

SPOTLIGHT CAPITAL HOLDINGS, INC.

Annual Financial Report

For the period ended December 31, 2016

SPOTLIGHT CAPITAL HOLDINGS, INC.

Item 1 Exact name of the issuer and the address of its principal executive offices.

Spotlight Capital Holdings, Inc.
601 South Figueroa Street, Suite 4050
Los Angeles, CA 90017
Tel: (213) 337-6784

Item 2 Shares outstanding.

- A. Preferred Stock, par \$.001
 - (i) October 31, 2011
 - (ii) 10,000,000 Shares Authorized
 - (iii) 4,900,000 Shares issued and Outstanding
 - (iv) No Shares in the Public Float
 - (v) 1 Beneficial Shareholder of Record
 - (vi) 1 Shareholder of Record

- B. Common Stock, par \$.001
 - (i) September 30, 2014, Quarterly Period
 - (ii) 500,000,000 Shares of par \$.001, Common Stock Authorized;
 - (iii) 9,382,219 Shares of \$.001, Common Stock Issued and Outstanding
 - (iv) 9,382,219 Shares in the Public Float
 - (v) 398 Beneficial Shareholders of Record
 - (vi) 398 Shareholders of Record

Item 3 Financial Statements.

The Financial Statements are attached and are incorporated herein by reference. The company has attached a balance sheet, income statement, and cash flow

Item 4 Management's discussion and analysis or plan of operation.

The issuer's plan of operation for the next twelve months is to continue networking within the industry and to continue to obtain agreements to produce and distribute movie, music video and any and all products that are entertainment based. The issuer also intends to continue developing its ability to provide entertainment products using its E-Commerce partners.

The Company has also set up its distribution arm that will allow any products produced, created and/or acquired by the Spotlight will have immediate access to consumers in the U.S. and abroad.

Cash is being raised, via regulation A Plus offering statement that was approved by the SEC in February of 2017, to support the development of the Company's infrastructure, execute contracts and to cover overhead costs which to this point in time have been provided by agents of the company. Additional capital is needed in order to execute on its agreements to acquire movie catalogs and product that will benefit of the company and its shareholders.

There is no expected purchase or sale of plant and significant equipment, with the exception of acquiring land for the issuer's movie studio, which will be located in the state of Texas. The Company chooses Texas as the location of its movie studio because of the low costs of land and the amount of tax credits the State offers.

Changes in the number of employees will occur as funds become available to activate the various contracts that the Company has entered into. The Company expects to retain individuals with extensive entertainment experience and backgrounds to head the movie, music and concert arms of Spotlight.

Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Company has made investments in setting up the foundation for its new business plan. The Company plans for its investments, will begin seeing revenues in 2017, because of the expected capital raise pursuant to Regulation A Plus.

Item 5 Legal proceedings. None.

Item 6 Defaults upon senior securities. None.

Item 7 Other information. Currently the company is undergoing a re-structuring process. The financials show minimal activity because the new management resolved several issues that the company had in the past that prevented the company from operating as planned. The company is making plans to start its new operations, by applying for a Regulation A plus offering. Once sufficient capital is raised for operations, the company will execute its business plan and investors will be able to profit from the company's operations.

Item 8 Exhibits. None.

Item 9 Certifications.

Officer Certification

Officer Certification

I, Aaron C. Johnson, President of Spotlight Capital Holdings, Inc. (the “Company”) certify that:

1. I have reviewed the Unaudited Financial Statements of the Company for the period ended December 31, 2017;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this disclosure statement.

Date: February 28, 2017

/s/ Aaron C. Johnson
President of Spotlight Capital Holdings, Inc.

BALANCE SHEET
From the period from August, 2014 (reorganization) to
December 31, 2016¹

<u>ASSETS</u>	2016 December 31 st , 2016	2015 As of December 2015	2014 August 2014 to December 2014
<u>Cash Accounts</u>			
Checking/Savings	\$0	\$37,057 ²	\$37,943 ³
Total Cash accounts	\$0	\$37,057	\$37,943
Other Assets	<u>\$439,160</u>	<u>\$439,160</u>	<u>\$335,017⁴</u>
TOTAL ASSETS	\$439,160	\$476,217	\$372,960
<u>LIABILITIES & EQUITY</u>			
<u>Current Liabilities</u>			
Loan Payable	\$72,960	\$72,960	\$75,000
Long Term Debt	\$300,000 ⁵	\$300,000	\$300,000
Total Liabilities	<u>\$372,960</u>	<u>\$372,960</u>	<u>\$375,000</u>
 Stock Holder's Equity	 \$66,200 ⁶	 \$103,257	 -\$2,040
TOTAL LIABILITIES			
& EQUITY	\$439,160	\$476,217	\$372,960

