



MAIN EVENT ENTERTAINMENT GROUP LIMITED

AUDITED RESULTS

FOR THE YEAR ENDED OCTOBER 31, 2024



REPORT TO STOCKHOLDERS Year Ended October 31, 2024

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, 2024.

Performance Highlights:

	Year Ended October 31, 2024		Year Ended October 31, 2023		Year Over Year	
					\$	%
Revenues	\$ 1,717.603	M	\$ 1,921.876	M	\$ (204.273)	M -11%
Gross Profit	\$ 855.622	M	\$ 1,025.409	M	\$ (169.787)	M -17%
Net Profit	\$ 70.092	M	\$ 207.411	M	\$ (137.319)	M -66%
Earnings Per Share (EPS)	23	cents	69	cents	(46)	cents -67%
Total Assets	\$ 1,196.619	M	\$ 1,155.957	M	\$ 40.662	M 4%
Shareholder's Equity	\$ 882.499	M	\$ 848.408	M	\$ 34.091	M 4%

The company's overall performance in 2024, is in part reflective of a continuation of lower than expected income from traditional revenue sources, caused not only by a changing landscape in the entertainment sector but also a decline in the marketing spend by some of our major clients. This was a trend, highlighted at the end of the second quarter of the financial year under review.

In 2024, the company reported revenue of \$1,717.603 million which was 11% lower than the amount recorded in 2023. Revenue from our core segments all declined during the year as the company navigated a difficult year marked by the challenges highlighted above, which resulted in a decline in events, event related activities coupled with smaller scoped project executions. Despite the overall decline in revenue however, Digital Signage recorded \$115.455 million in revenue, an increase of \$15.811 million or 16% over the corresponding period.

REPORT TO STOCKHOLDERS
Year Ended October 31, 2024

Cont'd

In 2024, the company's gross profit of \$855.622 million compares with \$1,025.409 million recorded a year ago. This marks a decline of \$169.787 million or 17% when compared to gross profit recorded in 2023. The gross profit realized in 2024 reflects the impact of a very competitive market coupled with a decline in macro-economic conditions, with Jamaica's economy projected to contract by the end of 2024. The company has maintained prices over several years and has been focusing on improving efficiencies to offset the impact of rising costs, while ensuring delivery of a consistently high output. A substantial portion of the gross profit realized in 2024 included profit earned on executions which had higher gross margins and this contributed to delivering a gross margin of 50% versus the 53% recorded in 2023.

Administrative and general expenses were maintained and remained relatively stable with a small increase over those recorded in 2023. With the decrease in revenues and rising costs, managing expenses during the second half of the financial year was a key strategy employed to reduce the impact on net profit. The most notable increases were in staff and security costs. Staff costs increased by \$59.768 million or 19% due to increased staff training, workshops and activations to support the company's growth strategy as well as higher compensation expenses, while security costs increased by \$6.541 million or 30%. Impairment loss resulting from expected credit losses (ECL) calculations on trade receivables increased by \$4.639 million, which is in part due to increased transactions from customers from non-dominant revenue sources.

Finance costs of \$12.115 million were \$3.905 million or 24% lower than 2023, primarily due to reduced interest costs related to the company's long-term loan nearing its maturity date.

Income tax expense of \$11.234 million was \$14.543 million or 56% lower than 2023. The impact of lower 2024 pre-tax earnings on income tax expense was notably reflected in the company's income tax calculations.

During 2024, the company reported net income of \$70.092 million, a decline of \$137.319 million or 66% when compared to 2023. The reduction in net income is primarily a result of lower gross profit margins, increases in cost categories consistent with the company's growth strategy and the inability to offset the decline in gross profits with lower administrative and general expenses. The company's inability to lower these expenses was due to fixed administrative expenses and the effects of rising costs on other expense categories. Improving our cost management strategies will be a key focus in the 2025 financial year.

The company's asset base grew by \$40.611 million or 4% to \$1,196.568 million as at 31 October 2024. Operating assets remained relatively unchanged with a \$9.213 million or 1% decline in current assets when compared to 2023. Receivables increased by \$22.426 million or 9% to \$259.988 million due to increases in prepaid event-related expenses and mobilization costs related to joint ventures and owned events to be executed in the 2025 financial year.

The increases in current assets were offset by a reduction in cash and cash equivalents of \$63.132 million or 28% which was due in part to the payment of a dividend of \$0.12 per share (\$36.001 million) and investment of \$106.430 million in property, plant and equipment.

REPORT TO STOCKHOLDERS
Year Ended October 31, 2024

Cont'd

Total liabilities were \$314.069 million as at 31 October 2024; an increase of \$6.520 million or 2%. Loans fell by \$25.206 million as the company continues to service its debt obligations and reduce its debt exposure. Lease liabilities increased by \$49.504 million as the company renewed some of its existing lease arrangements and added a new lease arrangement as part of its growth plan to boost sales in other divisions. Shareholders' equity increased by \$34.091 million or 4% in 2024. This follows a dividend payment of \$36.001 million on 15 February 2024.

