

THE LIMNERS AND BARDS LIMITED

Key Performance Highlights

Six Months Ended April 30, 2022

On behalf of the Board of Directors, we are pleased to present the unaudited financial statements of the Limners and Bards Limited for the six months ended April 30, 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Key Performance Highlights:

	Six months	Six months	Year over year		Year ended
	Ended April 30	Ended April 30			Oct-31
	2022	2021	Change	Percentage	2021
	\$	\$	\$	%	\$
Revenue	781,704,766	619,077,220	162,627,546	26.3%	1,227,208,331
Gross profit	274,830,323	202,468,518	72,361,805	35.7%	375,806,982
Net profit	123,159,974	113,561,848	9,598,126	8.5%	155,550,600
Earnings per share	\$ 0.13	\$ 0.12			16c
Total assets	981,728,664	714,825,750	266,902,914	37.3%	806,232,489
Shareholders' equity	590,369,311	507,807,918	82,561,393	16.3%	515,723,248

Revenue for the six-months was \$781.7 million, up 26.3% compared to \$619.0 million for the corresponding period last year. The revenue growth is attributable to increases in the company's core business, media placement (up \$149.6 million or 53.4%) and advertising agency (up \$16.1 million or 71.3%). Production was down \$9.5 million or 6.0%.

Gross profit increased by \$72.3 million or 35.7% over the corresponding six – month period in the prior year. Gross profit margin was at 35.2% compared to the 32.7% in the prior period.

Net profit increased by \$9.5 million or 8.5% to \$123.1 million for the six months compared to \$113.5 million in the corresponding period in the prior year. The increase in net profit is attributable to increased revenue and gross profit. This result is impacted by the \$1.9 million loss recorded by Scope over this period. While Scope recorded a loss for the six months, we expect a profitable return at the end of the year. We continue to execute on our strategy for growth and profitability while anticipating the needs of our clients given the shift in digital marketing trends.

The net profit includes Finance income of \$0.4 million compared to \$15.0 million recorded in the corresponding period of the previous year.

Administration expenses have increased by \$46.8 million, or 46.6% in comparison to the previous six – months period. These increases are primarily attributable to staff costs (due to increase work volume), repairs and maintenance of production equipment and depreciation and amortization costs.

The Consolidated balance sheet shows total assets increasing by \$266.9 million or 37.3% to \$981.7 million compared to \$714.8 million in the corresponding period last year.

Current assets increased by \$222.3 million primarily because of increases in receivables (\$158.8 million). Cash and cash equivalent also increased by \$76.6 million reflecting a high liquidity position. The increase in receivables is mainly due to increase in revenue. We continue to have tight monitoring and controls over the receivables.

We are pleased with the Company's performance for this six-month period and expect continued growth for 2022.

We 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.



Steven Gooden
Chairman



Kimala Bennett
Chief Executive Officer

THE LIMNERS AND BARDS LIMITED

Financial Statements
Six Months Ended April 30, 2022

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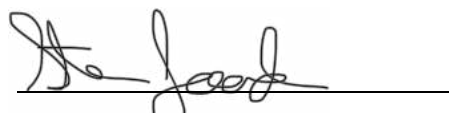
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Group Statement of Financial Position
At April 30, 2022

	Notes	Unaudited 6 months ended April 30 2022 \$	Unaudited 6 months ended April 30 2021 \$	Audited Year ended October 31 2021 \$
<u>Non – current assets</u>				
Property, plant and equipment	3	61,422,720	60,467,446	58,728,263
Right of use asset		93,710,038	51,289,026	96,386,641
Intangible assets		5,258,270	6,804,002	4,876,846
Deferred taxation		2,708,170	-	2,049,359
Investments		<u>499,632</u>	<u>531,867</u>	<u>478,143</u>
		<u>163,598,830</u>	<u>119,092,341</u>	<u>162,519,252</u>
<u>Current assets</u>				
Accounts receivable		354,745,697	195,960,799	222,234,933
Due from related parties		1,771,536	15,803,477	-
Taxation recoverable		6,258,492	5,187,619	6,225,722
Cash and cash equivalents		<u>455,354,109</u>	<u>378,781,514</u>	<u>415,252,582</u>
		<u>818,129,834</u>	<u>595,733,409</u>	<u>643,713,237</u>
Total assets		<u>981,728,664</u>	<u>714,825,750</u>	<u>806,232,489</u>
<u>Shareholders' equity</u>				
Share capital		178,941,261	178,941,261	178,941,261
Retained earnings		<u>411,428,050</u>	<u>328,866,657</u>	<u>336,781,987</u>
		<u>590,369,311</u>	<u>507,807,918</u>	<u>515,723,248</u>
<u>Non – current liabilities</u>				
Long – term loan		8,647,408	9,756,163	9,141,087
Due to related party		-	-	55,473
Long – term lease liability		<u>96,694,788</u>	<u>51,932,616</u>	<u>97,682,096</u>
		<u>105,342,196</u>	<u>61,688,779</u>	<u>106,878,656</u>
<u>Current liabilities</u>				
Accounts payable and accrued charges		282,751,037	142,936,477	180,364,465
Current maturity of long – term loan		1,233,454	1,258,686	1,233,454
Current maturity of lease liability		<u>2,032,666</u>	<u>1,133,890</u>	<u>2,032,666</u>
		<u>286,017,157</u>	<u>145,329,053</u>	<u>183,630,585</u>
Total equity and liabilities		<u>981,728,664</u>	<u>714,825,750</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
Six (6) Months Ended April 30, 2022

