



**MAIN EVENT ENTERTAINMENT GROUP LIMITED**

**UNAUDITED RESULTS**

**FOR NINE MONTHS ENDED JULY 31, 2021**



## REPORT TO STOCKHOLDERS Nine Months Ended July 31, 2021 (Q3)

The Board of Directors of Main Event Entertainment Group Limited presents the Company's unaudited financial statements for the period ended July 31, 2021 (Q3).

### Performance Highlights:

	Nine Months Ended July 31, 2021		Nine Months Ended July 31, 2020		Year Over Year		Audited, Year Ended October 31, 2020
	\$		\$		\$	%	\$
Revenues	\$ 592.734	M	\$ 944.589	M	\$ (351.855)	M -37%	\$ 1,046.429 M
Gross Profit	\$ 343.977	M	\$ 423.289	M	\$ (79.312)	M -19%	\$ 481.900 M
Net Profit / (Loss)	\$ 9.171	M	\$ 8.674	M	\$ 0.497	M 6%	\$ (18.227) M
Earnings Per Share (EPS)	3	cents	3	cents	0	cents 4%	(6) cents
Total Assets	\$ 856.420	M	\$ 848.691	M	\$ 7.729	M 1%	\$ 854.120 M
Shareholder's Equity	\$ 542.781	M	\$ 560.511	M	\$ (17.730)	M -3%	\$ 533.610 M

We are pleased to have delivered a positive quarter, marked by improved revenues, strong gross margins, and positive cash flows.

This quarter represents our strongest revenue performance since the quarter ended April 30, 2020, when the negative effects of the pandemic began. Revenues from digital signage services were a substantive driver of the quarter's performance. A one-off transaction completed in July 2021, contributed significantly to the results.

Revenues year-to-date total \$592.734 million, representing a 37% decline from the 2020 year-to-date total of \$944.589 million. The gap is expected given the level of decline experienced in our business over the past year. The gap has narrowed from a 39% decline last quarter. Revenues earned from our core business continue to lag significantly behind pre-Covid levels. We experienced only moderate shifts following the brief ease in restrictions for the entertainment industry in July, 2021. There was a modest 13% increase in revenues from entertainment and promotions this quarter.

**REPORT TO STOCKHOLDERS**  
**Nine Months Ended July 31, 2021 (Q3)**

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Gross profit margins for the current year-to-date have increased to 58% from 45% for the same period last year. The operating and net profits of the Company show stability year over year. Operating profits of \$21.708 million show a 6% increase over the \$20.572 million reported for same period in 2020. Net profits have also increased by 6%, to \$9.171 million from \$8.674 million.

On the Balance Sheet, total non-current assets declined 14% year over year, from \$613.955 million to \$525.545 million. The reduction was due principally to depreciation, asset disposals, and amortization charges for the period. Current assets increased from \$234.737 million to \$330.875 million over the same period. This reflects increases of over \$86 million in receivables, and over \$9.9 million in cash and bank balances. As at July 31, 2021, the Company had approximately \$153.792 million in cash and short-term investments.

Current and non-current liabilities increased by \$25.459 million in the period, from \$288.180 million to \$313.639 million as at July 31, 2021. The movement reflects increased trade payables and new finance lease liabilities, offset by reductions in debt. Current and non-current loans and lease obligations total \$206.543 million as at July 31, 2021. The Company settled over \$17 million in debt, finance lease obligations and interest charges during this third quarter of 2021. A conversion of the US dollar amortized bank loan to Jamaican dollars is reflected as at July 31, 2021.

Restrictions due to the pandemic have now extend through to the final quarter of two fiscal years. Looking forward, we are expecting more uncertainty and volatility in our business, with new variants of the Covid-19 Virus and with renewed restrictions on movement within our region. While we are hopeful for successful containment of these new variants worldwide and pleased to see progress and momentum in the Jamaica's vaccination efforts, we accept that the process to recovery will not be quick fix.

We remain focused on business continuity. We will continue to make the most of scarce opportunities, taking due care to minimize the risks to our team members, customers, and all other stakeholders.

Thank you to all our supportive customers and stakeholders for your encouragement and insights. We extend special gratitude to our resilient team, who have remained steadfast troopers throughout this period. We thank you for your show of loyalty, faith and commitment to MEEG.

We take this opportunity to encourage those who have not yet done so to get vaccinated. We wish you all good health.