The Company believes that its strong balance sheet, including cash and short-term deposits of \$409.958 million, property, plant and equipment of \$401.346 million (NBV), and long-term debt of \$42.145 million, allows it the financial capacity to support its growth plans, including the ability to remain agile and responsive to market demands. We believe seeking new opportunities, securing new and maintaining existing clients while controlling costs during the execution of our engagements are key drivers of success for the company.

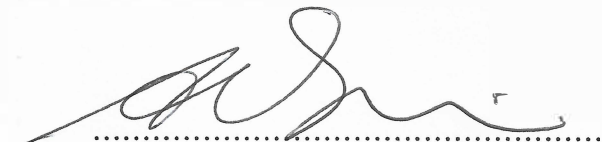
One of the company's competitive advantages rests in its long-standing reputation for developing unique, innovative, and extraordinary ideas while delivering phenomenal experiences. Despite a challenging financial year, we are committed to creating shared value for our shareholders and all stakeholders connected to our business. 2025 promises to bring additional opportunities for growth, with leading economic agencies estimating a partial rebound of Jamaica's economy from the declines of 2024. The return of key biennial events, where the company has traditionally played significant roles, is yet another opportunity for growth in the coming year.

In all our efforts, the role of visible leadership, starting with our Board of Directors, is apparent. We take this opportunity to thank our Board of Directors for their continued guidance, collective expertise, and commitment on key issues affecting the company.

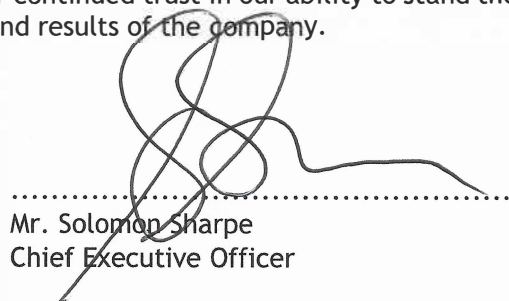
We remain committed to holistic and responsible business practices which drive our approach to delivering phenomenal experiences. We are grateful to our dedicated team, whose hard work and talent continue to underpin our continued success. Our multiskilled people have all collaborated in creating lasting memories for our clients through their professionalism, leadership, consultation, care, precision, outstanding level of service and personalized approach to each client.

We would like to thank our partners, clients, suppliers and investors for their faith and wholehearted support. Without their trust, we would not have achieved our goals. Our story of hard work, discipline, success, and creating magical memories would not have been possible without their positive impact on our business.

We extend our gratitude to our shareholders for their continued trust in our ability to stand the test of time, and confidence in the strategy, direction, and results of the company.



Dr. Ian Blair
Chairman



Mr. Solomon Sharpe
Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

FINANCIAL STATEMENTS

31 OCTOBER 2024

MAIN EVENT ENTERTAINMENT GROUP LIMITED

FINANCIAL STATEMENTS

31 OCTOBER 2024

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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 42, which comprise the statement of financial position as at 31 October 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material 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 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards 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 matter
<p><i>Measurement of Expected Credit Losses</i></p> <p><i>See notes 3(e)(iv) and 5(c)(ii) to the financial statements for management's disclosures of related accounting policies</i></p> <p>The carrying value of the company's trade receivables may not be recoverable due to changes in the business and economic environment in which customers operate. There is judgment involved in determining the levels of allowance for impairment on these balances, because of the uncertainty involved in estimating the timing and amount of future collections.</p> <p>Management considered the increased uncertainty about potential future economic scenarios and their impact on credit losses.</p> <p>We therefore determined that the estimates of impairment in respect of receivables have a high degree of estimation uncertainty.</p>	<p>Our audit procedures in response to this matter included:</p> <ul style="list-style-type: none"> • Testing the company's recording and ageing of trade receivables. • Evaluating the techniques and methodologies utilized by the company to estimate the ECLs, and assessing their compliance with the requirements of IFRS 9. • Testing the accuracy of the inputs used to derive the loss rates used in determining the ECLs for trade receivables. • Testing the accuracy of the ECL calculation. • Assessing the adequacy of disclosures in the financial statements. <p>Based on the results of the procedures performed, no adjustments to the financial statements were considered necessary.</p>

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Main Event Entertainment Group Limited

Other Information

Management is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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 judgement 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 achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Main Event Entertainment Group Limited

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Karen Heron.



