in property, plant and equipment continue to bear fruit.

M Style XP

As purveyors of luxury experiences, lifestyle brand M Style XP is an exclusive full-service event planning, and design division of MEEG offering high-end services for weddings and corporate events.

Creating memorable experiences tailored to fit client needs and style, the division is devoted to exceptional service while providing superior value that makes it a top choice in the market.

M Style XP has surpassed the Company's expectations, and thus far we are thrilled with the response. The division has made headway in the market through innovation and in its offerings of premium fixtures and furniture that differentiates itself in the marketplace. Being vertically integrated, there are no major capacity constraints, which allows us to scale-up and fulfill multiple events per day.

While the division currently has less than 5 percent of the wedding and corporate events market, it is poised to grow its market share and foresees an increase year after year. This will be further enhanced with the recent opening of the Company's Montego Bay location, and as the build out continues, it will increase human resource.

Business Outlook

In the 2019 financial year, the Company expects an 8 to 10 percent growth in revenues, fueled from core activity and M Style XP revenue streams. During the financial year, we invested $186 million in addition to the Company's fixed assets with $83.5 million of the amount spent on M Style XP. The Company projects capital investments of US$1 million in 2019 financial year. Contextually, the Company outsources about 10 to 15 percent of its total output, most of which entails minor activities including catering, bar services, ushers from external suppliers. The Company intends to reduce that level in the ensuing financial year.

Main Event has a service-oriented culture and has built a tradition focused on satisfying the needs of its clients. From conception to execution, we deliver the highest quality, and a state-of-the-art experience. In recent years, we expanded the Company's footprint from being just about events, to being all about providing the best possible channel for the Company's client's products to reach their target audience. Therefore, the Company's future initiatives are geared towards acquiring or developing the necessary businesses that will allow us to refine this mission.

With an uptick in the economy, we foresee an improvement in our business as confidence in the market continues to grow. We do, however, understand that macro-economic factors such as the exchange rate and depreciation of the dollar can negatively affect operations as most of our inventory is purchased overseas. Also, our local rental rates are relatively set, which can adversely affect the business.

Staff and Human Resource Development

One of the challenges to the growth of the Company includes the need for proficient technical personnel entering the field. There are no facilities in the island that adequately train audio and visual technicians at professional standards. Due to this we have been forced to provide in-house training for the Company's staff and feel we can provide this service to the wider public. To fill this void we will eventually set up an M Academy in the medium to long term. It however requires finding suitable tutors and trainers to take this concept to students. Ultimately, we see the opportunity to increase the pool of talent in the industry, which will redound to the benefit of Main Event and the nation on a whole.

We are optimistic about the prospects of the entertainment sector due to an increasingly vibrant economy, and also see a lot of opportunity in the tourism sector based on new hotels and record tourist arrivals to the island. Main Event is therefore well poised to take advantage of such opportunities due to our recently opened office in the West.

OUR Community

Our Team

Main Event's continued success rests with our talented team members, extraordinary persons who are passionate about delivering phenomenal experiences to our clients. Our staff complement increased in 2018 to over 200, which includes both permanent and contracted employees.

In 2018 we continued to invest in Team ME and spent considerable resources on training and development programs, which included:

- **Action Coach; Engage and Grow** for the Management Team and emerging Team Leaders
- **Project Management Essentials** course for our Client Services Team members
- **Customer Service Training** for all permanent and contracted staff members
- **SCRUM: (Agile Project Management Workshop)** for Managers and Team Leads
- **Performance MGT & Evaluation workshop** for key department Managers
- **Inventory & Warehouse Management** workshop for our Warehousing Team
- **Transitioning to Supervisor training** for our Creative Agency and Client Services Team
- **Procurement and Logistics workshop:** For our Transportation, Fleet and Facilities departments

During the year various staff from key departments were facilitated in upgrading their skills through local and overseas workshops and trade shows. This initiative continues as a part of our strategic vision of exposing and educating the team in what's trending within the event industry. Our team experienced this year; Live Design International (LDI) 2018 in Las Vegas, Kingston and Mo-Bay Bridal expo and conference for the M Style team, The Special Event Trade Show 2018 in San Diego and The Digital Signage Expo 2018 in Las Vegas.

New Showroom and Office

Our M Style XP team has moved into their beautiful new space and showroom on Ardenne Road in Kingston. The team will have the ability to showcase their style offerings from their showroom as well as host consultations with their clients.

2018 Highlights

We continue to promote strong communications across all areas of the company and have implemented weekly management and team lead meetings. This has also become mandatory for all departments who now hold weekly briefings with their direct reports to assess the week before and plan the week ahead. The highlight of the year however was our company wide "Team Alignment Day". This Action Coach initiative saw all members of staff coming together for a fun filled day session of setting and aligning personal and company goals for 2018.

Nominations/Awards

Main Event Entertainment Group Ltd had the proud honour of being nominated for "Best of Chamber"- Medium Enterprises in the prestigious Jamaica Chamber of Commerce awards for business excellence 2018.


TEAM ALIGNMENT DAY
MAINEVENT
Means Of Escape
The structural means whereby a safe route or routes are provided for persons to travel from any point in a building to a place of safety by their own unaided effort.
TEAM WORK
MAINEVENT

CORPORATE SOCIAL *Responsibility*

It is extremely important for a business entity in the pursuit of success to also be good corporate citizens. This is an area that we are very passionate about and strive to promote corporate social responsibility throughout every aspect of our business.

One might wonder how an entertainment and event execution company can make a positive difference in the lives of everyday Jamaicans? The answer is simple: forging partnerships with initiatives that are specifically geared towards charities, and community outreach. Partnering with these events will usually takes the form of a special partnership pricing which aids in underwriting the execution costs of the event, allowing more earnings for the specific charity or community program.

During our last financial year, we sponsored production equipment and services for many charitable and community outreach initiatives including but not limited to:

- Father Holung and Friends
- RJR Gleaner Honour Awards
- Association of Surgeons Charity Concert
- Miss Kitty Blood Drive
- Digicel 5K Run for Special Needs
- Association of Surgeons Charity Concert
- West Central Hope Charity Gospel Concert

Main Event is also particularly passionate about our civil servants and are always available to support their fundraising initiatives throughout the year. We lend continued support to our hard-working Police Force especially and our Fire Department through events and initiatives such as:

- Fire Safety Awareness Week
- The JCF Mobile Reserve Awards Ceremony
- Half Way Tree Police Station Holiday décor
- Kingston Central Fundraising Concert

Being an entertainment company operating within the creative sector we also make a point each year to give back to the arts by providing first class equipment and production expertise to events such as:

- Actor Boy Awards
- Edna Manley School for the Visual Arts End of Year Concert
- L'Adco Season of Dance recital

As a company we also contribute and participate in several charity runs including the Digicel Foundation 5k and the Sigma Corporate Run which benefits Special Needs, Children's Homes, Hospitals and Rehabilitation Centres.


