



THE LIMNERS AND BARDS LIMITED
UNAUDITED FINANCIAL STATEMENTS
NINE (9) MONTHS ENDED JULY 31, 2021

THE LIMNERS AND BARDS LIMITED

Key Performance Highlights

Nine Months Ended July 31, 2021

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, 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Key Performance Highlights:

| | Nine months | Nine months | Year over year | | Year ended |
|----------------------|----------------------|----------------------|----------------|-------------------|-------------------|
| | <u>Ended July 31</u> | <u>Ended July 31</u> | <u>Change</u> | <u>Percentage</u> | <u>October 31</u> |
| | <u>2021</u> | <u>2020</u> | <u>\$</u> | <u>%</u> | <u>2020</u> |
| Revenue | 942,020,797 | 686,150,365 | 255,870,432 | 37.3 | 911,738,363 |
| Gross profit | 284,796,330 | 227,443,857 | 57,352,473 | 25.2 | 298,625,610 |
| Net profit | 142,177,447 | 107,814,538 | 34,362,909 | 31.9 | 127,081,245 |
| Earnings per share | 15c | 11c | | | 13c |
| Total assets | 826,956,509 | 642,116,331 | 184,840,178 | 28.8 | 676,068,473 |
| Shareholders' equity | 536,423,157 | 444,960,442 | 91,462,715 | 20.6 | 464,227,149 |

Revenue for the nine – month period was \$942 million, up 37.3% compared to \$686.2 million for the corresponding period last year.

The revenue growth was driven by growth in media placement (up \$142.4 million or 39.4%) and production (up \$115.9 million or 62.2%). There was reduction in agency (down \$2.4 million or 1.8%) during the period.

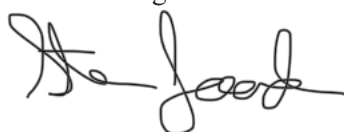
Gross profit increased by 25.2% or \$57.4 million over the previous nine – month period. Gross profit margin of 30.2% decreased from 33.1% recorded in the previous period. This is mainly attributable to an increase in direct costs associated with production and media placement.

Net profits have increased by \$34.4 million, or 31.9% to \$142.1 million for the nine – month period compared to the corresponding period ended July 31, 2020.

Administration expenses have increased by \$38.6 million, or 32.4% in comparison to the previous nine – month period. These increases are primarily attributable to staff costs (due to increase work volume), repairs and maintenance of production equipment, depreciation and amortization charges and lease interest. Even with this increase, administrative expenses as a percentage of revenue remains relatively flat at 16.7% compared to 17.3% in the previous period.

The balance sheet shows a \$184.8 million, or 28.8% increase in total assets over the corresponding period last year. Non – current assets increased by \$57.5 million mainly attributable to increases in property, plant and equipment, intangible assets right – of – use asset and investment in subsidiary. Current assets increased by \$127.3 million primarily as a result of significant increases in cash and investment balances by \$65.9 million (16.9%) and accounts receivable by \$57.4 million (45.4 %).

The LAB remains dedicated to the fight against the spread of COVID-19. We are committed to ensuring that we conduct our business in the safest way possible. We salute the outstanding commitment of our team and remain grateful to all our stakeholders for their continued support.



Steven Gooden
Chairman



Kimala Bennett
Chief Executive Officer

THE LIMNERS AND BARDS LIMITED

Financial Statements
Nine Months Ended July 31, 2021

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Statement of Financial Position
At July 31, 2021