Chartered Accountants

6 January 2025

MAIN EVENT ENTERTAINMENT GROUP LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 OCTOBER 2024

	<u>Note</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
REVENUE	6	1,717,603	1,921,876
Direct expenses		(861,981)	(896,467)
GROSS PROFIT		855,622	1,025,409
Other operating income	7	<u>22,544</u>	<u>19,171</u>
		<u>878,166</u>	<u>1,044,580</u>
EXPENSES:			
Impairment loss	5(c)(ii)	(4,639)	(14,539)
Administrative and general		(619,240)	(612,418)
Selling and promotion		(21,427)	(23,007)
Depreciation	13	(105,593)	(109,475)
Amortisation	21(a)	(33,826)	(35,933)
		<u>(784,725)</u>	<u>(795,372)</u>
OPERATING PROFIT		93,441	249,208
Finance costs	8	(12,115)	(16,020)
PROFIT BEFORE TAXATION		81,326	233,188
Taxation	11	(11,234)	(25,777)
NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>70,092</u>	<u>207,411</u>
EARNINGS PER STOCK UNIT	12	<u>\$0.23</u>	<u>\$0.69</u>

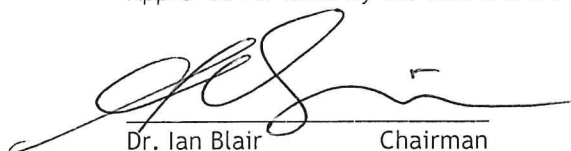
MAIN EVENT ENTERTAINMENT GROUP LIMITED

STATEMENT OF FINANCIAL POSITION

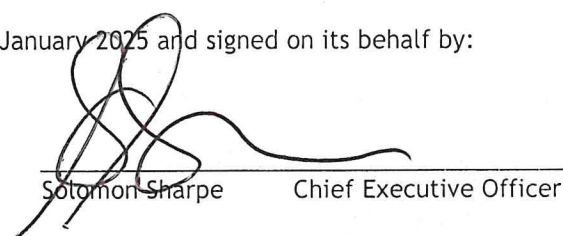
31 OCTOBER 2024

	<u>Note</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	13	401,346	400,929
Deferred taxation	14	3,461	5,540
Right-of-use assets	21(a)	<u>78,710</u>	<u>27,224</u>
		<u>483,517</u>	<u>433,693</u>
CURRENT ASSETS:			
Receivables	16	260,039	237,562
Due from related parties	17(b)	23,870	25,896
Taxation recoverable		19,236	-
Deposits - short term	15	247,175	232,892
Cash and cash equivalents	18(a)	<u>162,782</u>	<u>225,914</u>
		<u>713,102</u>	<u>722,264</u>
		<u>1,196,619</u>	<u>1,155,957</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	19	103,652	103,652
Retained earnings		<u>778,847</u>	<u>744,756</u>
		<u>882,499</u>	<u>848,408</u>
NON-CURRENT LIABILITIES:			
Long term loan	20	14,661	44,371
Lease liabilities	21(a)	<u>38,756</u>	<u>5,888</u>
		<u>53,417</u>	<u>50,259</u>
CURRENT LIABILITIES:			
Payables	22	182,617	194,893
Due to related parties	17(b)	10,032	11,408
Taxation payable		-	4,691
Current portion of long term loan	20	27,485	22,980
Current portion of lease liabilities	21(a)	<u>40,569</u>	<u>23,318</u>
		<u>260,703</u>	<u>257,290</u>
		<u>1,196,619</u>	<u>1,155,957</u>

Approved for issue by the Board of Directors on 6 January 2025 and signed on its behalf by:



Dr. Ian Blair Chairman



Solomon Sharpe Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 OCTOBER 2024

	<u>Note</u>	<u>Share Capital \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total \$'000</u>
BALANCE AT 1 NOVEMBER 2022		103,652	567,345	670,997
TOTAL COMPREHENSIVE INCOME				
Net profit		-	207,411	207,411
TRANSACTION WITH OWNERS				
Dividends paid	23	<u>-</u>	(30,000)	(30,000)
BALANCE AT 31 OCTOBER 2023		103,652	744,756	848,408
TOTAL COMPREHENSIVE INCOME				
Net profit		-	70,092	70,092
TRANSACTION WITH OWNERS				
Dividends paid	23	<u>-</u>	(36,001)	(36,001)
BALANCE AT 31 OCTOBER 2024		<u>103,652</u>	<u>778,847</u>	<u>882,499</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 OCTOBER 2024

	<u>Note</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit		70,092	207,411
Items not affecting cash resources:			
Interest income	7	(22,232)	(19,171)
Interest expense	8	12,115	16,020
Exchange gain on foreign balances		(2,095)	(313)
Taxation expense	11	11,234	25,777
Depreciation	9	105,593	109,475
Right-of-use assets amortisation	9	33,826	35,933
Gain on disposal of property, plant and equipment	9	(190)	(6,864)
Impairment loss on financial assets	9	<u>4,639</u>	<u>14,539</u>
		212,982	382,807
Receivables		(27,116)	103,636
Related party balances		650	(19,453)
Payables		<u>(12,276)</u>	<u>(53,936)</u>
		174,240	413,054
Taxation paid		<u>(33,082)</u>	<u>(38,040)</u>
		<u>141,158</u>	<u>375,014</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	13	(106,430)	(135,286)
Proceeds from sale of property, plant and equipment		610	8,425
Interest received		22,532	19,230
Long term deposit		-	21,519
Short term deposits		<u>(14,565)</u>	<u>(81,883)</u>
		<u>(97,853)</u>	<u>(167,995)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loan repayments	18(b)	(25,205)	(22,981)
Lease repayments	21(a)	(42,173)	(47,920)
Interest paid		(5,135)	(8,605)
Dividends paid	23	<u>(36,001)</u>	<u>(30,000)</u>
		<u>(108,514)</u>	<u>(109,506)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(65,209)	97,513
Exchange gain on foreign cash balances		2,095	313
Cash and cash equivalents at beginning of year		<u>225,759</u>	<u>127,933</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	18(a)	<u>162,645</u>	<u>225,759</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

