



**MAIN EVENT ENTERTAINMENT GROUP LIMITED**

**UNAUDITED RESULTS**

**FOR THREE MONTHS ENDED JANUARY 31, 2021 (Q1)**



## REPORT TO STOCKHOLDERS

### Three Months Ended January 31, 2021 (Q1)

The Board of Directors of Main Event Entertainment Group Limited presents the Company's unaudited financial statements for the period ended January 31, 2021 (Q1).

#### Performance Highlights:

	Three Months Ended	Three Months Ended	Year Over Year		Audited, Year Ended
	January 31, 2021	January 31, 2020	\$	%	October 31, 2020
Revenues	\$ 175.838 M	\$ 598.142 M	\$ (422.304) M	-71%	\$ 1,046.429 M
Gross Profit	\$ 110.729 M	\$ 272.683 M	\$ (161.954) M	-59%	\$ 481.900 M
Net Profit / (Loss)	\$ 8.073 M	\$ 70.007 M	\$ (61.934) M	-88%	\$ (18.227) M
Earnings Per Share (EPS)	3 cents	23 cents	(20) cents	-88%	(6) cents
Total Assets	\$ 860.504 M	\$ 1,054.520 M	\$ (194.016) M	-18%	\$ 854.120 M
Shareholder's Equity	\$ 541.683 M	\$ 648.844 M	\$ (107.161) M	-17%	\$ 533.610 M

The COVID-19 pandemic continues to impact business activity and performance. This has meant a very modest start to our 2021 fiscal year.

Our footprint is noticeably smaller, as revenues continue to deviate significantly from historical levels. However, the Company's performance this quarter shows promise, with improving revenues and with a net profit of \$8.073 million; after three quarters of net losses.

During this quarter, the team continued to work closely with key customers to create opportunities in the ongoing challenging circumstances. Revenues declined 71% to \$175.838 million in this first quarter of 2021, down from \$598.142 million. Our M-Style product together with our western operations contributed \$21.909 or 12% of revenues this quarter, compared to \$110.193 or 18% in the corresponding period, 2020. This is an 80% decline year over year and is reflective of the impact of the nightly curfews and government regulations on public gatherings on our core business.

The decline this quarter was notably not as pronounced as it was in the third and fourth quarters of the 2020 fiscal year, which were down 87% and 77% respectively. We will continue to strive for improvements in each quarter's results despite ongoing business disruption from the pandemic.

**REPORT TO STOCKHOLDERS**  
**Three Months Ended January 31, 2021 (Q1)**

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Our gross margins are higher. This is due to a higher percentage of revenues coming from recurring services in digital signage. The direct cost of sales is down 80% year over year, and gross profits of \$110.729 million show a decline of 59% from 2020.

Administrative and general expenses total \$101.368 million, down 49% from the \$197.269 million recorded in 2020. The most significant decline occurred in employee costs, as most of our staff complement continue to work at reduced capacities. Significant savings have also been realized from the suspension of most discretionary spending on travel, entertainment, advertising, and promotions. Expenses include \$31.641 million in depreciation, which are a constant despite reduced business activity. In addition, amortization costs associated with Right of Use Assets (leased assets) total another \$5.175 million this quarter.

Interest expense for the current quarter was \$2.376 million, down from \$4.374 million in 2020. The decrease results primarily from lower interest on bank debt, due to lower debt levels.

On the Balance Sheet, the total asset base as of January 31, 2021 of \$860.504 million is consistent with total assets as of October 31, 2020. Non-current, deferred tax assets increased by \$1.072 million from October 31, 2020 as a result of the taxation credit recognized this quarter. Property, plant and equipment decreased by \$31.641 million this quarter, as a result of depreciation expense. There was no capital expenditure this quarter.

