



**MAIN EVENT ENTERTAINMENT GROUP LIMITED**

**UNAUDITED RESULTS**

**FOR NINE MONTHS ENDED JULY 31, 2023**



## REPORT TO STOCKHOLDERS

### Nine Months Ended July 31, 2023 (Q3)

The Board of Directors of Main Event Entertainment Group Limited presents the Company's unaudited financial statements for the quarter ended July 31, 2023 (Q3).

#### Performance Highlights:

	Quarter Ended July 31, 2023	Quarter Ended July 31, 2022	Nine (9) Months July 31, 2023	Nine (9) Months July 31, 2022	3rd Quarter Year Over Year \$	%	Audited, Year Ended October 31, 2022
Revenues	\$ 428.056 M	\$ 601.538 M	\$ 1,586.931 M	\$ 1,094.063 M	\$(173.482) M	-29%	\$ 1,549.003 M
Gross Profit	\$ 223.759 M	\$ 297.988 M	\$ 839.103 M	\$ 511.147 M	\$(74.229) M	-25%	\$ 754.822 M
Net Profit	\$ 23.309 M	\$ 123.778 M	\$ 215.687 M	\$ 103.941 M	\$(100.469) M	-81%	\$ 151.249 M
Earnings Per Share (EPS)	8 cents	41 cents	72 cents	35 cents	(33) cents	-80%	50 cents
Total Assets	\$ 1,248.522 M	\$ 987.245 M	\$ 1,248.522 M	\$ 987.245 M	\$ 261.277 M	26%	\$ 1,094.673 M
Shareholder's Equity	\$ 856.684 M	\$ 653.689 M	\$ 856.684 M	\$ 653.689 M	\$ 202.995 M	31%	\$ 670.997 M

Main Event Entertainment Group Limited earned net profits of \$23.309 million for the three months ended July 31, 2023. This reflects a decrease of 81% over the third quarter ended July 31, 2022. The company generated revenues of \$428.056 million relative to the \$601.538 earned in the corresponding period of 2022. The marked decline in net income and revenues is a direct consequence of timing shifts in the event pipeline. These shifts have slowed the revenue growth in the current quarter, but have also been affording us the time to align our capabilities and services for strategic moves.

Despite the decline in our year-over-year third quarter performance, the company continues to exceed the corresponding period's year-to-date performance. Our results for the nine months ended 31 July 2023 improved to net income of \$215.687 million, more than doubling the \$103.941 million earned in the corresponding period. Revenues of \$1.587 billion for the nine months ended July 31, 2023, represent a significant improvement over the \$1.094 billion earned in 2022.

**REPORT TO STOCKHOLDERS**  
**Nine Months Ended July 31, 2023 (Q3)**

Cont'd

The company recorded gross profit of \$223.759 million, a decline of \$74.229 million or 25% when compared to the third quarter of 2022. Despite the decrease in third gross profit, the company recorded gross profit of \$839.103 million for the nine months ended July 31, 2023, representing an increase of \$327.956 million or 64% over the comparative prior period. The company continues to efficiently manage its direct costs with gross margins improving to 52.27% for the quarter, and 52.88% for the nine (9) months ended July 31, 2023. In 2022, the company recorded gross margins of 49.54% and 46.72% in its third quarter and nine (9) months, respectively.

Administrative and general expenses for the quarter increased by 33.41% or \$40.580M over the corresponding period. This was anticipated, as the company forecasted increased activities which would have resulted in increased operational costs.

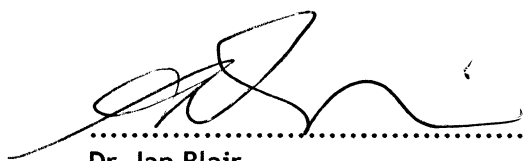
The company's asset base grew by \$260.959 million or 26% to \$1,248.522 million, compared to \$987.563 million as at July 31, 2022. This was predominantly as a result of the significant increase in our cash and short-term deposits of \$308.190 million or 277% to \$419.324 million. There were also significant capital investments since the start of the financial year, with \$106.379 million spent to improve our non-current assets. These increases were partially offset by a reduction in our receivables and amounts due from related parties of \$74.620 million or 16.62%.

Loans and finance lease obligations decreased by \$27.563 million or 36%, while payables have increased by \$86.062 million or 190% as a result of activities executed at the end of the quarter.