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

  
.....  
Mr. Solomon Sharpe  
Chief Executive Officer

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**NINE (9) MONTHS ENDING JULY 31, 2021 (Q3)**

MAIN EVENT ENTERTAINMENT GROUP LIMITED  
UNAUDITED FINANCIAL STATEMENTS  
NINE (9) MONTHS ENDING JULY 31, 2021 (Q3)

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**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
(unaudited)  
**AS AT JULY 31, 2021**

	Unaudited July 31, 2021 \$'000	Unaudited July 31, 2020 \$'000	Audited October 31, 2020 \$'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	482,205	610,885	578,407
Deferred tax asset	2,893	3,070	2,746
Right of use assets	40,447	-	54,808
	525,545	613,955	635,961
<b>CURRENT ASSETS:</b>			
Receivables	150,180	75,106	69,111
Due from related parties	25,745	14,804	15,640
Taxation recoverable	1,158	1,014	1,158
Cash and bank balances	153,792	143,813	132,250
	330,875	234,737	218,159
<b>Total Assets</b>	856,420	848,692	854,120
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	103,652	103,652	103,652
Retained earnings	439,129	456,860	429,958
	542,781	560,512	533,610
<b>Non-current Liabilities</b>			
Related party loans	13,446	21,170	20,245
Loans	116,297	137,854	106,358
Finance lease obligations	-	13,616	-
Lease liabilities	37,495	-	49,358
	167,238	172,640	175,961
<b>Current Liabilities</b>			
Payables	99,824	84,664	73,613
Due to related parties	7,273	6,541	6,931
Bank overdraft	-	-	127
Current portion of loans	22,468	17,693	38,760
Current portion of lease liabilities	16,836	6,643	25,118
	146,401	115,540	144,549
<b>Total Equity and Liabilities</b>	856,420	848,692	854,120

Approved and signed on behalf of the Board on

September 13, 2021 by:

  
 \_\_\_\_\_  
 Dr. Ian Blair  
 Director

  
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 Mr. Solomon Sharpe  
 Director

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
(unaudited)  
**NINE (9) MONTHS ENDING JULY 31, 2021 (Q3)**

	Unaudited Nine Months Ended July 31, 2021 \$'000	Unaudited Nine Months Ended July 31, 2020 \$'000	Unaudited Quarter Ended July 31, 2021 \$'000	Unaudited Quarter Ended July 31, 2020 \$'000	Audited Year ended October 31, 2020 \$'000
REVENUE	592,734	944,589	243,352	59,784	1,046,429
Direct expenses	<u>(248,757)</u>	<u>(521,300)</u>	<u>(90,398)</u>	<u>(19,210)</u>	<u>(564,529)</u>
Gross profit	343,977	423,289	152,954	40,574	481,900
Other operating income	<u>49</u>	<u>530</u>	<u>16</u>	<u>147</u>	<u>7,914</u>
	344,026	423,819	152,970	40,721	489,814
<b>EXPENSES</b>					
Administrative and general	<u>212,019</u>	<u>299,989</u>	<u>79,656</u>	<u>51,938</u>	<u>327,548</u>
Selling and promotion	<u>3,142</u>	<u>8,474</u>	<u>1,437</u>	<u>282</u>	<u>8,924</u>
Depreciation	<u>92,946</u>	<u>94,784</u>	<u>30,524</u>	<u>31,279</u>	<u>127,636</u>
Amortisation	<u>14,211</u>	<u>-</u>	<u>3,861</u>	<u>-</u>	<u>20,699</u>
	<u>322,318</u>	<u>403,247</u>	<u>115,478</u>	<u>83,499</u>	<u>484,807</u>
OPERATING PROFIT	21,708	20,572	37,492	(42,778)	5,007
Finance costs	<u>(12,684)</u>	<u>(12,460)</u>	<u>(7,815)</u>	<u>(4,223)</u>	<u>(23,472)</u>
PROFIT / (LOSS) BEFORE TAXATION	9,024	8,112	29,677	(47,001)	(18,465)
Taxation	<u>147</u>	<u>562</u>	<u>(993)</u>	<u>1,466</u>	<u>238</u>
Net profit / (loss)	9,171	8,674	28,684	(45,535)	(18,227)
Other Comprehensive Income:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET PROFIT / (LOSS), BEING TOTAL COMPREHENSIVE INCOME	<u><u>9,171</u></u>	<u><u>8,674</u></u>	<u><u>28,684</u></u>	<u><u>(45,535)</u></u>	<u><u>(18,227)</u></u>
Earnings per share for profit attributable to the equity holders of the company:					
Number of shares	300,005	300,005	300,005	300,005	300,005
Earnings per share	<u><u>0.03</u></u>	<u><u>0.03</u></u>	<u><u>0.10</u></u>	<u><u>(0.15)</u></u>	<u><u>(0.06)</u></u>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY**  
 (unaudited)  
**NINE (9) MONTHS ENDING JULY 31, 2021 (Q3)**