Jamaica Broilers Group Limited
NOW SHOWING
MAINEVENT
MAINEVENT

CORPORATE Data

BOARD OF DIRECTORS:

Harriat Maragh	Chairman
Solomon Sharpe	Executive Director
Richard Bair	Executive Director
Donna Waithe	Executive Director
Dr. Ian Blair	Independent Member
Hugh Graham	Independent Member
Tania Waldron	Independent Member

Board of Directors (L-R): Hugh Graham, Dr. Ian Blair, Harriat Maragh, Donna Waithe, Solomon Sharpe, Tania Waldron-Gooden, Richard Bair

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AUDITORS:
BDO
Chartered Accountants
26 Beechwood Avenue
Kingston 5, Saint Andrew

REGISTRAR:
Jamaica Central Securities
Depository Limited
40 Harbour Street
Kingston

BANKERS:
National Commercial Bank Limited
Knutsford Boulevard Branch
1 Knutsford Boulevard
Kingston 5, Saint Andrew

Sagicor Bank Jamaica Limited
Head Office
17 Dominica Drive Road
Kingston 5, Saint Andrew

Scotiabank Jamaica Limited
Hagley Park Road Branch
128 Hagley Park Road
P.O. Box 5
Kingston 10, Saint Andrew

ATTORNEYS:
Patterson Mair Hamilton
Attorneys-At-Law
Temple Court
85 Hope Road
Kingston 6, Saint Andrew

MENTOR:
Tania Waldron-Gooden

COMPANY SECRETARY:
Richard Bair

AUDIT AND COMPLIANCE COMMITTEE MEMBERS:

Dr. Ian Blair..................... Independent Chairman
Hugh Graham .... Independent Member
Tania Waldron – Gooden ...... Independent Member

COMPENSATION COMMITTEE MEMBERS:

Solomon Sharpe.............. Chairman
Richard Bair.................... Member
Dr. Ian Blair..................... Independent Member
Hugh Graham .... Independent Member
Harriet Maragh................ Independent Member
Tania Waldron-Gooden .... Independent Member
Donna Waithe .... Member

DISCLOSURE OF *Shareholdings*

TOP TEN (10) SHAREHOLDERS

Shareholder(s)	Shares Held	%
Meeg Holdings Limited	240,004,000	80.00
Mayberry Jamaican Equities Limited	30,450,566	10.15
PWL Bamboo Holdings Limited	1,439,250	0.48
Konrad Berry	1,439,250	0.48
Ian Blair	1,220,085	0.41
SSL Money Managers Growth	1,079,070	0.36
Lannaman & Morris (Shipping) Limited	1,039,505	0.35
Owen Sharpe	1,000,000	0.33
Hugh Graham	976,376	0.33
Duncan P. Stewart	865,866	0.29

DIRECTORS' SHAREHOLDINGS

Primary Holder(s)	Joint Holder (s)	Shares Held	%
Harry Maragh	Lannaman & Morris (Shipping) Limited	1,039,505	0.35
Donna R. Waithe	Owen Sharpe (1,000,000)	1,847,763	0.62
Hugh Graham		976,376	0.33
Ian Blair		1,220,085	0.41
Tania Waldron-Gooden		61,912	0.02
Meeg Holdings Limited	Mr. Richard Bair & Solomon Sharpe	240,004,000	80.00

MANAGERS' SHAREHOLDINGS

Primary Holder(s)	Shares Held	%
Elaine Maharaja-Rattray	34,742	0.0
Shermaine Grant	30,064	0.0
Donna Hussey	21,035	0.0

CORPORATE *Governance*

In strong efforts to bolster the strength of the Company and increase shareholder value, the Board of Directors of Main Event Entertainment Group Limited remains dedicated to effective governance – an integral part of our strategy in ensuring success and growth.

Guided by board members spanning diverse businesses and personal backgrounds, board meetings and their subsequent activities are held every two months. To tackle the varying responsibilities that come with the board, the dynamic group allows for effective oversight, strategic corporate governance, and a comprehensive approach to analysis in guiding the company to achieve its vision.

These meetings allow for the continuous review of Company performance to ensure it satisfies objectives pre-set by the management team in keeping with the existing economic, social and regulatory environment and risks of the market in which the Company operates.

The Company has now hired a Chartered Secretary who is expected to be appointed to the position of Company Secretary within the year.

The Board committees are as follows: The Finance Committee, The Audit and Compliance Committee and the Compensation Committee.

FINANCE COMMITTEE MEMBERS

Dr Ian Blair	Independent Chairman
Harriat Maragh	Independent Director
Solomon Sharpe	CEO, Director
Richard Bair	COO, Director
Hugh Graham	Independent Director
Tania Waldron-Gooden	Independent Director, Mentor
Donna Waithe	Director

