Q3 – DECEMBER 31, 2018

BSEG FINANCIAL REPORT

BIG SCREEN ENTERTAINMENT GROUP

Table of Contents

FINANCIAL INFORMATION

BIG SCREEN ENTERTAINMENT GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	December 31, 2018		March 31, 2018	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	1,001,249	$	883,499
Accounts Receivable	$	1,778,144	$	3,246,096
Total Current Assets	$	2,779,393	$	4,129,595
NON-CURRENT ASSETS				
Notes Receivable	$	27,894	$	27,894
Capitalized Gaming Production Costs	$	638,044	$	638,044
Capitalized Production Costs, net of accumulated amortization	$	6,036,172	$	6,036,172
Fixed Assets	$	2,072,233	$	2,072,233
Lend to CCCO	$	12,213	$	10,395
Lend to BSEG 2-Year Loan (FEG)	$	32,211	$	25,950
Lend to BSEG Holdings(FEG)	$	10,000	$	10,000
Total Non-Current Assets	$	8,828,767	$	8,820,688
Other Assets - Investment	$	404,000		
TOTAL ASSETS	$	12,012,160	$	12,950,283
LIABILITIES & SHAREHOLDERS' EQUITY				
LIABILITIES				
Accounts Payable	$	628,352	$	783,391
Accrued Salaries - Officers	$	36,000	$	48,000
Notes payable - Related party	$	101,488	$	185,178
Total other current liabilities	$	424,075	$	1,012,669
FEG Loan	$	64,469	$	57,994
BOA Loan				
Production Loans		-		-
Total Liabilities	$	1,254,385	$	2,087,231
SHAREHOLDERS' EQUITY				
Common Stock, par value $.001 per share, 385,000,000 shares authorized, 103,816,636 shares issued and outstanding		103,817		103,817
Additional Paid-In Capital		15,006,645		15,771,895
Accumulated Deficit		(4,872,087)		(4,872,087)
Net (Loss) Income		519,400		(140,573)
Total Shareholders' Equity		10,757,775		10,863,052
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$	12,012,160	$	12,950,283

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIG SCREEN ENTERTAINMENT GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Nine Months Ended December 31, 2018	, March 31,2018
REVENUES		
Distribution	$ 1,072,061	$ 31,184
Licensing	-	-
Services	$ 30,000	$ 9,540
Other	-	-
Total Revenues	$ 1,102,061	$ 40,724
COSTS AND EXPENSES		
Costs related to production revenues	$ 9,220	$ 54,307
Distribution and Marketing	$ 473,099	$ 8,135
Bad Debt expense	-	-
General and Administrative	$ 100,674	$ 118,855
Total Expense	$ 582,993	$ 181,298
INCOME (LOSS)	$ 519,069	$ (140,573)
OTHER INCOME (EXPENSE)		
Other Income	$ 331	-
Other Expense	-	-
Total Other Income (expense)	$ 331	-
NET INCOME (LOSS)	$ 519,400	$ (140,573)
Net (Loss) per Common Share, Basic & Diluted	$0.00	$0.00
Weighted Average Number of Shares Outstanding	103,816,636	103,816,636

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIG SCREEN ENTERTAINMENT GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FORQ3–December 31, 2018

	Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Shareholders Equity
Balance March 31, 2016 (unaudited)	$103,816,636	$ 103,817	$ 13,250,756	$ (3,050,521)	$ 10,304,052
Stock issued for cash					
Stock issued for Notes Payable					
Stock split					-
Net loss				$ (1,821,566)	$ (1,821,566)
Fairfax Equity (Independent)			$ 704,318		
Balance March 31, 2017 (unaudited)	$103,816,636	$ 103,817	$ 13,955,074	$ (4,872,087)	$ 9,186,804
Net loss				$ 519,400	$ 519,400
Fairfax Equity (Independent)			$ 1,051,571		$ 1,051,571
December 31, 2018 (unaudited)	$ 103,816,636	$ 103,817	$ 15,006,645	$ (4,352,687)	$ 10,757,775

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIG SCREEN ENTERTAINMENT GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended	
	December 31, 2018	March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ 519,400	$ (140,573)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	$ (1,618,874)	$ 2,595,876
Allowance for bad debt	-	-
Changes in assets and liabilities:		
(Increase)/Decrease in Accounts Receivable	$ 1,467,952	
(Increase)/Decrease in Capitalized R&D Gaming	-	-
(Increase)/Decrease in Capitalized Production Costs	-	-
(Increase)/Decrease in Notes Receivable	-	-
(Decrease)/Increase in Accounts Payable	$ (155,039)	
NET CASH (USED IN) PROVIDED BY OPERATING ACITIVITIES	$ 213,440	$ 2,455,303
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on Notes Payable to Officers	$ (12,000)	
Principal Payments on Production Loans - Related Party	$ (83,690)	
Proceeds from Sale of Stock	-	-
NET CASH (USED IN) FINANCING ACTIVITIES	$ (95,690)	
NET (DECREASE) INCREASE IN CASH	$ 117,750	$ 2,455,303
CASH AT BEGINNING OF PERIOD	$ 883,499	$ 883,499
CASH AT END OF PERIOD	$ 1,001,249	$ 3,338,802
Supplemental Disclosure for Cash Flow Information:		
Non-cash Financing Activity:		
Stock issued in payment of labor and production loans	$ -	$ -

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTE A - BUSINESS ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Big Screen Entertainment Group ("Company") or ("BSEG") was incorporated under the laws of the state of Nevada. The Company produces and distributes feature films and video games.

