



**THE LIMNERS AND BARDS LIMITED**

**Key Performance Highlights  
Three Months Ended January 31, 2022**

## THE LIMNERS AND BARDS LIMITED

### Key Performance Highlights

Three Months Ended January 31, 2022

On behalf of the Board of Directors, we are pleased to present the unaudited consolidated financial statements of the Limners and Bards Limited for the quarter ended January 31, 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

#### Key Performance Highlights:

|                      | Three months  |               | Year over year |            | Year ended    |
|----------------------|---------------|---------------|----------------|------------|---------------|
|                      | Ended Jan. 31 | Ended Jan. 31 |                |            | Oct-31        |
|                      | 2022          | 2021          | Change         | Percentage | 2021          |
|                      | \$            | \$            | \$             | %          | \$            |
| Revenue              | 443,480,147   | 356,264,300   | 87,215,847     | 24.5%      | 1,227,208,331 |
| Gross profit         | 142,875,785   | 115,177,540   | 27,698,245     | 24.0%      | 375,806,982   |
| Net profit           | 66,222,174    | 67,020,781    | -798,607       | -1.2%      | 155,550,600   |
| Earnings per share   | 7c            | 7c            |                |            | 16c           |
| Total assets         | 934,030,941   | 680,764,677   | 253,266,264    | 37.2%      | 806,232,489   |
| Shareholders' equity | 533,431,512   | 461,266,851   | 72,164,661     | 15.6%      | 515,723,248   |

Revenue for the three-months was \$443.4 million, up 24.5% compared to \$356.2 million for the corresponding period last year. The revenue growth is attributable to increases in the company's core business, media placement (up \$93.2 million or 62.2%) and advertising agency (up \$3.6 million or 6.4%). Production was down \$9.6 million or 6.4%.

Gross profit increased by \$27.6 million or 24.0% over the previous three – month period. Gross profit margin was stable at 32.2% compared to the 32.3% in the prior period.

Net profit decreased by \$0.8 million or 1.2% to \$66.2 million for the three months compared to \$67.0 million in the corresponding period in the prior year, mainly due to an increase in staff cost, reduction in finance income and a \$1.3 million loss reported by our subsidiary, Scope Caribbean Limited ("Scope"). The net profit includes finance income of \$0.9 million (3% of net profit) compared to \$7.0 million (11% of the net profit) recorded in the corresponding period of the previous year. However, if adjustments are made for the losses from Scope and finance income, the net profit would have been \$66.6 million versus \$60.0 million, an 11% increase over the prior year.

Administration expenses have increased by \$22.3 million, or 41.8% in comparison to the corresponding three months period in the prior year. These increases are primarily attributable to staff costs, repairs and maintenance of production equipment and depreciation and amortization costs.

The consolidated balance sheet shows total assets increasing over the previous year by \$253.2 million or 37.2% to \$934.0 million. Current assets increased by \$208.8 million mainly due to a \$161.5 million increase in receivables and a \$58.0 million increase in cash and cash equivalent.

## Outlook

While the COVID-19 pandemic continues to pose a challenge to us resulting in increased costs, we continue to act proactively and implement facilities to protect our staff and clients. Our Work from Home program has proven effective as we minimize exposure of our staff and at the same time maintaining team productivity and engagement.

Based on our focus on product and service innovation we remain confident in our future. We wish to commend the efforts of our Management and Team at The LAB for their commitment and dedicated service over the years. We are most appreciative of our clients who continue to trust us with their brands. With our creative and energetic team, we continue to serve our clients by delivering “WOW work on time”.