FINANCE COMMITTEE ATTENDANCE

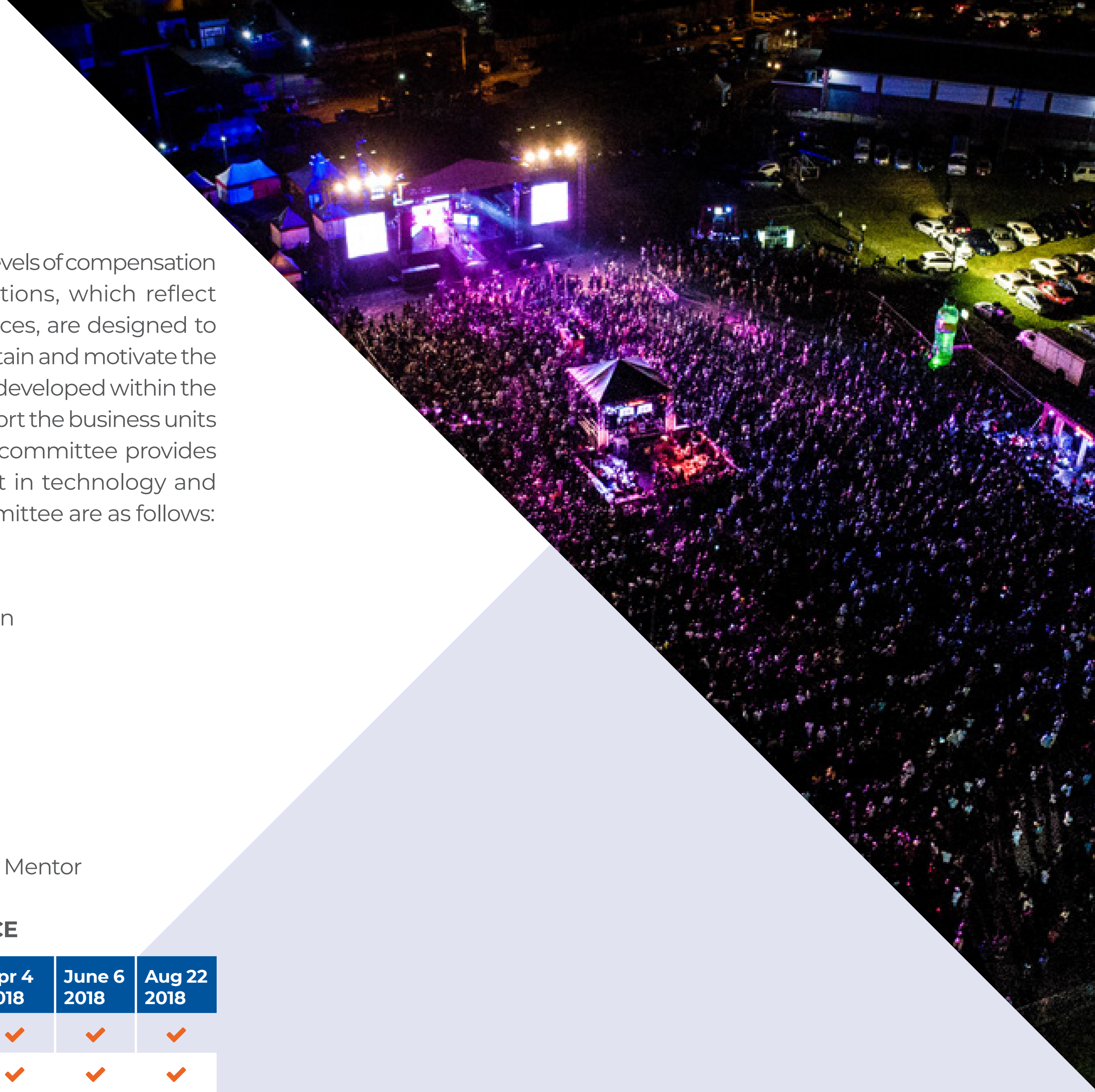
	Dec 7th 2017	Feb 21 2018	Jun 14 2018	Aug 15 2018
Dr. I. Blair	✔	✔	✔	✔
Mr. H. Maragh	✔	✔	✔	✔
Mr. S. Sharpe	✔		✔	✔
Mr. R. Bair	✔	✔	✔	✔
Ms. D. Waithe	✔	✔	✔	✔
Mr. H. Graham				✔
Mrs. T. Waldron-Gooden	✔	✔		

The Audit and Compliance Committee is composed of Non-Executive Independent Members of the Board and has the right to co-opt members of the executive management team to attend meetings as deemed necessary. The Audit Committee is an advisor to the Board and provides assurance in the areas of financial reporting, compliance with legal regulatory requirements, internal controls, risk management, internal and external audits and corporate governance. The members of the Audit and Compliance Committee are as follows:

AUDIT AND COMPLIANCE COMMITTEE MEMBERS:

Dr Ian Blair	Independent Chairman
Hugh Graham	Independent Director
Tania Waldron-Gooden	Independent Director, Mentor
Harriat Maragh	Independent Director

	Dec 7th 2017	Feb 21 2018	Jun 14 2018	Aug 15 2018
Dr. I. Blair	✔	✔	✔	✔
Mr. H. Maragh	✔	✔	✔	✔
Mr. H. Graham				✔
Mrs. T. Waldron-Gooden	✔	✔		



The Compensation Committee recommends the levels of compensation for the Executive Directors. The recommendations, which reflect performance, market conditions and best practices, are designed to ensure that the compensation plans will attract, retain and motivate the key leadership positions of the Company. Policies developed within the Compensation Committee are developed to support the business units and forward-thinking succession planning. The committee provides guidance for decisions surrounding investment in technology and talent. The members of the Compensation Committee are as follows:

COMPENSATION COMMITTEE MEMBERS

Harriat Maragh	Independent Chairman
Dr Ian Blair	Independent Director
Solomon Sharpe	CEO, Director
Richard Bair	COO, Director
Donna Waithe	Dir. HR, Director
Hugh Graham	Independent Director
Tania Waldron-Gooden	Independent Director, Mentor

BOARD OF DIRECTORS MEETING ATTENDANCE

DIRECTORS	Dec 13 2017	Feb 13 2018	Apr 4 2018	June 6 2018	Aug 22 2018
Mr. H. Maragh	✔	✔	✔	✔	✔
Dr. I. Blair	✔	✔	✔	✔	✔
Mr. S. Sharpe	✔	✔	✔	✔	✔
Mr. R. Bair	✔	✔	✔	✔	✔
Ms. D. Waithe	✔	✔	✔	✔	✔
Mr. H. Graham	✔	✔	✔	✔	✔
Mrs. T. Waldron-Gooden	✔	✔	✔		

FINANCIAL Statements

Letter from the Auditor

Tel: (876) 926-1616/7, 926-4421
Fax: (876) 926-7580
www.bdo.com.jm

Chartered Accountants
26 Beechwood Avenue
P.O. Box 351
Kingston 5, Jamaica

INDEPENDENT AUDITORS' REPORT

To the Members of
Main Event Entertainment Group Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Main Event Entertainment Group Limited ("the company") set out on pages 6 to 39, which comprise the statement of financial position as at 31 October 2018, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 October 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Main Event Entertainment Group Limited

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the key audit matters
As at 31 October 2018, trade receivables amounted to $266 Million with an impairment provision of $13.5 Million, This is considered significant as net trade receivables represent 27% of total assets. The carrying value of the company's trade receivables may not be recoverable due to changes in the ageing profile of trade receivables and changes in the business and economic environment in which specific customers operate. There is judgement involved in determining the levels of provision for impairment of these balances, because of the inherent uncertainty involved in estimating the timing and amount of future collections.	Our audit procedures included an assessment of the underlying assumptions on which the company's credit policy is made and included: • Testing the controls over recording and ageing of trade receivables and testing subsequent receipts for certain customers. • Evaluating the adequacy of the provision for impairment recognised in respect of trade receivables by assessing management's assumptions used and reperforming the calculations based on management's application of the company's policy. • Focusing on balances over 90 days overdue to determine the adequacy of the provision based on the characteristics of the customers in this category and reviewing correspondences and historical payment patterns. Based on the results of the procedures performed, no adjustments were considered necessary.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Main Event Entertainment Group Limited

Other Information

Management is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Main Event Entertainment Group Limited

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BDO

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Main Event Entertainment Group Limited

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Sonia McFarlane.

