



THE LIMNERS AND BARDS LIMITED
UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED JANUARY 31, 2020

THE LIMNERS AND BARDS LIMITED

Financial Statements
Quarter ended January 31, 2020

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THE LIMNERS AND BARDS LIMITED
 Key Performance Highlights
 Three Months Ended January 31, 2020

On behalf of the Board of Directors, we are pleased to present the unaudited financial statements of the Limners and Bards Limited for the quarter ended January 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Key Performance Highlights:

	Three months	Three months	Year over year		Year ended
	Ended Jan. 31	Ended an. 31	Change	Percentage	October 31
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>Percentage</u>	<u>2019</u>
	\$	\$	\$	%	\$
Revenue	262,996,679	189,371,979	73,626,700	38.89	631,851,040
Gross profit	90,279,751	68,199,088	22,080,663	32.38	226,730,310
Net profit	48,909,212	32,560,675	16,348,537	50.20	94,746,238
Earnings per share	5c	4c			12c
Total assets	555,836,631	304,445,279	251,391,351	82.57	488,522,918
Shareholders' equity	386,055,116	115,382,097	270,673,019	234.59	356,059,709

Revenue for the three – month period was \$262.99million, up 38.9% compared to \$189.372 million for the corresponding period last year.

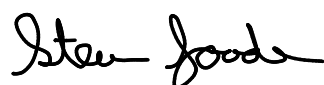
The revenue growth was driven by growth in media placement (up \$48.5 million or 60.5%) and advertising agency (up \$31.8 million or 119.6%). There was reduction in production (down \$6.6 million or 8%) during the period.

Gross profit increased by 32% or \$22.08 million over the previous three – month period. Gross profit margin of 34.3% decreased from 38% recorded in the previous period. This is mainly attributable to an increase in direct costs associated with agency.

Net profits have increased by \$16.35 million, or 50% to \$48.9 million for the three – month period compared to the corresponding period ended January 31, 2019. However, there was no taxation for January 2020 and for proper comparison, using the net profit before taxation for January 2019 the increase would be \$6.76 million or 16%.

Administration expenses have increased by \$16.303 million, or 65.8% in comparison to the previous three – month period. These increases are primarily attributable to staff costs (due to increase work volume) and Jamaica Stock Exchange associated costs. Even with this increase, administrative expenses as a percentage of revenue remains relatively flat at 15.6% compared to 13% in the previous period.

The balance sheet shows a \$251.391 million, or 82.6% increase in total assets over the corresponding period last year. Non – current assets increased by \$5.26 million attributable to acquisition of assets during the period offset to some extent by depreciation. Current assets increased by \$246.127 million primarily as a result of significant increases in cash and investment balances of \$195.706 million (369 %) and accounts receivable of \$45.7 million (30.6%).



Steven Gooden
 Chairman

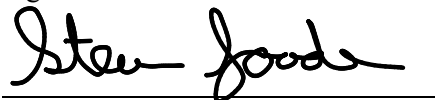


Kimala Bennett
 Chief Executive Officer

Statement of Financial Position
At January 31, 2020

	Notes	Unaudited Quarter ended January 31 2020 \$	Unaudited Quarter ended January 31 2019 \$	Audited Year ended October 31 2019 \$
<u>Non – current assets</u>				
Property, plant and equipment	3	99,641,289	95,393,938	99,984,899
Intangible asset		517,306	-	551,793
Investment		<u>499,632</u>	<u>-</u>	<u>639,314</u>
		<u>100,658,227</u>	<u>95,393,938</u>	<u>101,176,006</u>
<u>Current assets</u>				
Accounts receivable		194,471,108	149,236,973	83,842,135
Due from related parties		9,790,049	6,747,961	10,312,385
Taxation recoverable		2,144,110	-	1,613,736
Cash and cash equivalents		<u>248,773,137</u>	<u>53,066,407</u>	<u>291,578,656</u>
		<u>455,178,404</u>	<u>209,051,341</u>	<u>387,346,912</u>
Total assets		<u>555,836,631</u>	<u>304,445,279</u>	<u>488,522,918</u>
<u>Shareholders' equity</u>				
Share capital	4	178,941,261	100	178,941,261
Retained earnings		<u>207,113,855</u>	<u>115,381,997</u>	<u>177,118,448</u>
		<u>386,055,116</u>	<u>115,382,097</u>	<u>356,059,709</u>
<u>Non – current liabilities</u>				
Long – term loans		49,195,188	47,534,455	49,885,949
Deferred taxation		<u>-</u>	<u>558,580</u>	<u>-</u>
		<u>49,195,188</u>	<u>48,093,035</u>	<u>49,885,949</u>
<u>Current liabilities</u>				
Accounts payable and accrued charges		117,545,247	101,412,980	79,536,180
Current maturity of long - term loans		3,041,080	2,560,784	3,041,080
Related party loan		-	16,565,807	-
Taxation payable		<u>-</u>	<u>20,430,576</u>	<u>-</u>
		<u>120,586,327</u>	<u>140,970,147</u>	<u>82,577,260</u>
Total equity and liabilities		<u>555,836,631</u>	<u>304,445,279</u>	<u>488,522,918</u>

