



2023



ANNUAL REPORT



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MAINEVENT
Entertainment Group Limited.

THE REGION'S #1 BRAND
IN DELIVERING PHENOMENAL EXPERIENCES.



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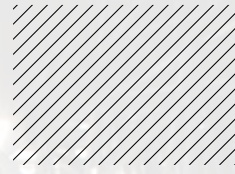
2023



ANNUAL REPORT



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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 at AC Hotel, 38 - 42 Lady Musgrave Road, Kingston 10, on **Thursday, July 4th 2024, at 2:00 p.m.**, to consider, and if thought fit, pass the following resolutions:

1. RECEIPT OF AUDITED ACCOUNTS

To receive the Audited Accounts of the Company for the year ended October 31, 2023, together with the Reports of the Directors and Auditors thereon.

Ordinary Resolution No. 1

'THAT the Audited Accounts of the Company for the year ended October 31, 2023, together with the Reports of the Directors and Auditors thereon be and are hereby adopted'.

2. DIVIDENDS

To declare the interim dividends paid on July 28, 2023, as final for the year under review.

"THAT as recommended by the Directors, the interim dividends paid on July 28, 2023, be and are hereby declared as final for the year ended October 31, 2023."

3. RE-APPOINTMENT 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. 3 (a)

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

Ordinary Resolution No. 3 (b)

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

4. DIRECTORS' REMUNERATION

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

Ordinary Resolution No. 4 (a)

'THAT the amount shown in the Audited Accounts for the year ended October 31, 2023, as fees to the Directors for services as Directors, be and is hereby approved', and

Ordinary Resolution No. 4 (b)

"THAT the Directors be and are hereby authorised to fix their remuneration for the ensuing year".

5. 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. 4

- ' THAT BDO Chartered Accountants having signified their willingness to serve, continue in office as Auditors of the Company pursuant to Section 154 of the Companies Act to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company'.

Ordinary Resolution No. 5

6. SPECIAL BUSINESS - Resolution to Increase Authorised Share Capital

Special Resolution No. 1

"THAT the existing authorised share capital of the Company be increased from 320,004,000 ordinary shares in the capital of the Company to unlimited ordinary

shares with no maximum.”

7. ANY OTHER BUSINESS

Dated this 16th day of January, 2024

BY ORDER OF THE BOARD

Marvia Williams

Marvia Williams

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 Registrar of the Company, Jamaica Central Securities Depository at 40 Harbour Street, Kingston, not less than forty-eight (48) hours before the time fixed for the meeting.





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, 2022.

ACCOUNTS

| | 2023 | 2022 |
|--|-----------|---------|
| | \$000 | 2022 |
| Profit/(loss) attributable to Stockholders | \$207,411 | 151,249 |
| Retained profits at beginning of year | 567,345 | 446,096 |
| Dividends and distribution | 30,000 | 30,000 |
| Balance attributable to Stockholders | 744,756 | 567,345 |
| | | |
| Transfers, net | Nil | Nil |
| Retained Profits at end of year | 744,756 | 567,345 |

Dividends

The Directors have recommended that the interim dividends of \$0.10 per share paid on July 28, 2023 be declared as final for the year ended October 31, 2023.

Directors

The Directors of the Company as at October 31, 2023 were:

| | |
|----------------------|--------------------------|
| Dr. Ian Blair | Independent Director |
| Solomon Sharpe | Executive Director |
| Hugh Graham | Independent Director |
| Tania Waldron-Gooden | Independent Director |
| Katherine Francis | Non-Independent Director |
| Richard Bair | Executive Director |
| Donna Waithe | Executive Director |
| Gladstone Lewars | Independent Director |

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.

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 this 16th day of February 2024

BY ORDER OF THE BOARD



Marvia Williams
Secretary

THE BOARD OF DIRECTORS

The current Board of Directors is made up of both internal and external members of the Company. These individuals, based on their knowledge and experience, make valuable contributions to the overall strategic direction of the business, and also help to ensure that the company operates in a legal, ethical, and socially responsible manner.

Our Board of Directors also represents the interests of our stockholders as they monitor the effectiveness of management policies, decisions, and execution of strategic company goals.



Solomon Sharpe,
President and Chief Executive
Officer

Solomon O. Sharpe is the founder and currently President and CEO of the Company. Mr. Sharpe spearheads the Client Relations, Business Development and Product Diversification Departments of the Company. Before founding the Company, he worked at Desnoes and Geddes, and while there developed new approaches to event planning, marketing and promotion, focusing on sporting events 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



Mr. Richard Bair
Senior Vice President, and Chief
Operating Officer

Richard Bair currently serves as Senior Vice President and 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. Before forming the Company, Mr. Bair worked at Cable and Wireless, Porter Brothers, and his proprietary entertainment promotions business, RAS Promotions.



Donna Waithe
Senior Vice President, Human
Resource and Administration

Donna Waithe has been a member 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 before joining the Company.



Dr. Ian Blair
Independent Non-Executive
Director and Chairman

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 Bachelor of Science (Hons.) in Management Studies (UWI), MSc 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,



Mr. Hugh Graham
Independent Non-Executive
Director



Tania Waldron-Gooden
Independent Non-Executive
Director, Mentor

and Senior VP Operations and Development, Port Authority of Jamaica. Since 2005, Dr. Blair has worked as a Management and Aviation Consultant.

Mr. Hugh Graham founded Paramount Trading (Jamaica) Limited in 1991 and has been its Chief Executive Officer and Managing Director since February 1991. Before forming that company, Mr. Graham was a sales agent for international chemical manufacturers and distributors 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 Llundas Vale Division since 2007. He has also served on the Boards of the JUTC, Spectrum Management Authority, Ultimate Tyre Company, National Water Commission, and Rural Water Supply Limited.

Tania Waldron-Gooden is the Chief Executive Officer (CEO) of Chicken Mistress Limited trading as Island Grill. She has twenty (20) years of experience in areas of Investment Banking, Investment Analysis and Research, New Product Development, Pension Fund Management, Portfolio Management and Insurance Brokerage. She also has over ten (10) years of experience as a Jamaica Stock Exchange mentor.

Tania is the Jamaica Stock Exchange (JSE) Mentor and Director of Main Event Entertainment Group and Derrimon Trading Company Limited. Tania is also a Director of FirstRock PE and Jamaica Plumbing Supplies Limited. She is the JSE Mentor to Spur Tree Spices Jamaica, Caribbean Flavours & Fragrances Limited, EduFocal Limited, Caribbean Assurance Brokers Limited, Dolla Financial Services and Express Catering Limited, and also provides mentorship and consulting services to Carbyne Capital Investments Limited, Lifespan Company Limited, WILCO Finance Limited and Omni Industries Limited.

As the Mentor to various Junior Market companies, she is responsible for providing the Board with support in establishing proper procedures, systems, and controls for its compliance with the Jamaica Stock Exchange rule requirements for financial reporting, good corporate governance, and the making of timely announcements.

Mrs. Waldron-Gooden holds a Bachelor of Science degree (BSc. - Hons.) in Geology from the University of the West Indies, a Master of Business Administration degree (M.B.A) from the University of Sunderland in the U.K., and has completed the Jamaica Securities Course as well as the Canadian Securities Course administered by the Canadian Securities Institute. Additionally, she holds a post graduate diploma in Paralegal Studies, and is registered/licensed by the Financial Services Commission as an Individual Investment Advisor.

Katherine P. C. Francis is formerly the Senior Vice President-Legal Regulatory & Compliance at Supreme Ventures Services Limited. She has over a decade of experience in the regulatory and compliance field and is an Attorney at Law with over 25 years at the Bar. Prior to joining the Supreme Ventures family, she served in the positions of Senior Vice President-Safety Risk & Legal and Company Secretary at the Jamaica Public Service Company Limited. She has also worked at the Attorney General's Chambers and was an Associate at the Law Firm Clinton Hart & Co.

Ms. Francis is currently a member of the Disciplinary Committee of the General Legal Council and a Former member of the Bar Council. She presently sits on the Board of CAC2000 Limited and McKayla Financial Services Limited, a subsidiary of Supreme Ventures Limited.



Katherine Francis
Independent Director



Gladstone Tony Lewars
Independent Non-Executive
Director

Gladstone Lewars is a Chartered Accountant by profession and a retired partner of PricewaterhouseCoopers where he was the Leader for the Advisory Division of the firm.

Mr. Lewars has dedicated much of his time to civic and voluntary activities, serving on a plethora of public and private sector Boards. He is a Director on the Boards of Mayberry Investment Limited, Guardian Life Limited and Main Event Entertainment Ltd, and chairs the Boards of JN Cayman Limited, JN Cayman Money Services Ltd, and Guardian Group Foundation. He is also a Trustee for the Jamaica College Trust and sits on the Board of Governors for The Alpha Academy. He is a founding member of the Police Civilian Oversight Committee where he continues to serve since 2006.

Mr. Lewars is a graduate of the University of the West Indies, completing a Bachelor of Science Degree in Economics (honours) and Masters of Science Degree in Economics and Accounting in 1974 and 1979, respectively. He also has several academic publications relating to small farming in the Jamaican economy.

In 2015, Mr. Lewars was conferred with the honour of the Order of Distinction in the rank of Commander Class (CD) in recognition of his invaluable service to the public and private sectors.



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MANAGEMENT TEAM

Our management team consists of a group of experienced and dedicated individuals with complementary skills working together to develop and execute a proper strategy for the future of the organization.

The team is not merely a collection of top managers, but also a team whose results are leveraged by increased cooperation and teamwork encompassing all the different functions of the organization.



Solomon SHARPE
President and Chief Executive
Officer



Richard BAIR
Senior Vice President and Chief
Operating Officer



Donna WAITHE
Senior Vice President Human
Resource & Administration



Elaine MAHARAJA-RATTRAY
V. P. Design, Planning and Experi-
ence Management



Gregory-Paul CAMPBELL
Finance Manager



Donna HUSSEY
Corporate Affairs Manager



Glendon PHILLIPS
Senior Manager, Field Services



Mellissa TULLOCH
Strategy and Development
Executive



Brittany COKE
Marketing, Creative and Design
Manager



Lancelot EDWARDS
Warehouse Manager



Crystal HYLTON
Commercial Operations Manager
(Eastern Division)



Damion MURPHY
AVL Operations Manager



Nicole SHARPE
Operations and Admin Manager ,
Digital Signage



Serina MOULTON-FINDLEY
Manager, Human Resource &
Administration



Taniese CROSS
Operations Manager - Kingston
Showroom



Sasha MILLER
Creative Director



Mizicann EVANS
Warehouse Manager - Rentals



Damone HENRY
Head of Repair



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

For this fiscal year, Main Event Entertainment Group Limited (MEEG) generated \$1.921.876 million in revenues and delivered \$207.411 million in net profit. Our focus on delivering exceptional service and being positioned to take advantage of market opportunities, fueled revenue growth of 24 percent in 2023. Our key revenue segments continued to anchor our annual revenue targets.

In 2023, we navigated through an increasingly competitive environment within the entertainment sector, relying heavily on our experience and ability to adapt to changes. We adjusted key strategies as necessary to

ensure our performance was an improvement over the prior year, 2022. While the market shifts have put additional pressures on our margin profile, we were able to mitigate the effects by improving efficiency in our operations.

The company was also impacted by inflation, with noticeable increases in rates and prices throughout the period. The company has proactively responded to these price adjustments, showing resiliency in its the ability to manage impacts to the company's bottom line. This approach ultimately afforded us to deliver record-breaking results in 2023.





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Entertainment Sector

Jamaica's entertainment industry reportedly contributes over 5 percent of the country's GDP. The industry remains a key ingredient in driving the country's economy, and it is likely to see significant benefits from the country's growth coming out of the COVID 19 pandemic. 2023 saw the return of important entertainment and cultural events. The rebound included the return of Carnival in Jamaica and the return of Easter and Independence activities, with several party series reclaiming their positions on the local event calendars. There was a resurgence in large live shows, which saw a number of high-profile international artists visiting our shores and treating local fans to memorable performances. There was also a noticeable increase in local and international themed Expos.

This post-pandemic period represents a great opportunity for Jamaica and its entertainment industry. The industry remains poised for growth, and we remain focused on playing a crucial role.