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. **MATERIAL 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 Accounting Standards) 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 Accounting Standards 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 2024****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(a) Basis of preparation (cont'd)**

New, revised and amended standards and interpretations that became effective during the year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following amendments are relevant to its operations:

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

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

Amendment to IAS 1, 'Presentation of Financial Statements', (effective for accounting periods beginning on or after 1 January 2023). This amendment requires entities to disclose their material rather than their significant accounting policies. The amendment defines what is 'material accounting policy information' and explains how to identify when accounting policy information is material. The amendment further clarifies that immaterial accounting policy information does not need to be disclosed, but, if disclosed, should not obscure material accounting information. IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The adoption of this amendment did not have a material impact on the company.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

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

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

IFRS 18, Presentation and Disclosure in Financial Statements (effective for accounting periods starting not earlier than 1 January 2027). The standard sets out significant new requirements for how financial statements are presented, with particular focus on the statement of profit or loss, including requirements for mandatory sub-totals to be presented, aggregation and disaggregation of information, as well as disclosures related to management defined performance measures. The standard will replace IAS 1 Presentation of Financial Statements and aims to improve comparability and transparency of the company's performance reporting. The company is still assessing the impact the adoption of this new standard will have on its financial statements.

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

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

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

3. MATERIAL 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', (effective for accounting periods beginning on or after 1 January 2024). Regarding the manner in which an entity accounts for a sale and leaseback after the date of the transaction, this amendment specifies that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. The adoption of this amendment is not expected to have a material impact on the company.

(b) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in profit or loss.

(c) Property, plant and equipment

Items of property, plant and equipment are recorded at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

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

Depreciation is calculated on the straight line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. Annual rates are as follows:

Leasehold improvements	10%
Audio and filming equipment	10%
Furniture and fixtures	10%
Motor vehicles	12.5%
Equipment	15%
Computer equipment	20%
Rentals and décor	15-33 1/3%
Building	2.5%

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit or loss.

(d) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(e) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity in another entity.

Financial assets

(i) Recognition and derecognition

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

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2024****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(e) Financial instruments (cont'd)****Financial assets (cont'd)****(i) Recognition and derecognition (cont'd)**

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

(ii) Classification

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

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

(iii) Measurement**Amortised cost**

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

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

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

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2024****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(e) Financial instruments (cont'd)****Financial assets (cont'd)****(iv) Impairment**

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

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

Application of the Simplified Approach

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

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

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

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2024****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(e) Financial instruments (cont'd)****Financial liabilities**

The company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: loan, lease liabilities, due to related companies and payables.

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

(f) Borrowings

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in profit or loss over the period of the borrowings.

(g) Current and deferred income taxes

Taxation expense in profit or loss comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2024****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(h) Revenue recognition**

Revenue is measured taking into account contractually defined terms of payment. Revenue comprises the fair value of the consideration specified in a contract which is received or receivable for the services rendered in the ordinary course of the company's activities. Revenue is shown net of discount allowance. The company recognizes revenue over time when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow to the company regardless of when payment is made.

The specific recognition criteria are described below -

Entertainment services

Revenue from entertainment promotion, digital signage and audio and film are recognized in the accounting period in which the services are rendered by reference to completion of the specific transaction, assessed on the basis of the actual services provided. These services are rendered as a single performance contract or as multiple performance obligations within a contract. A contract with several performance obligations are normally for a period of six (6) to twelve (12) months. Revenue is recognized when the performance obligations are satisfied.

The company collects deposits on contracts for mobilization. These deposits are initially recognized as deferred income and recognized as revenue when the performance obligations are completed.

Revenue from joint venture arrangements is recognized when the company fulfills its performance obligations which usually aligns with the completion of the event or project and the determination of the final profit or loss sharing.

Interest income

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

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

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2024****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(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.

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 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(j) Related party identification

A party is related to the company if:

- (i) directly or indirectly the party:
 - controls, is controlled by, or is under common control with the company;
 - has an interest in the company that gives it significant influence over the company; or
 - has joint control over the company.
- (ii) the party is an associate of the company;
- (iii) the party is a joint venture in which the company is a venturer;
- (iv) the party is a member of the key management personnel of the company;
- (v) the party is a close member of the family of an individual referred to in (i) or (iv) above;
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant costing power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v) above; or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any company that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(k) Dividend distribution

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

Dividend for the year that are declared after the reporting date are dealt with in the subsequent events note.