BDO

Chartered Accountants

24 December 2018

Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 31 OCTOBER 2018

	Note	2018 $'000	2017 $'000
REVENUE	6	1,397,253	1,175,427
Direct expenses		(757,137)	(610,262)
GROSS PROFIT		640,116	565,165
Other operating income	7	2,589	2,229
		642,705	567,394
EXPENSES:			
Administrative and general		417,985	362,099
Selling and promotion		19,368	8,223
Depreciation		90,370	73,443
		527,723	443,765
OPERATING PROFIT		114,982	123,629
Finance costs	8	(19,801)	(15,446)
PROFIT BEFORE TAXATION		95,181	108,183
Taxation	11	(524)	(7,136)
NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		94,657	101,047
EARNINGS PER STOCK UNIT	12	$0.32	$0.35

Statement of Financial Position

31 OCTOBER 2018

	Note	2018 $'000	2017 $'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	13	515,438	421,081
Deferred tax asset	14	5,881	6,345
		521,319	427,426
CURRENT ASSETS:			
Receivables	15	316,989	179,494
Due from related parties	16	12,573	20,144
Taxation recoverable		708	604
Cash and bank balances	17	89,959	91,246
		420,229	291,488
		941,548	718,914
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	18	103,652	103,652
Retained earnings		437,337	342,680
		540,989	446,332
NON-CURRENT LIABILITIES:			
Related party loans	16	59,699	80,049
Long term loans	19	92,167	-
Finance lease obligations	20	19,247	8,454
		171,113	88,503
CURRENT LIABILITIES:			
Payables	21	137,230	102,229
Due to related parties	16	27,177	32,649
Bank overdraft	17	24,907	30,405
Current portion of long term loans	19	34,148	16,449
Finance lease obligations	20	5,984	2,347
		229,446	184,079
		941,548	718,914

Approved for issue by the Board of Directors on 24 December 2018 and signed on its behalf by:

Dr. Ian Blair - Chairman, Finance Committee

Solomon Sharpe - Chief Executive Officer

Statement of Changes in Equity

YEAR ENDED 31 OCTOBER 2018

	Note	Share Capital $'000	Retained Earnings $'000	Total $'000
BALANCE AT 31 OCTOBER 2016		-	242,233	242,233
TOTAL COMPREHENSIVE INCOME				
Net profit		-	101,047	101,047
TRANSACTION WITH OWNERS				
Shares issued	18	120,002	-	120,002
Bonus shares issued	18	600	(600)	-
Shares issued costs	18	(16,950)	-	(16,950)
BALANCE AT 31 OCTOBER 2017		103,652	342,680	446,332
TOTAL COMPREHENSIVE INCOME				
Net profit		-	94,657	94,657
BALANCE AT 31 OCTOBER 2018		103,652	437,337	540,989

Statement of Cash Flows

YEAR ENDED 31 OCTOBER 2018

	2018 $'000	2017 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit	94,657	101,047
Items not affecting cash resources:		
Depreciation	90,370	73,443
Interest expense	13,716	12,123
Interest income	(245)	(205)
Exchange gain on foreign balances	(3,017)	(3,293)
Taxation expense	524	7,136
(Gain)/loss on disposal of property, plant and equipment	(1,155)	511
	194,850	190,762
Changes in operating assets and liabilities:		
Receivables	(137,195)	(17,794)
Taxation recoverable	104	(604)
Related party balances	(18,251)	(43,128)
Payables	36,670	(16,191)
	76,178	113,045
Taxation paid	(60)	(1,274)
Cash provided by operating activities	76,118	111,771
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(186,179)	(137,275)
Proceeds from disposal of property, plant and equipment	2,607	8,141
Interest received	245	205
Cash used in investing activities	(183,327)	(128,929)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan received	126,749	8,400
Finance lease	18,146	4,687
Loan repayments	(16,883)	(14,814)
Lease repayments	(3,716)	(4,770)
Interest paid	(13,716)	(12,123)
Proceed from issue of ordinary share-net	-	103,052
Cash provided by financing activities	110,580	84,432
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,371	67,274
Exchange loss on foreign cash balances	840	629
Cash and cash equivalents at beginning of year	60,841	(7,062)
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 17)	65,052	60,841

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 operates ('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:**

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented. Amounts are rounded to the nearest thousand, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention. They are also prepared in accordance with requirements of the Jamaican Companies Act.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New, revised and amended standards and interpretations that became effective during the year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and has concluded the following standards, interpretations and amendments are immediately relevant to its operations.

Amendments to IAS 7, 'Statement of Cash Flows'(effective for accounting periods beginning on or after 1 January 2017), The amendment introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. An entity is required to disclose information that will allow users to understand changes in liabilities arising from financing activities. This includes changes arising from cash flows, such as drawdown and repayments of borrowings; and non-cash changes, such as acquisitions, disposals and unrealised exchange differences. The reconciliation of changes in liabilities arising from financing activities is disclosed in the Statement of Cash Flows.

Amendment to IAS 12, 'Income Taxes' (effective for accounting periods beginning on or after 1 January 2017). The amendments clarify accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. Deferred tax assets are assessed in combination with other deferred tax assets where the tax law does not restrict the source of taxable profits against which particular types of deferred tax assets can be recovered. Where restrictions apply, deferred tax assets are assessed in combination only with other deferred tax assets of the same type. The amendment also clarifies that tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits that is used to evaluate the recoverability of those assets. There was no impact from the amendment of this adoption.

Annual Improvements to IFRSs 2014 - 2016 cycles. The amendment to IFRS 12 Disclosure of interest in other entities' effective for periods beginning on or after 1 January 2017, clarifies that the disclosure requirements apply to interests in entities that are classified as held for sale except for summarised information. There was no impact from adoption of these amendments and clarifications as the company does not have interests in entities classified as held for sale.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New standards, amendments and interpretation not yet effective and not early adopted

The following new standards, amendments and interpretations, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the company's future financial statements:

IFRS 9, 'Financial Instruments', (effective for accounting periods beginning on or after 1 January 2018, early adoption is permitted), addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. The company is in the process of assessing the impact of IFRS 9 on its financial statements.

