

MAIN EVENT ENTERTAINMENT GROUP LIMITED

AUDITED RESULTS

FOR THE YEAR ENDED OCTOBER 31, 2021

REPORT TO STOCKHOLDERS

Year Ended October 31, 2021

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, 2021.

Performance Highlights:

	Year ended October 31, 2021	Year ended October 31, 2020	Year Over Year	
			\$	%
Revenues	\$ 758.393 M	\$ 1,046.429 M	\$ (288.036) M	-28%
Gross Profit	\$ 454.388 M	\$ 481.900 M	\$ (27.512) M	-6%
Net Profit / (Loss)	\$ 16.138 M	\$ (18.227) M	\$ 34.365 M	189%
Earnings Per Share (EPS)	5 cents	(6) cents	11 cents	183%
Total Assets	\$ 791.255 M	\$ 854.120 M	\$ (62.865) M	-7%
Shareholder's Equity	\$ 549.748 M	\$ 533.610 M	\$ 16.138 M	3%

We have navigated another very challenging year and are pleased with the successes and progress realized.

Despite the struggles brought by the COVID-19 pandemic and necessary containment measures, we have posted a resilient performance, rebounding from an \$18.227 million loss in the prior year to net profits of \$16.138 million.

The adverse impacts to our business from the pandemic have persisted for the duration of this fiscal year and have been significant. Total revenues in the current year have decreased by 28% to \$758.393 million, from \$1,046.429 million in the prior year. The decrease is a result of very modest activity in our core business of entertainment and promotions throughout this fiscal year. Client interest in our M-Style services was very encouraging, but actual activity was tempered by the gathering restrictions.

REPORT TO STOCKHOLDERS

Year Ended October 31, 2021

Cont'd

We have worked hard to broaden and deepen our revenue base in the face of this protracted, unfavourable environment for entertainment and event related services. We were successful in achieving organic growth as well converting one-off opportunities in digital signage services. We are embracing the growing diversity in our service offerings. We recognize that diversity will be a key factor in revenue growth in the future.

The focus on cost containment was maintained this year. We have achieved a gross profit margin of \$454.388 million, which is a gross margin of 60%, up from 46% in 2020. This impressive improvement is the result of substantial contributions from digital signage and M-Style services. We made further positive progress with administrative and general expenses, down another 13% from the \$484.807 million recorded in the prior year, to \$423.727 million for the current year. The general operating expenses for this fiscal year are in line with expectations in the current operating environment. The amounts more aptly reflect a full 12 months of operations in the pandemic. Expected credit losses (ECL) on trade receivables have stabilized. The minimal increase in the current year is a testament to our successes in receivables management. Asset disposal costs, depreciation and amortization charges have declined by a combined 4%, to a total \$142.617 million from \$148.336 million in the prior year.

Throughout this period of significant uncertainties, a key priority has been maintaining a healthy balance sheet and ensuring the Company's financial position remains sufficiently robust to manage through the volatility. We are gratified to have closed the year with total assets of \$791.255 million, declining 7% from \$854.120 million at October, 2020. We have increased shareholder's equity by 3%, to close at \$549.748 million.

The Company generated net cash from operating activities of \$114.288 million this year and has increased cash and cash equivalents by \$62.207 at year-end. Specific emphasis was placed on re-negotiating finance lease and loan positions this year. We terminated some lease obligations and consequently, we disposed of \$28.279 million in right-of-use assets and de-recognized the associated lease liabilities of \$29.109 million. We eliminated our foreign currency denominated debt, re-negotiated terms on long term loans, and repaid \$38.792 million in long term debt. Financing activities also included interest expense payments of \$16.339 million, which is a 30% reduction from \$23.472 million in 2020.

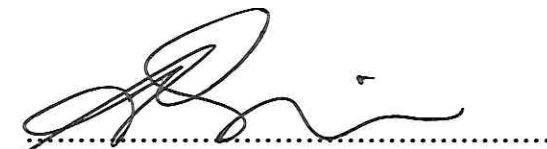
REPORT TO STOCKHOLDERS
Year Ended October 31, 2021

Cont'd

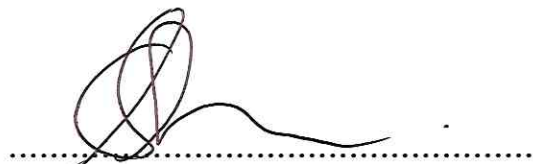
As we close 2021 and look toward 2022, health concerns and economic conditions continue to evolve. We accept that the path to an exit of the pandemic is still taking shape. The vaccination rates in Jamaica are still among the lowest in the region, and amid newer variants, looming infection spikes, and continuing sporadic lockdowns, it is unlikely we will see a strong return of entertainment activity in the short term.