(l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2024****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(m) Joint venture arrangements**

The company participates in joint venture arrangements for certain events and projects, wherein it shares profits and losses with its partners based on agreed-upon terms. These arrangements are classified as joint operations as the company exercises joint control and has rights to the assets and obligations for the liabilities of the arrangements.

Recognition of receivables

Receivables arising from joint venture arrangements, including profit shares and recoverable costs advanced, are recognized as other receivables in the statement of financial position when the amounts are contractually agreed upon, and settlement is expected within the normal operating cycle of the joint venture arrangement or in accordance with the project timeline.

Balances are assessed for recoverability at each reporting period, and impairments are recognized where necessary to reflect the net realizable value.

Recognition of expenses

Direct costs incurred as part of the joint venture arrangements are recognized in the period in which the event occurs.

(n) Earnings per share

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

(o) Segment reporting

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2024****4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):****(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.

(iii) Allowance for expected credit losses

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

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

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

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.

(a) Principal financial instruments

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

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

(b) Financial instruments by category

Financial assets

	Amortised Cost	
	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Short term deposits	247,175	232,892
Cash and cash equivalents	162,782	225,914
Receivables	185,339	207,359
Due from related parties	<u>23,870</u>	<u>25,896</u>
Total financial assets	<u>619,166</u>	<u>692,061</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial instruments by category (cont'd)

Financial liabilities

	Amortised Cost	
	2024	2023
	\$'000	\$'000
Payables	95,015	88,652
Due to related parties	10,032	11,408
Long term loan	42,146	67,351
Lease liabilities	79,325	29,206
Total financial liabilities	226,518	196,617

(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.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

The company operates internationally and is exposed to foreign exchange risks arising primarily with respect to the United States Dollar. The company manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The company further manages this risk by maximizing foreign currency earnings and holding net foreign currency assets. The company's statement of financial position at 31 December includes aggregates net foreign assets as follows:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Cash and cash equivalents	65,740	83,213
Trade receivables	4,448	39,379
Trade payables	(5,435)	(22,669)
Net assets	<u>64,753</u>	<u>99,923</u>

Foreign currency sensitivity

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated balances as indicated above, and adjusts their translation at the year-end for 4% (2023 - 1%) depreciation and a 1% (2023 - 1%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

	% Change in Currency rate <u>2024</u>	Effect on Profit before Tax		Effect on Profit before Tax	
		31 October <u>2024</u> <u>\$'000</u>	% Change in Currency rate <u>2023</u>	31 October <u>2023</u> <u>\$'000</u>	
Currency:					
USD	-4	2,590	-4	3,997	
USD	<u>+1</u>	<u>(648)</u>	<u>+1</u>	<u>(999)</u>	

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2024****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 and long term deposits and long term loan are the only interest bearing assets and liabilities respectively, within the company. The company's short term deposits are due to mature within 3 months of the reporting date.

Interest rate sensitivity

There is no significant exposure to interest rate risk on short term deposits, as these deposits have a short term to maturity and are constantly reinvested at current market rates.

A 0.25% increase/1% decrease (2023 - 0.5% increase/0.25% decrease) in interest rates on borrowings would result in a \$105,000 decrease and \$421,000 increase (2023 - \$337,000 decrease and \$168,000 increase) in profit before tax for the company.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from trade receivables, due from related companies and cash and bank balances.

Cash and bank balances and short and long term deposits

Cash transactions are limited to high credit quality financial institutions. The company has policies that limit the amount of credit exposure to any one financial institution.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Maximum exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of trade and other receivables, due from related company, short and long term deposits and cash and cash equivalents in the statement of financial position.

Trade receivables

Revenue transactions in respect of the company's primary operations are settled either in cash or by using major credit cards. For its operations done on a credit basis, the company has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

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

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

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

The following table provides information about the ECLs for trade receivables as at 31 October 2024:

Aging	Gross Carrying Amount \$'000	Rate %	ECL Allowance \$'000
Trade receivables:			
0-30 days	47,512	0.33	159
31-60 days	18,869	0.56	105
61-90 days	40,637	0.87	354
91 and over	<u>98,014</u>	43.93	<u>43,062</u>
	<u>205,032</u>		<u>43,680</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 OCTOBER 2024

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial risk factors (cont'd)**

(ii) **Credit risk (cont'd)**

Maximum exposure to credit risk (cont'd)

Trade receivables (cont'd)

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

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

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

	<u>2024</u> \$'000	<u>2023</u> \$'000
At 1 November	39,041	24,502
Movement on ECL	<u>4,639</u>	<u>14,539</u>
At 31 October	<u>43,680</u>	<u>39,041</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>2024</u> \$'000	<u>2023</u> \$'000
M Style Rental & Décor	21,226	16,027
Entertainment promotions	132,294	148,042
Digital signage	13,782	9,383
Audio and film	<u>37,730</u>	<u>32,979</u>
	205,032	206,431
Less: Provision for credit losses	<u>(43,680)</u>	<u>(39,041)</u>
	<u>161,352</u>	<u>167,390</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