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT OCTOBER 31, 2020	103,652	429,958	533,610
<b>TOTAL COMPREHENSIVE INCOME:</b>			
Net profit	<u>-</u>	<u>9,171</u>	<u>9,171</u>
<b>TRANSACTIONS WITH OWNERS:</b>			
Dividends	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE AT JULY 31, 2021	<u>103,652</u>	<u>439,129</u>	<u>542,781</u>
BALANCE AT OCTOBER 31, 2019	103,652	475,186	578,838
<b>TOTAL COMPREHENSIVE INCOME:</b>			
Net profit	<u>-</u>	<u>8,674</u>	<u>8,674</u>
<b>TRANSACTIONS WITH OWNERS:</b>			
Dividends	<u>-</u>	<u>(27,001)</u>	<u>(27,001)</u>
BALANCE AT JULY 31, 2020	<u>103,652</u>	<u>456,860</u>	<u>560,512</u>



**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF CASH FLOWS**  
(unaudited)  
**NINE (9) MONTHS ENDING JULY 31, 2021 (Q3)**

	Unaudited Nine Months Ended July 31, 2021 \$'000	Unaudited Nine Months Ended July 31, 2020 \$'000	Audited Year ended October 31, 2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit / (loss)	9,171	8,674	(18,227)
Items not affecting cash resources -			
Depreciation	92,946	94,784	127,636
Interest expense	12,684	12,460	23,472
Interest income	(47)	(243)	(3,469)
Exchange loss / (gain) on foreign balances	1,034	7,074	3,350
Taxation expense	(147)	(562)	(238)
Right-of-use amortisation	14,211	-	20,699
Loss on disposal of assets	1,807	-	-
<b>Operating cash flows before movements in working capital</b>	<b>131,659</b>	<b>122,187</b>	<b>153,223</b>
Changes in operating assets and liabilities			
Receivables	(81,069)	192,837	198,832
Taxation recoverable	-	(23)	(168)
Related party balances	(16,562)	15,059	13,688
Payables	26,211	(82,818)	(91,153)
	<b>60,239</b>	<b>247,242</b>	<b>274,422</b>
Taxation paid	-	(23)	-
<b>Cash provided by operating activities</b>	<b>60,239</b>	<b>247,219</b>	<b>274,422</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	-	(59,025)	(59,397)
Proceeds from disposal of property, plant and equipment	1,450	-	-
Interest received	47	243	3,469
<b>Cash provided by / (used in) investing activities</b>	<b>1,497</b>	<b>(58,782)</b>	<b>(55,928)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Loans received	-	-	-
Loan repayments	(5,213)	(27,140)	(27,278)
Lease repayments	(10,658)	(4,015)	(6,702)
Lease liabilities repayments	(9,487)	-	(18,603)
Interest paid	(12,684)	(12,460)	(23,472)
Dividends payment	-	(27,001)	(27,001)
<b>Cash used in financing activities</b>	<b>(38,042)</b>	<b>(70,616)</b>	<b>(103,056)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>23,694</b>	<b>117,821</b>	<b>115,438</b>
Exchange (gain) loss on foreign cash balances	(2,025)	3,241	(6,066)
<b>Cash and cash equivalents at beginning of year</b>	<b>132,123</b>	<b>22,751</b>	<b>22,751</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>153,792</b>	<b>143,813</b>	<b>132,123</b>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(unaudited)**  
**NINE (9) MONTHS ENDING JULY 31, 2021 (Q3)**

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**1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

- (a) Main Event Entertainment Group Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 70-72 Lady Musgrave Road, Kingston 10.
- (b) The principal activities of the company are to carry on the business of entertainment promoter, agent and manager.
- (c) The company is a subsidiary of MEEG Holdings, a company incorporated and domiciled in Saint Lucia.
- (d) The company was listed on the Junior Market of the Jamaica Stock Exchange on 8 February 2017.