Steven Gooden  
Chairman



Kimala Bennett  
Chief Executive Officer

THE LIMNERS AND BARDS LIMITED

Financial Statements  
Quarter Ended January 31, 2022

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Group Statement of Financial Position  
At January 31, 2022

|                                       | Notes | Unaudited<br>Quarter ended<br>January 31<br>2022<br>\$ | Unaudited<br>Quarter ended<br>January 31<br>2021<br>\$ | Audited<br>Year ended<br>October 31<br>2021<br>\$ |
|---------------------------------------|-------|--|--|---|
| <u>Non – current assets</u>           |       |  |  |   |
| Property, plant and equipment         | 3     | 62,875,715   | 63,011,000   | 58,728,263  |
| Intangible asset                      |       | 4,544,084  | 5,546,227  | 4,876,846   |
| Right – of – use asset                |       | 95,048,340   | 51,966,854   | 96,386,641  |
| Deferred taxation                     |       | 2,494,436  | -  | 2,049,359   |
| Investment                            |       | <u>456,653</u>   | <u>488,887</u>   | <u>478,143</u>                                    |
|                                       |       | <u>165,419,228</u>                                     | <u>121,012,968</u>                                     | <u>162,519,252</u>                                |
| <u>Current assets</u>                 |       |  |  |   |
| Accounts receivable                   |       | 359,900,625  | 198,327,792  | 222,234,933                                       |
| Due from related parties              |       | 2,184,705  | 14,459,228   | -   |
| Taxation recoverable                  |       | 6,231,598  | 4,713,568  | 6,225,722   |
| Cash and cash equivalents             |       | <u>400,294,785</u>                                     | <u>342,251,121</u>                                     | <u>415,252,582</u>                                |
|                                       |       | <u>768,611,713</u>                                     | <u>559,751,709</u>                                     | <u>643,713,237</u>                                |
| Total assets                          |       | <u>934,030,941</u>                                     | <u>680,764,677</u>                                     | <u>806,232,489</u>                                |
| <u>Shareholders' equity</u>           |       |  |  |   |
| Share capital                         |       | 178,941,261  | 178,941,261  | 178,941,261                                       |
| Retained earnings                     |       | <u>354,490,251</u>                                     | <u>282,325,590</u>                                     | <u>336,781,987</u>                                |
|                                       |       | <u>533,431,512</u>                                     | <u>461,266,851</u>                                     | <u>515,723,248</u>                                |
| <u>Non – current liabilities</u>      |       |  |  |   |
| Long – term loan                      |       | 8,813,106  | 10,068,046   | 9,141,087   |
| Due to related party                  |       | -  | -  | 55,473  |
| Long – term lease liabilities         |       | <u>97,190,407</u>                                      | <u>52,170,828</u>                                      | <u>97,682,096</u>                                 |
|                                       |       | <u>106,003,513</u>                                     | <u>62,238,874</u>                                      | <u>106,878,656</u>                                |
| <u>Current liabilities</u>            |       |  |  |   |
| Accounts payable and accrued charges  |       | 291,329,796  | 154,833,907  | 180,364,465                                       |
| Current maturity of long – term loan  |       | 1,233,454  | 1,258,686  | 1,233,454   |
| Current maturity of lease liabilities |       | <u>2,032,666</u>                                       | <u>1,166,359</u>                                       | <u>2,032,666</u>                                  |
|                                       |       | <u>294,595,916</u>                                     | <u>157,258,952</u>                                     | <u>183,630,585</u>                                |
| Total equity and liabilities          |       | <u>934,030,941</u>                                     | <u>680,764,677</u>                                     | <u>806,232,489</u>                                |

Signed on behalf of the Board of Directors by:



Steven Gooden

Chairman



Kimala Bennett

Chief Executive Officer

The accompanying notes form an integral part of the financial statements.

Group Statement of Profit or Loss and Other Comprehensive Income  
Quarter Ended January 31, 2022