That said, we continue to believe wholeheartedly in the viability of our core business, and we continue to be excited about the opportunities that lie somewhere ahead. We anticipate that when restrictions ease in a safer environment, demand for entertainment and event services will rebound swiftly and the necessary boosts to our business will inevitably follow. The pandemic has undoubtedly accelerated the demand for digital services and convenience solutions, and we are keen to continue honing our skillsets and pushing our creativity to maximize opportunities in these areas. We will continue to be as flexible as we can be, while safeguarding our business and protecting the welfare of our staff and customers.

Our strengthened client relationships and solid work output are among the greatest intangible gains this year. We have become a trusted source to many clients for a variety of support services. We are grateful to them for continued insights, and for always seeing the value in what we can offer. We are equally grateful for our amazing team. We are proud and humbled by their perseverance and professionalism. This period has asked so much of them, and they have continued to deliver, one project at a time. We would like to thank the Board for their guidance and direction; and finally, we would like to thank you, our shareholders for your ongoing support.



Dr. Ian Blair
Chairman, Finance Committee



Mr. Solomon Sharpe
Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

FINANCIAL STATEMENTS

31 OCTOBER 2021

MAIN EVENT ENTERTAINMENT GROUP LIMITED

FINANCIAL STATEMENTS

31 OCTOBER 2021

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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 46, which comprise the statement of financial position as at 31 October 2021, 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 2021, 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.

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 matters
<p><i>Measurement of Expected Credit Losses</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>These estimates involve increased judgment as a result of the economic impacts of COVID-19.</p> <p>Management considered the following:</p> <ul style="list-style-type: none"> • qualitative factors that create COVID-19-related changes to SICR; and • increased uncertainty about potential future economic scenarios and their impact on credit losses. <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 completeness and 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 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 Sonia McFarlane.



Chartered Accountants

29 December 2021

MAIN EVENT ENTERTAINMENT GROUP LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 OCTOBER 2021

	<u>Note</u>	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
REVENUE	6	758,393	1,046,429
Direct expenses		(304,005)	(564,529)
GROSS PROFIT		454,388	481,900
Other operating income	7	<u>2,193</u>	<u>7,914</u>
		<u>456,581</u>	<u>489,814</u>
EXPENSES:			
Administrative and general		(279,480)	(327,548)
Selling and promotion		(4,436)	(8,924)
Depreciation		(121,990)	(127,636)
Amortisation		(17,821)	(20,699)
		<u>(423,727)</u>	<u>(484,807)</u>
OPERATING PROFIT		32,854	5,007
Finance costs	8	(16,339)	(23,472)
PROFIT/(LOSS) BEFORE TAXATION		16,515	(18,465)
Taxation	11	(377)	<u>238</u>
NET PROFIT/(LOSS), BEING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>16,138</u>	<u>(18,227)</u>
EARNINGS PER STOCK UNIT	12	<u>\$0.05</u>	<u>(\$0.06)</u>

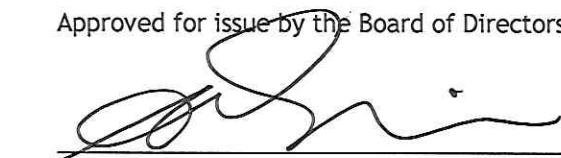
MAIN EVENT ENTERTAINMENT GROUP LIMITED

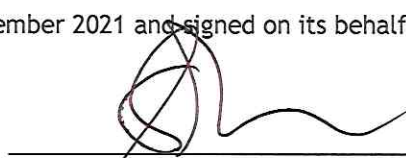
STATEMENT OF FINANCIAL POSITION

31 OCTOBER 2021

	Note	<u>2021</u> \$'000	<u>2020</u> \$'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	13	454,391	578,407
Deferred tax asset	14	2,369	2,746
Right-of-use assets	20	<u>12,425</u>	<u>54,808</u>
		<u>469,185</u>	<u>635,961</u>
CURRENT ASSETS:			
Receivables	15	95,847	69,111
Due from related parties	16	29,209	15,640
Taxation recoverable		1,992	1,158
Cash and bank balances	17	<u>195,022</u>	<u>132,250</u>
		<u>322,070</u>	<u>218,159</u>
		<u>791,255</u>	<u>854,120</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	18	103,652	103,652
Retained earnings		<u>446,096</u>	<u>429,958</u>
		<u>549,748</u>	<u>533,610</u>
NON-CURRENT LIABILITIES:			
Related party loans	16	-	20,245
Long term loans	19	110,415	106,358
Lease liabilities	20	<u>8,136</u>	<u>49,358</u>
		<u>118,551</u>	<u>175,961</u>
CURRENT LIABILITIES:			
Payables	21	74,199	73,613
Due to related parties	16	8,913	6,931
Bank overdraft	17	-	127
Current portion of long term loans	19	22,885	38,760
Current portion of lease liabilities	20	<u>16,959</u>	<u>25,118</u>
		<u>122,956</u>	<u>144,549</u>
		<u>791,255</u>	<u>854,120</u>