| | Notes | Unaudited 9 months ended July 31 2021 \$ | Unaudited 9 months ended July 31 2020 \$ | Audited Year ended October 31 2020 \$ |
|--------------------------------------|-------|--|--|---|
| <u>Non – current asset</u> | | | | |
| Property, plant and equipment | 3 | 61,108,874 | 58,819,763 | 57,310,248 |
| Right – of – use asset | 4 | 96,033,603 | 52,986,970 | 52,644,683 |
| Intangible assets | | 7,687,338 | 448,332 | 5,862,544 |
| Investment in subsidiary | 5 | 4,805,140 | - | - |
| Investments | | <u>499,632</u> | <u>381,440</u> | <u>408,301</u> |
| | | <u>170,134,587</u> | <u>112,636,505</u> | <u>116,225,776</u> |
| <u>Current assets</u> | | | | |
| Accounts receivable | | 183,701,550 | 126,327,139 | 158,427,327 |
| Due from related parties | | 18,883,108 | 16,353,820 | 17,554,178 |
| Taxation recoverable | | 5,588,035 | 3,010,654 | 3,444,850 |
| Cash and cash equivalents | | <u>448,649,229</u> | <u>383,788,213</u> | <u>380,416,342</u> |
| | | <u>656,821,922</u> | <u>529,479,826</u> | <u>559,842,697</u> |
| Total assets | | <u>826,956,509</u> | <u>642,116,331</u> | <u>676,068,473</u> |
| <u>Shareholders' equity</u> | | | | |
| Share capital | | 178,941,261 | 178,941,261 | 178,941,261 |
| Retained earnings | | <u>357,481,896</u> | <u>266,019,181</u> | <u>285,285,888</u> |
| | | <u>536,423,157</u> | <u>444,960,442</u> | <u>464,227,149</u> |
| <u>Non – current liabilities</u> | | | | |
| Long – term loan | | 9,438,798 | 10,847,557 | 10,374,542 |
| Lease liability | 4 | <u>96,504,995</u> | <u>52,758,653</u> | <u>52,473,977</u> |
| | | <u>105,943,793</u> | <u>63,606,210</u> | <u>62,848,519</u> |
| <u>Current liabilities</u> | | | | |
| Accounts payable and accrued charges | | 181,441,601 | 131,344,812 | 146,600,229 |
| Current maturity of long – term loan | | 1,258,686 | 1,086,872 | 1,258,686 |
| Current maturity of lease liability | 4 | <u>1,889,272</u> | <u>1,117,995</u> | <u>1,133,890</u> |
| | | <u>184,589,559</u> | <u>133,549,679</u> | <u>148,992,805</u> |
| Total equity and liabilities | | <u>826,956,509</u> | <u>642,116,331</u> | <u>676,068,473</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.

Statement of Comprehensive Income
 Nine (9) Months Ended July 31, 2021

| | Unaudited 9 months ended July 31 2021 \$ | Unaudited 9 months ended July 31 2020 \$ | Unaudited Quarter ended July 31 2021 \$ | Unaudited Quarter ended July 31 2020 \$ | Audited Year ended October 31 2020 \$ |
|--|--|--|---|---|---|
| Operating revenue | 942,020,797 | 686,150,365 | 322,943,577 | 214,732,006 | 911,738,363 |
| Cost of operating revenue | (657,224,467) | (458,706,508) | (240,615,768) | (153,681,754) | (613,112,753) |
| Gross profit | <u>284,796,330</u> | <u>227,443,857</u> | <u>82,327,809</u> | <u>61,050,252</u> | <u>298,625,610</u> |
| Administrative, selling and distribution expenses: | | | | | |
| Administration expenses | (157,084,293) | (118,470,985) | (57,108,696) | (39,770,254) | (172,874,745) |
| Selling and distribution | (536,986) | (538,564) | (8,015) | - | (548,564) |
| | <u>(157,621,279)</u> | <u>(119,009,549)</u> | <u>(57,116,711)</u> | <u>(39,770,254)</u> | <u>(173,423,309)</u> |
| Impairment loss on financial assets | - | - | - | - | (1,535,366) |
| Profit before net finance income/ (cost) and taxation | <u>127,175,051</u> | <u>108,434,308</u> | <u>25,211,098</u> | <u>21,279,998</u> | <u>123,666,935</u> |
| Finance income | 20,534,786 | 3,652,429 | 5,476,558 | 1,375,023 | 9,279,673 |
| Finance cost | (5,623,721) | (4,014,325) | (2,039,823) | (1,492,483) | (5,634,350) |
| Net finance income/(cost) | <u>14,911,065</u> | <u>(361,896)</u> | <u>3,436,735</u> | <u>(117,460)</u> | <u>3,645,323</u> |
| Gain/(loss) in value of investment classified as FVTPL | <u>91,331</u> | <u>(257,874)</u> | <u>(32,235)</u> | <u>(21,489)</u> | <u>(231,013)</u> |
| Profit before taxation | 142,177,447 | 107,814,538 | 28,615,598 | 21,141,049 | 127,081,245 |
| Taxation | - | - | - | - | - |
| Net profit, being total comprehensive income for the period/year | <u>142,177,447</u> | <u>107,814,538</u> | <u>28,615,598</u> | <u>21,141,049</u> | <u>127,081,245</u> |
| Earnings per stock unit (\$) | 6 <u>15c</u> | <u>11c</u> | <u>3c</u> | <u>2c</u> | <u>13c</u> |