**2. REPORTING CURRENCY:**

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of presentation**

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

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

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)  
**NINE (9) MONTHS ENDING JULY 31, 2021 (Q3)**

**4. MOVEMENT IN FIXED ASSETS**

	<u>Equipment</u>	<u>Building</u>	<u>Leasehold Improvements</u>	<u>Furniture &amp; Fixtures</u>	<u>Computer Equipment</u>	<u>Audio &amp; Filming Equipment</u>	<u>Rentals, Décor &amp; Tent Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>At Cost/Valuation</b>									
Beginning of period	311,382	40,610	13,722	12,101	61,628	546,409	132,154	85,423	1,203,429
Current period additions	-	-	-	-	-	-	-	-	-
Re-classifications	1,760	-	(1,760)	-	-	-	-	-	-
Current period disposals	-	-	(7,315)	-	-	-	-	(1,264)	(8,578)
End of Period	<u>313,142</u>	<u>40,610</u>	<u>4,648</u>	<u>12,101</u>	<u>61,628</u>	<u>546,409</u>	<u>132,154</u>	<u>84,160</u>	<u>1,194,851</u>
<b>Accumulated Depreciation</b>									
Beginning of year	181,000	2,478	5,059	5,488	42,858	290,079	49,966	48,094	625,022
Charge for period	28,385	1,062	907	717	5,125	31,991	17,588	7,171	92,946
Re-classifications	337	-	(337)	-	-	-	-	-	-
Disposals	-	-	(4,058)	-	-	-	-	(1,264)	(5,322)
End of period	<u>209,722</u>	<u>3,540</u>	<u>1,571</u>	<u>6,205</u>	<u>47,983</u>	<u>322,070</u>	<u>67,555</u>	<u>54,002</u>	<u>712,646</u>
<b>Net Book Value</b>									
End of period	<u>103,420</u>	<u>37,070</u>	<u>3,077</u>	<u>5,896</u>	<u>13,645</u>	<u>224,339</u>	<u>64,599</u>	<u>30,158</u>	<u>482,205</u>
End of prior period	<u>130,382</u>	<u>38,132</u>	<u>8,663</u>	<u>6,613</u>	<u>18,770</u>	<u>256,330</u>	<u>82,188</u>	<u>37,329</u>	<u>578,407</u>

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

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)  
**NINE (9) MONTHS ENDING JULY 31, 2021 (Q3)**

**5. SHARE CAPITAL**

	Unaudited July 31, 2021 \$'000	Unaudited July 31, 2020 \$'000	Audited October 31, 2020 \$'000
Authorized ordinary shares of no par value	<u>103,652</u>	<u>103,652</u>	<u>103,652</u>
Issued ordinary shares of no par value	<u>103,652</u>	<u>103,652</u>	<u>103,652</u>
	# of shares	# of shares	# of shares
Authorized ordinary shares of no par value	<u>320,004,000</u>	<u>320,004,000</u>	<u>320,004,000</u>
Issued ordinary shares of no par value	<u>300,005,000</u>	<u>300,005,000</u>	<u>300,005,000</u>

**6. LOANS**

	Unaudited July 31, 2021 \$'000	Unaudited July 31, 2020 \$'000	Audited October 31, 2020 \$'000
MEEG Holdings Limited - Related Party Loan	13,446	21,170	20,245
National Commercial Bank - Amortised Loan	21,294	22,147	21,943
Sagicor Bank Jamaica Limited - USD Loan	-	133,401	123,095
Sagicor Bank Jamaica Limited - JMD Loan	117,470	-	-
Sagicor Bank Jamaica Limited - Other Loans	-	-	80
	<u>152,210</u>	<u>176,716</u>	<u>165,363</u>
Less Current portions	<u>(22,468)</u>	<u>(17,693)</u>	<u>(38,760)</u>
Non-Current portions	<u>129,742</u>	<u>159,023</u>	<u>126,603</u>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)  
**NINE (9) MONTHS ENDING JULY 31, 2021 (Q3)**

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**7. LEASES**

The company adopted IFRS 16 as at 1 November 2019.

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

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

	Unaudited July 31, 2021 \$'000	Unaudited July 31, 2020 \$'000	Audited October 31, 2020 \$'000
<b>Right-of-use assets:</b>			
Buildings	40,447	-	54,808
<b>Property, plant and equipment:</b>			
Motor vehicles acquired under finance lease	<u>16,785</u>	<u>20,736</u>	<u>19,766</u>
	<u>57,232</u>	<u>20,736</u>	<u>74,574</u>
<b>Lease liabilities:</b>			
Current portion	16,836	6,643	25,118
Non-current portion	<u>37,495</u>	<u>13,616</u>	<u>49,358</u>
	<u>54,332</u>	<u>20,259</u>	<u>74,476</u>

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

	Unaudited July 31, 2021 \$'000	Unaudited July 31, 2020 \$'000	Audited October 31, 2020 \$'000
<b>Depreciation charge of right-of-use assets:</b>			
Buildings	14,211	-	20,699
Motor vehicles	<u>2,970</u>	<u>3,347</u>	<u>4,456</u>
	<u>17,181</u>	<u>3,347</u>	<u>25,155</u>