Impairment

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income (FVOCI), contract assets under IFRS 15 - Revenue with contract customers, lease receivables, loan commitments and certain financial guarantee contracts.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New standards, amendments and interpretation not yet effective and not early adopted (cont'd)

IFRS 9 'Financial Instruments' (effective for periods beginning on or after 1 January 2018) (cont'd)

Simplified Approach

IFRS 9 permits the use of a simplified approach for trade receivables. For trade receivables that do not contain a significant financing component, the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. For practical purposes a provision matrix can be utilised in determining the ECL's for trade receivables.

The simplified approach may be utilised by the company for trade receivables. The lifetime ECL's are determined by taking into consideration historical rates of default for each classification of aged receivables as well as the estimated impact of forward looking information.

Transition Approach

The Company will apply the modified retrospective approach as allowed under IFRS 9. Under this approach cumulative retrospective adjustments will be made against opening retained earnings as at 1 November 2018. Comparatives for the 2018 financial year end will not be restated.

IFRS 15, 'Revenue from Contracts with Customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

Amendment to IFRS 15, 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018). These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). The IASB has also included additional practical expedients related to transition to the new revenue standard.

Management is assessing that the impact of this standard. Based on preliminary review, IFRS 15 is not expected to have a material impact on the timing and recognition of revenue. However, management has not yet completed its assessment and the financial impact has not yet been determined.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New standards, amendments and interpretation not yet effective and not early adopted (cont'd)

IFRS 16, 'Leases', (**effective for accounting periods beginning on or after 1 January 2019).** The standard primarily addresses the accounting for leases by lessees. The complete version of IFRS 16 was issued in January 2017. The standard will result in almost all leases being recognised on the statement of financial position, as it removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases. The accounting by lessors will not significantly change.

IFRIC 22, Foreign Currency Transactions and Advance Consideration, will be adopted effective 1 July 2018. IFRIC 22 addresses how to determine the transaction date when an entity recognises a non-monetary asset or liability (e.g. non-refundable advance consideration in a foreign currency) before recognising the related asset, expense or income. It is not applicable when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration paid or received at the date of initial recognition of the non-monetary asset or liability. An entity is not required to apply this interpretation to income taxes or insurance contracts that it issues or reinsurance contracts held. The interpretation clarifies that the transaction date is the date on which the entity initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date. The company is currently assessing the impact of this interpretation.

IFRIC 23, 'Uncertainity over Income Tax Treatments', (effective for accounting periods beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income Taxes', are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The company is currently assessing the impact of this amendment.

The company is assessing the impact that these standards and amendments to standards will have on the financial statements when they are adopted.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) **Foreign currency translation**

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in profit or loss.

(c) **Property, plant and equipment**

Items of property, plant and equipment are recorded at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. Annual rates are as follows:

Leasehold improvements	10%
Audio and filming equipment	10%
Furniture, fixtures and equipment	10%
Motor vehicles	12.5%
Tools and other equipment	15%
Computers	20%
Rentals and décor	15-33 1/3%

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(d) **Impairment of non-current assets**

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(e) **Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity in another entity.

Financial assets

(i) **Classification**

The company classifies its financial assets in the category, loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables) but also incorporate other types of contractual monetary asset.

The company's loans and receivables comprise trade receivables, due from related companies and cash and bank balances. They are included in current assets.

Cash and cash equivalents are carried in the statement of financial position at cash for the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and bank overdraft.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(e) **Financial instruments (cont'd)**

(ii) **Recognition and Measurement**

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For loans and receivables impairment provisions are recognized when there is objective evidence that the company will not collect all of the amounts due under the terms receivable. The amount of the provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables which are reported net, such provisions are recorded in a separate allowance account with the loss being recognized in profit or loss. On confirmation that the trade receivable is uncollectible, it is written off against the associated allowance. Subsequent recoveries of amounts previously written off are credited to profit or loss.

Financial liabilities

The company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: loans, finance lease obligation, due to related companies, bank overdraft and trade payables.

(f) **Borrowings**

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in profit or loss over the period of the borrowings.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(g) **Current and deferred income taxes**

Taxation expense in profit or loss comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

(h) **Revenue recognition**

Revenue comprises the fair value of consideration received or receivable for the services rendered in the ordinary course of the company's activities. Revenue is shown net of discount allowance. The company recognizes revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow to the company and when the specific criteria have been met for each of the company's activities as described below.

Entertainment promotion, digital signage and audio and film are recognized in the accounting period in which the services are rendered by reference to completion of the specific transaction, assessed on the basis of the actual services provided. These services are rendered as a single performance contract or as multiple performance obligations within a contract. A contract with several performance obligations are normally for a period of six (6) to twelve (12) months. Revenue is recognized when the performance obligations are satisfied.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(h) **Revenue recognition (cont'd)**

The company collects deposits on contracts for mobilization. These deposits are initially recognized as deferred income and recognized as revenue when the performance obligations are completed.

Interest income is recognised in the income statement for all interest-bearing instruments on an accrual basis unless collectability is doubtful.

(i) **Leases**

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

Leases of property, plant and equipment, where the company assumes substantially all the benefits and risks of ownership, are classified as finance leases. Finance leases are capitalized at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in finance lease obligations. The interest element of the finance charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The items of property, plant and equipment acquired under finance leasing contracts are depreciated over the shorter of the useful life of the asset and the lease term.

(j) **Related party identification**

A party is related to the company if:

(i) directly or indirectly the party:

- controls, is controlled by, or is under common control with the company;
- has an interest in the company that gives it significant influence over the company; or
- has joint control over the company.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(j) **Related party identification (cont'd)**

A party is related to the company if (cont'd):

(ii) the party is an associate of the company;

(iii) the party is a joint venture in which the company is a venture;

(iv) the party is a member of the key management personnel of the company

(v) the party is a close member of the family of an individual referred to in (i) or (iv) above;

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant costing power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v) above; or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any company that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(k) **Dividend distribution**

Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

(l) **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:**

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):**

(a) **Critical judgements in applying the company's accounting policies**

In the process of applying the company's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

(b) **Key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below:

(i) **Depreciable assets**

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(ii) **Income taxes**

Estimates are required in determining the provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which determination is made.