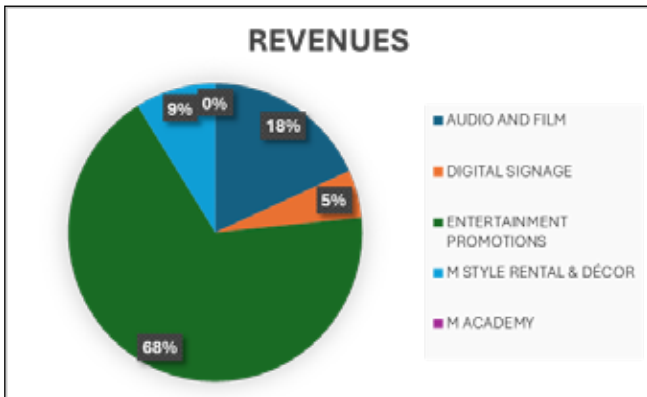
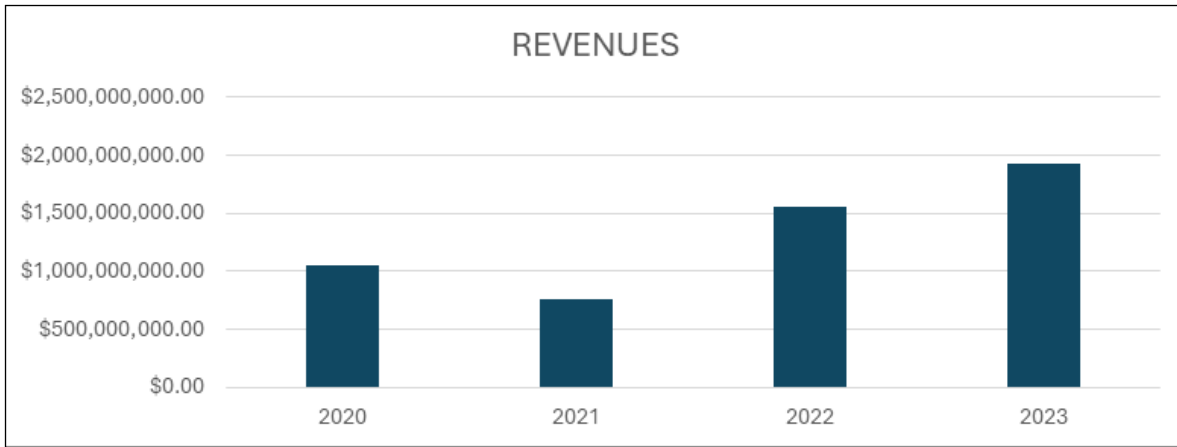
Financial Performance

In 2023, our overall financial performance continued the upward trajectory seen in the latter part of the prior year. The Company's performance relied heavily on its core segments, which all saw increases during the current financial year. Our client base has been the most diversified in recent years, an approach taken to improve client concentration. This approach has facilitated greater exposure

and created additional revenue opportunities. Our 2023 performance, in an increasingly challenging sector, demonstrates that we are now a higher-growth, higher-value company with the ability to generate strong cash from operations, while continuing sustainable capital investments in our core segments.

Revenue

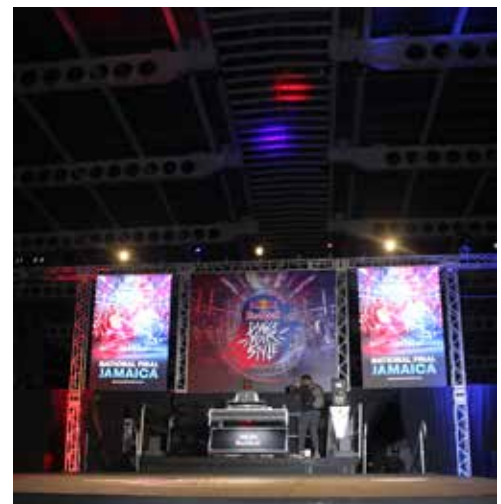
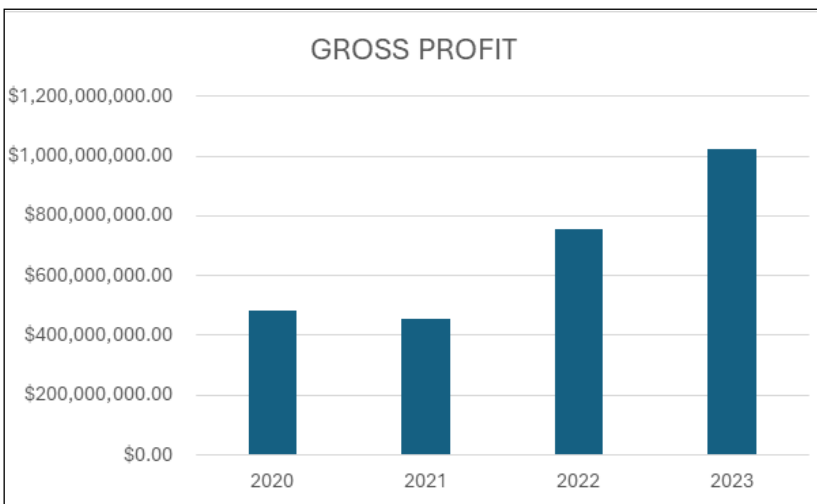
In 2023, we reported our highest ever revenue totals in a year. This was possible due to strategic investments in core segments, which created revenue opportunity that previously never existed. Through these investments, we were able to achieve record revenues from our Audio and Film services. This segment recorded the highest annual increase, with an increase of 36 percent or \$93.265 million when compared to 2022. Our growth was also supported by the company's pursuit of revenue from non-traditional sources, one of the company's responses to shifts in market conditions. Entertainment promotion, which accounted for 68 percent of our revenues, improved to \$1,301.822 million, a 25 percent increase over the \$1,044.851 million earned in 2022. Our M Style XP department saw the second highest percentage growth, increasing by 33 percent or \$42.282 million in revenue. Our Digital Signage Department (DSD) saw a decline of 16 percent or \$19.645 million when compared to 2022. This is largely due to the timing and nature of DSD revenue contracts negotiated during the period. Overall, the revenue mix for the company relatively unchanged when compared to 2022.



Gross Profit

The gross margin of 53 percent increased 4 percentage points year to year, which resulted in an increase in gross profit of 36 percent or \$270.578 million to \$1,025.409 million when compared to 2022. Continuing with management's pre-pandemic strategy of improving efficiency, the company achieved

success in improving its margins by mitigating rising costs through operational productivity and efficiency. This performance was also achieved through the pursuit of revenue streams which delivered higher margins while giving an opportunity to focus on our key strengths. Cost management strategies are key to the company's continued growth as the company explores new opportunities to deliver our services while providing great value to our clients. We are pleased with the fundamentals of our business and the progress we have made in executing our strategy.





Operating Expenses

Operating expenses increased 37 percent in 2023 versus the prior year, primarily driven by increased activities and rising costs in key expense items. We are continuously developing our talent, both through learning and hiring. In response to our strategic objectives and market demand, we strengthened key positions and added new portfolios and invested in our employees through various programmes, designed to apply new skills important for retention and critical to our ability to transform and evolve our staff. Consequently, Staff costs increased by \$58.920 million or 23.44 percent. Amortization charges increased by 189 percent, following the completion of lease re-negotiations. Selling and promotion costs also increased by 135 percent or \$13.220 million during the year, as the Company enhanced marketing strategies to deepen its footprint. Expected credit losses (ECL) on trade receivables also increased by \$14.539 million, which is largely a result of a change in the mix of customer balances. Overall, we managed our expenses efficiently by streamlining key procurement processes within our business.

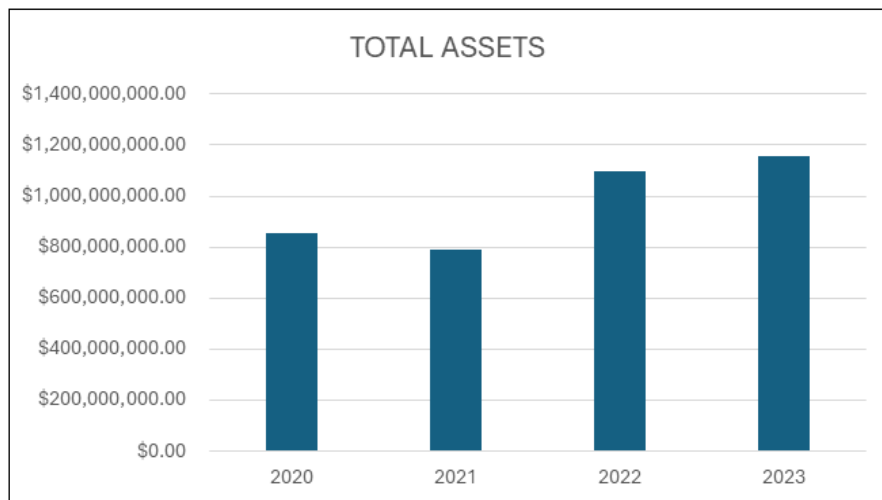
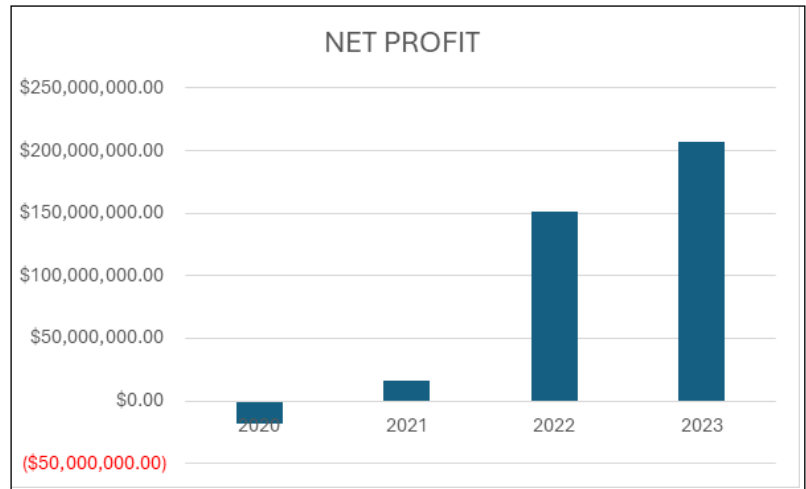
Finance costs showed a 41 percent increase reflecting the increase in charges on leased assets, following re-negotiations. With fiscal year 2023 marking the first full year of taxable profits since listing, and with higher profits, taxation charges show a \$9.801 million or 61 percent increase.



Net profit

The company improved net profit from \$151.249 million in 2022 to \$207.411 million in 2023. This represents an increase of 37 percent over the corresponding financial year. The result means this is the most profitable year, and the highest profit margin in the company's history, improving

one percentage point to 10.8 percent when compared to 9.8 percent in 2022. Underpinning these results was the company's ability to respond to shifts in market conditions within the entertainment sector through the introduction of new products and engaging new clients. The pursuit of new opportunities along with the company's focus on operational efficiency yielded success in 2023.



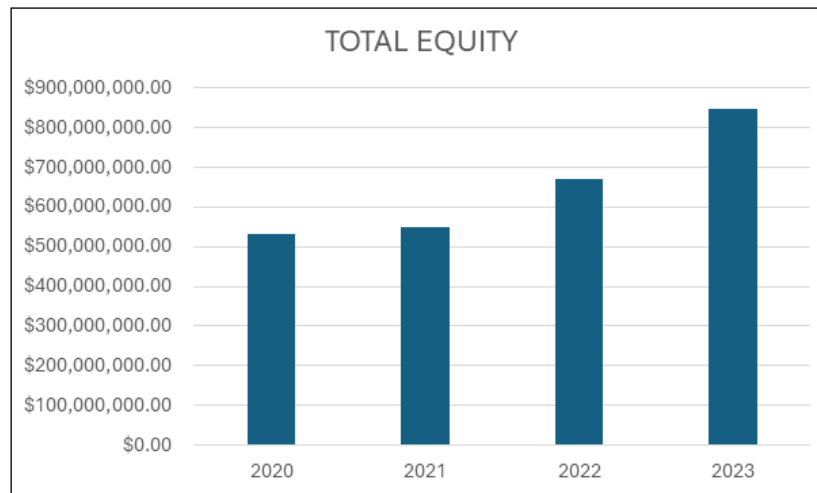
Total Assets

Our balance sheet at October 31, 2023 remained strong and continues to provide us with flexibility to support and invest in the business. Total assets of \$1,155.957 million represent an improvement of \$61.284 million or 6 percent over the \$1,094.732 million

at the end of 2022. Cash and cash equivalents, short and long term deposits at October 31, 2023 were \$458.806 million, an increase of \$158.131 million compared to prior year end. During 2023, we generated \$375.014 million in cash from operating activities, an increase of \$136.554 compared to 2022 driven by improved receivables collection. The company also strengthened its property, plant and equipment position by investing \$135.286 million in new and improved equipment as the company positions itself to grow its revenue lines in the short to medium term.