Approved for issue by the Board of Directors on 29 December 2021 and signed on its behalf by:


 Dr. Ian Blair - Chairman, Finance Committee


 Solomon Sharpe - Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 OCTOBER 2021

	<u>Note</u>	<u>Share Capital \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total \$'000</u>
BALANCE AT 31 OCTOBER 2019		103,652	475,186	578,838
TOTAL COMPREHENSIVE LOSS				
Net loss		-	(18,227)	(18,227)
TRANSACTION WITH OWNERS				
Dividend paid	22	-	(27,001)	(27,001)
BALANCE AT 31 OCTOBER 2020		103,652	429,958	533,610
TOTAL COMPREHENSIVE INCOME				
Net profit		-	16,138	16,138
BALANCE AT 31 OCTOBER 2021		<u>103,652</u>	<u>446,096</u>	<u>549,748</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 OCTOBER 2021

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit/(loss)	16,138	(18,227)
Items not affecting cash resources:		
Depreciation	121,990	127,636
Interest expense	16,339	23,472
Interest income	(1,676)	(3,469)
Exchange loss on foreign balances	289	3,676
Taxation expense	377	(238)
Right-of-use assets amortisation	17,821	20,699
Loss on disposal of property, plant and equipment	<u>2,807</u>	<u>-</u>
	174,085	153,549
Changes in operating assets and liabilities:		
Receivables	(26,736)	198,832
Taxation recoverable	-	(168)
Related party balances	(31,832)	13,688
Payables	<u>586</u>	<u>(93,869)</u>
	116,103	272,032
Taxation paid	<u>(834)</u>	<u>-</u>
Cash provided by operating activities	<u>115,269</u>	<u>272,032</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1,232)	(59,397)
Proceeds from sale of property, plant and equipment	451	-
Interest received	<u>1,676</u>	<u>3,469</u>
Cash provided by/(used in) investing activities	<u>895</u>	<u>(55,928)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan received	122,610	-
Loan repayments	(134,428)	(27,278)
Lease repayments	(6,729)	(6,702)
Lease liabilities payment	(18,090)	(18,603)
Interest paid	(16,339)	(23,472)
Dividend payment	<u>-</u>	<u>(27,001)</u>
Cash used in financing activities	<u>(52,976)</u>	<u>(103,056)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	63,188	113,048
Exchange loss on foreign cash balances	(289)	(3,676)
Cash and cash equivalents at beginning of year	<u>132,123</u>	<u>22,751</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 17)	<u>195,022</u>	<u>132,123</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

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 2021****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(a) Basis of preparation (cont'd)**

Impact of the COVID - 19 Pandemic

The COVID-19 pandemic has resulted in significant challenges for entertainment and promotional services industries.

The Government imposed restrictions on social gatherings and other activities designed to prevent the spread of the pandemic have continued throughout the current fiscal year and have negatively impacted the company's ability to carry out its principal activities. The company's revenues for the financial year ended 31 October 2021 are significantly lower than the revenues for the year ended 31 October 2020.

The negative impacts of the pandemic were more significant in the first half of this fiscal year ended 31 October, 2021. The company experienced more drastic reductions in revenues in the first six (6) months, with the reduction or suspension of customer spend from major markets, restrictions with regards to openings hours, and due to general consumer uncertainty.

The company adopted a proactive approach to the monitoring and management of the risks relating to COVID-19 throughout the business. In response to the COVID-19 pandemic, the company has been utilizing the following strategic measures, which have aided in bolstering cash and limiting the financial effects of the pandemic;

- Suspension of non-essential operating expenditure, including marketing & promotional and travel and entertainment expenses; and where possible, reducing essential operating expenditures to minimum levels necessary while the ban on the entertainment sector remains in place.
- Termination or deferment of all non-essential capital expenditure.
- Implementation of measures to reduce staff costs, including the curtailment of working hours as well as the number of days being worked for accounting and administrative staff and undertaking voluntary redundancy exercises.
- Working with the company's vendors and other business partners to manage, defer, and/or reduce related expenses and existing liabilities.
- The company sought and was granted rent concessions from some of its landlords during the period of disruption caused by the pandemic.
- The company has also sought opportunities for generating additional income from other sources, primarily through the expansion of our digital marketing and signage services.