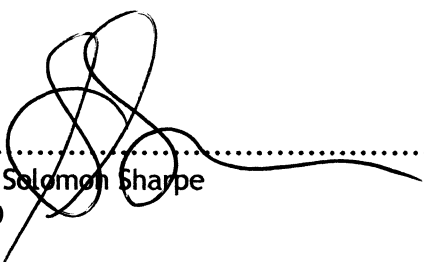
For the third quarter ended July 31, 2023, earnings per share decreased from \$0.41 in the corresponding period to \$0.08 per share; a decrease of 80%. However, due to the company's strong year-to-date performance, earnings per share improved to \$0.72 for the first nine months of the year, representing a 114% or \$0.35 per share increase over the nine months ended July 31, 2023. Shareholder's equity stands at \$856.584 million as at July 31, 2023, an increase of \$225.603 million or 31.05% compared to the prior year; after accounting for an interim dividend payment of \$0.10 per share, paid on July 28, 2023.

Our team continues to deliver fantastic results to our clients, and we are grateful to every member of our team, whose sacrifices make us the company of choice for extraordinary experiences.

We thank our stakeholders and our clients for their continued support, confidence, and loyalty in making us their partner of choice for delivering exceptional experiences.



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



.....  
Mr. Solomon Sharpe  
CEO

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

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**CONTENTS**

	<b>Page(s)</b>
STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS	5 - 10

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**(unaudited)**  
**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

	Unaudited Quarter Ended July 31, 2023 \$'000	Unaudited Quarter Ended July 31, 2022 \$'000	Unaudited Nine Months July 31, 2023 \$'000	Unaudited Nine Months July 31, 2022 \$'000	Audited Year ended October 31, 2022 \$'000
REVENUE	428,056	601,528	1,586,931	1,094,063	1,549,003
Direct expenses	<u>(204,297)</u>	<u>(303,540)</u>	<u>(747,828)</u>	<u>(582,916)</u>	<u>(794,181)</u>
Gross profit	223,759	297,988	839,103	511,147	754,822
Other operating income	<u>4,469</u>	<u>60</u>	<u>13,665</u>	<u>257</u>	<u>2,540</u>
	228,228	298,048	852,768	511,404	757,362
EXPENSES					
Administrative and general	<u>(162,056)</u>	<u>(121,476)</u>	<u>(495,357)</u>	<u>(283,571)</u>	<u>(446,810)</u>
Selling and promotion	<u>(5,878)</u>	<u>(2,389)</u>	<u>(17,444)</u>	<u>(4,828)</u>	<u>(9,787)</u>
Depreciation	<u>(29,212)</u>	<u>(28,740)</u>	<u>(80,521)</u>	<u>(86,248)</u>	<u>(109,728)</u>
Amortisation	<u>(2,487)</u>	<u>(3,106)</u>	<u>(7,461)</u>	<u>(9,318)</u>	<u>(12,425)</u>
	<u>(199,633)</u>	<u>(155,711)</u>	<u>(600,783)</u>	<u>(383,965)</u>	<u>(578,750)</u>
OPERATING PROFIT / (LOSS)	28,595	142,337	251,985	127,439	178,612
Finance costs	<u>(2,902)</u>	<u>(3,015)</u>	<u>(7,395)</u>	<u>(9,562)</u>	<u>(11,387)</u>
PROFIT / (LOSS) BEFORE TAXATION	25,693	139,322	244,590	117,877	167,225
Taxation	<u>(2,384)</u>	<u>(15,544)</u>	<u>(28,903)</u>	<u>(13,936)</u>	<u>(15,976)</u>
Net profit / (loss)	23,309	123,778	215,687	103,941	151,249
Other Comprehensive Income:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET PROFIT / (LOSS), BEING TOTAL COMPREHENSIVE INCOME	<u>23,309</u>	<u>123,778</u>	<u>215,687</u>	<u>103,941</u>	<u>151,249</u>
Earnings per share for profit attributable to the equity holders of the company:					
Number of shares	300,005	300,005	300,005	300,005	300,005
Earnings per share	<u>0.08</u>	<u>0.41</u>	<u>0.72</u>	<u>0.35</u>	<u>0.50</u>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
(unaudited)  
**AS AT JULY 31, 2023**