Shareholders' Equity

Total equity increased by 26 percent or \$177.411 million in 2023, primarily driven by the company's record profit performance for the financial year. The company also returned \$30 million to shareholders through dividends in 2023. Comparatively, the company also paid dividends in 2022 in the same amount, marking the second successive year of dividend payment following the lifting of the COVID 19 restrictions in 2022.



Outlook

Looking forward as entertainment remains a critical part of Jamaica's ever improving growth pattern, we remain keen in playing a critical role in the continued advancement of the country's status and advancing the level of event-related services.

We will continue to invest to deliver unique, inventive, and exceptional ideas for our clients as we enhance our brand's rich history of delivering phenomenal experiences.

For 2024, we plan on expanding and extending the work we do with new and existing clients through strategic collaboration agreements. We hope to have a more diverse client base and be involved in new and exciting products.

We remain confident in the strategy that we are executing and in the fundamentals of our business. Our balance sheet and liquidity position remain strong we continue to manage our debt levels, while investing in the latest technology and trends. Our strategic goals are centered around being responsive to the changing climate and pursuing new ideas and ventures that will capitalize on the hard work of our team and Board members over the last three years.

We are committed to creating shared value for our shareholders and all stakeholders connected

to our business by having the support of a strong board of directors as we remain nimble and processive in our approach to delivering phenomenal experiences.

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 could not achieve all we did without the unwavering loyalty of our employees. We thank our entire team for their admirable dedication in keeping us on track as we met and exceeded our customers' expectations. We thank our Board of Directors for their astute guidance as the company continues to grow, expand business lines, and improve.

We thank our partners, clients, suppliers and our investors for their continued support, confidence, and loyalty in making us their partner of choice for delivering exceptional experiences. Thank you all for positively impacting the way we work, through co-operation, coordination, and agile responsiveness. We thank you, our shareholders, for your continued trust in us to stay the course.



Risks

In the normal course of business, our financial position is routinely subject to a variety of risks, including the market risk associated with interest rate and currency movements on outstanding debt and non-JMD dollar denominated assets and liabilities, and other risks such as collectability of accounts receivable.

We regularly assess these risks and have established policies and business practices to protect against the adverse effects of these and other potential exposures such as social factors.

The major risks we have identified as a potential hinderance to growth are:

1. Continued investment in equipment and assets. Though necessary to grow capacity and expand our service offerings, can put pressure on liquidity and restrict growth if not properly monitored and managed.
2. Susceptibility to weather and external social factors. The nature of the event industry makes it particularly vulnerable to these factors.
3. Weather: An estimated 70 percent of events are held outdoors which can be greatly affected by inclement weather, causing cancellations and ultimate loss of revenue.
4. Social Factors: Many social factors can affect our industry – primary crime, political crime, political campaigns, changing social trends, inflation, and currency depreciation. The impact of these on our industry is something that we must constantly monitor to limit their impact on our bottom line.



OUR TEAM

OUR BEST ASSET

Main Event boasts a team comprising of industry-leading talent - a source of immense pride for us. Our team members aren't merely qualified, they are driven and enthusiastic about crafting the tailored experiences our

clients' demand.

Our teams operate independently yet communicate effectively, forming a network of small enterprises that collaborate seamlessly to deliver a comprehensive brand experience that exceeds our clients' expectations.



Throughout the past year, our team has experienced significant growth and success, driven by our unwavering focus on the future. Our semi-decentralized structure fosters individual growth and expertise within our team, while collectively enhancing the comprehensive brand experience that defines us.

TRAINING AND DEVELOPMENT

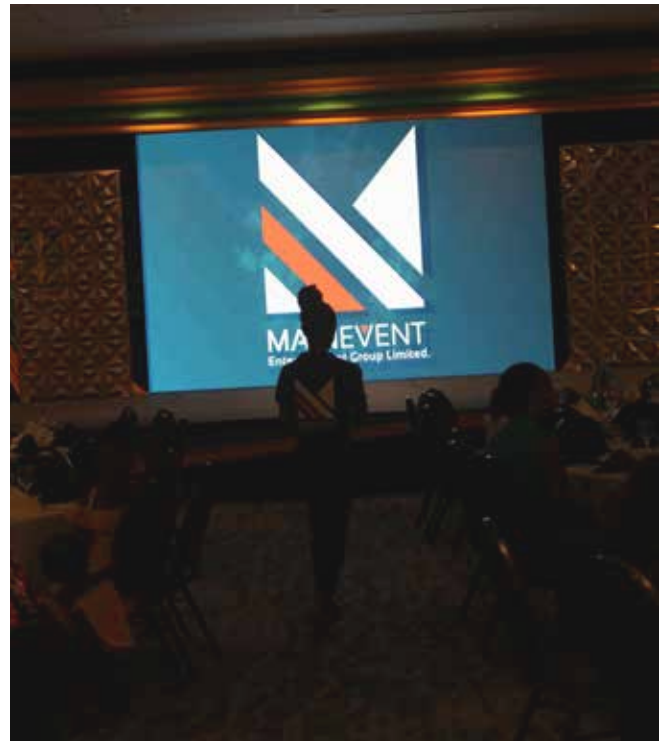
Several of our senior staff members were afforded the valuable opportunity to participate in a comprehensive three-day Management and Supervisory Immersion session. This session conducted by esteemed Marketing and Communications company Patrick Reid and Associates taught the team valuable lessons on: handling workplace conflict, communicating with direct report/peers and most importantly how to represent brand Main Event.



2023 HIGHLIGHTS

Our “Hub and Spoke” business model continues to pay off as our various specialized teams are able to efficiently and adroitly maneuver in concert with each other to create, develop and execute projects that meet the ever-evolving demands of our clients as well as the market at large.

Projects are engaged and handled by “Experience Agents”, supported by a cross-disciplined project team representative of all phases of the brand/event experience. At Main Event we are constantly striving



to improve communication between Management and staff as well as across departments. Taking this into account, we have instituted a bi-weekly Management Team Meeting which includes all Department Heads. These meetings allow us to hear the issues which arise within the teams and to concertedly address and solve them. It also gives the team leads an opportunity to get information on company initiatives, policies, plans or critical changes.

We continue to conduct weekly departmental team briefings aimed at reviewing the events of the preceding week and proactively address challenges anticipated in the upcoming week. These sessions serve as valuable forums for all team members to collectively evaluate past performance, identify areas for improvement, and strategize for future event success.









CORPORATE SOCIAL RESPONSIBILITY

Embedded within The Main Event Entertainment company culture is a firm commitment to Corporate Social Responsibility.

Upholding our responsibility as a conscientious corporation, we prioritize the welfare of our stakeholders, including clients, shareholders, employees, suppliers, and the community at large. In our daily operations, we diligently seek out opportunities to make meaningful contributions to the betterment and enrichment of the communities in which we operate.



We continue to partner with initiatives focused on charitable causes and community outreach. These partnerships typically involve offering special pricing arrangements that help to cover the costs of organizing events, thereby maximizing the funds available for the charity or community program. In 2023 we continued to support various charitable organizations, institutions, initiatives, and events such as:

- Real Life Teen Focus Awards
- Make Your Mark Middle Managers Conference
- ISSA Schoolboy Football Competition
- Pocket Rocket Foundation 10th Anniversary Awards
- UWI 5K
- PSOJ Hall of Fame Awards
- Kitson Town Community Gospel Concert
- Goodwill Swimming Championship
- Carifta Swimming Championship
- Sandals Charity Golf Tournament and Jerk Festival

As a Company, we also prioritize giving back to the arts, youth, sports and culture each

year. We achieve this by sponsoring and partnering with key events to provide world-class equipment and production expertise. These partnerships greatly assist these events in stepping up their production value, thereby increasing their patronage, visibility, and overall profits. Some of these major events are:

- Kingston Creative Artwalk
- RJR/Gleaner National Sportsman and Sportswoman Awards
- The Observer Food Awards
- ISSA Schoolboy Football Competition
- Mouttet Mile
- ISSA Boys and Girls Champs
- Father Ho Lung and Friends Theatrical Production
- Goodwill Swimming Championship
- Jafta Film Festival
- Carifta Swimming Championship
- Jamaica E-Sports Grand Finale
- Half Moon Golf Tournament
- Plie for the Arts—Ballet Recital
- Campion Dance Society Productions
- Wolmer’s Season of Dance recital



CORPORATE DATA

BOARD OF DIRECTORS:

Dr. Ian Blair
 Solomon Sharpe
 Richard Bair
 Donna Waithe
 Hugh Graham
 Tania Waldron-Gooden
 Katherine Francis
 Gladstone Lewars

Chairman
 Executive Director
 Executive Director
 Executive Director
 Independent Director
 Independent Director
 Independent Director
 Independent Director



AUDITORS:

BDO
Chartered Accountants
26 Beechwood Avenue
Kingston 5, Saint Andrew

REGISTRAR:

Jamaica Central Securities
Depository Ltd.
40 Harbour Street
Kingston

BANKERS:

National Commercial Bank Ltd.
Knutsford Boulevard Branch
1-7 Knutsford Boulevard
Kingston 5, Saint Andrew

Scotiabank Jamaica Ltd.
Hagley Park Road Branch
128 Hagley Park Road
P.O. Box 5, Kingston 11,
Saint Andrew

MENTOR:

Tania Waldron-Gooden

ATTORNEYS:

Young Law Attorneys At Law,
Unit 14, Braemar Suites
1D-1E Braemar Avenue
Kingston 10, W.I. Jamaica

Cardinal Law Attorneys At Law,
Suit 2 16, 10 Hope Road,
Kingston

AUDIT AND COMPLIANCE COMMITTEE MEMBERS:

Dr. Ian Blair
Hugh Graham
Tania Waldron – Gooden

Independent Chairman
Independent Member
Independent Member

COMPANY SECRETARY:

Marvia Williams

COMPENSATION COMMITTEE MEMBERS:

Dr. Ian Blair
Hugh Graham
Tania Waldron-Gooden
Donna Waithe

Independent Member
Independent Member
Independent Member
Member

DISCLOSURE OF SHAREHOLDINGS



Jamaica Central Securities Depository Limited
Registrar Services Unit
P.O. Box 1084, 40 Harbour Street, Kingston, Jamaica
Tel: (876) 967-3271-4 Fax: (876) 948-6653