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2021****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(b) Basis of preparation (cont'd)**

In addition, the company has adjusted its operating policies and procedures, to ensure that the publicly available advice on Disaster Risk Management is followed; and to ensure that appropriate safety measures are quickly implemented for the employees and customers.

New standards, interpretations and amendments effective in the current year

Certain new standard, interpretation and amendment 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, amendments and clarifications and has put into effect the following, which are relevant to its operations:

Amendments to IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and errors' (effective for annual periods beginning on or after 1 January 2020). The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

These amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of users of general purpose financial statements by defining them as existing and potential investors, lenders and other creditors. The company has applied the guidance on materiality when preparing its financial statements.

Revised Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after 1 January 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect; however, no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies will need to consider whether their accounting policies are still appropriate under the revised Framework. There was no impact from the adoption of this amendment.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

New standards, amendments and interpretations not yet effective and not early adopted

The following amendments to standards which are not yet effective and have not been adopted early 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', (effective for annual periods beginning on or after 1 January 2022). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments also classify what IAS 1 means when it refers to the 'settlement' of a liability. The adoption of these amendments is not expected to have a significant impact on the company.

Amendment to IAS 16, 'Property, plant and equipment' (effective for annual periods beginning on or after 1 January 2022). This amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognise such sales proceeds and related cost in profit or loss. 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 company is currently assessing the impact of this amendment.

Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' (effective for annual periods beginning on or after 1 January 2022). This amendment specifies which costs a company includes when assessing whether a contract will be loss making. It 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 company is currently assessing the impact of this amendment.

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2021****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)

Amendment to IFRS 16, 'Leases' - COVID-19 related rent recession (effective for annual periods beginning on or after 1 June 2021). As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2021, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The company will assess the impact of future adoption of this amendment on its financial statements.

(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 2021

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.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

(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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

Financial assets

Classification and measurement

The company classifies its financial assets at amortised cost based on the model used for managing the financial assets and the assets' contractual terms.

Amortised cost

These are assets that are held for collection of contractual cash flows, the contractual cash flows represent solely payments of principal and interest, are measured at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in the income statement using the effective interest rate. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a line item in the income statement.

The company's financial assets measured at amortised cost comprise trade receivables, due from related parties and cash and bank balances in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Impairment

The company assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets classified amortised cost.

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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

Impairment (cont'd)

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.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial 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 in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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: loans, lease liabilities, due to related companies, bank overdraft and trade payables.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(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.

(h) Revenue recognition

Revenue comprises the fair value of consideration 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 when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow to the company and when the specific criteria have been met for each of the company's activities as described below.

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2021****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(h) Revenue recognition (cont'd)**

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 is recognised in the income statement for all interest-bearing instruments on an accrual basis unless collectability is doubtful.

(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.

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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(i) Leases (cont'd)

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

31 OCTOBER 2021

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

Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Dividends 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 2021

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.

(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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

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

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

(iii) Allowance for expected credit losses on receivables

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.

Management also makes estimates of the likely estimated future cash flows from impaired accounts receivable, as well as the timing of such cash flows. Expected credit losses (ECL) is applied to determine impairment of financial assets. When measuring ECL, the company considers the maximum contractual period over which the company is exposed to credit risk. All contractual terms are considered when determining the expected life. The expected life is estimated based on the period over which the company is exposed to credit risk and where the credit losses would not be mitigated by management actions.

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 2021

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:

- Trade receivables
- Cash and bank balances
- Trade payables
- Related party balances
- Long term loans
- Lease liabilities
- Bank overdraft

(b) Financial instruments by category

Financial assets

	Amortised Cost	
	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Cash and bank balances	195,022	132,250
Trade receivables	70,928	38,902
Due from related parties	<u>29,209</u>	<u>15,640</u>
Total financial assets	<u>295,159</u>	<u>186,792</u>

Financial liabilities

	Amortised Cost	
	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Trade payables	30,528	39,103
Due to related parties	8,913	6,931
Related party loan	-	20,245
Long term loans	133,300	145,118
Lease liabilities	25,095	56,903
Bank overdraft	<u>-</u>	<u>127</u>
Total financial liabilities	<u>197,836</u>	<u>268,427</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2021****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 Dollars. 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/(liabilities) as follows:

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Cash at bank	19,365	18,312
Trade receivables	-	4,257
Trade payables	(4,948)	(12,674)
Long term loans	-	(123,095)
Related company	-	(19,307)
Net assets/(liabilities)	<u>14,417</u>	<u>(132,507)</u>

Foreign currency sensitivity

The following table indicates the sensitivity of profit/(loss) 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 8% (2020 - 6%) depreciation and a 2% (2020 - 2%) 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>2021</u>	Effect on Profit before Tax		Effect on Loss before Tax	
		31 October <u>2021</u> <u>\$'000</u>	% Change in Currency rate <u>2020</u>	31 October <u>2020</u> <u>\$'000</u>	
Currency:					
USD	-8	1,153	-6	7,950	
USD	<u>+2</u>	<u>(288)</u>	<u>+2</u>	<u>(2,650)</u>	

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

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 term deposits and long term loans 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.