5. **FINANCIAL RISK MANAGEMENT:**

The company is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
- Liquidity risk

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks are presented throughout these financial statements.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) **Principal financial instruments**

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and bank balances
- Trade payables
- Related party balances
- Loans
- Finance lease obligations
- Bank overdraft

(b) **Financial instruments by category**

Financial assets

	Loans and receivables	
	2018 $'000	2017 $'000
Cash and bank balances	89,959	91,246
Trade receivables	252,946	161,362
Due from related parties	12,573	20,144
Total financial assets	355,478	272,752

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) **Financial instruments by category (cont'd)**

	Financial liabilities at amortised cost	
	2018	2017
	$'000	$'000
Trade payables	70,993	52,301
Due to related parties	11,536	7,933
Related party loan	59,699	80,049
Loans	126,315	16,449
Finance lease obligation	25,231	10,801
Bank overdraft	24,907	30,405
Total financial liabilities	318,681	197,938

(c) **Financial instruments not measured at fair value**

Financial instruments not measured at fair value includes cash and cash equivalents, receivables, payables, long term liabilities and related party balances.

Due to their short-term nature, the carrying value of cash and cash equivalents, receivables and payables approximates their fair value.

(d) **Financial risk factors**

The Board of Directors has overall responsibility for the determination of the company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the company's finance function. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investments of excess liquidity.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) **Market risk**

Market risk arises from the company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) **Market risk (cont'd)**

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company operates internationally and is exposed to foreign exchange risks arising primarily with respect to the United States Dollars. The company manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The company further manages this risk by maximizing foreign currency earnings and holding net foreign currency assets. The company's statement of financial position at 31 December includes aggregates net foreign assets/(liabilities) as follows:

	2018	2017
	$'000	$'000
Cash at bank	44,621	11,108
Trade receivables	16,149	8,421
Trade payables	(17,343)	(12,102)
Long term loan	(102,876)	-
Related company	(59,699)	(80,049)
Net liabilities	(119,148)	(72,622)

Foreign currency sensitivity

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated cash and bank and accounts receivable balances, and adjusts their translation at the year-end for 4% (2017 – 6%) depreciation and a 2% (2017 – 1%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(i) Market risk (cont'd)

Foreign currency sensitivity (cont'd)

	% Change in Currency rate 2018	Effect on Profit before Tax 31 October 2018 $'000	% Change in Currency rate 2017	Effect on Profit before Tax 31 October 2017 $'000
Currency:				
USD	-4	(4,766)	-6	(4,357)
USD	+2	2,383	+1	726

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The company is currently not exposed to price risk.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Floating rate instruments expose the company to cash flow interest rate risk, whereas fixed rate instruments expose the company to fair value interest rate risk.

Short term deposits and long term loans are the only interest bearing assets and liabilities respectively, within the company. The company's short term deposits are due to mature within 3 months of the reporting date.

Interest rate sensitivity

There is no significant exposure to interest rate risk on short term deposits, as these deposits have a short term to maturity and are constantly reinvested at current market rates.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(ii) **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from trade receivables, due from related company and cash and bank balances.

Trade receivables

Revenue transactions in respect of the company's primary operations are settled either in cash or by using major credit cards. For its operations done on a credit basis, the company has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

Customer credit risks are monitored according to credit characteristics such as whether it is an individual or company, geographic location, industry, ageing profile, and previous financial difficulties.

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The company addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowance.

The company's average credit period on the sale of service is 30 days. Trade receivables past due beyond 90 days are provided for based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

Cash and bank balances

Cash transactions are limited to high credit quality financial institutions. The company has policies that limit the amount of credit exposure to any one financial institution.

Maximum exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of trade and other receivables and cash and cash equivalents in the statement of financial position.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(ii) **Credit risk (cont'd)**

Maximum exposure to credit risk (cont'd)

The aging of trade receivables are as follows:

	2018 $'000	2017 $'000
0-30 days	144,646	79,269
31-60 days	27,826	7,524
61-90 days	21,648	36,223
Over 90 days	72,364	48,241
	266,484	171,257

Trade receivables that are past due but not impaired

As at 31 October 2018, trade receivables of $108,299,319 (2017 - $82,092,869) were past due but not impaired. These relate to independent customers for whom there is no recent history of default.

Trade receivables that are past due and impaired

As of 31 October 2018, the company had trade receivables of $13,538,965 (2017 - $9,894,596) that were impaired. The amount of the provision was $13,538,965 (2017 - $9,894,596). These receivables were aged over 90 days.

Movements on the provision for impairment of trade receivables are as follows:

	2018 $'000	2017 $'000
At 1 November	9,895	7,428
Provision for receivables impairment	12,288	14,272
Bad debts recovered, previously provided for	(4,748)	(5,138)
Receivables written off during the year as uncollectible	(3,897)	(6,667)
At 31 October	13,538	9,895

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(ii) **Credit risk (cont'd)**

Trade receivables that are past due and impaired (cont'd)

The creation and release of provision for impaired receivables have been included in expenses in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. Impairment estimates have been adjusted based on actual collection patterns.

Concentration of risk – trade receivables

The following table summarises the company's credit exposure for trade receivables at their carrying amounts, as categorized by the customer sector:

	2018 $'000	2017 $'000
M Style & Décor	30,117	-
Entertainment promotions	187,974	124,830
Digital signage	17,391	15,474
Audio and film	31,002	30,953
	266,484	171,257
Less: Provision for credit losses	(13,538)	(9,895)
	252,946	161,362

(iii) **Liquidity risk**

Liquidity risk is the risk that the company will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(iii) **Liquidity risk (cont'd)**

Liquidity risk management process

The company's liquidity management process, as carried out within the company and monitored by the Accounts Department, includes:

(i) Monitoring future cash flows and liquidity on a weekly basis.
(ii) Maintaining committed lines of credit.
(iii) Optimising cash returns on investments.

Cash flows of financial liabilities

The maturity profile of the company's financial liabilities, based on contractual undiscounted payments, is as follows:

	Within 1 Year $'000	1 to 2 Years $'000	2 to 5 Years $'000	Total $'000
At 31 October 2018				
Trade payables	70,993	-	-	70,993
Related party	35,880	17,365	38,629	91,854
Bank overdraft	24,907	-	-	24,907
Finance lease obligation	6,630	14,031	7,525	28,186
Loans	44,514	91,028	132,281	267,823
Total financial liabilities (contractual maturity dates)	182,924	122,424	178,435	483,763

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(d) **Financial risk factors (cont'd)**

(iii) **Liquidity risk (cont'd)**

Cash flows of financial liabilities

	Within 1 Year $'000	1 to 2 Years $'000	2 to 5 Years $'000	Total $'000
At 31 October 2017				
Trade payables	52,301	-	-	52,301
Related party	59,249	24,630	33,251	117,130
Bank overdraft	30,405	-	-	30,405
Finance lease obligation	4,310	7,168	1,137	12,615
Loans	18,077	-	-	18,077
Total financial liabilities (contractual maturity dates)	164,342	31,798	34,388	230,528

(e) **Capital management**

The company's objectives when managing capital are:

(i) to safeguard the company's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders;
(ii) to maintain a strong capital base which is sufficient for the future development of the company's operations; and
(iii) to ensure compliance with all capital requirements as stipulated by loan covenants.