	Unaudited July 31, 2023 \$'000	Unaudited July 31, 2022 \$'000	Audited October 31, 2022 \$'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	402,536	400,669	376,679
Deferred tax asset	2,213	2,369	2,213
Deposit - long term	21,946	20,962	21,928
Right of use assets	22,382	3,106	29,842
	<u>449,077</u>	<u>427,106</u>	<u>430,662</u>
<b>CURRENT ASSETS:</b>			
Receivables	341,567	404,371	355,737
Due from related parties	32,818	44,634	29,527
Taxation recoverable	5,736	-	-
Deposit - short term	229,333	-	150,814
Cash and bank balances	189,991	111,134	127,933
	<u>799,445</u>	<u>560,139</u>	<u>664,011</u>
<b>Total Assets</b>	<u><u>1,248,522</u></u>	<u><u>987,245</u></u>	<u><u>1,094,673</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	103,652	103,652	103,652
Retained earnings	753,032	550,037	567,345
	<u>856,684</u>	<u>653,689</u>	<u>670,997</u>
<b>Non-current Liabilities</b>			
Loans	48,384	74,756	68,564
Lease liabilities	13,082	6,047	22,818
	<u>61,466</u>	<u>80,803</u>	<u>91,382</u>
<b>Current Liabilities</b>			
Payables	249,844	190,328	248,829
Due to related parties	26,982	20,884	34,492
Taxation payable	16,545	11,782	13,627
Current portion of loans	24,666	21,200	21,768
Current portion of lease liabilities	12,335	8,559	13,578
	<u>330,372</u>	<u>252,753</u>	<u>332,294</u>
<b>Total Equity and Liabilities</b>	<u><u>1,248,522</u></u>	<u><u>987,245</u></u>	<u><u>1,094,673</u></u>

Approved and signed on behalf of the Board on September 14, 2023 by:

  
Dr. Ian Blair - Chairman, Finance Committee

  
Mr. Solomon Sharpe - CEO

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY**  
**(unaudited)**  
**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
<b>BALANCE AT OCTOBER 31, 2022</b>	103,652	567,345	670,997
<b>TOTAL COMPREHENSIVE INCOME:</b>			
Net profit	-	215,687	215,687
<b>TRANSACTION WITH OWNERS</b>			
Dividends paid	-	(30,000)	(30,000)
<b>BALANCE AT JULY 31, 2023</b>	<u>103,652</u>	<u>753,032</u>	<u>856,684</u>
<b>BALANCE AT OCTOBER 31, 2021</b>	103,652	446,096	549,748
<b>TOTAL COMPREHENSIVE INCOME:</b>			
Net loss	-	103,941	103,941
<b>TRANSACTION WITH OWNERS</b>			
Dividends paid	-	-	-
<b>BALANCE AT JULY 31, 2022</b>	<u>103,652</u>	<u>550,037</u>	<u>653,689</u>



**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF CASH FLOWS**  
(unaudited)  
**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

	Unaudited Nine Months July 31, 2023 \$'000	Unaudited Nine Months July 31, 2022 \$'000	Audited Year ended October 31, 2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit / (loss)	215,687	103,941	151,249
<b>Items not affecting cash resources -</b>			
Depreciation	80,521	86,248	109,728
Interest expense	7,395	9,562	11,387
Interest income	(13,665)	(257)	(1,223)
Exchange loss/(gain) on foreign balances	1,075	(542)	276
Taxation expense	28,903	13,936	15,976
Right-of-use amortisation	7,461	9,318	12,425
Gain on disposal of assets	-	-	(425)
<b>Operating cash flows before movements in working capital</b>	<b>327,377</b>	<b>222,206</b>	<b>299,393</b>
<b>Changes in operating assets and liabilities</b>			
Receivables	14,170	(308,524)	(259,890)
Related party balances	(10,801)	(3,454)	25,261
Payables	(2,821)	89,583	173,897
Deferred revenues	-	26,546	-
	<b>327,925</b>	<b>26,357</b>	<b>238,661</b>
Taxation paid	(28,178)	1,992	(201)
<b>Cash provided by operating activities</b>	<b>299,747</b>	<b>28,349</b>	<b>238,460</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	(106,379)	(32,526)	(32,017)
Proceeds from disposal of property, plant and equipment	-	-	426
Interest received	12,260	257	-
Long term deposit	(326)	-	(21,519)
Short term deposit	(77,458)	-	(150,000)
<b>Cash used in investing activities</b>	<b>(171,903)</b>	<b>(32,269)</b>	<b>(203,110)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Loan repayments	(17,282)	(35,659)	(42,968)
Lease repayments	(10,979)	(14,328)	(19,268)
Interest paid	(7,395)	(9,562)	(10,660)
Dividends payment	(30,000)	-	(30,000)
<b>Cash used in financing activities</b>	<b>(65,656)</b>	<b>(59,549)</b>	<b>(102,896)</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>62,188</b>	<b>(63,469)</b>	<b>(67,546)</b>
Exchange gain on foreign cash balances	(130)	542	457
<b>Cash and cash equivalents at beginning of year</b>	<b>127,933</b>	<b>195,023</b>	<b>195,022</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>189,991</b>	<b>132,096</b>	<b>127,933</b>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(unaudited)**  
**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