|  | <u>Unaudited</u><br>Quarter ended<br>January 31<br>2022<br>\$ | <u>Unaudited</u><br>Quarter ended<br>January 31<br>2021<br>\$ | <u>Audited</u><br>Year ended<br>October 31<br>2021<br>\$ |
|--|---|---|--|
| Notes  |   |   |  |
| Operating revenue  | 443,480,147   | 356,264,300   | 1,227,208,331  |
| Cost of operating revenue  | (300,604,362)   | (241,086,760)   | ( 851,401,349)   |
| Gross profit   | <u>142,875,785</u>  | <u>115,177,540</u>  | <u>375,806,982</u>                                       |
| Administrative, selling and distribution expenses:               |   |   |  |
| Administration expenses  | ( 75,010,342)   | ( 52,666,412)   | ( 233,516,565)   |
| Selling and distribution   | ( 390,747)  | ( 504,095)  | ( 3,745,356)   |
|  | <u>( 75,401,089)</u>  | <u>( 53,170,507)</u>  | <u>( 237,261,921)</u>                                    |
| Impairment losses on financial assets                            | <u>-</u>  | <u>-</u>  | <u>( 2,613,706)</u>                                      |
| Profit before net finance cost and taxation                      | <u>67,474,696</u>   | <u>62,007,033</u>   | <u>135,931,355</u>                                       |
| Finance income   | 901,583   | 7,044,332   | 25,805,000   |
| Finance cost   | ( 2,577,692)  | ( 2,111,170)  | ( 8,304,955)   |
| Net finance (cost)income   | <u>( 1,676,109)</u>   | <u>4,933,162</u>  | <u>17,500,045</u>  |
| (Loss)/gain in value of investment classified as FVTPL           | <u>( 21,490)</u>  | <u>80,586</u>   | <u>69,841</u>  |
| Profit before taxation   | 65,777,097  | 67,020,781  | 153,501,241  |
| Taxation   | <u>445,077</u>  | <u>-</u>  | <u>2,049,359</u>   |
| Net profit, being total comprehensive income for the period/year | <u>66,222,174</u>   | <u>67,020,781</u>   | <u>155,550,600</u>                                       |
| Earnings per stock unit  | 5 <u>7c</u>   | <u>7c</u>   | <u>16c</u>   |

The accompanying notes form an integral part of the financial statements.

Group Statement of Changes in Equity  
Quarter Ended January 31, 2022

|  | <u>Share<br/>capital</u><br>\$ | <u>Retained<br/>earnings</u><br>\$ | <u>Total</u><br>\$ |
|--|--------------------------------|------------------------------------|--------------------|
| Balance at October 31, 2020                | 178,941,261                    | 285,285,888                        | 464,227,149        |
| Dividends                                  | -                              | (104,054,501)                      | (104,054,501)      |
| Total comprehensive income for the year    | <u>-</u>                       | <u>155,550,600</u>                 | <u>155,550,600</u> |
| Balance at October 31, 2021                | 178,941,261                    | 336,781,987                        | 515,723,248        |
| Dividends                                  | -                              | ( 48,513,910)                      | ( 48,513,910)      |
| Total comprehensive income for the quarter | <u>-</u>                       | <u>66,222,174</u>                  | <u>66,222,174</u>  |
| Balance at January 31, 2022                | <u>178,941,261</u>             | <u>354,490,251</u>                 | <u>533,431,512</u> |
| <br>                                       |                                |                                    |                    |
| Balance at October 31, 2020                | 178,941,261                    | 285,285,888                        | 464,227,149        |
| Dividends                                  | -                              | ( 69,981,079)                      | ( 69,981,079)      |
| Total comprehensive income for the quarter | <u>-</u>                       | <u>67,020,781</u>                  | <u>67,020,781</u>  |
| Balance at January 31, 2021                | <u>178,941,261</u>             | <u>282,325,590</u>                 | <u>461,266,851</u> |

The accompanying notes form an integral part of the financial statements.