MAIN EVENT ENTERTAINMENT GROUP - JME201700023
Directors and Connected Parties Shareholdings Report
as at October 31, 2023

| Board Member Account ID | *Primary Holder Joint Holder | Position on Board | Relationship | Volume | % |
|-----------------------------------|---|----------------------|---|----------------------------|----------------------|
| Donna R. Waithe | Donna R. Waithe | Director | Self | 847,763 | 0.28258 |
| | | | Director's Holdings | 847,763 | 0.28258 |
| | | | Connected Party Holdings | - | - |
| | | | Combined Holdings | 847,763 | 0.28258 |
| Hugh Graham | Hugh Graham | Director | Self | 976,376 | 0.32545 |
| | | | Director's Holdings | 976,376 | 0.32545 |
| | | | Connected Party Holdings | - | - |
| | | | Combined Holdings | 976,376 | 0.32545 |
| Ian Blair | Ian Blair | Director | Self | 1,220,085 | 0.40669 |
| | | | Director's Holdings | 1,220,085 | 0.40669 |
| | | | Connected Party Holdings | - | - |
| | | | Combined Holdings | 1,220,085 | 0.40669 |
| Tania Waldron-Gooden | *Tania Waldron-Gooden Rikardo Gooden | Director | Self | 51,819 | 0.01727 |
| | | | Self Connected Connected | 10,093 | 0.00336 |
| | *Tania Waldron-Gooden Rikardo Gooden William Gooden | Director | Director's Holdings | 61,912 | 0.02064 |
| | | | Connected Party Holdings | - | - |
| | | | Combined Holdings | 61,912 | 0.02064 |
| Richard Bair | Richard Bair | Director | Self | - | - |
| | | | MEEG Holdings | Connected | 209,519,590 |
| | MEEG Holdings | Director | Director's Holdings | - | - |
| | | | Connected Party Holdings Combined Holdings | 209,519,590 209,519,590 | 69.83870 69.83870 |
| Solomon Sharpe | Solomon Sharpe | Director | Self | - | - |
| | | | MEEG Holdings | Connected | 209,519,590 |
| | MEEG Holdings | Director | Director's Holdings | - | - |
| | | | Connected Party Holdings Combined Holdings | 209,519,590 209,519,590 | 69.83870 69.83870 |
| Gladstone Lewars | Gladstone Lewars | Director | Self | - | - |
| | | | Connected | - | 0.00000 |
| | | | Director's Holdings | - | - |
| | | | Connected Party Holdings Combined Holdings | - - | 0.00000 0.00000 |
| Catherine Francis | Catherine Francis | Director | Self | - | - |
| | | | Connected | - | 0.00000 |
| | | | Director's Holdings | - | - |
| | | | Connected Party Holdings Combined Holdings | - - | 0.00000 0.00000 |
| Issued Shares | | | | 300,005,000 | |
| Combined Director's Holdings | | | | 3,106,136 | 1.03536 |
| Combined Connected Party Holdings | | | | 209,519,590 | 69.83870 |
| Combined Holdings | | | | 212,625,726 | 70.87406 |

Top 10 shareholdings for MAIN EVENT ENTERTAINMENT GROUP LTD ORDINARY SHARES
As at
October 31, 2023

| Primary Account Holder | Joint Holder(s): | Volume | Percentage |
|------------------------|--|--------------------|-----------------|
| 1 | MEEG HOLDINGS LTD | | |
| | | 205,519,590 | 68.5054% |
| | <i>Client total ownership</i> | 205,519,590 | 68.5054% |
| 2 | MAYBERRY JAMAICAN EQUITIES LIMITED | | |
| | | 30,652,560 | 10.2173% |
| | <i>Client total ownership</i> | 30,652,560 | 10.2173% |
| 3 | SUPREME VENTURES LIMITED | | |
| | | 30,000,500 | 10.0000% |
| | <i>Client total ownership</i> | 30,000,500 | 10.0000% |
| 4 | JONATHAN BAIR | | |
| | | 3,012,640 | 1.0042% |
| | | 5,901 | 0.0020% |
| | <i>Client total ownership</i> | 3,018,541 | 1.0062% |
| 5 | SAGICOR POOLED EQUITY FUND | | |
| | | 2,000,000 | 0.6667% |
| | <i>Client total ownership</i> | 2,000,000 | 0.6667% |
| 6 | JCSD TRUSTEE SERVICES LTD - SIGMA EQUITY | | |
| | | 2,000,000 | 0.6667% |
| | <i>Client total ownership</i> | 2,000,000 | 0.6667% |
| 7 | PHILIP E BURGESS | | |
| | | 6,050 | 0.0020% |
| | | 1,614,393 | 0.5381% |
| | | 50 | 0.0000% |
| | <i>Client total ownership</i> | 1,620,493 | 0.5402% |
| 8 | IAN BLAIR | | |
| | | 1,220,085 | 0.4067% |
| | <i>Client total ownership</i> | 1,220,085 | 0.4067% |
| 9 | JNFM MUTUAL FUNDS LTD GLOBAL DIVERSIFIED INCOME FUND | | |
| | | 422,222 | 0.1407% |
| | | 750,000 | 0.2500% |
| | <i>Client total ownership</i> | 1,172,222 | 0.3907% |
| 10 | LANNAMAN & MORRIS (SHIPPING) LIMITED | | |
| | | 1,039,505 | 0.3465% |
| | <i>Client total ownership</i> | 1,039,505 | 0.3465% |
| 11 | OWEN E C. SHARPE | | |
| | | 1,000,000 | 0.3333% |
| | <i>Client total ownership</i> | 1,000,000 | 0.3333% |
| 12 | ORVILLE SAMUELS | | |
| | | 1,000,000 | 0.3333% |
| | <i>Client total ownership</i> | 1,000,000 | 0.3333% |



CORPORATE GOVERNANCE

The Board of Directors of Main Event Entertainment Group Limited remains committed to ensuring sound Corporate Governance practices as the Company pursues its goals to grow the business and increase shareholders' value.

The Board of Directors is collectively responsible for directing the Company's affairs and its long-term success, and comprises board members spanning diverse businesses and personal backgrounds. The Board meets quarterly and as needed to ensure effective oversight, strategic governance, and a thorough approach to analysis in directing the company to realize its vision and handle its various obligations as Directors. The Board's core competencies are as follows:



| KNOWLEDGE AND EXPERIENCE | DIRECTORS | | | | | | | |
|--|-------------|-------------------|-----------|-----------|---------|-----------|------------|-----------|
| | Dr I. Blair | T. Waldron-Gooden | H. Graham | S. Sharpe | R. Bair | D. Waithe | K. Francis | G. Lewars |
| Business management experience at the leadership level | X | X | X | X | X | X | X | |
| Financial accounting expertise | X | X | | | | | | |
| Corporate finance expertise | X | X | | | | | | |
| Information technology expertise | | | | | X | | | |
| Retail distribution or marketing expertise | | | | X | X | X | | |
| Corporate Governance | X | X | | | | | X | X |
| Human Resource Expertise | | | | | | X | | X |
| Risk management | | | | | | | X | X |
| Legal Expertise | | | | | | | X | |

At the end of the Company's financial year, the Board comprised eight (8) Directors - three (3) Executives, and five (5) Non-Executives, one of whom continues to serve as the Company's Mentor. On September 14, 2023, Dr. Ian Blair was appointed Chairman of the Board. Dr. Blair has been a director since the inception of the company in 2017. He is an Independent Director and the Board continues to reside great confidence in his leadership of the Company.

The Board delegates authority for the day-to-day management of the Company to the Chief Executive Officer and the Chief Operating Officer, thereby maintaining a clear division of responsibilities between the running of the Board and the executive responsibility for the running of the Company's business operations. The Board is comprised predominantly of Non-Executive Directors and the following are the four independent members of the Board:

- Dr. Ian Blair
- Mr. Hugh Graham
- Mrs. Tania Waldron-Gooden
- Mr. Gladstone Lewars

Jamaica Corporate Governance Code 2021.

Conflict of Interest

The Company is guided by the provisions of its Articles of Association in dealing with Directors' interests to avoid any exploitation of property, information, or opportunity, and whether or not the Company could take advantage of it. Further to this, the Company's Insider Trading Policy helps its directors and officers comply with insider trading laws and establishes guidelines for dealings in the Company's securities. This Policy is available on the Company's website. The Company has also implemented whistleblowing guidelines and provides employees with the ability to make anonymous complaints to an external resource.

REVIEW OF THE CORPORATE GOVERNANCE

Directors' Independence:

The Company adopted the definition of an Independent Director as one who is free of any interest, position, association or relationship that might influence or reasonably be perceived to influence, in a material way, his or her capacity to bring an unbiased judgment to bear on issues before the Board and to act in the best interest of the entity and its stakeholders generally. This definition aligns with the Company's Corporate Governance Guidelines and the





Board Evaluation

The 2023 Collective Board Survey and Directors' Peer Review was conducted by an external independent firm. The Board continues to note several strengths and has developed a short list of actions for the Board to undertake as it enhances the company's governance. Following on the previous exercise, the Company increased the number of directors and its core competence now includes legal expertise. Another Board Review will be undertaken on or before 2025.

Board Training

Directors' training is considered a key component of the Company's Corporate Governance framework, and for 2023 Directors underwent training in Risk Management, An-

ti-Money Laundering, Data Protection, and Corporate Governance.

Directors' Meeting Attendance:

For the year under review, the Board met several times, as outlined in the Attendance Report contained herein. These meetings facilitated ongoing assessments of the Company's performance against established targets and ensured that its goals remained aligned with its strategic objectives in terms of overall governance.

The Board is guided by the Company's Corporate Governance Policy, which is based on the Private Sector Organisation of Jamaica's (PSOJ's) code, and the rules of the Jamaica Stock Exchange Junior Market which mandates how the Board operates.

The Company's Code was last reviewed in 2022 with minor amendments and is due for review in 2024. This document is available on the Company's website, at www.mainevent-jamaica.com.

Re-election and Appointment of Directors

In accordance with the Company's Articles of Association, one-third of the Directors retire by rotation and are eligible for re-election at the Company's Annual General Meeting. Board members can co-opt a new Director to fill an existing vacancy or as an additional Director. Such new Directors are eligible to be re-elected at the Annual General Meeting. The Board has implemented additional internal procedures for the appointment of Directors.

Board Committees

The current committees of the Board are the Audit Committee, the Corporate Governance Committee, the Compensation Committee and the recently constituted Finance Committee.

Audit Committee

The Audit Committee is comprised of Non-Executive Independent Members of the Board. The Committee existing three (3) members are independent directors, one of whom is the Chairman and have an accounting and financial background. It has the right to co-opt members of the Executive Management team to attend meetings as deemed necessary. The Internal Auditors are Intac Accounting and Tax Services. The Audit Committee is an advisor to the Board and provides assurance in the areas of financial reporting, internal controls, risk management, internal and external audits. The Committee met during the period and reviewed the company's unaudited quarterly and full-year audited financial statements and recommended their approval by the Board of Directors. The Committee also reviewed the quarterly releases to the Jamaica Stock Exchange. The Committee also met with the company's auditors to discuss the key audit matters arising from the Audit and reviewed the "Communication with those Charged with Governance" as required under ISA 260. The Internal Audit Plan was presented by the Internal Auditor and approved by the Committee. The Committee also carried out the review of the related party transactions, as outlined in the 2023 audit financials. The members of the Audit and Finance Committee are as follows:

AUDIT COMMITTEE MEMBERS

| | |
|----------------------|----------------------------|
| Gladston Lewars | Independent Chairman |
| Tania Waldron-Gooden | Independent Member, Mentor |
| Katherine Francis | Director |

Members of the Executive Management team are attendees at the meetings of the Audit Committee to elaborate on control areas under review or to provide information as required by the Committee. The Internal Auditor attends all meetings.

Finance Committee

The Finance Committee is comprised of Non-Executive Independent Members of the Board and Executive Directors are permanent invitees. The Committee has the right to co-opt members of the Executive Management team to attend meetings as deemed necessary. The Finance Committee serves as an advisory body to the Board, with responsibility for budget review and approval, financial performance, management accounts, and conducting cost and variance reviews. This Committee is scheduled to meet quarterly and its members are as follows:

FINANCE COMMITTEE MEMBERS

| | |
|----------------------|----------------------------|
| Dr. Ian Blair | Independent Chairman |
| Tania Waldron-Gooden | Independent Member, Mentor |
| Gladstone Lewars | Independent Member |

The Committee was constituted in 2024.

Compensation Committee

The Compensation Committee recommends the levels of compensation for the Executive Directors and key Senior Officers. Employees' compensation and incentive rewards are reviewed by the Committee. The recommendations, which reflect performance, market conditions, and best practices, are designed to ensure that the compensation will attract, retain, and motivate suitable candidates for key leadership positions in the company. Policies developed within the Compensation Committee are intended to support the business units, and succession planning. The Committee provides guidance for decisions surrounding investment in technology and talent. The Committee met once during the year.

The Directors' emoluments are disclosed in the Company's Audited Financial Statements. Executive directors do not receive fees for attending Board or Committee meetings. Non-Executive Directors are paid a fixed charge for meetings attended.