6. **REVENUE:**

	2018 $'000	2017 $'000
Audio and film	222,122	219,554
Digital signage	77,252	119,554
Entertainment promotions	1,034,248	836,319
M Style & Décor	63,631	-
	1,397,253	1,175,427

7. **OTHER OPERATING INCOME:**

	2018 $'000	2017 $'000
Interest income	245	205
Other income	2,344	2,024
	2,589	2,229

8. **FINANCE COSTS:**

	2018 $'000	2017 $'000
Loan interest	13,719	12,123
Other finance charges	6,082	3,323
	19,801	15,446

9. **EXPENSES BY NATURE:**

Total direct and administration expenses:

	2018 $'000	2017 $'000
Signature events expenses	617,460	476,873
Audio and filming costs	70,456	67,354
Digital signage costs	24,883	45,996
M Style costs	32,716	-
Freight expenses	11,622	20,039
Donation and subscription	6,155	4,676
Directors' remuneration	21,853	24,211
Staff costs (note 10)	220,852	202,548
Advertising and entertainment	19,531	8,591
Rent	28,304	22,317
Utilities	19,506	17,979
Audit fees	1,875	2,313
Repairs and maintenance	12,804	10,103
Gasoline	30,719	22,101
Motor vehicle expenses	21,020	23,940
Printing, stationery and office expenses	11,065	6,344
Security	11,737	7,708
Research and development	3,705	1,729
Depreciation	90,370	73,443
(Gain)/loss on disposal of property, plant and equipment	(1,155)	511
Increase in specific provision for doubtful debts	7,433	7,658
Gain on foreign exchange translation	(3,017)	(3,293)
Other operating expenses	7,001	2,850
Legal and professional fees	12,629	2,595
Insurance	5,336	5,441
	1,284,860	1,054,027

10. **STAFF COSTS:**

	2018 $'000	2017 $'000
Wages and salaries	211,691	194,051
Staff welfare and Insurance	9,161	8,497
	220,852	202,548

11. **TAXATION EXPENSE:**

(a) Taxation is computed on the profit for the year, adjusted for tax purposes, and comprises income tax at 25%.

	2018 $'000	2017 $'000
Taxation	60	-
Deferred tax (note 14)	464	7,136
	524	7,136

(b) The tax on the profit before taxation differs from the theoretical amount that would arise using the applicable tax rate of 25%, as follows:

	2018 $'000	2017 $'000
Profit before taxation	95,181	108,183
Tax calculated at applicable tax rates	23,795	27,046
Adjusted for the effects of:		
Expenses not deductible for tax	22,755	13,325
Remission of taxes	(20,787)	(22,707)
Net effect of other charges and allowances	(25,239)	(10,528)
	524	7,136

11. **TAXATION EXPENSE (CONT'D):**

(c) Remission of income tax:

On the 8 February 2017, the company shares were listed on the Junior Market of the Jamaica Stock Exchange. Consequently, the company was entitled to a remission of income tax for ten (10) years in the proportions set out below, provided the shares remain listed for at least 15 years.

Year 1to 5 100%
Year 5 to 10 50%

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions.

12. **EARNINGS PER STOCK UNIT:**

The calculation of earnings per stock unit is based on the profit after taxation and the weighted average number of stock units in issue during the year.

	2018	2017
Net profit attributable to stockholders ($'000)	94,657	101,047
Weighted average of ordinary stock units ('000)	300,005	285,004
Basic earnings per stock unit ($ per share)	0.32	0.35

13. PROPERTY, PLANT AND EQUIPMENT:

	Equipment $'000	Building $'000	Leasehold Improvements $'000	Furniture & Fixtures $'000	Computer Equipment $'000	Audio & Filming $'000	Rentals & Décor $'000	Motor Vehicles $'000	Total $'000
Cost:									
1 November 2016	143,283	-	6,122	5,671	30,932	339,003	-	61,609	586,620
Additions	57,895	-	322	711	3,607	60,730	10,610	3,400	137,275
Disposals	-	-	-	-	(370)	-	-	(10,301)	(10,671)
31 October 2017	201,178	-	6,444	6,382	34,169	399,733	10,610	54,708	713,224
Additions	24,735	34,987	601	2,748	6,407	13,304	83,471	19,926	186,179
Disposals	-	-	-	-	-	-	-	(3,488)	(3,488)
31 October 2018	225,913	34,987	7,045	9,130	40,576	413,037	94,081	71,146	895,915
Depreciation:									
1 November 2016	41,518	-	1,281	2,404	22,266	127,970	-	25,280	220,719
Charge for the year	25,429	-	614	504	2,689	37,635	370	6,202	73,443
Disposals	(53)	-	-	-	(53)	-	-	(1,913)	(2,019)
31 October 2017	66,894	-	1,895	2,908	24,902	165,605	370	29,569	292,143
Charge for the year	31,706	-	699	682	3,532	38,366	8,750	6,635	90,370
Disposals	-	-	-	-	-	-	-	(2,036)	(2,036)
31 October 2018	98,600	-	2,594	3,590	28,434	203,971	9,120	34,168	380,477
Net Book Value:									
31 October 2018	127,313	34,987	4,451	5,540	12,142	209,066	84,961	36,978	515,438
31 October 2017	134,284	-	4,549	3,474	9,267	234,128	10,240	25,139	421,081

14. **DEFERRED TAX:**

Deferred tax is calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

The movement in the deferred tax account is as follows:

	2018 $'000	2017 $'000
Balance at start of year	6,345	13,481
Charge for the year (note 11)	(464)	(7,136)
Balance at end of year	5,881	6,345

Deferred tax is due to the following temporary differences:

	2018 $'000	2017 $'000
Accelerated capital allowances	2,547	2,621
Unrealized foreign exchange	3,334	3,724
	5,881	6,345

Deferred tax charged to profit or loss comprises the following temporary differences:

	2018 $'000	2017 $'000
Accelerated capital allowances	(74)	1,128
Unrealized foreign exchange	(390)	(8,264)
	(464)	(7,136)

15. **RECEIVABLES:**

	2018 $'000	2017 $'000
Trade receivables	266,484	171,257
Less – provision for impairment	(13,538)	(9,895)
Trade receivables (net)	252,946	161,362
Prepayments	3,519	3,869
Staff loans	3,728	3,216
Freight deposit	41,070	-
Other	15,726	11,047
	316,989	179,494