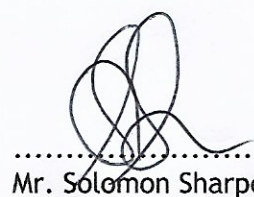
Current assets were \$260.288 million, up \$42.129 million from October 31, 2020. Accounts receivable increased \$8.248 million from October 31, 2020, which is related to the upward movements in revenue levels this quarter, along with continued focus on strong receivables management. This receivables management coupled with continued financial restraint in other areas have contributed to a \$29.951 million increase in the cash position this quarter. Our net cash balance of \$162.074 million as of January 31, 2021 represents an all-time high. We have been deliberate about building these cash reserves which will be critical in sustaining our operations through uncertain times, as COVID-19 cases rise in Jamaica.

Shareholder's Equity has declined by \$107.161 million or 17% year over year, which is inclusive of a cash dividend of \$27.001 million paid to shareholders during the second quarter of the prior fiscal year. The performance this quarter has contributed positively to equity, with a 3 cent earnings per share.

We have now been operating at significantly reduced capacity for close to a year; since late in the second quarter of fiscal year 2020. The uncertainties surrounding the pandemic continue to be a challenge, but our financial priorities remain unchanged. Our actions in the short term will continue to focus on the health and well-being of our stakeholders, while also ensuring the health of our business.

We hope you all continue to stay safe. We thank you for your continued support.

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

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

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**THREE (3) MONTHS ENDING JANUARY 31, 2021 (Q1)**

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**THREE (3) MONTHS ENDING JANUARY 31, 2021 (Q1)**

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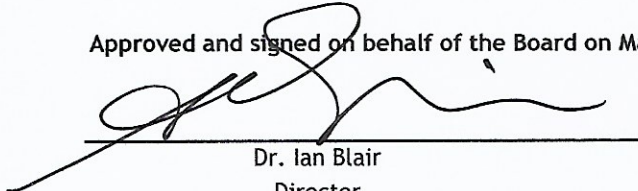
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**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
(unaudited)  
**AS AT JANUARY 31, 2021**

	Unaudited January 31, 2021 \$'000	Unaudited January 31, 2020 \$'000	Audited October 31, 2020 \$'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	546,766	652,800	578,407
Deferred tax asset	3,817	1,169	2,746
Right of use assets	49,633	-	54,808
	600,216	653,969	635,961
<b>CURRENT ASSETS:</b>			
Receivables	77,359	270,653	69,111
Due from related parties	17,810	21,360	15,640
Taxation recoverable	1,158	990	1,158
Cash and bank balances	163,961	107,549	132,250
	260,288	400,552	218,159
<b>Total Assets</b>	860,504	1,054,521	854,120
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	103,652	103,652	103,652
Retained earnings	438,031	545,193	429,958
	541,683	648,845	533,610
<b>Non-current Liabilities</b>			
Related party loans	20,053	28,189	20,245
Loans	103,348	124,354	106,358
Finance lease obligations	-	16,323	-
Lease liabilities	47,538	-	49,358
	170,939	168,866	175,961
<b>Current Liabilities</b>			
Payables	79,373	170,845	73,613
Due to related parties	7,397	14,219	6,931
Bank overdraft	1,888	6,767	127
Current portion of loans	38,760	38,839	38,760
Current portion of lease liabilities	20,464	6,140	25,118
	147,882	236,810	144,549
<b>Total Equity and Liabilities</b>	860,504	1,054,521	854,120

Approved and signed on behalf of the Board on March 15, 2021 by:

  
Dr. Ian Blair  
Director

  
Mr. Solomon Sharpe  
Director

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
(unaudited)  
**THREE (3) MONTHS ENDING JANUARY 31, 2021 (Q1)**