Revenue Recognition. Royalty income from film contracts is derived from the sale of DVDs or from the licensing of film rights to third parties. A significant portion of royalty income is paid to the Company based on the timetable associated with royalty statements generated by third party processors, and is not typically known by the Company on a timely basis. Consequently, this revenue is not recognized until the amount is either known or reasonably estimable or until receipt of the statements from the third parties. The Company contracts with various agencies to facilitate collection of royalty income. When the Company is entitled to royalties based on gross receipts, revenue is recognized before deduction of agency fees, which are included as a component of cost of revenue.

The Company recognizes revenue from television and film productions pursuant to ASC 926-605 (formerly American Institute of Certified Public Accountants Statement of Position 00-2, "Accounting by Producers or Distributors of Films"). The following conditions must be met in order to recognize revenue under ASC 926-605: (i) persuasive evidence of a sale or licensing arrangement exists; (ii) the program is complete and has been delivered or is available for immediate and unconditional delivery; (iii) the license period of the arrangement has begun and the customer can begin its exploitation, exhibition or sale; (iv) the arrangement fee is fixed or determinable; and (v) collection of the arrangement fee is reasonably assured. Advance payments received from buyers or licensees are included in the condensed consolidated financial statements as a component of deferred revenue.

Film and Gaming Costs. Investment in film and gaming costs includes the capitalization of costs incurred to produce the film content including direct negative costs, production overhead, interest and development. These costs are recognized as operating expenses on an individual film basis in the ratio that the current year's gross revenues bear to management's estimate of total ultimate gross revenues from all sources to be earned over a seven-year period. Capitalized production costs are stated at the lower of unamortized cost or estimated fair value on an individual film basis. Revenue forecasts, based primarily on historical sales statistics, are continually reviewed by management and revised when warranted by changing conditions. When estimates of total revenues and other events or changes in circumstances indicate that a film has a fair value that is less than its unamortized cost, an impairment loss is recognized in the current period for the amount by which the unamortized cost exceeds the film's fair value.

Condensed financial Statements. The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at June 30, 2017 and for all periods presented herein, have been made.

Basis of Consolidation. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates and Assumptions. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations. Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. Accounts receivable are typically unsecured and are derived from revenues earned from customers located in the United States.

Recent Accounting Pronouncements. The Company has reviewed recently issued, but not yet adopted, accounting standards in order to determine their effects, if any, on its results of operations, financial position or cash flows. Based on that review, the Company believes that none of these pronouncements will have a significant effect on its financial statements.

Cash and Cash Equivalents. For purposes of reporting cash flows, the Company considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Income Taxes. The Company utilizes the liability method of accounting for income taxes as set forth in ASC Topic 740 (SFAS No. 109), *"Accounting for Income Taxes."* Under the liability method, deferred taxes are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. An allowance against deferred tax assets is recorded when it is more likely than not that such tax benefits will not be realized.

NOTE B – CAPITALIZED FILM AND GAMING PRODUCTION COSTS

The following table summarizes the net capitalized film and gaming production costs in various stages of production. The games and films will be amortized yearly in the last quarter.

	December 31 , 2018		March 31, 2018	
Gaming	$	638,044	$	638,044
Completed – theatrical	$	6,705,741	$	6,705,741
Less: accumulated amortization		(670,042)		(670,042)
Total film and gaming production costs	$	6,673,743	$	6,673,743

NOTE C – ACCRUED SALARIES – OFFICERS

The Company's officers have signed contracts that allows them to accrue salaries that can be paid in either stock or cash. The current balance ending December 31, 2018 for officer salary is $36,000.00

NOTE D– PRODUCTION LOANS AND PRINTS AND ADVERTISING LOANS

Production and loans payable consist of the following at:

	December 31, 2018		March 31, 2018	
Notes payable - Related party	$	101,488	$	185,178
Total notes payable	$	101,488	$	185,178

NOTE E – RELATED PARTY TRANSACTIONS

As of December 31, 2018 the Company has a loan payable to FEGifund, a 34.9% shareholder of the Company's outstanding shares of stock. FEGifund is also controlled by Big Screen's current Director/Treasurer Jimmy Jiang.

NOTE F - SHAREHOLDERS' EQUITY

As of December 31, 2018 there are 385,000,000 shares of authorized common stock. Total common stock issued and outstanding at December 31, 2018 and December 31, 2017 was 103,816,636 and 103,816,636 respectively.

NOTE G - SUBSEQUENT EVENTS

The Company has evaluated events from December 31, 2018, through the date whereupon the financial statements were issued and has determined that there are no additional items to disclose.