Group Statement of Cash Flows  
 Quarter Ended January 31, 2022

|  | <u>Unaudited</u><br>Quarter ended<br>January 31<br><u>2022</u><br>\$ | <u>Unaudited</u><br>Quarter ended<br>January 31<br><u>2021</u><br>\$ | <u>Audited</u><br>Year ended<br>October 31<br><u>2021</u><br>\$ |
|--|--|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |  |   |
| Net profit for the period/year   | 66,222,174   | 67,020,781   | 155,550,600   |
| Adjustments to reconcile net profit for the period/year<br>to net cash provided by operating activities: |  |  |   |
| Depreciation and amortisation  | 4,823,908  | 3,825,599  | 16,801,277  |
| Loss/(gain) on investment  | 21,490   | ( 80,586)  | ( 69,841)   |
| Interest income  | ( 60,972)  | ( 2,599,603)   | ( 8,378,366)  |
| Taxation   | ( 445,077)   | -  | ( 2,049,359)  |
| Interest expense   | <u>2,295,949</u>   | <u>1,342,597</u>   | <u>6,966,314</u>  |
|  | 72,857,472   | 69,508,788   | 168,820,625   |
| Working capital components:  |  |  |   |
| Due from related parties   | ( 2,184,705)   | 3,094,950  | 17,554,178  |
| Accounts receivable  | (137,665,692)  | ( 39,900,465)  | ( 63,839,812)   |
| Due to related party   | ( 55,473)  | -  | 55,473  |
| Accounts payable and accrued charges   | <u>110,965,331</u>   | <u>8,233,678</u>   | <u>33,764,236</u>   |
| Cash provided by operating activities  | 43,916,933   | 40,936,951   | 156,354,700   |
| Interest paid  | ( 2,295,949)   | ( 1,342,597)   | ( 6,966,314)  |
| Tax paid/deducted at source  | <u>( 5,876)</u>  | <u>( 1,268,717)</u>  | <u>( 2,780,872)</u>   |
| Net cash provided by operating activities  | <u>41,615,108</u>  | <u>38,325,637</u>  | <u>146,607,514</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |  |   |
| Interest received  | 60,972   | 2,599,603  | 8,410,572   |
| Addition to property, plant and equipment  | <u>( 7,300,297)</u>  | <u>( 8,532,206)</u>  | <u>( 13,421,492)</u>  |
| Net cash used in investing activities  | <u>( 7,239,325)</u>  | <u>( 5,932,603)</u>  | <u>( 5,010,920)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |  |  |   |
| Payment of lease liability – principal portion   | ( 491,689)   | ( 270,680)   | ( 1,447,167)  |
| Long – term loans, net   | ( 327,981)   | ( 306,496)   | ( 1,258,686)  |
| Dividends paid   | <u>( 48,513,910)</u>   | <u>( 69,981,079)</u>   | <u>(104,054,501)</u>  |
| Net cash used financing activities   | <u>( 49,333,580)</u>   | <u>( 70,558,255)</u>   | <u>(106,760,354)</u>  |
| Net (decrease)/increase in cash and cash equivalents   | ( 14,957,797)  | ( 38,165,221)  | 34,836,240  |
| Cash and cash equivalents at start of year   | <u>415,252,582</u>   | <u>380,416,342</u>   | <u>380,416,342</u>  |
| Cash and cash equivalents at end of year   | <u>400,294,785</u>   | <u>342,251,121</u>   | <u>415,252,582</u>  |

The accompanying notes form an integral part of the financial statements.



Notes to the Financial Statements  
Quarter Ended January 31, 2022

1. Corporate structure and nature of business

The company is incorporated in Jamaica under the Companies Act and is domiciled in Jamaica. The registered office and its principal place of business is situated at Unit # 4, 69 - 75 Constant Spring Road, Kingston 10.

The principal activities of the company are the production, media and is an advertising agency.

The company was re – registered as a public company by resolution passed at an extraordinary general meeting held on February 25, 2019 and its shares were listed on the Junior Market of the Jamaica Stock Exchange on July 26, 2019.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB) and comply with the provisions of the Companies Act.

b) Basis of preparation:

The financial statements are presented in Jamaican dollars (J\$), which is the functional currency of the company. The financial statements are prepared under the historical cost convention.

The accounting policies that have been applied in the preparation of these un – audited financial statements are consistent with those used in the audited financial statements for the year ended October 31, 2021.