The members of the Compensation Committee are as follows:

COMPENSATION COMMITTEE MEMBERS

| | |
|---------------------------------|----------------------|
| Tania Waldron-Gooden (Chairman) | Independent Chairman |
| Gladstone Lewars | Independent Director |
| Ian Blair | Independent Director |
| Hugh Graham | Independent Director |

Corporate Governance Committee

The Corporate Governance Committee was constituted in January 2024 and is responsible for compliance with legal regulatory requirements and the Company's overall Corporate Governance framework.

The members of the Corporate Governance Committee are as follows:

CORPORATE GOVERNANCE COMMITTEE MEMBERS

| | |
|------------------------------|----------------------|
| Katherine Francis (Chairman) | Independent Chairman |
| Ian Blair | Independent Director |
| Hugh Graham | Independent Director |







MAIN EVENT ENTERTAINMENT GROUP LIMITED BOARD AND COMMITTEE MEETING ATTENDANCE

Overall, the Directors' attendance and participation at Board and Committee meetings continue to be robust. The attendance of Directors at the Company's Board, Compensation and Audit & Finance Committee meetings for the year January to December 2023 is as follows:

| Name of Directors | AGM | Board | Audit & Finance Committee | Compensation Committee |
|----------------------|-----|-------|---------------------------|------------------------|
| Ian Blair | 1/1 | 5/5 | 6/7 | - |
| Solomon Sharpe | 1/1 | 4/5 | 1/7 | - |
| Richard Bair | 1/1 | 5/5 | 6/7 | - |
| Donna Waithe | 1/1 | 5/5 | 7/7 | 1/1 |
| Hugh Graham | 1/1 | 4/5 | 1/7 | 1/1 |
| Tania Waldron-Gooden | 1/1 | 5/5 | 7/7 | 1/1 |
| Katherine Francis | 1/1 | 5/5 | n/a | N/A |
| Gladstone Lewars* | 1/1 | 3/5 | 3/7 | N/A |

** Director Gladstone Lewars was appointed a Director on February 28, 2023.

Effective January 16, 2024, the roles of the Audit and Finance Committee were separated and assumed the Chair of the Audit Committee on September 14, 2023

Stakeholder Engagement

For 2023, the Company continued to hold face-to-face Annual General Meetings (AGM) to ensure at least one in-person engagement with shareholders annually. In this forum, shareholders were presented with and adopted the Company's Audited Financial Statements and resolved other matters that are usually dealt with at an AGM. Members attending the AGM were updated on the Company's operations and plans. Shareholders commended the Board on its efforts to engage with them in this manner.

The Company continues to provide a report to Shareholders of the Management Discussion and Analysis with its release of the Quarterly Unaudited Financial Statements in an effort to remain engaged with its valued stakeholders.

Katherine Francis
Corporate Governance
January 16, 2024



MAINEVENT
Entertainment Group Limited

AUDITED FINANCIAL STATEMENTS

Year Ended 31 October 2023



Urban
Development
Corporation

**FIREWORKS
FESTIVAL**
2023

Life, Love & Harmony



MAIN EVENT ENTERTAINMENT GROUP LIMITED

AUDITED RESULTS

FOR THE YEAR ENDED OCTOBER 31, 2023

REPORT TO STOCKHOLDERS

Year Ended October 31, 2023

The Board of Directors of Main Event Entertainment Group Limited is pleased to present the Company's audited financial statements for the year ended October 31, 2023.

Performance Highlights:

| | Year Ended October 31, 2023 | | Year Ended October 31, 2022 | | Year Over Year | |
|--------------------------|-----------------------------------|-------|-----------------------------------|-------|----------------|-----------|
| | | | | | \$ | % |
| Revenues | \$ 1,921.876 | M | \$ 1,549.003 | M | \$ 372.873 | 24% |
| Gross Profit | \$ 1,025.409 | M | \$ 754.822 | M | \$ 270.587 | 36% |
| Net Profit | \$ 207.411 | M | \$ 151.249 | M | \$ 56.162 | 37% |
| Earnings Per Share (EPS) | 69 | cents | 50 | cents | 19 | cents 38% |
| Total Assets | \$ 1,155.957 | M | \$ 1,094.673 | M | \$ 61.284 | M 6% |
| Shareholder's Equity | \$ 848.408 | M | \$ 670.997 | M | \$ 177.411 | M 26% |

In 2023, our overall financial performance continued the upward trajectory seen in the latter part of the last year. The Company's performance relied heavily on its core segments, which all saw increases during the current financial year.

The company improved net profit from \$151.249 million in 2022 to \$207.411 million in 2023. This represents an increase of 37% over the corresponding financial year. The result means this is the most profitable year, and the highest profit margin in the company's history. Underpinning these results was the company's ability to respond to shifts in market conditions within the entertainment sector through the introduction of new products and engaging new clients. The pursuit of new opportunities along with the company's focus on operational efficiency yielded success in 2023.

Revenues increased by \$372.873 million or 24% to \$1,921.876 million when compared to the prior year. This has eclipsed the previous highest revenues of \$1,799.445 million earned in 2019 and has now elevated our total revenues above pre-pandemic levels. The company relied heavily on its strengths in key segments, while benefiting from new ventures during the current year as the company pivoted to pursue revenues from non-traditional sources. This resulted in growth in our M Style, Audio & Film and Entertainment segments, achieving increases ranging from 25% to 36%.

Continuing with management's pre-pandemic strategy of improving efficiency, our gross margins improved from 49% to 53% in the current year. This achieved gross profits of \$1,025.409 million; a growth of \$270.587 million or 36% year-over-year. This performance was also achieved through the pursuit of revenue streams which delivered higher margins while giving an opportunity to focus on our key strengths. Cost management strategies are key to the company's continued growth as the company explores new opportunities to deliver our services while providing great value to our clients.

Operating expenses increased by 37% year-over-year. This increase was anticipated given our increased operating activities and cost increase to key expense items. Overall, we managed our expenses efficiently by streamlining key procurement processes within our business. Amortization charges increased by 189%, following the completion of lease re-negotiations. Selling and promotion costs also increased by 135% or \$13.220 million during the year, as the Company enhanced marketing strategies to deepen its footprint. Staff costs increased by \$58.920 million or 23.44% as we strengthened key positions and added new portfolios in response to our strategic objectives and market demand. Expected credit losses (ECL) on trade receivables also increased by \$14.539 million, which is largely a result of a change in the mix of customer balances.

Finance costs showed a 41% increase reflecting the increase in charges on leased assets, following re-negotiations. With fiscal year 2023 marking the first full year of taxable profits since listing, and with higher profits, taxation charges show a \$9.801 million or 61% increase.

The company's asset base grew by \$61.284 million or 6% to \$1,155.957 million as at October 2023. This was mainly as a result of increases in our cash and short-term deposits of \$180.059 million due to strong receivables collections. Receivables fell by \$118.175 million or 33% during the year. The company also strengthened its property, plant and equipment position by investing in new and improved equipment as the company positions itself to grow its revenue lines in the short to medium term. The investment in property, plant and equipment was also partially offset by depreciation charges.

Total liabilities were \$307.549M as at October 2023 and showed a decrease of \$116.127 million or 27.41%. This decrease was driven predominantly by a decrease in payables of \$53.936 million due to improved trade payables management. Amounts due to related parties also declined year-over-year by \$23.084 million, due to similar management. Loans fell by \$22.981 million as the company continues to service its debt obligations and reduce its overall debt exposure. Shareholders' equity increased by \$177.411 million or 26% this year. This follows a dividend payment of \$30 million, which was completed in July 2023.

REPORT TO STOCKHOLDERS
Year Ended October 31, 2023

Cont'd

Main Event Entertainment Group remains focused on developing unique, inventive, and exceptional ideas as we remain the brand for delivering phenomenal experiences. Our management team remains committed to building on our strong performance as we look to create new and additional value for all our stakeholders. Our strategic goals are centered around being responsive to the changing climate and pursuing new ideas and ventures that will capitalize on the hard work of our team and Board members over the last three years.


We are committed to creating shared value for our shareholders and all stakeholders connected to our business by having the support of a strong board of directors as we remain nimble and processive in our approach to delivering phenomenal experiences.

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 could not achieve all we did without the unwavering loyalty of our employees. We thank our entire team for their admirable dedication in keeping us on track as we met and exceeded our customers' expectations. We thank our Board of Directors for their astute guidance as the company continues to grow, expand business lines, and improve.

We thank our partners, clients, suppliers and our investors for their continued support, confidence, and loyalty in making us their partner of choice for delivering exceptional experiences. Thank you all for positively impacting the way we work, through co-operation, coordination, and agile responsiveness. We thank you, our shareholders, for your continued trust in us to stay the course.



Dr. Ian Blair
Chairman



Mr. Solomon Sharpe
Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

FINANCIAL STATEMENTS

31 OCTOBER 2023

MAIN EVENT ENTERTAINMENT GROUP LIMITED

FINANCIAL STATEMENTS

31 OCTOBER 2023

I N D E X

Independent Auditors' Report to the Members

FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements



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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 42, which comprise the statement of financial position as at 31 October 2023, 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 2023, 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 International Code of Ethics for Professional Accountants (including International Independence Standards) (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.

Partners: S. M. McFarlane, J. Hibbert, D. Hobson, B. Vanriel, K. Heron
Associate Partner: D. Brown
Offices in Montego Bay, Mandeville and Ocho Rios

BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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 matter |
|---|---|
| <p><i>Measurement of Expected Credit Losses</i></p> <p><i>See notes 3(e)(iv) and 5(c)(ii) to the financial statements for management's disclosures of related accounting policies</i></p> <p>The carrying value of the company's trade receivables may not be recoverable due to changes in the business and economic environment in which customers operate. There is judgment involved in determining the levels of allowance for impairment on these balances, because of the uncertainty involved in estimating the timing and amount of future collections.</p> <p>Management considered the increased uncertainty about potential future economic scenarios and their impact on credit losses.</p> <p>We therefore determined that the estimates of impairment in respect of receivables have a high degree of estimation uncertainty.</p> | <p>Our audit procedures in response to this matter included:</p> <ul style="list-style-type: none"> • Testing the company's recording and ageing of trade receivables. • Evaluating the techniques and methodologies utilized by the company to estimate the ECLs, and assessing their compliance with the requirements of IFRS 9. • Testing the accuracy of the inputs used to derive the loss rates used in determining the ECLs for trade receivables. • Testing the accuracy of the ECL calculation. • Assessing the adequacy of disclosures in the financial statements. <p>Based on the results of the procedures performed, no adjustments to the financial statements were considered necessary.</p> |



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 of financial statements that give a true and fair view 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 presents a true and fair view.

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.



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 Karen Heron.