Signed on behalf of the Board of Directors by:



Steven Gooden
Chairman



Kimala Bennett
Chief Executive Officer

Statement of Profit or Loss and Other Comprehensive Income
Quarter ended January 31, 2020

	<u>Unaudited</u> Quarter ended January 31	<u>Unaudited</u> Quarter ended January 31	<u>Audited</u> Year ended October 31
Notes	<u>2020</u> \$	<u>2019</u> \$	<u>2019</u> \$
Operating revenue	262,998,679	189,371,979	631,851,040
Cost of operating revenue	<u>(172,718,928)</u>	<u>(121,172,891)</u>	<u>(405,120,730)</u>
Gross profit	<u>90,279,751</u>	<u>68,199,088</u>	<u>226,730,310</u>
Administrative, selling and distribution expenses:			
Administration expenses	(40,701,225)	(24,105,727)	(115,147,066)
Selling and distribution	<u>(384,300)</u>	<u>(676,510)</u>	<u>(2,085,598)</u>
	<u>(41,085,525)</u>	<u>(24,782,237)</u>	<u>(117,232,664)</u>
Impairment losses on financial assets	<u>-</u>	<u>-</u>	<u>(448,216)</u>
Profit before net finance cost and taxation	<u>49,194,226</u>	<u>43,416,851</u>	<u>109,049,430</u>
Finance income	1,215,031	25,806	3,310,594
Finance cost	<u>(1,360,363)</u>	<u>(1,298,482)</u>	<u>(4,823,174)</u>
Net finance cost	<u>(145,332)</u>	<u>(1,272,676)</u>	<u>(1,512,580)</u>
Loss in value of investment classified as FVTPL	<u>(139,682)</u>	<u>-</u>	<u>(85,958)</u>
Profit before taxation	48,909,212	42,144,175	107,450,892
Taxation	<u>-</u>	<u>(9,583,500)</u>	<u>(12,704,654)</u>
Net profit, being total comprehensive income for the period/year	<u>48,909,212</u>	<u>32,560,675</u>	<u>94,746,238</u>
Earnings per stock unit	5 <u>5c</u>	4 <u>4c</u>	12 <u>12c</u>

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

Statement of Changes in Equity
Quarter ended January 31, 2020

	Notes	Share capital \$	Retained earnings \$	Total \$
Balance at October 31, 2018		100	122,821,322	122,821,422
Dividends		-	(40,000,000)	(40,000,000)
Issued bonus shares		15,131	(15,131)	-
Issued shares		189,138,050	-	189,138,050
Shares issue costs		(10,212,020)	-	(10,212,020)
Total comprehensive income for the year		<u>-</u>	<u>94,312,257</u>	<u>94,312,257</u>
Balance at October 31, 2019		178,941,261	177,118,448	356,059,709
Dividends	6	-	(18,913,805)	(18,913,805)
Total comprehensive income for the quarter		<u>-</u>	<u>48,909,212</u>	<u>48,909,212</u>
Balance at January 31, 2020		<u>178,941,261</u>	<u>207,113,855</u>	<u>386,055,116</u>
		Share capital \$	Retained earnings \$	Total \$
Balance at October 31, 2018		100	122,821,322	122,821,422
Dividends		-	(40,000,000)	(40,000,000)
Total comprehensive income for the quarter		<u>-</u>	<u>32,560,675</u>	<u>32,560,675</u>
Balance at January 31, 2019		<u>100</u>	<u>115,381,997</u>	<u>115,382,097</u>