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.

(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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Cash and bank balances

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 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.

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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables (cont'd)

The following table provides information about the ECLs for trade receivables as at 31 October 2021.

<u>Aging</u>	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Expected Loss Rate</u> <u>%</u>	<u>ECL Allowance</u> <u>\$'000</u>
Trade receivables:			
0-30 days	41,239	2.89	1,192
31-60 days	10,626	6.43	683
61-90 days	12,821	5.17	662
91 and over	<u>20,632</u>	57.45	<u>11,853</u>
	<u>85,318</u>		<u>14,390</u>

The following table provides information about the ECLs for trade receivables as at 31 October 2020.

<u>Aging</u>	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Expected Loss Rate</u> <u>%</u>	<u>ECL Allowance</u> <u>\$'000</u>
Trade receivables:			
0-30 days*	33,246	4	1,330
31-60 days*	2,455	5.82	143
61-90 days*	4,423	8	354
91 and over*	<u>12,979</u>	95.33	<u>12,374</u>
	<u>53,103</u>		<u>14,201</u>

(*The aging and corresponding ECL were reclassified.)

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

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

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
At 1 November	14,201	71,642
Bad debt recovered	(23)	-
Movement on ECL	<u>212</u>	<u>(57,441)</u>
At 31 October	<u>14,390</u>	<u>14,201</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>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
M Style Rental & Décor	11,215	9,242
Entertainment promotions	52,393	36,559
Digital signage	11,476	4,644
Audio and film	<u>10,234</u>	<u>2,658</u>
	85,318	53,103
Less: Provision for credit losses	<u>(14,390)</u>	<u>(14,201)</u>
	<u>70,928</u>	<u>38,902</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(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.

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</u> <u>Year</u> <u>\$'000</u>	<u>1 to 2</u> <u>Years</u> <u>\$'000</u>	<u>2 to 5</u> <u>Years</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
At 31 October 2021				
Trade payables	30,528	-	-	30,528
Related party loan	8,913	-	-	8,913
Lease liabilities	17,612	8,303	-	25,915
Long term loans	<u>32,719</u>	<u>58,875</u>	<u>77,049</u>	<u>168,643</u>
Total financial liabilities				
(contractual maturity dates)	<u>89,772</u>	<u>67,178</u>	<u>77,049</u>	<u>233,999</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(iii) Liquidity risk (cont'd)

Cash flows of financial liabilities (cont'd)

	<u>Within 1</u> <u>Year</u> <u>\$'000</u>	<u>1 to 2</u> <u>Years</u> <u>\$'000</u>	<u>2 to 5</u> <u>Years</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
At 31 October 2020				
Trade payables	39,103	-	-	39,103
Related party	6,931	21,933	-	28,864
Bank overdraft	127	-	-	127
Lease liabilities	6,515	14,393	56,909	77,817
Long term loans	<u>49,439</u>	<u>46,883</u>	<u>100,553</u>	<u>196,875</u>
Total financial liabilities (contractual maturity dates)	<u>102,115</u>	<u>83,209</u>	<u>157,462</u>	<u>342,786</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

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6.	REVENUE:		
		<u>2021</u>	<u>2020</u>
		<u>\$'000</u>	<u>\$'000</u>
	Audio and film	105,671	147,313
	Digital signage	155,764	84,907
	Entertainment promotions	415,989	697,718
	M Style Rental & Décor	80,969	112,291
	M Academy	<u>-</u>	<u>4,200</u>
		<u>758,393</u>	<u>1,046,429</u>
7.	OTHER OPERATING INCOME:		
		<u>2021</u>	<u>2020</u>
		<u>\$'000</u>	<u>\$'000</u>
	Interest income	1,676	3,469
	Other income	<u>517</u>	<u>4,445</u>
		<u>2,193</u>	<u>7,914</u>
8.	FINANCE COSTS:		
		<u>2021</u>	<u>2020</u>
		<u>\$'000</u>	<u>\$'000</u>
	Loan interest	12,310	13,841
	Other finance charges	<u>4,029</u>	<u>9,631</u>
		<u>16,339</u>	<u>23,472</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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9. EXPENSES BY NATURE:

Total direct and administration expenses:

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Signature events expenses	225,847	432,059
Audio and filming costs	19,226	24,422
Digital signage costs	31,463	26,793
M Academy	-	4,195
M Style costs	22,034	61,298
Freight expenses	5,435	15,763
Donation and subscription	10,546	10,566
Sponsorship	10,524	21,184
Directors' remuneration	15,927	17,709
Staff costs (note 10)	158,236	206,252
Advertising and entertainment	4,436	8,924
Rent	-	4,682
Utilities	17,674	21,528
Audit fees	2,400	2,200
Repairs and maintenance	7,453	9,759
Gasoline	10,915	15,626
Motor vehicle expenses	10,950	14,964
Printing, stationery and office expenses	4,421	8,908
Security	12,094	17,128
Research and development	116	380
Depreciation	121,990	127,636
Amortisation	17,821	20,699
Bad debts	66	19,606
Increase/(decrease) in expected credit losses	212	(57,441)
Loss on foreign exchange translation	289	3,676
Other operating expenses	1,670	90
Loss on disposal of property, plant and equipment	2,807	-
Legal and professional fees	6,111	4,494
Insurance	<u>7,069</u>	<u>6,236</u>
	<u>727,732</u>	<u>1,049,336</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

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10. STAFF COSTS:

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Wages and salaries	151,389	189,627
Staff welfare and Insurance	6,847	13,985
Redundancy	<u>-</u>	<u>2,640</u>
	<u>158,236</u>	<u>206,252</u>

11. TAXATION EXPENSE:

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

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Deferred tax (note 14)	<u>377</u>	<u>(238)</u>
	<u>377</u>	<u>(238)</u>

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

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Profit/(loss) before taxation	<u>16,515</u>	<u>(18,465)</u>
Tax calculated at applicable tax rates	4,129	(4,616)
Adjusted for the effects of:		
Expenses not deductible for tax	35,705	39,136
Remission of taxes	(6,226)	(3,145)
Net effect of other charges and allowances	<u>(33,231)</u>	<u>(31,613)</u>
	<u>377</u>	<u>(238)</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

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11. TAXATION EXPENSE (CONT'D):

(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.

Year 1 to 5 100%

Year 5 to 10 50%

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

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>2021</u>	<u>2020</u>
Net profit/(loss) attributable to stockholders (\$'000)	16,138	(18,227)
Weighted average of ordinary stock units ('000)	300,005	300,005
Basic earnings per stock unit (\$ per share)	<u>0.05</u>	<u>(0.06)</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

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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 2019	301,180	40,610	13,325	11,340	58,826	529,089	113,631	76,031	1,144,032
Additions	<u>10,202</u>	<u>-</u>	<u>397</u>	<u>761</u>	<u>2,802</u>	<u>17,320</u>	<u>18,523</u>	<u>9,392</u>	<u>59,397</u>
31 October 2020	311,382	40,610	13,722	12,101	61,628	546,409	132,154	85,423	1,203,429
Additions	-	-	-	-	-	1,232	-	-	1,232
Transfer	-	-	(1,760)	-	1,760	-	-	-	-
Disposals	<u>-</u>	<u>-</u>	<u>(7,316)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,264)</u>	<u>(8,580)</u>
31 October 2021	<u>311,382</u>	<u>40,610</u>	<u>4,646</u>	<u>12,101</u>	<u>63,388</u>	<u>547,641</u>	<u>132,154</u>	<u>84,159</u>	<u>1,196,081</u>
Depreciation:									
1 November 2019	137,567	1,062	3,693	4,527	34,925	247,574	27,394	40,644	497,386
Charge for the year	<u>43,433</u>	<u>1,416</u>	<u>1,366</u>	<u>961</u>	<u>7,933</u>	<u>42,505</u>	<u>22,572</u>	<u>7,450</u>	<u>127,636</u>
31 October 2020	181,000	2,478	5,059	5,488	42,858	290,079	49,966	48,094	625,022
Charge for the year	<u>39,193</u>	<u>1,416</u>	<u>1,819</u>	<u>956</u>	<u>6,713</u>	<u>42,642</u>	<u>23,271</u>	<u>5,980</u>	<u>121,990</u>
Disposals	<u>-</u>	<u>-</u>	<u>(5,322)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,322)</u>
31 October 2021	<u>220,193</u>	<u>3,894</u>	<u>1,556</u>	<u>6,444</u>	<u>49,571</u>	<u>332,721</u>	<u>73,237</u>	<u>54,074</u>	<u>741,690</u>
Net Book Value:									
31 October 2021	<u>91,189</u>	<u>36,716</u>	<u>3,090</u>	<u>5,657</u>	<u>13,817</u>	<u>214,920</u>	<u>58,917</u>	<u>30,085</u>	<u>454,391</u>
31 October 2020	<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>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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14. DEFERRED TAX:

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>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Balance at start of year	2,746	2,508
Charge for the year (note 11)	(377)	238
Balance at end of year	<u>2,369</u>	<u>2,746</u>

Deferred tax is due to the following temporary differences:

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Accelerated capital allowances	2,542	2,852
Unrealized foreign exchange	(173)	(106)
	<u>2,369</u>	<u>2,746</u>

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

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Accelerated capital allowances	(310)	714
Unrealized foreign exchange	(67)	(476)
	<u>(377)</u>	<u>238</u>

15. RECEIVABLES:

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Trade receivables	85,318	53,103
Less - expected credit losses	(14,390)	(14,201)
Trade receivables (net)	70,928	38,902
Prepayments	4,728	8,168
Staff loans	4,250	6,553
Other	15,941	15,488
	<u>95,847</u>	<u>69,111</u>

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16. RELATED PARTY TRANSACTIONS AND BALANCES:

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

	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
(i) Purchase/(sale) of goods and services -		
IPrint Digital Limited	7,675	34,362
Dream Entertainment Limited	(274)	(2,671)
Supreme Ventures Services Limited	(70,352)	-
Mystique Integrated Services Limited	(70,003)	(16,227)
M One Productions Company Limited	<u>19,049</u>	<u>21,854</u>
(ii) Rental of property -		
Lannaman & Morris (Shipping) Limited	<u>12,000</u>	<u>16,859</u>
(iii) Director emoluments -		
Fees	645	1,305
Management remuneration	<u>15,282</u>	<u>16,404</u>
(iv) Interest paid on related party loan	<u>1,561</u>	<u>2,124</u>

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

	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Due from related parties -		
Mystique Integrated Services Limited	9,345	12,791
Stimulus Entertainment Limited	492	492
Ras Promotions Incorporated Limited	678	678
IPrint Digital Limited	192	1,156
Directors	8,639	523
Supreme Ventures Services Limited	<u>9,863</u>	<u>-</u>
	<u>29,209</u>	<u>15,640</u>

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

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

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Due to related parties -		
IPrint Digital Limited	2,876	4,269
Lannaman & Morris (Shipping) Limited	1,736	2,662
Directors	1,425	-
M-One Productions Company Limited	2,613	-
Dream Entertainment	<u>263</u>	<u>-</u>

8,9136,931(c) US\$ loan from related company -
MEEG Holdings Limited-20,245

This balance represents amounts advanced by parent company, MEEG Holdings Limited. The loan is unsecured with no fixed repayment date and attracts an annual interest rate of 8.34%. The MEEG Holdings Limited loan was fully settled in the current year.

17. CASH AND CASH EQUIVALENTS:

(a) For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand net of bank overdraft.

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Cash and bank balances	195,022	132,250
Bank overdraft	<u>-</u>	<u>(127)</u>
	<u>195,022</u>	<u>132,123</u>

(b) The company has bank overdraft facilities totaling \$30 million (2020 - \$30 million) which attracts interest at 12% (2020 - 12%).

MAIN EVENT ENTERTAINMENT GROUP LIMITED

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

- (c) Reconciliation of movements of liabilities to cash flows arising from financing activities: Amounts represent bank and other loans, excluding bank overdraft.

Financing activities

	Non-current Loans and Borrowing <u>\$'000</u> (note 19)	Current Loans and Borrowing <u>\$'000</u> (note 19)	Total <u>\$'000</u> (note 19)
At 1 November 2020	106,358	38,760	145,118
Cash flows	24,713	(38,760)	(14,047)
Foreign exchange loss on US\$ loan	2,229	-	2,229
Non-cash flows			
loans and borrowings classified as non-current as at 31 October 2019 becoming current during 2020	(22,885)	22,885	-
At 31 October 2021	<u>110,415</u>	<u>22,885</u>	<u>133,300</u>
At 1 November 2019	137,808	34,588	172,396
Cash flows	6,508	(34,588)	(28,080)
Foreign exchange loss on US\$ loan	802	-	802
Non-cash flows			
- loans and borrowings classified as non-current at 31 October 2018 becoming current during 2019	(38,760)	38,760	-
At 31 October 2020	<u>106,358</u>	<u>38,760</u>	<u>145,118</u>

18. SHARE CAPITAL:

	<u>2021</u> <u>\$'000</u>	<u>2020</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>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

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19. LONG TERM LOANS:

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
(i) National Commercial Bank Amortised loans	21,065	21,943
(ii) Sagicor Bank Jamaica Limited - amortised loans		
(a) USD loans	-	123,095
(b) JMD loan	112,235	-
Other loan	<u>-</u>	<u>80</u>
Total loan balances	133,300	145,118
Current portion of loans	<u>(22,885)</u>	<u>(38,760)</u>
Long term portion of loans	<u>110,415</u>	<u>106,358</u>

(i) National Commercial Bank -

This loan was used to purchase commercial property. The loan bears interest of 11% per annum and is repayable over 180 months. The loan is secured by first legal mortgage over commercial property registered at Volume 1512 Folio 618 and peril insurance with the bank interest noted.