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**1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

- (a) Main Event Entertainment Group Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 7-9 Ardenne Road, Unit 2, Kingston 10.
- (b) The principal activities of the company are to carry on the business of entertainment promoter, agent and manager.
- (c) The company is a subsidiary of MEEG Holdings, a company incorporated and domiciled in Saint Lucia.
- (d) The company was listed on the Junior Market of the Jamaica Stock Exchange on 8 February 2017.

**2. REPORTING CURRENCY:**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operated ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the company's functional and presentation currency.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of presentation**

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared in accordance with requirements of the Jamaican Companies Act.

All policies are consistent with those presented in the last audited financial statements.

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)  
**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

**4. MOVEMENT IN FIXED ASSETS**

	<u>Equipment</u>	<u>Building</u>	<u>Leasehold Improvements</u>	<u>Furniture &amp; Fixtures</u>	<u>Computer Equipment</u>	<u>Audio &amp; Filming Equipment</u>	<u>Rentals, Décor &amp; Tent Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>At Cost/Valuation</b>									
Beginning of period	321,677	40,610	5,028	12,145	67,969	550,926	137,284	89,421	1,225,060
Current period additions	<u>5,737</u>	<u>-</u>	<u>335</u>	<u>512</u>	<u>7,627</u>	<u>90,006</u>	<u>2,162</u>	<u>-</u>	<u>106,379</u>
End of Period	<u>327,414</u>	<u>40,610</u>	<u>5,362</u>	<u>12,657</u>	<u>75,596</u>	<u>640,932</u>	<u>139,446</u>	<u>89,421</u>	<u>1,331,438</u>
<b>Accumulated Depreciation</b>									
Beginning of period	246,960	5,310	2,045	7,583	55,840	373,512	95,265	61,866	848,381
Charge for period	<u>21,726</u>	<u>1,062</u>	<u>399</u>	<u>655</u>	<u>4,833</u>	<u>32,144</u>	<u>13,880</u>	<u>5,822</u>	<u>80,521</u>
End of period	<u>268,686</u>	<u>6,372</u>	<u>2,444</u>	<u>8,238</u>	<u>60,673</u>	<u>405,656</u>	<u>109,145</u>	<u>67,688</u>	<u>928,902</u>
<b>Net Book Value</b>									
End of period	<u>58,728</u>	<u>34,238</u>	<u>2,918</u>	<u>4,419</u>	<u>14,923</u>	<u>235,276</u>	<u>30,301</u>	<u>21,733</u>	<u>402,536</u>
End of prior period	<u>74,717</u>	<u>35,300</u>	<u>2,983</u>	<u>4,562</u>	<u>12,129</u>	<u>177,414</u>	<u>42,019</u>	<u>27,555</u>	<u>376,679</u>

Assets are depreciated on the straight line basis to depreciate items over their useful lives.