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

Statement of Cash Flows
Quarter ended January 31, 2020

	<u>Unaudited</u> Quarter ended January 31 <u>2020</u> \$	<u>Unaudited</u> Quarter ended January 31 <u>2019</u> \$	<u>Audited</u> Year ended October 31 <u>2019</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period	48,909,212	32,560,675	94,746,238
Adjustments to reconcile net profit for the period to net cash (used)/provided by operating activities:			
Depreciation	2,915,716	2,802,427	11,362,039
Loss on investment	139,682	-	85,958
Interest income	(1,165,046)	(22,194)	(1,340,112)
Interest expense	1,072,791	1,050,906	3,890,707
Taxation	<u>-</u>	<u>9,583,500</u>	<u>12,704,654</u>
	51,872,355	45,975,314	121,449,484
Working capital components:			
Due from related parties	522,336	18,025,899	14,461,475
Accounts receivable	(110,628,973)	(84,317,013)	(18,922,006)
Accounts payable and accrued charges	<u>38,009,067</u>	<u>43,218,619</u>	<u>21,341,819</u>
Cash (used)/provided by operating activities	(20,225,215)	22,902,819	138,330,772
Interest paid	(1,072,791)	(1,050,906)	(3,890,707)
Tax paid	<u>(530,374)</u>	<u>(11,371)</u>	<u>(25,735,418)</u>
Net cash (used)/provided by operating activities	<u>(21,828,380)</u>	<u>21,840,542</u>	<u>108,704,647</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	1,165,046	22,194	905,962
Investment	-	-	(725,272)
Disposal of property, plant and equipment	-	-	5,155,053
Addition to property, plant and equipment	<u>(2,537,619)</u>	<u>(6,616,218)</u>	<u>(25,473,636)</u>
Net cash used in investing activities	<u>(1,372,573)</u>	<u>(6,594,024)</u>	<u>(20,137,893)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issued shares			178,926,030
Long – term loans, net	(690,761)	(620,945)	2,210,845
Dividends paid	(18,913,805)	(40,000,000)	(40,000,000)
Related party loan	<u>-</u>	<u>16,565,807</u>	<u>-</u>
Net cash (used)/provided by financing activities	<u>(19,604,566)</u>	<u>(24,055,138)</u>	<u>141,136,875</u>
Net (decrease)/increase in cash and cash equivalents	(42,805,519)	(8,808,620)	229,703,629
Cash and cash equivalents at start of period	<u>291,578,656</u>	<u>61,875,027</u>	<u>61,875,027</u>
Cash and cash equivalents at end of period	<u>248,773,137</u>	<u>53,066,407</u>	<u>291,578,656</u>

The accompanying notes form an integral part of the financial statements

Notes to the Financial Statements
Quarter ended January 31, 2020

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 of the company 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 advertising, production and media management. 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.

The company has adopted IFRS 16 from November 1, 2019 and has not restated comparatives for the 2018/2019 reporting period, as permitted under the specific transitional provisions in the standard in applying the simplified transition approach. The reclassifications and the adjustments arising from the new leasing rules are recognised in the opening balance sheet on November 1, 2019.

IFRS 16 requires a lessee to recognise a lease liability reflecting future lease payments and a “right – of – use asset for all leases except for certain short – term leases and low – value assets.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right – of – use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight – line basis.

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, 2019.