¹ See Note 1 NOTES TO FINANCIAL STATEMENTS

² See Note 10 NOTES TO FINANCIAL STATEMENTS

³ See Note 2, 10 NOTES TO FINANCIAL STATEMENTS

⁴ See Note 3 NOTES TO FINANCIAL STATEMENTS

⁵ See Note 4 NOTES TO FINANCIAL STATEMENTS and Item 6 of the Offering Circular

⁶ See Item #4 Paragraph 2

See: NOTES ON FINANCIAL STATEMENTS

SPOTLIGHT CAPITAL HOLDINGS, INC.
PROFIT AND LOSS STATEMENT (UNAUDITED)

From August 14, 2014 (reorganization) to December
31, 2016

	January to December 31, 2016	January to December 31, 2015	August 2014 (Re- Organization) to December 2014
INCOME FROM OPERATIONS	\$0 ⁷	\$0	\$0 ⁸
<u>EXPENSES</u>			
Advertising/New wires	\$600	\$800	\$1,050
Transfer Agent Fees	\$1,800	\$7,000	\$7,400
Office Equipment	\$1,872	\$2,500	\$2,500
Legal Fees	\$90,000 ⁹	\$230,000	\$182,500
Music/Concert Division Costs \$10,500	\$0 ¹⁰	\$0	
Rent	\$3,600	\$5,000	\$5,000
Travel	\$8,000	\$8,000	\$11,750
Total Expenses	\$110,072	\$255,800	\$204,983
NET INCOME or (Loss) (\$204,983)	(\$110,072)	(\$255,800)	

⁷ See note 6 of NOTES TO FINANCIAL STATEMENTS and section 6 of the Offering Statement

⁸ See Note 7 of NOTES TO FINANCIAL STATEMENTS and Item #9 (a) of the Offering Statement

⁹ See Note 8 of NOTES TO FINANCIAL STATEMENTS and Item 6d of the Offering Statement

¹⁰ See Note 9 of NOTES TO FINANCIAL STATEMENTS and Item 6c of the Offering Statement

SPOTLIGHT CAPITAL HOLDINGS, INC.
STATEMENT OF REVENUE AND EXPENSES
(CASH FLOW STATEMENT - UNAUDITED)

Period from August 14, 2014(reorganization) to
December 31, 2016

	2016	2015	2014
	From January 1 st , 2016 – December 31 st , 2016	From January - December 31 st , 2015	From Aug 14, 2014 (reorganization) - December 31 st , 2014
Revenue			
Total Revenue	<u>0</u>	<u>\$37,057¹¹</u>	<u>\$37,943¹²</u>
EXPENSES			
Legal Fees (Deferred)	\$90,000	\$230,000	\$180,000
Office expense (Deferred)	\$1,872	\$2,500	\$2,500
Travel Expenses	\$8,000	\$8,000	\$11,750
Organization costs (Ibid)	\$10,200	\$15,300	\$26,450
Total expenses	<u>\$110,072</u>	<u>\$255,800</u>	<u>\$220,700</u>
NET INCOME OR (LOSS)	<u>(\$110,072)</u>	<u>(\$242,043)</u>	<u>(\$257)</u>

¹¹ See Note 7 of Notes to Financial Statements

¹² See Note 7 of Notes to Financial Statements

NOTE 1. ORGANIZATION

Financial Statements

The Financial Statements attached above are unaudited statements of the Company's financial structure after reorganization

Management's discussion and analysis or plan of operation.

Currently the company is undergoing a re-structuring process. The Financial Statements show minimal activity because the new management resolved multiple issues that the company had in the past that prevented the company from operating as planned. The company is making plans to start its new operations in January of 2017.

The Company's business plan has moved from aviation to entertainment. Because of the new business plan, the Company now has new management that is resolving the issues that resulted in the Company's inactivity during the last year.

Because of the re-structuring and change of focus for the Company, the Financial Statements for this year and next fiscal year will show minimal activity, until the foundation for operations are established during the 2017 fiscal year.