	Unaudited Year ended January 31, 2021 \$'000	Unaudited Year ended January 31, 2020 \$'000	Audited Year ended October 31, 2020 \$'000
REVENUE	175,838	598,142	1,046,429
Direct expenses	<u>(65,109)</u>	<u>(325,459)</u>	<u>(564,529)</u>
Gross profit	110,729	272,683	481,900
Other operating income	<u>16</u>	<u>306</u>	<u>7,914</u>
	110,745	272,989	489,814
<b>EXPENSES</b>			
Administrative and general	<u>63,723</u>	<u>161,618</u>	<u>327,548</u>
Selling and promotion	829	4,222	8,924
Depreciation	31,641	31,430	127,636
Amortisation	<u>5,175</u>	<u>-</u>	<u>20,699</u>
	<u>101,368</u>	<u>197,269</u>	<u>484,807</u>
OPERATING PROFIT	9,377	75,720	5,007
Finance costs	<u>(2,376)</u>	<u>(4,374)</u>	<u>(23,472)</u>
PROFIT / (LOSS) BEFORE TAXATION	7,001	71,345	(18,465)
Taxation	<u>1,072</u>	<u>(1,338)</u>	<u>238</u>
Net profit / (loss)	8,073	70,007	(18,227)
Other Comprehensive Income:	<u>-</u>	<u>-</u>	<u>-</u>
NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>8,073</u></u>	<u><u>70,007</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
Earnings per share	<u><u>0.03</u></u>	<u><u>0.23</u></u>	<u><u>(0.06)</u></u>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY**  
 (unaudited)  
**THREE (3) MONTHS ENDING JANUARY 31, 2021 (Q1)**

	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 loss	<u>-</u>	<u>8,073</u>	<u>8,073</u>
<b>TRANSACTIONS WITH OWNERS:</b>			
Dividends	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE AT JANUARY 31, 2021	<u>103,652</u>	<u>438,031</u>	<u>541,683</u>
BALANCE AT OCTOBER 31, 2019	103,652	475,186	578,838
<b>TOTAL COMPREHENSIVE INCOME:</b>			
Net profit	<u>-</u>	<u>70,007</u>	<u>70,007</u>
<b>TRANSACTIONS WITH OWNERS:</b>			
Dividends	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE AT JANUARY 31, 2020	<u>103,652</u>	<u>545,193</u>	<u>648,845</u>



**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**STATEMENT OF CASH FLOWS**  
(unaudited)  
**THREE (3) MONTHS ENDING JANUARY 31, 2021 (Q1)**

	Unaudited Year ended January 31, 2021 \$'000	Unaudited Year ended January 31, 2020 \$'000	Audited Year ended October 31, 2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit / (loss)	8,073	70,007	(18,227)
Items not affecting cash resources -			
Depreciation	31,641	31,430	127,636
Interest expense	2,376	4,374	23,472
Interest income	(15)	(65)	(3,469)
Exchange loss / (gain) on foreign balances	344	4,166	3,350
Taxation expense	(1,072)	1,338	(238)
Right-of-use amortisation	5,175	-	20,699
<b>Operating cash flows before movements in working capital</b>	<b>46,522</b>	<b>111,250</b>	<b>153,223</b>
Changes in operating assets and liabilities			
Receivables	(8,248)	(2,710)	198,832
Taxation recoverable	-	-	(168)
Related party balances	(1,895)	23,200	13,688
Payables	5,760	3,363	(91,153)
	<b>42,139</b>	<b>135,103</b>	<b>274,422</b>
Taxation paid	(0)	-	-
<b>Cash provided by operating activities</b>	<b>42,139</b>	<b>135,103</b>	<b>274,422</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	-	(37,586)	(59,397)
Interest received	15	65	3,469
<b>Cash provided by / (used in) investing activities</b>	<b>15</b>	<b>(37,521)</b>	<b>(55,928)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Loans received	-	-	-
Loan repayments	(3,442)	(14,978)	(27,278)
Lease repayments	(1,358)	(1,812)	(6,702)
Lease liabilities repayments	(5,116)	-	(18,603)
Interest paid	(2,376)	(4,374)	(23,472)
Dividends payment	-	-	(27,001)
<b>Cash used in financing activities</b>	<b>(12,292)</b>	<b>(21,164)</b>	<b>(103,056)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>29,862</b>	<b>76,418</b>	<b>115,438</b>
Exchange loss / (gain) on foreign cash balances	89	1,613	(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>162,074</b>	<b>100,782</b>	<b>132,123</b>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(unaudited)**  
**THREE (3) MONTHS ENDING JANUARY 31, 2021 (Q1)**