Chartered Accountants

15 January 2024

MAIN EVENT ENTERTAINMENT GROUP LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 OCTOBER 2023

| | <u>Note</u> | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--|-------------|------------------------------|------------------------------|
| REVENUE | 6 | 1,921,876 | 1,549,003 |
| Direct expenses | | (896,467) | (794,181) |
| GROSS PROFIT | | 1,025,409 | 754,822 |
| Other operating income | 7 | <u>19,171</u> | <u>2,540</u> |
| | | <u>1,044,580</u> | <u>757,362</u> |
| EXPENSES: | | | |
| Administrative and general | | (626,956) | (446,810) |
| Selling and promotion | | (23,007) | (9,787) |
| Depreciation | 13 | (109,475) | (109,728) |
| Amortisation | 12(a) | (35,934) | (12,425) |
| | | <u>(795,372)</u> | <u>(578,750)</u> |
| OPERATING PROFIT | | 249,208 | 178,612 |
| Finance costs | 8 | (16,020) | (11,387) |
| PROFIT BEFORE TAXATION | | 233,188 | 167,225 |
| Taxation | 11 | (25,777) | (15,976) |
| NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>207,411</u> | <u>151,249</u> |
| EARNINGS PER STOCK UNIT | 12 | <u>\$0.69</u> | <u>\$0.50</u> |

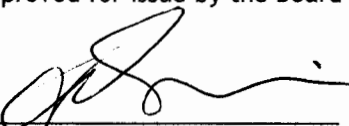
MAIN EVENT ENTERTAINMENT GROUP LIMITED

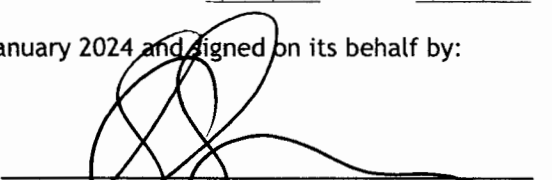
STATEMENT OF FINANCIAL POSITION

31 OCTOBER 2023

| | <u>Note</u> | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--------------------------------------|-------------|------------------------------|------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS: | | | |
| Property, plant and equipment | 13 | 400,929 | 376,679 |
| Deferred taxation | 14 | 5,540 | 2,213 |
| Deposit - long term | 15(a) | - | 21,928 |
| Right-of-use assets | 21(a) | <u>27,224</u> | <u>29,842</u> |
| | | <u>433,693</u> | <u>430,662</u> |
| CURRENT ASSETS: | | | |
| Receivables | 16 | 237,562 | 355,737 |
| Due from related parties | 17(b) | 25,896 | 29,527 |
| Deposits - short term | 15(b) | 232,892 | 150,814 |
| Cash and cash equivalents | 18(a) | <u>225,914</u> | <u>127,933</u> |
| | | <u>722,264</u> | <u>664,011</u> |
| | | <u>1,155,957</u> | <u>1,094,673</u> |
| EQUITY AND LIABILITIES | | | |
| EQUITY: | | | |
| Share capital | 19 | 103,652 | 103,652 |
| Retained earnings | | <u>744,756</u> | <u>567,345</u> |
| | | <u>848,408</u> | <u>670,997</u> |
| NON-CURRENT LIABILITIES: | | | |
| Long term loan | 20 | 44,371 | 68,564 |
| Lease liabilities | 21(a) | <u>5,888</u> | <u>22,818</u> |
| | | <u>50,259</u> | <u>91,382</u> |
| CURRENT LIABILITIES: | | | |
| Payables | 22 | 194,893 | 248,829 |
| Due to related parties | 17(b) | 11,408 | 34,492 |
| Taxation payable | | 4,691 | 13,627 |
| Current portion of long term loan | 20 | 22,980 | 21,768 |
| Current portion of lease liabilities | 21(a) | <u>23,318</u> | <u>13,578</u> |
| | | <u>257,290</u> | <u>332,294</u> |
| | | <u>1,155,957</u> | <u>1,094,673</u> |

Approved for issue by the Board of Directors on 15 January 2024 and signed on its behalf by:


 Dr. Ian Blair Chairman


 Solomon Sharpe Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 OCTOBER 2023

| | <u>Note</u> | <u>Share Capital \$'000</u> | <u>Retained Earnings \$'000</u> | <u>Total \$'000</u> |
|-----------------------------------|-------------|-------------------------------------|---|-------------------------|
| BALANCE AT 1 NOVEMBER 2022 | | 103,652 | 446,096 | 549,748 |
| TOTAL COMPREHENSIVE INCOME | | | | |
| Net profit | | - | 151,249 | 151,249 |
| TRANSACTION WITH OWNERS | | | | |
| Dividends paid | 23 | <u>-</u> | (<u>30,000</u>) | (<u>30,000</u>) |
| BALANCE AT 31 OCTOBER 2022 | | 103,652 | 567,345 | 670,997 |
| TOTAL COMPREHENSIVE INCOME | | | | |
| Net profit | | - | 207,411 | 207,411 |
| TRANSACTION WITH OWNERS | | | | |
| Dividends paid | 23 | <u>-</u> | (<u>30,000</u>) | (<u>30,000</u>) |
| BALANCE AT 31 OCTOBER 2023 | | <u>103,652</u> | <u>744,756</u> | <u>848,408</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 OCTOBER 2023

| | <u>Note</u> | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|---|--------------|------------------------------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net profit | | 207,411 | 151,249 |
| Items not affecting cash resources: | | | |
| Interest income | 7 | (19,171) | (1,223) |
| Interest expense | 8 | 16,020 | 11,387 |
| Exchange (gain)/loss on foreign balances | | (313) | 276 |
| Taxation expense | 11 | 25,777 | 15,976 |
| Depreciation | 13 | 109,475 | 109,728 |
| Right-of-use assets amortisation | 21(a) | 35,933 | 12,425 |
| Gain on disposal of property, plant and equipment | | (6,864) | (425) |
| | | <u>368,268</u> | <u>299,393</u> |
| Changes in operating assets and liabilities: | | | |
| Receivables | | 118,175 | (259,890) |
| Related party balances | | (19,453) | 25,261 |
| Payables | | (53,936) | 173,897 |
| | | 413,054 | 238,661 |
| Taxation paid | | (38,040) | (201) |
| Cash provided by operating activities | | <u>375,014</u> | <u>238,460</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of property, plant and equipment | 13 | (135,286) | (32,017) |
| Proceeds from sale of property, plant and equipment | | 8,425 | 426 |
| Interest received | | 19,230 | - |
| Long term deposit | | 21,519 | (21,519) |
| Short term deposits | | (81,883) | (150,000) |
| Cash used in investing activities | | <u>(167,995)</u> | <u>(203,110)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Loan repayments | 18(c) | (22,981) | (42,968) |
| Lease repayments | 21(a) | (47,920) | (19,268) |
| Interest paid | | (8,605) | (10,660) |
| Dividends paid | 23 | (30,000) | (30,000) |
| Cash used in financing activities | | <u>(109,506)</u> | <u>(102,896)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| | | 97,513 | (67,546) |
| Exchange gain on foreign cash balances | | 313 | 457 |
| Cash and cash equivalents at beginning of year | | <u>127,933</u> | <u>195,022</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 18(a) | <u>225,759</u> | <u>127,933</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

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, Kingston 10.
- (b) The company is a subsidiary of MEEG Holdings, a company incorporated and domiciled in Saint Lucia.
- (c) The company was listed on the Junior Market of the Jamaica Stock Exchange on 8 February 2017.
- (d) The principal activities of the company are to carry on the business of entertainment promoter, agent and manager. This includes planning, coordinating and delivering diverse entertainment and event related experiences; and providing advertising, marketing, and corporate communications services to clients.

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 and International Accounting Standards as issued by the International Accounting Standard Board (IASB) and Interpretations (collectively IFRS) and, comply with the requirements of the Jamaican Companies Act. The financial statements have also been prepared under the historical cost convention.

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. 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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

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 that the following amendments are relevant to its operations:

Amendment to IAS 16, 'Property, Plant and Equipment', (effective for accounting periods beginning on or after 1 January 2022). This amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The adoption of this amendment did not have a significant impact on the company.

Amendment to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', (effective for accounting periods beginning on or after 1 January 2022). This amendment clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The adoption of this amendment did not have a significant impact on the company.

Annual improvements to IFRS Standards 2018-2022 cycle (effective for accounting periods beginning on or after 1 January 2022). These amendments include minor changes to the following applicable standards:

- (i) IFRS 9, 'Financial Instruments' amendment clarifies that - for the purpose of performing the '10 per cent test' for derecognition of financial liabilities - in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
- (ii) IFRS 16, 'Leases' amendment removes the illustration of payments from the lessor relating to leasehold improvements.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

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

Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities, (effective for accounting periods beginning on or after 1 January 2024). The amendments in classification of liabilities as current or non-current affects only the presentation of the liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end or reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place at the end of reporting period should affect the classification of liability. The adoption of these amendments is not expected to have significant impact on the company.

Amendments to IAS, Non-Current Liabilities with Covenants, (effective for accounting periods beginning on or after 1 January 2024). Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The adoption of these amendments is not expected to have significant impact on the company.

Amendments to IAS 1, 'Presentation of Financial Statements', Practice Statement 2 and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2023). The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The adoption of these amendments is not expected to have a significant impact on the company.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

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

Amendments to IAS 12, 'Income Taxes', (effective for accounting periods beginning on or after 1 January 2023). In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The adoption of these amendments is not expected to have a significant impact on the company.

(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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(c) Property, plant and equipment (cont'd)

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 and fixtures | 10% |
| Motor vehicles | 12.5% |
| Equipment | 15% |
| Computer equipment | 20% |
| Rentals and décor | 15-33 1/3% |
| Building | 2.5% |

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 or loss.

(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 asset 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) Recognition and derecognition

Financial assets are initially recognized on the settlement date, which is the date that an asset is delivered to the company. This includes regular purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

Financial assets (cont'd)

(i) Recognition and derecognition (cont'd)

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the company is recognized as a separate asset or liability.

(ii) Classification

The company classifies all of its financial instruments at initial recognition based on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at fair value through profit or loss, transaction costs are added to, or subtracted from, this amount.

The company classifies its financial assets as those measured at amortised cost.

(iii) Measurement

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI). They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The company's financial assets measured at amortised cost comprise receivables, amounts due from related parties, short and long term deposits and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents are carried in the statement of financial position at fair value. For the purpose of the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

Financial assets (cont'd)

(iv) Impairment

Financial assets carried at amortised cost are assessed on a forward looking basis for the expected credit losses (ECL) associated with these instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The ECL will be recognised in profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Application of the Simplified Approach

For receivables, the company applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL.

Impairment provisions for receivables from related parties and loans to related parties are recognized based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognized. For those for which credit risk has increased significantly, lifetime expected credit losses along with gross interest are recognized. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognized.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

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: loan, lease liabilities, due to related companies and payables.

The company derecognizes a financial liability when its contractual obligations expire or are discharged or cancelled.

(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.

(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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(h) Revenue recognition

Revenue is measured taking into account contractually defined terms of payment. Revenue comprises the fair value of the consideration specified in a contract which is 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 over time when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow to the company regardless of when payment is made.

The specific recognition criteria are described below -

Entertainment services

Revenue from 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.

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

Interest income is recognized in profit or loss using the effective interest method. The "effective interest rate" is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instruments to its gross carrying amount.

When calculating the effective interest rate for financial instruments, the company estimates future cash flows considering all contractual terms of the financial instrument. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets, that is, after deduction of ECL.

(i) Leases

All leases are accounted for by recognising a right-of-use asset and a corresponding lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(i) Leases (cont'd)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the company if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at an amount equal to the initial value of the lease liability reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Property, plant and equipment includes right-of-use assets previously held under finance lease.

Right-of-use assets are generally depreciated over the lease terms on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying assets' useful life.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(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.
- (ii) the party is an associate of the company;
- (iii) the party is a joint venture in which the company is a venturer;
- (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

Dividends are recorded as a deduction from equity and recognized as a liability in the company's financial statements in the period in which the dividends are declared or approved. In the case of interim dividends to shareholders, this is when declared by the directors and final dividends when approved by the company's shareholders.

Dividend 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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(m) Earnings per share

Earnings per share is calculated by dividing the operating results for the year by the weighted average number of ordinary shares in issue.

(n) Segment reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Based on the information presented for review by the chief operating decision maker, the entire operations of the company are viewed as one operating segment.

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.

(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 of assets and liabilities within the next financial year are discussed below:

(i) Depreciable assets

Estimates of the useful lives and the residual values 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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

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

(b) Key sources of estimation uncertainty (cont'd)

(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.

(iii) Allowance for expected credit losses

In determining amounts recorded for impairment of accounts receivable in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from accounts receivable, for example, repayment default and adverse economic conditions.

In determining amounts recorded for impairment of accounts receivable in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from accounts receivable, for example, repayment default and adverse economic conditions.

5. FINANCIAL RISK MANAGEMENT:

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

- Credit risk
- Market risk
- Liquidity risk

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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(a) Principal financial instruments

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

- Receivables
- Cash and cash equivalents
- Long and short term deposits
- Payables
- Related parties' balances
- Long term loan
- Lease liabilities

(b) Financial instruments by category

Financial assets

| | Amortised Cost | |
|-------------------------------|-----------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> |
| | <u>\$'000</u> | <u>\$'000</u> |
| Long term deposit | - | 21,928 |
| Short term deposits | 232,892 | 150,814 |
| Cash and cash equivalents | 225,914 | 127,933 |
| Receivables | 207,359 | 325,493 |
| Due from related parties | <u>25,896</u> | <u>29,527</u> |
| Total financial assets | <u>692,061</u> | <u>655,695</u> |

Financial liabilities

| | Amortised Cost | |
|------------------------------------|-----------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> |
| | <u>\$'000</u> | <u>\$'000</u> |
| Payables | 88,652 | 77,248 |
| Due to related parties | 11,408 | 34,492 |
| Long term loan | 67,351 | 90,332 |
| Lease liabilities | <u>29,206</u> | <u>36,396</u> |
| Total financial liabilities | <u>196,617</u> | <u>238,468</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) 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).