Although the Company hasn't generated earnings from operations, Spotlight obtained funds for operations, from a loan in the amount of \$75,000.00. The funds were used to set up the foundation for operations. The Company is using the funds to pay expenses associated with setting up distribution channels, movie production partners, and contracting with music and comedy artists that are prepared to go on tour in 2017.

Once funding is received through the Regulation A Plus Offering, the Company will then be prepared to execute its business plan.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Impairment of Long-Lived Assets

The Company reviews its real estate for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the UN-discounted cash flows estimated to be generated by the Property are less than its carrying amount, management compares the carrying amount of the Property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the asset's carrying value over its estimated value. No impairment loss has been recognized since inception.

Deferred Financing Costs

The costs of obtaining the real estate loan have been capitalized. The financing costs are amortized over the term of the loan using a straight-line method. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method.

Deferred Syndication Costs

The costs incurred pursuant to raising additional capital through a Regulation A offering under the Securities Act of 1933 have been deferred. Upon completion of the offering, all syndication costs will be deducted from the proceeds received.

Income Taxes

The Company is required to file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

NOTE 2. Cash Accounts

In 2014, the Company obtained a loan from Aaron C. Johnson in the amount of \$75,000.00. Funds were used by the Company in order to execute the Company's new business which changed from Aviation to Entertainment. The balances from that loan are reflected in the balance sheet.

NOTE 3. Assets

The assets of the Company consists of a commercial airplane in the company's inventory leftover from the Aviation operations. In addition to the airplane, the Company has a soundtrack for a movie that will be released in 2017. The value of the soundtrack is included in that number projected on assets.

NOTE 4. Long Term Debt

The Company has limited amount of long term debt. The Company currently owes Ken Farino \$300,000 USD for the commercial plane identified in note 3. The company expects to satisfy this debt out of the proceeds from this offering.

NOTE 5. Shareholder Equity

Because the Company has been going through its re-organization process, the has had minimum activities which has affected its stock price and subsequently shareholder equity. In 2015, the Company's news of its restructuring efforts caused the stock price to move to a high of ____, which increased the shareholder's equity.

Capital Structure

The capital structure of the Company has remained that same since 2014, when the Company authorized a 50 to 1 reverse split. The Company expects the Capital Structure to change after the approval of the Regulation A Plus offering statement, which will allow the Company to raise money through the issuance of its stock.

NOTE 6: INCOME FROM OPERATIONS

Since the Company has changed its focus from its non-profitable aviation operations to entertainment, Spotlight has not earned any money from new operations. Money has been expended to set up operations and projects for 2017.

Note 7:

As mentioned in Note 2 above, the 75,000 dollar loan achieved by the Chairman and CEO, Aaron Johnson, is reflected here in 37,943 spent on behalf of the company in 2014, and the balance of 37,057 used in 2015 to defer costs incurred during the re-organization of the company.

NOTE 8: LEGAL FEES

The legal fees that were incurred to resolve the issues of the company prior to new management changing the business plan and focus of the company, fee incurred changing the financial structure of the company, and preparing this offering of other legal matters were invoiced but have not been paid by the Company. The Company expects to satisfy the legal fees out of the proceeds of this offering.

NOTE 9. MUSIC DIVISION AND COSTS

The Company paid monies in order to reserve talented musical group and a comedy tour, expected to start earning proceeds for the Company in 2017. The Company will use some funds raised from this offering to acquire the venues for the tours mentioned in this note.

NOTE 10. ASSETS

The figures contained in this item is based on the appreciation of the airplane mentioned in note 3, along with the soundtrack that was early released for 2015.

NOTE 11. ASSETS

The figures contain in this item consists of the plane mentioned in note 3 & 10, and also contains the soundtrack that depreciated during the 2016 year. The reason for the decrease in value of the soundtrack was the delayed release of the movie “Tied in Knots”, which is attached to the soundtrack

Officer Certification

I, Aaron C. Johnson, President of Spotlight Capital Holdings, Inc. (the “Company”) and Andre’ L. Ligon, General Counsel certify that:

1. I have reviewed the Financial Statements of the Company for the period ended December 31, 2014, December 31, 2015, and December 31, 2016.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this disclosure statement.

Date: February 28, 2017

/s/ Aaron C. Johnson

President of Spotlight Capital Holdings, Inc.

/s/ Andre’ L. Ligon

General Counsel