Statement of Changes in Equity
Nine (9) Months Ended July 31, 2021

| | <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> |

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

Statement of Cash Flows
 Nine (9) Months Ended July 31, 2021

| | <u>Unaudited</u> 9 months ended <u>July 31</u> <u>2021</u> \$ | <u>Unaudited</u> 9 months ended <u>July 31</u> <u>2020</u> \$ | <u>Audited</u> Year ended <u>October 31</u> <u>2020</u> \$ |
|---|---|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit for the period | 142,177,447 | 107,814,538 | 127,081,245 |
| Adjustments to reconcile net profit for the period to net cash provided by operating activities: | | | |
| Depreciation and amortization | 12,427,565 | 9,165,184 | 12,357,729 |
| (Gain)/loss on investments | (91,331) | 257,874 | 231,013 |
| Interest income | (5,650,129) | (3,504,956) | (4,429,944) |
| Interest expense | <u>4,474,434</u> | <u>3,243,179</u> | <u>4,664,780</u> |
| | 153,337,986 | 116,975,819 | 139,904,823 |
| Working capital components: | | | |
| Due from related parties | (1,308,930) | (6,041,434) | (7,241,793) |
| Accounts receivable | (25,274,223) | (42,485,004) | (74,541,220) |
| Accounts payable and accrued charges | <u>34,841,372</u> | <u>51,808,632</u> | <u>67,064,049</u> |
| Cash provided by operating activities | 161,596,205 | 120,258,013 | 125,185,859 |
| Interest paid | (4,474,434) | (3,243,179) | (4,664,780) |
| Tax paid | (2,143,185) | (1,396,919) | (1,831,114) |
| Net cash provided by operating activities | <u>154,978,586</u> | <u>115,617,915</u> | <u>118,689,965</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest income | 5,650,129 | 3,504,956 | 4,385,973 |
| Investment in subsidiary | (4,805,140) | - | - |
| Disposal of property, plant and equipment | - | 45,160,416 | 45,160,417 |
| Addition to property, plant and equipment | (15,507,136) | (11,817,690) | (18,572,646) |
| Net cash (used) in/provided by investing activities | (14,662,147) | <u>36,847,682</u> | <u>30,973,744</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long – term loans, net | (935,744) | (40,992,600) | (41,293,802) |
| Payment of lease liability – principal portion | (1,146,369) | (349,635) | (618,416) |
| Dividends paid | (69,981,439) | (18,913,805) | (18,913,805) |
| Net cash used in financing activities | (72,063,552) | (60,256,040) | (60,826,023) |
| Net increase in cash and cash equivalents | 68,252,887 | 92,209,557 | 88,837,686 |
| Cash and cash equivalents at start of period | <u>380,416,342</u> | <u>291,578,656</u> | <u>291,578,656</u> |
| Cash and cash equivalents at end of period | <u>448,669,229</u> | <u>383,788,213</u> | <u>380,416,342</u> |

Notes to the Financial Statements
Nine (9) Months Ended July 31, 2021

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, 2020.

Notes to the Financial Statements (Continued)
 Nine (9) Months Ended July 31, 2021