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)  
**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

**5. SHARE CAPITAL**

	Unaudited July 31, 2023 \$'000	Unaudited July 31, 2022 \$'000	Audited October 31, 2021 \$'000
Authorized ordinary shares of no par value	<u>103,652</u>	<u>103,652</u>	<u>103,652</u>
Issued ordinary shares of no par value	<u>103,652</u>	<u>103,652</u>	<u>103,652</u>
	# of shares	# of shares	# of shares
Authorized ordinary shares of no par value	<u>320,004,000</u>	<u>320,004,000</u>	<u>320,004,000</u>
Issued ordinary shares of no par value	<u>300,005,000</u>	<u>300,005,000</u>	<u>300,005,000</u>

**6. LOANS**

	Unaudited July 31, 2023 \$'000	Unaudited July 31, 2022 \$'000	Audited October 31, 2022 \$'000
Sagicor Bank Jamaica Limited - JMD Loan	<u>73,050</u>	<u>95,956</u>	<u>90,332</u>
	<u>73,050</u>	<u>95,956</u>	<u>90,332</u>
Less Current portions	<u>(24,666)</u>	<u>(21,200)</u>	<u>(21,768)</u>
Non-Current portions	<u>48,383</u>	<u>74,756</u>	<u>68,564</u>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)  
**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

**7. LEASES**

**i) Amounts recognized in the statement of financial position**

The statement of financial position shows the following amount relating to leases:

	Unaudited July 31, 2023 \$'000	Unaudited July 31, 2022 \$'000	Audited October 31, 2022 \$'000
<b>Right-of-use assets:</b>			
Buildings	22,382	3,106	29,842
<b>Property, plant and equipment:</b>			
Motor vehicles acquired under finance lease	<u>8,752</u>	<u>10,777</u>	<u>10,574</u>
	<u><u>31,134</u></u>	<u><u>13,883</u></u>	<u><u>40,416</u></u>
<b>Lease liabilities:</b>			
Current portion	12,335	8,559	13,578
Non-current portion	<u>13,082</u>	<u>6,047</u>	<u>22,818</u>
	<u><u>25,417</u></u>	<u><u>14,606</u></u>	<u><u>36,396</u></u>

**ii) Amounts recognized in the statement of profit or loss:**

	Unaudited July 31, 2023 \$'000	Unaudited July 31, 2022 \$'000	Audited October 31, 2022 \$'000
<b>Depreciation charge of right-of-use assets:</b>			
Buildings	7,461	14,211	12,425
Motor vehicles	<u>1,822</u>	<u>2,970</u>	<u>2,429</u>
	<u><u>9,283</u></u>	<u><u>17,181</u></u>	<u><u>14,854</u></u>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)  
**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

**8. PAYABLES:**

	Unaudited July 31, 2023 \$'000	Unaudited July 31, 2022 \$'000	Audited October 31, 2022 \$'000
Trade payables	80,108	66,076	53,753
GCT payables	15,797	37,067	29,110
Statutory payables	5,497	6,241	6,562
Accruals and other payables	88,285	48,098	74,555
Deferred income	26,123	26,546	63,055
Credit card payables	34,034	6,300	21,794
	<b>249,844</b>	<b>190,328</b>	<b>248,829</b>
	<b>249,844</b>	<b>190,328</b>	<b>248,829</b>

**9. TAXATION EXPENSE:**

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

	Unaudited July 31, 2023 \$'000	Unaudited July 31, 2022 \$'000	Audited October 31, 2022 \$'000
Current taxation	28,903	13,936	15,820
Deffered tax	-	-	156
	<b>28,903</b>	<b>-</b>	<b>15,976</b>
	<b>28,903</b>	<b>-</b>	<b>15,976</b>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)  
**NINE (9) MONTHS ENDED JULY 31, 2023 (Q3)**

9. TAXATION EXPENSE (CONT'D):

- (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:

	Unaudited July 31, 2023 \$'000	Unaudited July 31, 2022 \$'000	Audited October 31, 2022 \$'000
Profit / (Loss) before taxation	<u>244,590</u>	<u>117,877</u>	<u>167,225</u>
Tax calculated at 25%	61,148	29,469	41,806
Expenses not deductible for tax purposes	17,104	14,308	29,467
Remission of taxes (note (c) below)	(28,903)	(13,936)	(11,300)
Net effect of other charges and allowances	<u>(20,446)</u>	<u>(15,905)</u>	<u>(43,997)</u>
Taxation charge	<u><u>28,903</u></u>	<u><u>13,936</u></u>	<u><u>15,976</u></u>

- (C) Remission of income tax:

On 8 February 2017, the company's shares were listed on the Junior Market of the Jamaica Stock Exchange. Consequently, the company is 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.

Years 1 to 5 100%

Years 6 to 10 50%

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