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 Dollar. 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 as follows:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|---------------------------|------------------------------|------------------------------|
| Cash and cash equivalents | 83,213 | 32,314 |
| Trade receivables | 39,379 | 12,219 |
| Trade payables | <u>(22,669)</u> | <u>(7,964)</u> |
| Net assets | <u>99,923</u> | <u>36,569</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

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 balances as indicated above, and adjusts their translation at the year-end for 4% (2022 - 1%) depreciation and a 1% (2022 - 1%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

| | % Change in Currency rate <u>2023</u> | Effect on Profit before Tax 31 October <u>2023</u> \$'000 | % Change in Currency rate <u>2022</u> | Effect on Profit before Tax 31 October <u>2022</u> \$'000 |
|-----------|---|--|---|--|
| Currency: | | | | |
| USD | -4 | 3,997 | -4 | 1,463 |
| USD | <u>+1</u> | <u>(999)</u> | <u>+1</u> | <u>(366)</u> |

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 and long term deposits and long term loan 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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Cash flow and fair value interest rate risk (cont'd)

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.

A 0.5% increase/0.25% decrease (2022 - 2% increase/0.5% decrease) in interest rates on long term deposit would result in a \$Nil increase/decrease (2022 - \$439,000 increase and \$110,000 decrease) in profit before tax for the company.

A 0.5% increase/0.25% decrease (2022 - 2% increase/0.5% decrease) in interest rates on borrowings would result in a \$337,000 decrease and \$168,000 increase (2022 - \$1,807,000 decrease and \$452,000 increase) in profit before tax for the company.

(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 companies and cash and bank balances.

Cash and bank balances and short and long term deposits

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, due from related company, short and long term deposits and cash and cash equivalents in the statement of financial position.

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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Maximum exposure to credit risk (cont'd)

Trade receivables (cont'd)

Customer credit risks are monitored according to credit characteristics such as whether it is an individual or company, geographic location, industry, aging profile and previous financial difficulties. Trade receivables relate mainly to the company's customers. The company's average credit period on the provision of services is 30 days.

The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the company's historical credit losses experienced over the period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the inflation rate of the country in which it offers its service to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The following table provides information about the ECLs for trade receivables as at 31 October 2023:

| <u>Aging</u> | <u>Gross Carrying Amount</u> \$'000 | <u>Expected Loss Rate</u> % | <u>ECL Allowance</u> \$'000 |
|--------------------|--|------------------------------------|--------------------------------|
| Trade receivables: | | | |
| 0-30 days | 109,504 | 3.85 | 4,216 |
| 31-60 days | 38,334 | 3.85 | 1,476 |
| 61-90 days | 5,237 | 13.71 | 718 |
| 91 and over | <u>53,356</u> | 61.15 | <u>32,631</u> |
| | <u>206,431</u> | | <u>39,041</u> |

The following table provides information about the ECLs for trade receivables as at 31 October 2022:

| <u>Aging</u> | <u>Gross Carrying Amount</u> \$'000 | <u>Expected Loss Rate</u> % | <u>ECL Allowance</u> \$'000 |
|--------------------|--|------------------------------------|--------------------------------|
| Trade receivables: | | | |
| 0-30 days | 124,754 | 1.49 | 1,864 |
| 31-60 days | 90,476 | 1.49 | 1,352 |
| 61-90 days | 36,456 | 6.54 | 2,383 |
| 91 and over | <u>34,901</u> | 54.16 | <u>18,903</u> |
| | <u>286,587</u> | | <u>24,502</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Maximum exposure to credit risk (cont'd)

Trade receivables (cont'd)

Movements in the impairment allowance for trade receivables are as follows:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|-----------------|------------------------------|------------------------------|
| At 1 November | 24,502 | 14,390 |
| Movement on ECL | <u>14,539</u> | <u>10,112</u> |
| At 31 October | <u>39,041</u> | <u>24,502</u> |

The majority of trade receivables are due from customers in Jamaica.

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.

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:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|-----------------------------------|------------------------------|------------------------------|
| M Style Rental & Décor | 16,027 | 21,433 |
| Entertainment promotions | 148,042 | 204,654 |
| Digital signage | 9,383 | 34,343 |
| Audio and film | <u>32,979</u> | <u>26,157</u> |
| | 206,431 | 286,587 |
| Less: Provision for credit losses | <u>(39,041)</u> | <u>(24,502)</u> |
| | <u>167,390</u> | <u>262,085</u> |

(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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) 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:

| | <u>Within 1 Year \$'000</u> | <u>1 to 2 Years \$'000</u> | <u>2 to 5 Years \$'000</u> | <u>Total \$'000</u> |
|---|-------------------------------------|------------------------------------|------------------------------------|-------------------------|
| At 31 October 2023 | | | | |
| Trade payables | 88,652 | - | - | 88,652 |
| Due to related parties | 11,408 | - | - | 11,408 |
| Lease liabilities | 28,130 | 4,712 | - | 32,842 |
| Long term loans | <u>30,287</u> | <u>45,430</u> | <u>-</u> | <u>75,717</u> |
| Total financial liabilities (contractual maturity dates) | <u>158,477</u> | <u>50,142</u> | <u>-</u> | <u>208,619</u> |
| At 31 October 2022 | | | | |
| Trade payables | 77,248 | - | - | 77,248 |
| Due to related parties | 34,492 | - | - | 34,492 |
| Lease liabilities | 17,288 | 13,264 | 11,999 | 42,551 |
| Long term loans | <u>29,589</u> | <u>29,454</u> | <u>44,181</u> | <u>103,224</u> |
| Total financial liabilities (contractual maturity dates) | <u>158,617</u> | <u>42,718</u> | <u>56,180</u> | <u>257,515</u> |

(d) 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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

6. REVENUE:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--------------------------|------------------------------|------------------------------|
| Audio and film | 350,217 | 256,952 |
| Digital signage | 99,644 | 119,289 |
| Entertainment promotions | 1,301,822 | 1,044,851 |
| M Style Rental & Décor | <u>170,193</u> | <u>127,911</u> |
| | <u>1,921,876</u> | <u>1,549,003</u> |

7. OTHER OPERATING INCOME:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|-----------------|------------------------------|------------------------------|
| Interest income | 19,171 | 1,223 |
| Other income | <u>-</u> | <u>1,317</u> |
| | <u>19,171</u> | <u>2,540</u> |

8. FINANCE COSTS:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|---|------------------------------|------------------------------|
| Loan interest | 8,605 | 10,660 |
| Other finance charges - right-of-use assets | <u>7,415</u> | <u>727</u> |
| | <u>16,020</u> | <u>11,387</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

9. EXPENSES BY NATURE:

Total direct and administration expenses:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|---|------------------------------|------------------------------|
| Signature events expenses | 684,525 | 645,394 |
| Audio and filming costs | 119,042 | 57,956 |
| Digital signage costs | 22,126 | 39,531 |
| M Style costs | 67,429 | 41,160 |
| Freight expenses | 3,346 | 10,138 |
| Donation and subscription | 10,317 | 10,034 |
| Sponsorship | 108,127 | 20,522 |
| Directors' remuneration | 28,029 | 22,844 |
| Staff costs (note 10) | 310,277 | 251,357 |
| Advertising and entertainment | 23,007 | 10,179 |
| Utilities | 27,267 | 22,424 |
| Audit fees | 6,087 | 4,400 |
| Repairs and maintenance | 13,957 | 12,813 |
| Gasoline | 31,957 | 29,685 |
| Motor vehicle expenses | 29,859 | 25,432 |
| Printing, stationery and office expenses | 9,570 | 6,791 |
| Security | 21,939 | 13,618 |
| Research and development | 1,118 | 215 |
| Depreciation | 109,475 | 109,728 |
| Amortisation | 35,933 | 12,425 |
| Increase in expected credit gain, net of recoveries | 14,539 | 10,112 |
| Gain on foreign exchange translation | (313) | (232) |
| Other operating expenses | 3,725 | 2,018 |
| Gain on disposal of property, plant and equipment | (6,864) | (426) |
| Legal and professional fees | 8,467 | 7,373 |
| Insurance | <u>8,898</u> | <u>7,440</u> |
| | <u>1,691,839</u> | <u>1,372,931</u> |

10. STAFF COSTS:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|-----------------------------|------------------------------|------------------------------|
| Wages and salaries | 293,575 | 242,948 |
| Staff welfare and Insurance | <u>16,702</u> | <u>8,409</u> |
| | <u>310,277</u> | <u>251,357</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

11. TAXATION EXPENSE:

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

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|------------------------|------------------------------|------------------------------|
| Current taxation | 29,104 | 15,820 |
| Deferred tax (note 14) | (3,327) | 156 |
| | <u>25,777</u> | <u>15,976</u> |

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

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--|------------------------------|------------------------------|
| Profit before taxation | <u>233,188</u> | <u>167,225</u> |
| Tax calculated at 25% | 58,297 | 41,806 |
| Adjusted for the effects of: | | |
| Expenses not deductible for tax purposes | 29,057 | 29,467 |
| Remission of taxes (note (c) below) | (29,103) | (11,300) |
| Net effect of other charges and allowances | (32,474) | (43,997) |
| Taxation charge | <u>25,777</u> | <u>15,976</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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

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.

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Net profit attributable to stockholders (\$'000) | 207,411 | 151,249 |
| Weighted average of ordinary stock units ('000) | 300,005 | 300,005 |
| Basic earnings per stock unit (\$ per share) | <u>0.69</u> | <u>0.50</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

13. PROPERTY, PLANT AND EQUIPMENT:

| | <u>Equipment</u> <u>\$'000</u> | <u>Building</u> <u>\$'000</u> | <u>Leasehold</u> <u>Improvements</u> <u>\$'000</u> | <u>Furniture</u> <u>& Fixtures</u> <u>\$'000</u> | <u>Computer</u> <u>Equipment</u> <u>\$'000</u> | <u>Audio &</u> <u>Filming</u> <u>Equipment</u> <u>\$'000</u> | <u>Rentals</u> <u>& Décor</u> <u>\$'000</u> | <u>Motor</u> <u>Vehicles</u> <u>\$'000</u> | <u>Total</u> <u>\$'000</u> |
|---------------------|-----------------------------------|----------------------------------|--|--|--|---|---|--|-------------------------------|
| Cost: | | | | | | | | | |
| 1 November 2022 | 311,382 | 40,610 | 4,646 | 12,101 | 63,388 | 547,641 | 132,154 | 84,159 | 1,196,081 |
| Additions | 13,333 | - | 382 | 44 | 4,581 | 3,285 | 5,130 | 5,262 | 32,017 |
| Disposals | (3,038) | - | - | - | - | - | - | - | (3,038) |
| 31 October 2022 | 321,677 | 40,610 | 5,028 | 12,145 | 67,969 | 550,926 | 137,284 | 89,421 | 1,225,060 |
| Additions | 14,552 | - | 328 | 511 | 12,396 | 100,250 | 7,249 | - | 135,286 |
| Disposals | - | - | - | - | - | (3,790) | - | (8,505) | (12,295) |
| 31 October 2023 | 336,229 | 40,610 | 5,356 | 12,656 | 80,365 | 647,386 | 144,533 | 80,916 | 1,348,051 |
| Depreciation: | | | | | | | | | |
| 1 November 2022 | 220,193 | 3,894 | 1,556 | 6,444 | 49,571 | 332,721 | 73,237 | 54,074 | 741,690 |
| Charge for the year | 29,804 | 1,416 | 489 | 1,139 | 6,269 | 40,791 | 22,028 | 7,792 | 109,728 |
| Disposals | (3,037) | - | - | - | - | - | - | - | (3,037) |
| 31 October 2022 | 246,960 | 5,310 | 2,045 | 7,583 | 55,840 | 373,512 | 95,265 | 61,866 | 848,381 |
| Charge for the year | 28,383 | 1,416 | 536 | 878 | 7,189 | 45,311 | 18,894 | 6,868 | 109,475 |
| Disposals | - | - | - | - | - | (2,229) | - | (8,505) | (10,734) |
| 31 October 2023 | 275,343 | 6,726 | 2,581 | 8,461 | 63,029 | 416,594 | 114,159 | 60,229 | 947,122 |
| Net Book Value: | | | | | | | | | |
| 31 October 2023 | 60,886 | 33,884 | 2,775 | 4,195 | 17,336 | 230,792 | 30,374 | 20,687 | 400,929 |
| 31 October 2022 | 74,717 | 35,300 | 2,983 | 4,562 | 12,129 | 177,414 | 42,019 | 27,555 | 376,679 |

Included in motor vehicles are assets acquired under finance leases with net book value of \$8,621,000 (2022 - \$10,574,000). See note 21(a).