Notes to the Financial Statements (Continued)
Quarter ended January 31, 2020

3. Property, plant and equipment

	<u>Motor Vehicle</u>	<u>Computers</u>	<u>Equipment</u>	<u>Office Furniture & equipment</u>	<u>Building & Building improvement</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>At cost:</u>						
October 31, 2018	9,665,724	5,241,830	31,379,425	4,753,800	67,252,733	118,293,512
Disposal	(9,665,724)	-	-	-	-	(9,665,724)
Additions	<u>11,882,480</u>	<u>1,156,900</u>	<u>30,037</u>	<u>4,431,046</u>	<u>7,283,432</u>	<u>24,783,895</u>
October 31, 2019	11,882,480	6,398,730	31,409,462	9,184,846	74,536,165	133,411,683
Additions	<u>-</u>	<u>2,303,674</u>	<u>-</u>	<u>5,795</u>	<u>228,150</u>	<u>2,537,619</u>
January 31, 2020	<u>11,882,480</u>	<u>8,702,404</u>	<u>31,409,462</u>	<u>9,190,641</u>	<u>74,764,315</u>	<u>135,949,302</u>
<u>Depreciation:</u>						
October 31, 2018	3,866,290	4,346,180	12,596,520	1,735,351	4,169,023	26,713,364
Disposal	(4,510,671)	-	-	-	-	(4,510,671)
Charge for the year	<u>1,238,506</u>	<u>1,028,792</u>	<u>3,140,945</u>	<u>918,482</u>	<u>4,897,366</u>	<u>11,224,091</u>
October 31, 2019	594,125	5,374,972	15,737,465	2,653,833	9,066,389	33,426,784
Charge for the period	<u>594,124</u>	<u>147,615</u>	<u>698,338</u>	<u>211,106</u>	<u>1,230,046</u>	<u>2,881,229</u>
January 31, 2020	<u>1,188,249</u>	<u>5,522,587</u>	<u>16,435,803</u>	<u>2,864,939</u>	<u>10,296,435</u>	<u>36,308,013</u>
<u>Net book values:</u>						
January 31, 2020	<u>10,694,231</u>	<u>3,179,817</u>	<u>14,973,659</u>	<u>6,325,702</u>	<u>64,467,880</u>	<u>99,641,289</u>
October 31, 2019	<u>11,288,355</u>	<u>1,023,758</u>	<u>15,671,997</u>	<u>6,531,013</u>	<u>65,469,776</u>	<u>99,984,899</u>

4. Share capital

	<u>Unaudited Quarter ended January 31 2020 \$</u>	<u>Unaudited Quarter ended January 31 2019 \$</u>	<u>Audited Year ended October 31 2019 \$</u>
Authorized:			
5,000,000,000 (100: 2019) Ordinary shares without par value			
Issued and fully paid:			
948,690,252 (100: 2019) Ordinary shares without par value	<u>178,941,261</u>	<u>100</u>	<u>178,941,261</u>

5. 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 period/year.

	<u>Unaudited Quarter ended January 31 2020 \$</u>	<u>Unaudited Quarter ended January 31 2019 \$</u>	<u>Audited Year ended October 31 2019 \$</u>
Net profit attributable to shareholders	48,909,212	32,560,675	94,746,238
Weighted average of ordinary stock units	945,690,252	756,552,202	803,836,715
Basic and diluted earnings per stock unit	<u>5c</u>	<u>4c</u>	<u>12c</u>

THE LIMNERS AND BARDS LIMITED

Shareholding of Directors, senior managers and top ten shareholders

At January 31, 2020

DIRECTORS	<u>Total</u>	<u>Direct</u>	<u>Connected party</u>
Kimala Bennett	732,121,684	100	732,121,584
Tashara – Lee Johnson	28,798,669	28,561,669	237,000
Steven Gooden	2,728,412	2,728,412	-
SENIOR MANAGEMENT			
Tricia Knott – Francis	7,349,830	7,349,830	-
Natassia Benjamin	293,923	293,923	-
Tashan Hendrick	100,000	100,000	-
Colleen Corke – Campbell	60,000	60,000	-
Samantha Whyte	50,000	50,000	-
TOP (10) SHAREHOLDERS		<u>Ownership Percentage</u>	
	<u>Units</u>		
Kimala Bennett Private Company Limited	728,181,394	77.000%	
NCB Capital Markets (Cayman) Limited	46,865,680	4.9557%	
Tashara – Lee Johnson	28,561,669	3.0202%	
ATL Group Pension Fund Trustee Nominee Ltd	16,000,000	1.6919%	
Tricia Knott – Francis	7,349,830	0.7772%	
Pankaj Ashok Bhatia	6,094,626	0.6445%	
Randy Rowe	6,065,240	0.6414%	
NCB Capital Markets. A/C 2231	5,015,852	0.5304%	
Douglas Orane	5,000,000	0.5287%	
Andrew Pairman	3,500,000	0.3701%	