

THE LIMNERS AND BARDS LIMITED

Key Performance Highlights

Nine Months Ended July 31, 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 nine months ended July 31, 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Key Performance Highlights:

	Nine months	Nine months	Year over year		Year ended
	Ended July 31	Ended July 31			Oct-31
	2022	2021	Change	Percentage	2021
	\$	\$	\$	%	\$
Revenue	1,111,310,354	942,020,797	169,289,557	18.0%	1,227,208,331
Gross profit	379,966,749	284,796,330	95,170,419	33.4%	375,806,982
Net profit	144,303,630	142,177,447	2,126,183	1.5%	155,550,600
Earnings per share	\$ 0.15	\$ 0.15			\$ 0.16
Total assets	992,727,240	826,956,509	165,770,731	20.0%	806,232,489
Shareholders' equity	574,534,524	536,423,157	38,111,367	7.1%	515,723,248

For the period ended July 31, 2022, the Company performed in accordance with budget. The results of our new subsidiary company, Scope Caribbean Limited (“Scope”), which consists of staff costs and training, are fully integrated into the consolidated accounts. While Scope recorded a \$2.5 million loss for the nine months, we have seen greater take-up of the services offered and we expect more clients to come on board. We anticipate profitable returns in the coming year.

Revenue for the nine-months was \$1.1 billion, up 18.0% compared to \$942.0 million for the corresponding period last year.

The revenue growth is attributable to increases in the company’s core business, media placement (up \$94.3 million or 18.7%) and advertising agency (up \$57.1 million or 53.1%). Production was flat when compared to prior year.

Gross profit increased by \$95.1 million or 33.4% over the corresponding nine – month period in the prior year. Due to tight cost management, gross profit margin was at 34.2% compared to the 30.2% in the prior period.

There was a 1.5% growth in Net profit which increased by \$2.1 million to \$144.3 million for the nine months compared to \$142.1 million in the corresponding period in the prior year. The increase in net profit is attributable to increased revenue and gross profit. This Group result is impacted by the \$2.5 million loss recorded by Scope over this period. The net profit includes Finance income of \$2.9 million compared to \$20.5 million recorded in the corresponding period of the previous year. For a fair comparison, we exclude Scope and Investment Income and note that the adjusted net profit is \$143.9M vs \$121.6M, a 18.3% increase over the prior year.

Administration expenses have increased by \$70.2 million, or 44.6% in comparison to the previous nine – months period. These increases are primarily attributable to staff costs (as the company builds capacity to adequately meet the future demands), repairs and maintenance of production equipment and depreciation and amortization costs.

The Consolidated balance sheet shows total assets increasing by \$165.7 million or 20.0% to \$992.7 million compared to \$826.9 million in the corresponding period last year.

Current assets increased by \$171.3 million primarily because of increases in receivables (\$265.5 million). Cash and cash equivalent decreased by \$81.5 million mainly due to capital purchases and payment of dividend. The increase in receivables is mainly due to increase in revenue. We continue to have tight monitoring and controls over the receivables.

Outlook

As we enter the post-COVID era we still continue to observe relevant protocols and our team members continue to be vigilant in order to protect themselves and our clients. Scope is showing promise for growth and we continue to explore all avenues as we place Scope in a position to maximise returns based on the opportunities that arise.

We continue with Our Work from Home program which has proven effective as we continue to minimize exposure of our staff and at the same time maintaining team productivity and engagement.

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
Nine Months Ended July 31, 2022

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Group Statement of Financial Position
At July 31, 2022

	Notes	Unaudited 9 months ended July 31 2022 \$	Unaudited 9 months ended July 31 2021 \$	Audited Year ended October 31 2021 \$
<u>Non – current asset</u>				
Property, plant and equipment	3	63,911,974	61,108,874	58,728,263
Right – of – use asset		92,371,737	96,033,603	96,386,641
Intangible assets		4,870,406	7,687,338	4,876,846
Investment in subsidiary		-	4,805,140	-
Deferred taxation		2,906,709	-	2,049,359
Investments		<u>456,653</u>	<u>499,632</u>	<u>478,143</u>
		<u>164,517,479</u>	<u>170,134,587</u>	<u>162,519,252</u>
<u>Current assets</u>				
Accounts receivable		449,290,149	183,701,550	222,234,933
Due from related parties		5,548,260	18,883,108	-
Taxation recoverable		6,273,870	5,588,035	6,225,722
Cash and cash equivalents		<u>367,097,482</u>	<u>448,649,229</u>	<u>415,252,582</u>
		<u>828,209,761</u>	<u>656,821,922</u>	<u>643,713,237</u>
Total assets		<u>992,727,240</u>	<u>826,956,509</u>	<u>806,232,489</u>
<u>Shareholders' equity</u>				
Share capital		178,941,261	178,941,261	178,941,261
Retained earnings		<u>395,593,265</u>	<u>357,481,896</u>	<u>336,781,987</u>
		<u>574,534,526</u>	<u>536,423,157</u>	<u>515,723,248</u>
<u>Non – current liabilities</u>				
Long – term loan		7,949,288	9,438,798	9,141,088
Due to related party		-	-	55,473
Lease liability		<u>96,062,524</u>	<u>96,504,995</u>	<u>97,682,095</u>
		<u>104,011,812</u>	<u>105,943,793</u>	<u>106,878,656</u>
<u>Current liabilities</u>				
Accounts payable and accrued charges		310,589,627	181,441,601	180,364,465
Current maturity of long – term loan		1,421,964	1,258,686	1,233,454
Current maturity of lease liability		<u>2,169,311</u>	<u>1,889,272</u>	<u>2,032,666</u>
		<u>314,180,902</u>	<u>184,589,559</u>	<u>183,630,585</u>
Total equity and liabilities		<u>992,727,240</u>	<u>826,956,509</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 Comprehensive Income
 Nine (9) Months Ended July 31, 2022