	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2022</u> \$	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2021</u> \$	<u>Unaudited</u> Quarter ended <u>April 30</u> <u>2022</u> \$	<u>Unaudited</u> Quarter ended <u>April 30</u> <u>2021</u> \$	<u>Audited</u> Year ended <u>October 31</u> <u>2021</u> \$
Operating revenue	781,704,766	619,077,220	338,224,619	262,812,920	1,227,208,331
Cost of operating revenue	(506,874,443)	(416,608,702)	(206,000,081)	(175,521,942)	(851,401,349)
Gross profit	<u>274,830,323</u>	<u>202,468,518</u>	<u>132,224,538</u>	<u>87,290,978</u>	<u>375,806,982</u>
Profit on disposal of property, plant and equipment	<u>1,393,434</u>	<u>-</u>	<u>1,393,434</u>	<u>-</u>	<u>-</u>
Administrative, selling and distribution expenses:					
Administration expenses	(146,724,935)	(100,489,091)	(73,767,650)	(47,822,679)	(233,516,565)
Selling and distribution	(636,813)	(15,476)	(246,066)	488,619	(3,745,356)
	<u>(147,361,748)</u>	<u>(100,504,567)</u>	<u>(74,012,716)</u>	<u>(47,334,060)</u>	<u>(237,261,921)</u>
Impairment losses on financial assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,613,706)</u>
Profit before net finance (cost)/ income and taxation	<u>128,862,009</u>	<u>101,963,951</u>	<u>59,604,256</u>	<u>39,956,918</u>	<u>135,931,355</u>
Finance income	451,330	15,058,228	(447,502)	8,013,896	25,805,000
Finance cost	(6,833,665)	(3,583,897)	(4,255,974)	(1,472,727)	(8,304,955)
Net finance (cost)/income	<u>(6,382,335)</u>	<u>11,474,331</u>	<u>(4,703,476)</u>	<u>6,541,169</u>	<u>17,500,045</u>
Gain/(loss) in value of investment classified as FVTPL	<u>21,489</u>	<u>123,566</u>	<u>42,979</u>	<u>42,710</u>	<u>69,841</u>
Profit before taxation	122,501,163	113,561,848	54,943,759	46,540,797	153,501,241
Taxation	<u>658,811</u>	<u>-</u>	<u>658,811</u>	<u>-</u>	<u>2,049,359</u>
Net profit, being total comprehensive income for the period/year	<u>123,159,974</u>	<u>113,561,848</u>	<u>55,602,570</u>	<u>46,540,797</u>	<u>155,550,600</u>
Earnings per stock unit	4 <u>13c</u>	<u>12c</u>	<u>6c</u>	<u>5c</u>	<u>16c</u>

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

Group Statement of Changes in Equity
Six (6) Months Ended April 30, 2022

	<u>Share capital</u> \$	<u>Retained earnings</u> \$	<u>Total</u> \$
Balance at October 31, 2020	178,941,261	285,285,888	464,227,149
Dividends paid	-	(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 30, 2021	178,941,261	336,781,987	515,723,248
Dividends paid	-	(48,513,911)	(48,513,911)
Total comprehensive income for the period	<u>-</u>	<u>123,159,974</u>	<u>123,159,974</u>
Balance at April 30, 2022	<u>178,941,261</u>	<u>411,428,050</u>	<u>590,369,311</u>

	<u>Share capital</u> \$	<u>Retained earnings</u> \$	<u>Total</u> \$
Balance at October 31, 2019	178,941,261	177,118,448	356,059,709
Dividends paid	-	(18,913,805)	(18,913,805)
Total comprehensive income for the year	<u>-</u>	<u>127,081,245</u>	<u>127,081,245</u>
Balance at October 30, 2020	178,941,261	285,285,888	464,227,149
Dividends paid	-	(69,981,079)	(69,981,079)
Total comprehensive income for the period	<u>-</u>	<u>113,561,848</u>	<u>113,561,848</u>
Balance at April 30, 2021	<u>178,941,261</u>	<u>328,866,657</u>	<u>507,807,918</u>