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 2024				
Trade payables	86,332	-	-	86,332
Due to related parties	10,032	-	-	10,032
Lease liabilities	48,198	35,808	10,945	94,951
Long term loans	<u>30,287</u>	<u>15,143</u>	<u>-</u>	<u>45,430</u>
Total financial liabilities (contractual maturity dates)	<u>174,849</u>	<u>50,951</u>	<u>10,945</u>	<u>236,745</u>
At 31 October 2023				
Trade payables	88,652	-	-	88,652
Due to related parties	11,408	-	-	11,408
Lease liabilities	28,130	4,712	-	32,842
Long term loans	<u>30,287</u>	<u>45,430</u>	<u>-</u>	<u>75,717</u>
Total financial liabilities (contractual maturity dates)	<u>158,477</u>	<u>50,142</u>	<u>-</u>	<u>208,619</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(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.

6. REVENUE:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Audio and film	316,076	350,217
Digital signage	115,455	99,644
Entertainment promotions	1,108,259	1,301,822
M Style Rental & Décor	<u>177,813</u>	<u>170,193</u>
	<u>1,717,603</u>	<u>1,921,876</u>

7. OTHER OPERATING INCOME:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Interest income	22,232	19,171
Other income	<u>312</u>	<u>-</u>
	<u>22,544</u>	<u>19,171</u>

8. FINANCE COSTS:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Loan interest	5,135	8,605
Other finance charges - right-of-use assets	<u>6,980</u>	<u>7,415</u>
	<u>12,115</u>	<u>16,020</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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9. EXPENSES BY NATURE:

Total direct, administrative, selling and promotion expenses:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Signature events expenses	617,719	684,525
Audio and filming costs	106,066	119,042
Digital signage costs	41,246	22,126
M Style costs	89,105	67,429
Freight expenses	7,845	3,346
Donation and subscription	10,733	10,317
Sponsorship	32,449	108,127
Directors' remuneration	29,328	28,029
Staff costs (note 10)	370,045	310,277
Advertising and entertainment	21,427	23,007
Utilities	31,932	27,267
Audit fees	7,700	6,087
Repairs and maintenance	14,003	13,957
Gasoline	30,942	31,957
Motor vehicle expenses	25,897	29,859
Printing, stationery and office expenses	10,894	9,570
Security	28,480	21,939
Research and development	-	1,118
Depreciation	105,593	109,475
Amortisation	33,826	35,933
Increase in expected credit loss, net of recoveries	4,639	14,539
Gain on foreign exchange translation	(2,095)	(313)
Other operating expenses	9,112	3,725
Gain on disposal of property, plant and equipment	(190)	(6,864)
Legal and professional fees	8,663	8,467
Insurance	<u>11,347</u>	<u>8,898</u>
	<u>1,646,706</u>	<u>1,691,839</u>

10. STAFF COSTS:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Wages and salaries	333,608	293,575
Staff welfare and Insurance	<u>36,437</u>	<u>16,702</u>
	<u>370,045</u>	<u>310,277</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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11. TAXATION EXPENSE:

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

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Current taxation	9,155	29,104
Deferred tax (note 14)	<u>2,079</u>	<u>(3,327)</u>
	<u>11,234</u>	<u>25,777</u>

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

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Profit before taxation	<u>81,326</u>	<u>233,188</u>
Tax calculated at 25%	20,332	58,297
Adjusted for the effects of:		
Expenses not deductible for tax purposes	27,612	29,057
Remission of taxes (note (c) below)	(9,155)	(29,103)
Net effect of other charges and allowances	<u>(27,555)</u>	<u>(32,474)</u>
Taxation charge	<u>11,234</u>	<u>25,777</u>

- (c) Remission of income tax:

On 8 February 2017, the company's shares were listed on the Junior Market of the Jamaica Stock Exchange. Consequently, the company is entitled to a remission of income tax for ten (10) years in the proportions set out below, provided the shares remain listed for at least 15 years.

Years 1 to 5 100%
Years 6 to 10 50%

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

MAIN EVENT ENTERTAINMENT GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 OCTOBER 2024****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>2024</u>	<u>2023</u>
Net profit attributable to stockholders (\$'000)	70,092	207,411
Weighted average of ordinary stock units ('000)	300,005	300,005
Basic earnings per stock unit (\$ per share)	<u>0.23</u>	<u>0.69</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