	<u>Unaudited</u> 9 months ended July 31 2022 \$	<u>Unaudited</u> 9 months ended July 31 2021 \$	<u>Unaudited</u> Quarter ended July 31 2022 \$	<u>Unaudited</u> Quarter ended July 31 2021 \$	<u>Audited</u> Year ended October 31 2021 \$
Operating revenue	1,111,310,354	942,020,797	329,605,588	322,943,577	1,227,208,331
Cost of operating revenue	(731,343,605)	(657,224,467)	(224,469,162)	(240,615,768)	(851,401,349)
Gross profit	379,966,749	284,796,330	105,136,426	82,327,809	375,806,982
Profit on disposal of assets	<u>1,393,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>381,360,183</u>	<u>284,796,330</u>	<u>105,136,426</u>	<u>82,327,809</u>	<u>375,806,982</u>
Administrative, selling and distribution expenses:					
Administration expenses	(227,183,754)	(157,084,293)	(80,458,819)	(57,108,696)	(233,516,565)
Selling and distribution	(683,783)	(536,986)	(46,970)	(8,015)	(3,745,356)
	<u>(227,867,537)</u>	<u>(157,621,279)</u>	<u>(80,505,789)</u>	<u>(57,116,711)</u>	<u>(237,261,921)</u>
Impairment loss on financial assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,613,706)</u>
Profit before net finance income/ (cost) and taxation	<u>153,492,646</u>	<u>127,175,051</u>	<u>24,630,637</u>	<u>25,211,098</u>	<u>135,931,355</u>
Finance income	2,951,758	20,534,786	2,500,428	5,476,558	25,805,000
Finance cost	(12,976,634)	(5,623,721)	(6,142,969)	(2,039,823)	(8,304,955)
Net finance income/(cost)	(10,024,876)	14,911,065	(3,642,541)	3,436,735	17,500,045
Gain/(loss) in value of investment classified as FVTPL	(21,490)	91,331	-	(32,235)	69,841
Profit before taxation	143,446,280	142,177,447	20,988,096	28,615,598	153,501,241
Taxation	<u>857,350</u>	<u>-</u>	<u>198,539</u>	<u>-</u>	<u>2,049,359</u>
Net profit, being total comprehensive income for the period/year	<u>144,303,630</u>	<u>142,177,447</u>	<u>21,186,635</u>	<u>28,615,598</u>	<u>155,550,600</u>
Earnings per stock unit (\$)	4 <u>15c</u>	<u>15c</u>	<u>2c</u>	<u>3c</u>	<u>16c</u>

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

Group Statement of Changes in Equity
 Nine (9) Months Ended July 31, 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	-	(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	515,723,249
Dividends	-	(85,492,352)	(85,492,352)
Total comprehensive income for the period	<u>-</u>	<u>144,303,630</u>	<u>144,303,630</u>
Balance at July 31, 2022	<u>178,941,261</u>	<u>395,593,265</u>	<u>574,534,526</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	-	(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 31, 2020	178,941,261	285,285,888	464,227,149
Dividends	-	(69,981,439)	(69,981,439)
Total comprehensive income for the period	<u>-</u>	<u>142,177,447</u>	<u>142,177,447</u>
Balance at July 31, 2021	<u>178,941,261</u>	<u>357,481,896</u>	<u>536,423,157</u>