Group Statement of Cash Flows
Six (6) Months Ended April 30, 2022

	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2022</u> \$	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2021</u> \$	<u>Audited</u> Year ended <u>October 31</u> <u>2021</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period/year	123,159,974	113,561,848	155,550,600
Adjustments to reconcile net profit for the period/year to net cash provided by operating activities:			
Depreciation and amortization	9,953,386	7,794,386	16,801,277
Gain on investments	(21,489)	(123,566)	(69,841)
Profit on disposal of property, plant and equipment	(1,393,434)	-	-
Interest income	(451,330)	(4,057,556)	(8,378,366)
Taxation	(658,811)	-	(2,049,359)
Interest expense	<u>6,102,031</u>	<u>2,679,806</u>	<u>6,966,314</u>
	136,690,327	119,854,918	168,820,625
Working capital components:			
Due from related parties	(1,771,536)	1,750,701	17,554,178
Accounts receivable	(132,510,764)	(37,533,472)	(63,839,812)
Due to related party	(55,473)	-	55,473
Accounts payable and accrued charges	<u>102,386,572</u>	<u>(3,663,752)</u>	<u>33,764,236</u>
Cash provided by operating activities	104,739,126	80,408,395	156,354,700
Interest paid	(6,102,031)	(2,679,806)	(6,966,314)
Tax paid	<u>(32,770)</u>	<u>(1,742,769)</u>	<u>(2,780,872)</u>
Net cash provided by operating activities	<u>98,604,325</u>	<u>75,985,820</u>	<u>146,607,514</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	451,330	4,057,556	8,410,572
Proceeds from disposal of property, plant and equipment	1,769,075	-	-
Addition to property, plant and equipment	<u>(10,728,305)</u>	<u>(10,537,385)</u>	<u>(13,421,492)</u>
Net cash used in investing activities	<u>(8,507,900)</u>	<u>(6,479,829)</u>	<u>(5,010,920)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability – principal portion	(987,308)	(541,361)	(1,447,167)
Long – term loans, net	(493,679)	(618,379)	(1,258,686)
Dividends paid	<u>(48,513,911)</u>	<u>(69,981,079)</u>	<u>(104,054,501)</u>
Net cash used in financing activities	<u>(49,994,898)</u>	<u>(71,140,819)</u>	<u>(106,760,354)</u>
Net (decrease)/increase in cash and cash equivalents	40,101,527	(1,634,828)	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>455,354,109</u>	<u>378,781,514</u>	<u>415,252,582</u>

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

Notes to the Financial Statements
Six (6) Months Ended April 30, 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 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 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)
Six (6) Months Ended April 30, 20223. 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>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 30, 2021	11,882,480	15,271,637	42,488,894	10,317,464	28,354,858	108,315,333
Disposal	-	-	(514,591)	-	(144,075)	(658,666)
Additions	<u>-</u>	<u>7,507,689</u>	<u>-</u>	<u>1,479,466</u>	<u>639,100</u>	<u>9,626,255</u>
April 30, 2022	<u>11,882,480</u>	<u>22,779,326</u>	<u>41,974,303</u>	<u>11,796,930</u>	<u>28,849,883</u>	<u>117,282,922</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 30, 2021	5,347,117	8,164,687	22,430,418	4,469,113	9,175,735	49,587,070
Disposal	-	-	(283,025)	-	-	(283,025)
Current charge	<u>1,188,247</u>	<u>1,484,963</u>	<u>1,951,649</u>	<u>480,053</u>	<u>1,451,245</u>	<u>6,556,157</u>
April 30, 2022	<u>6,535,364</u>	<u>9,649,650</u>	<u>24,099,042</u>	<u>4,949,166</u>	<u>10,626,980</u>	<u>55,860,202</u>
<u>Net book values</u>						
April 30, 2022	<u>5,347,116</u>	<u>13,129,676</u>	<u>17,875,261</u>	<u>6,847,764</u>	<u>18,222,903</u>	<u>61,422,720</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>

Motor vehicle is pledged as security for loans.

4. 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</u> 6 months ended <u>April 30</u> <u>2022</u> \$	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2021</u> \$	<u>Audited</u> Year ended <u>October 31</u> <u>2021</u> \$
Net profit attributable to shareholders	123,159,974	113,561,848	155,550,600
Weighted average of ordinary stock units	945,690,252	945,690,252	945,690,252
Basic and diluted earnings per stock unit	<u>13c</u>	<u>12c</u>	<u>16c</u>

THE LIMNERS AND BARDS LIMITED

Shareholding of Directors, senior managers and top ten shareholders
At April 30, 2022

DIRECTORS	TOTAL	Direct	Connected Party
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	-	-	-
SENIOR MANAGEMENT			
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	-	-	-
TOP TEN (10) SHAREHOLDERS			
1 Kimala Bennett Private Company Limited	728,181,394	77.0000%	-
2 NCB Capital Markets. A/C 2231	34,397,709	3.6373%	-
3 Tashara – Lee Johnson	21,461,669	2.2694%	-
4 JAMAICA MONEY MARKET BROKERS LTD	21,000,000	2.2206%	-
5 ATL Group Pension Fund Trustee Nominee Ltd	16,000,000	1.6919%	-
6 JCSD TRUSTEE SERVICES LIMITED A/C BARITA UNIT TR	13,578,212	1.4358%	-
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 PENTANNUAL HOLDINGS LIMITED	3,466,418	0.3665%	-
			-
Total Units Owned by Top 10 Shareholders	855,475,248		
Total Issued Capital	945,690,252		
Total Percentage Owned by Top 10 Shareholders	90.4604%		