13. PROPERTY, PLANT AND EQUIPMENT:

	<u>Equipment</u> <u>\$'000</u>	<u>Building</u> <u>\$'000</u>	<u>Leasehold</u> <u>Improvements</u> <u>\$'000</u>	<u>Furniture</u> <u>& Fixtures</u> <u>\$'000</u>	<u>Computer</u> <u>Equipment</u> <u>\$'000</u>	<u>Audio &</u> <u>Filming</u> <u>Equipment</u> <u>\$'000</u>	<u>Rentals</u> <u>& Décor</u> <u>\$'000</u>	<u>Motor</u> <u>Vehicles</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
Cost:									
1 November 2022	321,677	40,610	5,028	12,145	67,969	550,926	137,284	89,421	1,225,060
Additions	14,552	-	328	511	12,396	100,250	7,249	-	135,286
Disposals	-	-	-	-	-	(3,790)	-	(8,505)	(12,295)
31 October 2023	336,229	40,610	5,356	12,656	80,365	647,386	144,533	80,916	1,348,051
Additions	10,323	-	1,112	495	3,270	73,847	4,760	12,623	106,430
Disposals	-	-	-	-	-	-	-	(4,023)	(4,023)
31 October 2024	<u>346,552</u>	<u>40,610</u>	<u>6,468</u>	<u>13,151</u>	<u>83,635</u>	<u>721,233</u>	<u>149,293</u>	<u>89,516</u>	<u>1,450,458</u>
Depreciation:									
1 November 2022	246,960	5,310	2,045	7,583	55,840	373,512	95,265	61,866	848,381
Charge for the year	28,383	1,416	536	878	7,189	45,311	18,894	6,868	109,475
Disposals	-	-	-	-	-	(2,229)	-	(8,505)	(10,734)
31 October 2023	275,343	6,726	2,581	8,461	63,029	416,594	114,159	60,229	947,122
Charge for the year	17,564	1,416	641	915	5,530	53,372	18,387	7,768	105,593
Disposals	-	-	-	-	-	-	-	(3,603)	(3,603)
31 October 2024	<u>292,907</u>	<u>8,142</u>	<u>3,222</u>	<u>9,376</u>	<u>68,559</u>	<u>469,966</u>	<u>132,546</u>	<u>64,394</u>	<u>1,049,112</u>
Net Book Value:									
31 October 2024	<u>53,645</u>	<u>32,468</u>	<u>3,246</u>	<u>3,775</u>	<u>15,076</u>	<u>251,267</u>	<u>16,747</u>	<u>25,122</u>	<u>401,346</u>
31 October 2023	<u>60,886</u>	<u>33,884</u>	<u>2,775</u>	<u>4,195</u>	<u>17,336</u>	<u>230,792</u>	<u>30,374</u>	<u>20,687</u>	<u>400,929</u>

Included in motor vehicles are assets acquired under finance leases with net book value of \$5,575,000 (2023 - \$8,621,000). See note 21(a).

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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14. DEFERRED TAXATION:

Deferred tax is calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

The movement in the deferred tax account is as follows:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Balance at start of year	5,540	2,213
(Charge)/credit for the year (note 11)	(2,079)	3,327
Balance at end of year	<u>3,461</u>	<u>5,540</u>

Deferred tax is due to the following temporary differences:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Accelerated capital allowances	(3,815)	(532)
Accrued interest	(34)	(78)
Expected credit losses	<u>7,310</u>	<u>6,150</u>
	<u>3,461</u>	<u>5,540</u>

Deferred tax debited/(credited) to profit or loss comprises the following temporary differences:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Accelerated capital allowances	(3,283)	(2,859)
Accrued interest	44	36
Expected credit losses	<u>1,160</u>	<u>6,150</u>
	<u>2,079</u>	<u>(3,327)</u>

15. DEPOSIT:

Short term deposit represents amounts invested for periods greater than 3 months but less than 1 year at a weighted average interest rate of 8.25% (2023 - 8.25%) per annum and includes interest accrued of \$727,000 (2023 - \$1,009,000).

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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16. RECEIVABLES:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Trade receivables	205,032	206,431
Less - expected credit losses	(43,680)	(39,041)
Trade receivables (net)	161,352	167,390
Prepayments	27,790	23,801
Staff loans	6,442	5,055
Other	<u>64,455</u>	<u>41,316</u>
	<u>260,039</u>	<u>237,562</u>

Included within other receivables are amounts totaling \$37,790,000 (2023: \$Nil) arising from the company's joint venture arrangements and owned events. These balances represent the company's sponsorship contributions, and other recoverable amounts advanced under joint venture agreements for events and projects that are either pending final settlement or where accounting and profit-sharing processes are ongoing.

The joint venture balances are classified as receivables based on the contractual arrangements, which stipulate that any net amounts due to the company are to be settled following the completion of the event or project. These amounts are assessed for recoverability at each reporting period, and no impairments were identified for the current year.

The company expects these amounts to be fully recoverable within the next 12 months.