Notes to the Financial Statements (Continued)  
 Quarter Ended January 31, 2022

3. Property, plant and equipment

|                         | <u>Motor<br/>Vehicle</u><br>\$ | <u>Computers</u><br>\$ | <u>Equipment</u><br>\$ | <u>Office<br/>Furniture &amp;<br/>equipment</u><br>\$ | <u>Building &amp;<br/>Building<br/>improvement</u><br>\$ | <u>Total</u><br>\$ |
|-------------------------|--------------------------------|------------------------|------------------------|---|--|--------------------|
| <u>At cost:</u>         |                                |                        |                        |   |  |                    |
| October 31, 2020        | 11,882,480                     | 13,022,205             | 34,429,913             | 9,547,641   | 26,340,505   | 95,222,744         |
| Additions               | <u>-</u>                       | <u>2,249,432</u>       | <u>8,058,981</u>       | <u>769,823</u>  | <u>2,014,353</u>   | <u>13,092,589</u>  |
| October 31, 2021        | 11,882,480                     | 15,271,637             | 42,488,894             | 10,317,464  | 28,354,858   | 108,315,333        |
| Additions               | <u>-</u>                       | <u>6,745,272</u>       | <u>-</u>               | <u>60,000</u>   | <u>495,025</u>   | <u>7,300,297</u>   |
| January 31, 2022        | <u>11,882,480</u>              | <u>22,016,909</u>      | <u>42,488,894</u>      | <u>10,377,464</u>                                     | <u>28,849,883</u>  | <u>115,615,630</u> |
| <u>Depreciation:</u>    |                                |                        |                        |   |  |                    |
| October 31, 2020        | 2,970,621                      | 6,332,110              | 18,658,670             | 3,524,936   | 6,426,159  | 37,912,496         |
| Charge for the year     | <u>2,376,496</u>               | <u>1,832,577</u>       | <u>3,771,748</u>       | <u>944,177</u>  | <u>2,749,576</u>   | <u>11,674,574</u>  |
| October 31, 2021        | 5,347,117                      | 8,164,687              | 22,430,418             | 4,469,113   | 9,175,735  | 49,587,070         |
| Charge for the period   | <u>594,123</u>                 | <u>622,373</u>         | <u>975,824</u>         | <u>239,277</u>  | <u>721,248</u>   | <u>3,152,845</u>   |
| January 31, 2022        | <u>5,941,240</u>               | <u>8,787,060</u>       | <u>23,406,242</u>      | <u>4,708,390</u>                                      | <u>9,896,983</u>   | <u>52,739,915</u>  |
| <u>Net book values:</u> |                                |                        |                        |   |  |                    |
| January 31, 2022        | <u>5,941,240</u>               | <u>13,229,849</u>      | <u>19,082,652</u>      | <u>5,669,074</u>                                      | <u>18,952,900</u>  | <u>62,875,715</u>  |
| October 31, 2021        | <u>6,535,363</u>               | <u>7,106,950</u>       | <u>20,058,476</u>      | <u>5,848,351</u>                                      | <u>19,179,123</u>  | <u>58,728,263</u>  |

4. Segment reporting

Segment information for the reporting period are as follows:

**3 Months Ended January 31, 2022**

|              | Production<br>\$    | Media<br>\$          | Agency<br>\$        | Total<br>\$          |
|--------------|---------------------|----------------------|---------------------|----------------------|
| Revenue      | 140,363,973         | 243,163,283          | 59,952,891          | 443,480,147          |
| Direct costs | <u>(78,738,157)</u> | <u>(207,677,975)</u> | <u>(14,188,230)</u> | <u>(300,604,362)</u> |
| Gross profit | <u>61,625,816</u>   | <u>35,485,308</u>    | <u>45,764,661</u>   | <u>142,875,785</u>   |

**3 Months Ended January 31, 2021**

|              | Production<br>\$    | Media<br>\$          | Agency<br>\$        | Total<br>\$          |
|--------------|---------------------|----------------------|---------------------|----------------------|
| Revenue      | 150,036,756         | 149,906,980          | 56,320,564          | 356,264,300          |
| Direct costs | <u>(94,479,361)</u> | <u>(128,125,626)</u> | <u>(18,481,773)</u> | <u>(241,086,760)</u> |
| Gross profit | <u>55,557,395</u>   | <u>21,781,354</u>    | <u>37,838,791</u>   | <u>115,177,540</u>   |