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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)  
THREE (3) MONTHS ENDING JANUARY 31, 2021 (Q1)

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 and Filming</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	-	-	-	-	-	-	-	-	-
Current period Disposals	-	-	-	-	-	-	-	-	-
<b>End of Period</b>	<b>311,382</b>	<b>40,610</b>	<b>13,722</b>	<b>12,101</b>	<b>61,628</b>	<b>546,409</b>	<b>132,154</b>	<b>85,423</b>	<b>1,203,429</b>
<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	10,587	354	343	239	1,746	10,676	5,885	1,811	31,641
Disposals	-	-	-	-	-	-	-	-	-
<b>End of period</b>	<b>191,587</b>	<b>2,832</b>	<b>5,402</b>	<b>5,728</b>	<b>44,605</b>	<b>300,755</b>	<b>55,850</b>	<b>49,905</b>	<b>656,663</b>
<b>Net Book Value</b>									
End of period	<u>119,795</u>	<u>37,778</u>	<u>8,320</u>	<u>6,373</u>	<u>17,023</u>	<u>245,654</u>	<u>76,304</u>	<u>35,518</u>	<u>546,766</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)  
**THREE (3) MONTHS ENDING JANUARY 31, 2021 (Q1)**

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**5. SHARE CAPITAL**

	Unaudited January 31, 2021 \$'000	Unaudited January 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 January 31, 2021 \$'000	Unaudited January 31, 2020 \$'000	Audited October 31, 2020 \$'000
MEEG Holdings Limited - Related Party Loan	20,053	28,189	20,245
National Commercial Bank - Amortised Loan	21,732	22,541	21,943
Sagicor Bank Jamaica Limited - USD Loan	120,375	137,690	123,095
Sagicor Bank Jamaica Limited - Other Loans	<u>-</u>	<u>2,962</u>	<u>80</u>
	162,160	191,382	165,363
Less Current portions	<u>(38,760)</u>	<u>(38,839)</u>	<u>(38,760)</u>
Non-Current portions	<u>123,400</u>	<u>152,543</u>	<u>126,603</u>

**MAIN EVENT ENTERTAINMENT GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)  
**THREE (3) MONTHS ENDING JANUARY 31, 2021 (Q1)**

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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 January 31, 2021 \$'000	Unaudited January 31, 2020 \$'000	Audited October 31, 2020 \$'000
<b>Right-of-use assets:</b>			
Buildings	49,633	-	54,808
<b>Property, plant and equipment</b>			
Motor vehicles acquired under finance lease	<u>18,765</u>	<u>22,725</u>	<u>19,766</u>
	<u><u>68,398</u></u>	<u><u>22,725</u></u>	<u><u>74,574</u></u>
<b>Lease liabilities</b>			
Current portion	20,464	6,140	25,118
Non-current portion	<u>47,538</u>	<u>16,323</u>	<u>49,358</u>
	<u><u>68,002</u></u>	<u><u>22,463</u></u>	<u><u>74,476</u></u>

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

	Unaudited January 31, 2021 \$'000	Unaudited January 31, 2020 \$'000	Audited October 31, 2020 \$'000
<b>Depreciation charge of right-of-use assets:</b>			
Buildings	5,175	-	20,699
Motor vehicles	<u>990</u>	<u>990</u>	<u>4,456</u>
	<u><u>6,165</u></u>	<u><u>990</u></u>	<u><u>25,155</u></u>