17. RELATED PARTY TRANSACTIONS AND BALANCES:

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

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
(i) Purchase/(sale) of goods and services -		
IPrint Digital Limited	73,408	45,307
Dream Entertainment Limited	-	(7,066)
Supreme Ventures Limited	(86,801)	(85,994)
Mystique Integrated Services Limited	(43,742)	(31,611)
The M One Productions Limited	<u>5,310</u>	<u>5,058</u>
(i) Directors' emoluments -		
Fees	3,510	2,460
Management remuneration	<u>25,818</u>	<u>25,569</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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

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

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Due from related parties -		
Mystique Integrated Services Limited	5,587	9,385
Stimulus Entertainment Limited	492	492
Ras Promotions Incorporated Limited	678	678
IPrint Digital Limited	192	192
The M One Productions Limited	4,642	3,079
Directors	12,279	10,572
Supreme Ventures Limited	-	1,172
Dream Entertainment Limited	-	326
	<u>23,870</u>	<u>25,896</u>
	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Due to related parties -		
Mystique Integrated Services Limited	80	-
IPrint Digital Limited	4,756	10,474
The M One Productions Limited	2,272	-
Directors	1,540	934
Supreme Ventures Limited	1,384	-
	<u>10,032</u>	<u>11,408</u>

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

18. CASH AND CASH EQUIVALENTS:

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

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Cash in hand	349	53
Foreign currency accounts	65,740	77,048
Local currency accounts	73,286	95,556
Short term deposits (less than 3 months)	<u>23,407</u>	<u>53,257</u>
	162,782	225,914
Less: accrued interest	(137)	(155)
	<u>162,645</u>	<u>225,759</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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

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

Amounts represent long term loan.

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
At 1 November	67,351	90,332
Cash - Loan repaid	<u>(25,205)</u>	<u>(22,981)</u>
At 31 October	<u>42,146</u>	<u>67,351</u>

19. SHARE CAPITAL:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Authorised - Unlimited (2023 - 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>

By an ordinary resolution dated 18 July 2024, the company increased its authorized share capital from 320,004,000 ordinary shares with no par value to an unlimited amount.

20. LONG TERM LOAN:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Sagicor Bank Jamaica Limited - amortised JMD loan	42,146	67,351
Less - Current portion of loan	<u>(27,485)</u>	<u>(22,980)</u>
Long term portion of loan	<u>14,661</u>	<u>44,371</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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20. LONG TERM LOAN (CONT'D):

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

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

21. LEASES:

(a) Amounts recognized in the statement of financial position

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

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Right-of-use assets		
1 November	27,224	29,842
Modification	-	24,527
Addition	<u>85,312</u>	<u>8,788</u>
	112,536	63,157
Amortisation	<u>(33,826)</u>	<u>(35,933)</u>
31 October	<u>78,710</u>	<u>27,224</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

21. LEASES (CONT'D):

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

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

Property, plant and equipment (included in note 13)

Motor vehicles acquired under finance lease -

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
1 November	8,621	10,574
Depreciation	<u>(3,046)</u>	<u>(1,953)</u>
31 October	<u>5,575</u>	<u>8,621</u>
Lease liabilities - Motor vehicles		
1 November	1,982	6,554
Repayments	<u>(1,367)</u>	<u>(4,572)</u>
31 October	<u>615</u>	<u>1,982</u>
Lease liabilities - Buildings		
1 November	27,224	29,842
Modification	-	24,527
Addition	85,312	8,788
Interest expense	6,980	7,415
Repayments	<u>(40,806)</u>	<u>(43,348)</u>
31 October	<u>78,710</u>	<u>27,224</u>
Total lease liabilities at 31 October	<u>79,325</u>	<u>29,206</u>
Current portion	40,569	23,318
Non-current portion	<u>38,756</u>	<u>5,888</u>
	<u>79,325</u>	<u>29,206</u>

In 2023 the company and its lessor agreed to modifications to the terms of the lease agreement which changed the lease period and the lease payments. The remeasurement of the lease obligation at the modification date resulted in an increase in lease liabilities and right-of-use assets.

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

21. LEASES (CONT'D):

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

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

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
(i) Depreciation/amortisation charge of right-of-use assets		
Buildings	33,826	35,933
Motor vehicles (included in note 13)	<u>3,046</u>	<u>1,953</u>
	<u>36,872</u>	<u>37,886</u>
(ii) Interest expense (note 8)	<u>6,980</u>	<u>7,415</u>

(c) Contractual undiscounted cash flows maturity analysis

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

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

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

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

MAIN EVENT ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

22.	PAYABLES:	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
	Trade payables	56,378	46,668
	GCT payables	1,552	2,169
	Statutory payables	8,241	8,926
	Accruals and other payables	59,132	69,446
	Deferred income	27,922	21,270
	Credit card payables	<u>29,392</u>	<u>46,414</u>
		<u>182,617</u>	<u>194,893</u>
23.	DIVIDENDS PAID:	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
	In respect of 31 October (\$0.12 per share)	<u>36,001</u>	<u>30,000</u>

By resolution dated 16 January 2024, dividend payment of \$0.12 per share was approved by the Board of Directors, (2023 - By resolution dated 29 June 2024, dividend payment of \$0.10 per share was approved by the Board of Directors).