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

14. DEFERRED TAXATION:

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:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--|------------------------------|------------------------------|
| Balance at start of year | 2,213 | 2,369 |
| Credit/(charge) for the year (note 11) | <u>3,327</u> | <u>(156)</u> |
| Balance at end of year | <u>5,540</u> | <u>2,213</u> |

Deferred tax is due to the following temporary differences:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--|------------------------------|------------------------------|
| (Accelerated)/decelerated capital allowances | (532) | 2,327 |
| Unrealized foreign exchange | (78) | (114) |
| Expected credit losses | <u>6,150</u> | <u>-</u> |
| | <u>5,540</u> | <u>2,213</u> |

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

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--------------------------------|------------------------------|------------------------------|
| Accelerated capital allowances | (2,859) | (214) |
| Unrealized foreign exchange | 36 | 58 |
| Expected credit losses | <u>6,150</u> | <u>-</u> |
| | <u>(3,327)</u> | <u>(156)</u> |

15. DEPOSIT:

- (a) Long term deposit in the prior year represents an amount invested for more than 1 year at an interest rate of 5.75% per annum and includes interest accrued of \$409,000. The amount was reinvested for less than 3 months in the current year and included in cash and cash equivalents.
- (b) Short term deposit represents amounts invested for periods greater than 3 months but less than 1 year at a weighted average interest rate of 8.25% (2022 - 8.25%) per annum and includes interest accrued of \$1,009,000 (2022 - \$814,000).

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

16. RECEIVABLES:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|-------------------------------|------------------------------|------------------------------|
| Trade receivables | 206,431 | 286,587 |
| Less - expected credit losses | (39,041) | (24,502) |
| Trade receivables (net) | 167,390 | 262,085 |
| Prepayments | 23,801 | 21,776 |
| Staff loans | 5,055 | 6,292 |
| Other | <u>41,316</u> | <u>65,584</u> |
| | <u>237,562</u> | <u>355,737</u> |

17. RELATED PARTY TRANSACTIONS AND BALANCES:

(a) The following transactions were carried out with related parties:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|---|------------------------------|------------------------------|
| (i) Purchase/(sale) of goods and services - | | |
| IPrint Digital Limited | 45,307 | 39,137 |
| Dream Entertainment Limited | (7,066) | 10,309 |
| Supreme Ventures Limited | (85,994) | (13,715) |
| Mystique Integrated Services Limited | (31,611) | (42,361) |
| The M One Productions Limited | <u>5,058</u> | <u>12,624</u> |
| (ii) Directors' emoluments - | | |
| Fees | 2,460 | 795 |
| Management remuneration | <u>25,569</u> | <u>22,049</u> |

(b) Year end balances arising from transactions with related parties -

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--------------------------------------|------------------------------|------------------------------|
| Due from related parties - | | |
| Mystique Integrated Services Limited | 9,385 | 12,157 |
| Stimulus Entertainment Limited | 492 | 492 |
| Ras Promotions Incorporated Limited | 678 | 678 |
| IPrint Digital Limited | 192 | 192 |
| National Outdoor Advertising Limited | - | 440 |
| The M One Productions Limited | 3,079 | 928 |
| Directors | 10,572 | 9,865 |
| Supreme Ventures Limited | 1,172 | 4,775 |
| Dream Entertainment Limited | <u>326</u> | <u>-</u> |
| | <u>25,896</u> | <u>29,527</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

17. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):

(b) Year end balances arising from transactions with related parties (cont'd) -

| | <u>2023</u> | <u>2022</u> |
|-----------------------------|---------------|---------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| Due to related parties - | | |
| IPrint Digital Limited | 10,474 | 26,587 |
| Directors | 934 | 2,043 |
| Dream Entertainment Limited | <u>-</u> | <u>5,862</u> |
| | <u>11,408</u> | <u>34,492</u> |

(c) Supreme Ventures Limited is an affiliate of the company, holding 10% of issued share capital as at reporting date. In addition, the company's Chief Executive Officer holds an executive directorship post in a subsidiary entity of Supreme Ventures Limited. All other related companies share common directorship with one or more directors of the company.

18. CASH AND CASH EQUIVALENTS:

(a) For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

| | <u>2023</u> | <u>2022</u> |
|--|----------------|----------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| Cash in hand | 53 | 554 |
| Foreign currency accounts | 77,048 | 26,371 |
| Local currency accounts | 95,556 | 71,621 |
| Short term deposits (less than 3 months) | <u>53,257</u> | <u>29,387</u> |
| | 225,914 | 127,933 |
| Less: accrued interest | <u>(155)</u> | <u>-</u> |
| | <u>225,759</u> | <u>127,933</u> |

(b) During the year the company closed its bank overdraft facilities of \$30 million which attracted interest at 12% per annum.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

18. CASH AND CASH EQUIVALENTS (CONT'D):

- (c) Reconciliation of movements of liabilities to cash flows arising from financing activities:

Amounts represent long term loan.

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|------------------------|------------------------------|------------------------------|
| At 1 November | 90,332 | 133,300 |
| Cash - Loans repaid | (22,981) | (42,968) |
| At 31 October | <u>75,717</u> | <u>103,224</u> |

19. SHARE CAPITAL:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--|------------------------------|------------------------------|
| 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 | <u>103,652</u> | <u>103,652</u> |

20. LONG TERM LOAN:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|---|------------------------------|------------------------------|
| Sagicor Bank Jamaica Limited - amortised JMD loan | 67,351 | 90,332 |
| Less - Current portion of loan | (22,980) | (21,768) |
| Long term portion of loan | <u>44,371</u> | <u>68,564</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

20. LONG TERM LOAN (CONT'D):

The loan bears a current interest rate of 8.75% per annum and is repayable over 72 months. The loan is secured by corporate guarantee from Main Event Entertainment Group Limited supported by:

- (i) Master hire agreement 2018 Toyota Coaster Bus along with assignment of comprehensive insurance over the said in the amount of J\$8.09M with SBJL's interest noted thereon.
- (ii) Hypothecation of US\$9,368.42 on accounts held in the name of Main Event Entertainment Group Limited.
- (iii) Demand debenture over the fixed and floating assets of Main Event Entertainment Group Limited stamped to secure USD\$1,300,000.
- (iv) Master hire agreement over 2018 HINO 300s Motor Truck and assignment of comprehensive insurance over the said vehicle in the amount of J\$5.49M with SBJL's interest noted thereon.
- (v) Master hire agreement over 2018 Nissan Urvan Bus and assignment of comprehensive insurance over the said vehicle in the amount of J\$3.8M with SBJL's interest noted thereon.
- (vi) Hypothecation of 5% security deposit of J\$286,026 and J\$287,184 on accounts in the name of Main Event Entertainment Group Limited being held at Sagicor Bank Jamaica Limited.

21. LEASES:

(a) Amounts recognized in the statement of financial position

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

| | <u>2023</u> | <u>2022</u> |
|----------------------------|-----------------|-----------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| Right-of-use assets | | |
| 1 November | 29,842 | 12,425 |
| Modification | 24,527 | - |
| Addition | <u>8,788</u> | <u>29,842</u> |
| | 63,157 | 42,267 |
| Amortisation | <u>(35,933)</u> | <u>(12,425)</u> |
| 31 October | <u>27,224</u> | <u>29,842</u> |

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

21. LEASES (CONT'D):

(a) Amounts recognized in the statement of financial position (cont'd)

The statement of financial position shows the following amount relating to leases (cont'd):

Property, plant and equipment (included in note 13)

Motor vehicles acquired under finance lease -

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|---|------------------------------|------------------------------|
| 1 November | 10,574 | 13,003 |
| Depreciation | (1,953) | (2,429) |
| 31 October | <u>8,621</u> | <u>10,574</u> |
| Lease liabilities - Motor vehicles | | |
| 1 November | 6,554 | 10,847 |
| Repayments | (4,572) | (4,293) |
| 31 October | <u>1,982</u> | <u>6,554</u> |
| Lease liabilities - Buildings | | |
| 1 November | 29,842 | 14,248 |
| Modification | 24,527 | - |
| Addition | 8,788 | 29,842 |
| Interest expense | 7,415 | 727 |
| Repayments | (43,348) | (14,975) |
| 31 October | <u>27,224</u> | <u>29,842</u> |
| Total lease liabilities at 31 October | <u>29,206</u> | <u>36,396</u> |
| Current portion | 23,318 | 13,578 |
| Non-current portion | <u>5,888</u> | <u>22,818</u> |
| | <u>29,206</u> | <u>36,396</u> |

During the year the company and its lessor agreed to modifications to the terms of the lease agreement which changed the lease period and the lease payments. The remeasurement of the lease obligation at the modification date resulted in an increase in lease liabilities and right-of-use assets.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

21. LEASES (CONT'D):

(b) Amounts recognized in the statement of profit or loss:

The statement of profit or loss shows the following amount relating to leases:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--|------------------------------|------------------------------|
| (i) Depreciation/amortization charge of right-of-use assets | | |
| Buildings | 35,933 | 12,425 |
| Motor vehicles (included in note 13) | <u>1,953</u> | <u>2,429</u> |
| | <u>37,886</u> | <u>14,854</u> |
| (ii) Interest expense | <u>7,415</u> | <u>727</u> |

(c) Contractual undiscounted cash flows maturity analysis

The contractual undiscounted cash flows maturity analysis is disclosed under liquidity risk in the financial risk management note 5(c)(iii).

(d) Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the lease term on a straight line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying asset's useful life.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2023

22. PAYABLES:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|-----------------------------|------------------------------|------------------------------|
| Trade payables | 46,668 | 53,753 |
| GCT payables | 2,169 | 29,110 |
| Statutory payables | 8,926 | 6,562 |
| Accruals and other payables | 69,446 | 74,555 |
| Deferred income | 21,270 | 63,055 |
| Credit card payables | <u>46,414</u> | <u>21,794</u> |
| | <u>194,893</u> | <u>248,829</u> |

23. DIVIDENDS PAID:

| | <u>2023</u> <u>\$'000</u> | <u>2022</u> <u>\$'000</u> |
|--|------------------------------|------------------------------|
| In respect of 31 October 2023 (\$0.10 per share) | <u>30,000</u> | <u>30,000</u> |

By resolution dated 29 June 2023, dividend payment of \$0.10 per share was approved by the Board of Directors, (2022 - By resolution dated 27 September 2022, divided payment of \$0.10 per share was approved by the Board of Directors).



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FORM OF PROXY

I/We _____ [insert name]

of _____ [address]

being a shareholder(s) of the above-named Company, hereby appoint:

_____ [proxy name]

of _____ [address]

or failing him, _____ [alternate proxy]

of _____ [address]

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 **AC Hotel, 38-42 Lady Musgrave Road, Kingston 10**, on Thursday, July 4th 2023 at 2:00 p.m. and at any adjournment thereof.

Unless otherwise directed the Proxy will vote as he/she thinks fit. Please tick appropriate box.

| | FOR | AGAINST |
|---------------------------|-----|---------|
| ORDINARY RESOLUTION 1 | | |
| ORDINARY RESOLUTION 2 | | |
| ORDINARY RESOLUTION 3 (a) | | |
| ORDINARY RESOLUTION 3 (b) | | |
| ORDINARY RESOLUTION 4 (a) | | |
| ORDINARY RESOLUTION 4 (b) | | |
| ORDINARY RESOLUTION 5 | | |
| SPECIAL RESOLUTION 1 | | |

Signed this _____ day of _____ 2024

Sign: _____
Name of Shareholder

Sign: _____
Name of Shareholder

NOTES:

- 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.
- The Proxy Form should bear a 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.