16. **RELATED PARTY TRANSACTIONS AND BALANCES:**

The following transactions were carried out with related parties:

		2018 $'000	2017 $'000
(a)	Purchase/(sale) of goods and services -		
	I Print Digital Limited	45,942	36,915
	Dream Entertainment Limited	(23,629)	(17,028)
	Betting, Gaming and Lotteries Commission	(41,320)	(33,973)
	Mystique Integrated Services Limited	(33,304)	(581)
	Rental of property -		
	Lanaman & Morris (Shipping) Limited	3,082	3,349
(b)	Director emoluments -		
	Fees	1,605	1,270
	Management remuneration	20,248	22,940
(c)	Interest paid on related party loan	6,562	6,881

(d) Year end balances arising from transactions with related parties –

	2018 $'000	2017 $'000
Due from related parties -		
Mystique Integrated Services Limited	9,228	8,282
Stimulus Entertainment Limited	264	234
Ras Promotions Incorporated Limited	678	678
Dream Entertainment Limited	2,403	10,950
	12,573	20,144
Due to related parties -		
IPrint Digital Limited	9,833	4,584
Lannaman & Morris (Shipping) Limited	1,703	3,349
Directors	15,641	24,716
	27,177	32,649

(e) US$ loan from related company –

MEEG Holdings Limited	59,699	80,049

This balance represents amounts advanced by parent company, MEEG Holdings Limited. The loan is unsecured with no fixed repayment date and attracts an annual interest rate of 8.34%.

17. **CASH AND CASH EQUIVALENTS:**

(a) For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand net of bank overdraft.

	2018 $'000	2017 $'000
Cash and bank balances	89,959	91,246
Bank overdraft	(24,907)	(30,405)
	65,052	60,841

(b) The company has bank overdraft facilities totaling $30 million (2017 – $30 million) which attracts interest at 12% (2017 – 12%).

(c) Significant non-cash transactions are as follows:

	2018 $'000	2017 $'000
Financing activities -		
Equity consideration for increased in issued share capital of 12,000,000 units	-	600

(d) Reconciliation of movements of liabilities to cash flows arising from financing activities:
Amounts represent bank and other loans, excluding bank overdraft.

	2018 $'000	2017 $'000
At 1 July	16,449	22,863
Loans received	130,274	8,400
Loans repaid	(16,883)	(14,814)
Unrealised foreign exchange gain	(3,525)	-
	126,315	16,449

18. **SHARE CAPITAL:**

	2018 $'000	2017 $'000
Authorised -		
320,004,000 ordinary shares of no par value		
Stated capital -		
Issued and fully paid -		
300,005,000 ordinary shares of no par value	103,652	120,602
Less share issue costs	-	(16,950)
	103,652	103,652

19. **LOANS:**

		2018 $'000	2017 $'000
(i)	Bank of Nova Scotia Jamaica Limited (BNS) -		
	Amortised loan	-	524
(ii)	National Commercial Bank	-	-
	Amortised loans	23,439	-
(iii)	Sagicor Bank Jamaica Limited -		
	Amortised loans	-	2,031
	USD loans	102,876	-
(iv)	Other loans	-	13,894
	Total loan balances	126,315	16,449
	Current portion of loans	(34,148)	(16,449)
	Long term portion of loans	92,167	-

(i) Bank of Nova Scotia Jamaica Limited loan -

This loan is repayable in July 2018 and bears an interest rate of 10.99% per annum. This loan is secured by a bill of sale over a 2013 Toyota Hiace 15 Seater Bus in the name of the company; registered and stamped to cover $3.5 million, loan was repaid during the year.

(ii) National Commercial Bank –

This loan is used to purchase commercial property. The loan bears interest of 11% per annum and is repayable over 180 months. The loan is secured by first legal mortgage over commercial property registered at Volume 1512 Folio 618 and peril insurance with the bank interest noted.

(iii) Sagicor Bank loans –

The loans were secured to facilitate capital expenditure and attract an average interest rate of 6.75-12.77% per annum. The loans are secured against a deposit "A" account and corporate guarantee in the name MEEG Holding Limited, company's interest bearing account held at Sagicor Bank Limited.

19. **LOANS (CONT'D):**

(iv) Other loans –

This represents a credit card facility that is unsecured and is payable on demand. Interest is charged at a rate of 39.75% on the unpaid balance that exists after the due date for payment. The facility is used only to settle tax obligations. This facility was repaid during the year.

20. **FINANCE LEASE OBLIGATIONS:**

The company entered into finance lease agreements for the purchase of motor vehicles. Obligations under these agreements are as follows:

	2018 $'000	2017 $'000
In the year ending 31 October		
2017	7,178	8,695
2018	8,860	2,868
2019	9,230	432
2020	5,249	152
2021	4,932	-
2022	1,853	-
Total minimum lease payments	37,302	12,147
Future interest payments	(12,071)	(1,346)
Net obligations under finance lease	25,231	10,801
Current portion	(5,984)	(2,347)
	19,247	8,454

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

21. **PAYABLES:**

	2018 $'000	2017 $'000
Trade payables	70,993	52,301
GCT payables	6,765	10,656
Deferred income	10,183	16,500
Statutory payables	19,090	4,652
Accruals and other payables	30,199	18,120
	137,230	102,229

FORM OF Proxy

MAINEVENT
Entertainment Group Limited.

$100 POSTAGE STAMP
Affix Here

I/We ____________________ of ____________________ being a shareholder(s) of Main Event Entertainment Group Limited, hereby appoint: ____________________ of ____________________ or failing him, ______________ of ____________________ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Knutsford Court Hotel and at any adjournment thereof.

This Form is to be used as instructed. Unless otherwise instructed the Proxy Form will be used as he/she thinks fit. Please tick appropriate box.

	FOR	AGAINST
Resolution 1		
Resolution 2		
Resolution 3		
Resolution 4		
Resolution 5		
Resolution 6		

Signed this _____ day of __________________ 2019

SIGNATURE

SIGNATURE

SIGNATURE

NOTES:

1. When completed, this Form of Proxy must be received by the Registrar of the Company, Jamaica Central Securities Depository, 40 Harbour Street, Kingston, Jamaica, W.I. not less than forty-eight (48) hours before the time for holding the meeting.
2. The Proxy Form should bear stamp duty of $100.00 which may be adhesive and duly cancelled by the persons signing the proxy form.
   - If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.


MAINEVENT
Entertainment Group Limited.

MAINEVENT
Entertainment Group Limited.

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