Group Statement of Cash Flows
 Nine (9) Months Ended July 31, 2022

	<u>Unaudited</u> 9 months ended <u>July 31</u> <u>2022</u> \$	<u>Unaudited</u> 9 months ended <u>July 31</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	144,303,630	142,177,447	155,550,600
Adjustments to reconcile net profit for the period to net cash provided by operating activities:			
Depreciation and amortization	15,235,076	12,427,565	16,801,277
Gain on disposal of assets	(1,393,434)	-	-
(Gain)/loss on investments	21,490	(91,331)	(69,841)
Interest income	(2,951,758)	(5,650,129)	(8,378,366)
Taxation	(857,350)	-	(2,049,359)
Interest expense	<u>6,860,640</u>	<u>4,474,434</u>	<u>6,966,314</u>
	161,218,294	153,337,986	168,820,625
Working capital components:			
Due from related parties	(5,548,260)	(1,308,930)	17,554,178
Accounts receivable	(227,055,216)	(25,274,223)	(63,839,812)
Due to related party	(55,473)	-	55,473
Accounts payable and accrued charges	<u>130,225,162</u>	<u>34,841,372</u>	<u>33,764,236</u>
Cash provided by operating activities	58,784,507	161,596,205	156,354,700
Interest paid	(6,860,640)	(4,474,434)	(6,966,314)
Tax paid	(48,148)	(2,143,185)	(2,780,872)
Net cash provided by operating activities	<u>51,875,719</u>	<u>154,978,586</u>	<u>146,607,514</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	2,951,758	5,650,129	8,410,572
Investment in subsidiary	-	(4,805,140)	-
Disposal of property, plant and equipment	1,769,075	-	-
Addition to property, plant and equipment	(16,773,084)	(15,507,136)	(13,421,492)
Net cash (used) in/provided by investing activities	(12,052,251)	(14,662,147)	(5,010,920)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long – term loans, net	(1,003,290)	(935,744)	(1,447,167)
Payment of lease liability – principal portion	(1,482,926)	(1,146,369)	(1,258,686)
Dividends paid	(85,492,352)	(69,981,439)	(104,054,501)
Net cash used in financing activities	(87,978,568)	(72,063,552)	(106,760,354)
Net increase in cash and cash equivalents	(48,155,100)	68,252,887	34,836,240
Cash and cash equivalents at start of period	<u>415,252,582</u>	<u>380,416,342</u>	<u>380,416,342</u>
Cash and cash equivalents at end of period	<u>367,097,482</u>	<u>448,669,229</u>	<u>415,252,582</u>

Notes to the Financial Statements
Nine (9) Months Ended July 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 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)
 Nine (9) Months Ended July 31, 2022

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>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
Disposal	-	-	(514,591)	-	(144,075)	(658,666)
Additions	<u>5,305,227</u>	<u>7,755,020</u>	<u>201,521</u>	<u>1,420,167</u>	<u>989,100</u>	<u>15,671,034</u>
July 31, 2022	<u>17,187,707</u>	<u>23,02,657</u>	<u>42,175,824</u>	<u>11,737,631</u>	<u>29,199,883</u>	<u>123,327,701</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	8,164,487	22,430,418	4,469,113	9,175,735	49,587,070
Disposal	-	-	(283,025)	-	-	(283,025)
Charge for the period	<u>1,870,791</u>	<u>2,378,327</u>	<u>2,930,831</u>	<u>750,491</u>	<u>2,181,242</u>	<u>10,111,682</u>
July 31, 2022	<u>7,217,908</u>	<u>10,543,014</u>	<u>25,078,224</u>	<u>5,219,604</u>	<u>11,356,977</u>	<u>59,415,727</u>
<u>Net book values</u>						
July 31, 2022	<u>9,969,799</u>	<u>12,483,643</u>	<u>17,097,599</u>	<u>6,518,027</u>	<u>17,842,906</u>	<u>63,911,974</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. 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> 9 months ended <u>July 31</u> <u>2022</u> \$	<u>Unaudited</u> 9 months ended <u>July 31</u> <u>2021</u> \$	<u>Audited</u> Year ended <u>October 31</u> <u>2021</u> \$
Net profit attributable to shareholders	144,303,630	142,177,447	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>15c</u>	<u>15c</u>	<u>16c</u>

THE LIMNERS AND BARDS LIMITED

Shareholding of Directors, senior managers and top ten shareholders
At July 31, 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	34,397,746	3.6373%	-
3 JAMAICA MONEY MARKET BROKERS LTD	22,225,000	2.3501%	-
4 Tashara – Lee Johnson	21,461,669	2.2694%	-
5 ATL Group Pension Fund Trustee Nominee Ltd	16,000,000	1.6919%	-
6 JCSD TRUSTEE SERVICES LIMITED A/C BARITA UNIT TR	13,667,762	1.4453%	-
7 MF & G Asset Management Limited	7,718,838	0.8162%	-
8 Douglas Orane	5,000,000	0.5287%	-
9 Randy Rowe	4,792,988	0.5068%	-
10 PENTANNUAL HOLDINGS LIMITED	3,466,418	0.3665%	-
			-
Total Units Owned by Top 10 Shareholders	856,911,815		
Total Issued Capital	945,690,252		
Total Percentage Owned by Top 10 Shareholders	90.6123%		