(ii) Sagicor Bank loans -

(a) US\$ loans -

The loans were secured to facilitate capital expenditure and attracted an average interest rate of 6.75-12.77% per annum, repayable over 63 months. These were liquidated during the year and renegotiated in J\$.

(b) J\$ loans -

The loans bear interest of 7.25% -11.77% per annum, repayable over 63-67 months. The loans are secured by corporate guarantee of Main Event Entertainment Group Limited supported by:

Hypothecation of USD\$410,703.96 in an "A" account held in the name of Main Event Entertainment Group Limited.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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19. LONG TERM LOANS (CONT'D):

(ii) Sagicor Bank loans (cont'd) -

(b) J\$ loans (cont'd) -

Hypothecation of "A" account in the amount of JMD\$255,000 held in the name of Main Event Entertainment Group Limited at Sagicor Bank Jamaica Limited.

Hypothecation of Certificate of Deposit in the amount of JMD\$258,635 held in the name of Main Event Entertainment Group Limited at Sagicor Bank Jamaica Limited.

Hypothecation of "A" account in the amount of JMD\$234,360.00 to be held in the name of Main Event Entertainment Group Limited at Sagicor Bank Jamaica Limited

Hypothecation of JMD\$370,700.00 in "A" account to be held in the name of Main Event Entertainment Group Limited at Sagicor Bank Jamaica Limited.

Hypothecation of JMD\$1,087,768.50 in "A" account held in the name of Main Event Entertainment Group Limited.

Demand debenture over the fixed and floating assets of Main Event Entertainment Group Limited to be stamped to secure USD\$1,300,000.

Hypothecation of 5% security deposit of JMD\$286,026.00 on "A" account in the name of Main Event Entertainment Group Limited being held at Sagicor Bank Jamaica Limited.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

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20. LEASES:

(i) Amounts recognized in the statement of financial position

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

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Right-of-use assets		
At 1 November	75,507	75,507
Addition	<u>3,717</u>	<u>-</u>
	79,224	75,507
Disposals	<u>(28,279)</u>	<u>-</u>
	50,945	75,507
Amortisation	<u>(38,520)</u>	<u>(20,699)</u>
	12,425	54,808
Property, plant and equipment		
Motor vehicles acquired under finance lease	<u>13,003</u>	<u>19,766</u>
At 31 October	<u>25,428</u>	<u>74,574</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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20. LEASES (CONT'D):

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

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Lease liabilities - Motor vehicle		
At 1 November	17,576	18,214
Addition	-	5,721
Repayments	(6,729)	(6,359)
At 31 October	<u>10,847</u>	<u>17,576</u>
Lease liabilities - Building		
At 1 November	56,900	75,507
Addition	3,717	-
Interest expense	4,029	7,551
Lease payments	(23,509)	(26,158)
Disposal	41,137 (26,889)	56,900 -
At 31 October	<u>14,248</u>	<u>56,900</u>
Total lease liabilities at 31 October	<u>25,095</u>	<u>74,476</u>
Current portion	16,959	25,118
Non-current portion	<u>8,136</u>	<u>49,358</u>
	<u>25,095</u>	<u>74,476</u>

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

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

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Depreciation/amortization charge of right-of-use assets		
Buildings	17,821	20,699
Motor vehicles	<u>4,534</u>	<u>4,456</u>
	<u>22,355</u>	<u>25,155</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

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20. LEASES (CONT'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 asset is depreciated over the underlying asset's useful life.

21. PAYABLES:

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
Trade payables	30,528	39,103
GCT payables	1,066	451
Statutory payables	5,611	2,930
Accruals and other payables	28,388	31,129
Deferred income	7,169	-
Credit card payables	<u>1,437</u>	<u>-</u>
	<u>74,199</u>	<u>73,613</u>

22. DIVIDEND PAID:

	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
In respect of 31 October 2018 (\$0.09¢ per share)	<u>-</u>	<u>27,001</u>

By resolution dated 20 February 2021 dividend payment of \$0.09¢ per share was approved by the Board of directors.