Notes to the Financial Statements (Continued)  
Quarter Ended January 31, 2022

5. Earnings per stock unit

The calculation of earnings per stock unit is based on the profit after taxation and the number of stock units in issue during the year.

|   | <u>Unaudited</u><br>Quarter ended<br><u>January 31</u><br><u>2022</u><br>\$ | <u>Unaudited</u><br>Quarter ended<br><u>January 31</u><br><u>2021</u><br>\$ | <u>Audited</u><br>Year ended<br><u>October 31</u><br><u>2021</u><br>\$ |
|---|---|---|--|
| Net profit attributable to shareholders | 66,222,174  | 67,020,781  | 155,550,600  |
| Ordinary stock units                    | 945,690,252   | 945,690,252   | 945,690,252  |
| Earnings per stock unit                 | <u>7c</u>   | <u>7c</u>   | <u>16c</u>   |

| <b>DIRECTORS</b>                                | <b>TOTAL</b>       | <b>Direct</b>      | <b>Connected Party</b> |
|---|--------------------|--------------------|------------------------|
| Kimala Bennett                                  | 730,181,394        |                    |                        |
| Kimala Bennett Private Company Limited          |                    |                    | 728,181,394            |
| Adrian Randle                                   |                    |                    | 2,000,000              |
| Tashara-Lee Johnson                             | 21,698,669         | 21,461,669         |                        |
| Ann-Marie Francis                               |                    |                    | 237,000                |
| Steven Gooden                                   | 2,728,412          | 2,728,412          | -                      |
| Michael Bennett                                 | 1,000,000          | 1,000,000          | -                      |
| Rochelle Cameron                                | 100,000            | 100,000            | -                      |
| Maxine Walters                                  | -                  | -                  | -                      |
| Douglas Lindo                                   | -                  | -                  | -                      |
|   |                    |                    |                        |
|   |                    |                    |                        |
|   |                    |                    |                        |
| <b>SENIOR MANAGEMENT</b>                        |                    |                    |                        |
| Natassia Benjamin                               | 293,923            | 293,923            | -                      |
| Colleen Corke-Campbell                          | 60,000             | 60,000             | -                      |
| Samantha Whyte                                  | 50,000             | 50,000             | -                      |
| Kimberley Adamson                               | 29,620             | 29,620             |                        |
| Dexter Musgrave                                 | -                  | -                  | -                      |
| Marlene McIntosh                                | -                  | -                  | -                      |
|   |                    |                    |                        |
|   |                    |                    |                        |
| <b>TOP TEN (10) SHAREHOLDERS</b>                |                    |                    |                        |
| 1 Kimala Bennett Private Company Limited        | 728,181,394        | 77.0000%           | -                      |
| 2 NCB Capital Markets. A/C 2231                 | 34,051,770         | 3.6007%            | -                      |
| 3 Tashara – Lee Johnson                         | 21,461,669         | 2.2694%            | -                      |
| 4 JMMB SECURITIES LTD. HOUSE ACCOUNT #2         | 20,821,187         | 2.2017%            | -                      |
| 5 ATL Group Pension Fund Trustee Nominee Ltd    | 16,000,000         | 1.6919%            | -                      |
| 6 JCSD TRUSTEE SERVICES LIMITED A/C BARITA UNIT | 12,995,797         | 1.3742%            | -                      |
| 7 MF & G Asset Management Limited               | 7,718,838          | 0.8162%            | -                      |
| 8 Douglas Orane                                 | 5,000,000          | 0.5287%            | -                      |
| 9 Randy Rowe                                    | 4,671,008          | 0.4939%            | -                      |
| 10 Andrew Pairman                               | 3,500,000          | 0.3701%            | -                      |
|   |                    |                    | -                      |
|   | <b>TOTAL UNITS</b> | <b>945,690,252</b> |                        |