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, 2019 | 11,882,480 | 6,398,730 | 31,409,462 | 9,184,846 | 74,536,165 | 133,411,683 |
| Disposal | - | - | - | - | (51,125,000) | (51,125,000) |
| Additions | <u>-</u> | <u>6,623,475</u> | <u>3,020,451</u> | <u>362,795</u> | <u>2,929,340</u> | <u>12,936,061</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>1,957,050</u> | <u>7,774,872</u> | <u>906,924</u> | <u>1,861,353</u> | <u>12,500,199</u> |
| July 31, 2021 | <u>11,882,480</u> | <u>14,979,255</u> | <u>42,204,785</u> | <u>10,454,565</u> | <u>28,201,858</u> | <u>107,722,943</u> |
| <u>Depreciation</u> | | | | | | |
| October 31, 2019 | 594,125 | 5,374,972 | 15,737,465 | 2,653,833 | 9,066,389 | 33,426,784 |
| Disposal | - | - | - | - | (5,964,583) | (5,964,583) |
| Charge for the year | <u>2,376,496</u> | <u>957,138</u> | <u>2,921,205</u> | <u>871,103</u> | <u>3,324,353</u> | <u>10,450,295</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 period | <u>1,782,372</u> | <u>1,356,338</u> | <u>2,806,349</u> | <u>727,285</u> | <u>2,029,229</u> | <u>8,701,573</u> |
| July 31, 2021 | <u>4,752,993</u> | <u>7,688,448</u> | <u>21,465,019</u> | <u>4,252,221</u> | <u>8,455,388</u> | <u>46,614,069</u> |
| <u>Net book values</u> | | | | | | |
| July 31, 2021 | <u>7,129,487</u> | <u>7,290,807</u> | <u>20,739,766</u> | <u>6,202,344</u> | <u>19,746,470</u> | <u>61,108,874</u> |
| October 31, 2020 | <u>8,911,859</u> | <u>6,690,095</u> | <u>15,771,243</u> | <u>6,022,705</u> | <u>19,914,346</u> | <u>57,310,248</u> |

4. Right – of – use asset/lease liability

Right – of – use asset:

| | |
|------------------------------------|--------------------|
| | \$ |
| October 31, 2020 | 54,226,283 |
| Addition | <u>45,932,770</u> |
| | <u>100,159,053</u> |
| Amortization – at October 31, 2020 | 1,581,600 |
| Charge for the period | <u>2,543,850</u> |
| | <u>4,125,450</u> |
| Net book value July 31, 2021 | <u>96,033,603</u> |

Lease liability:

| | |
|---------------------------------|---------------------|
| At October 31, 2020 | 53,607,867 |
| Addition | 45,932,770 |
| Interest charged for the period | 3,886,154 |
| Payments made for the period | <u>(5,032,524)</u> |
| Balance at July 31, 2021 | 98,394,267 |
| Current maturity | <u>(1,889,272)</u> |
| Non – current | <u>96,504,995</u> |

Notes to the Financial Statements (Continued)
Nine (9) Months Ended July 31, 2021

5. Investment in subsidiary

This represents the costs incurred in incorporating Scope Caribbean Limited (Scope), a wholly owned subsidiary. At the reporting date, Scope did not commence trading.

6. 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>2021</u> \$ | <u>Unaudited</u> 9 months ended <u>July 31</u> <u>2020</u> \$ | <u>Audited</u> Year ended <u>October 31</u> <u>2020</u> \$ |
|---|---|---|--|
| Net profit attributable to shareholders | 142,177,447 | 107,814,538 | 127,081,245 |
| 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>11c</u> | <u>13c</u> |

THE LIMNERS AND BARDS LIMITED

Shareholding of Directors, senior managers and top ten shareholders

At July 31, 2021

| DIRECTORS | <u>Total</u> | <u>Direct</u> | <u>Connected party</u> |
|---|---------------------|------------------------------------|-------------------------------|
| Kimala Bennett | 732,681,394 | | |
| <i>Kimala Bennett Private Company Limited</i> | | | 728,181,394 |
| <i>Adrian Randle</i> | | | 2,500,000 |
| <i>Judith Bennett</i> | | | 1,000,000 |
| <i>Michael Bennett</i> | | | 1,000,000 |
| Tashara – Lee Johnson | 21,698,669 | 21,461,669 | |
| <i>Ann-Marie Francis</i> | | | 237,000 |
| Steven Gooden | 2,728,412 | 2,728,412 | - |
| Michael Bennett | 1,000,000 | 1,000,000 | - |
| Maxine Walters | - | - | - |
| Rochelle Cameron | 100,000 | 100,000 | - |
| Douglas Lindo | - | - | - |
| | | | |
| | | | |
| SENIOR MANAGEMENT | | | |
| Tricia Knott – Francis | 3,057,856 | 3,057,856 | - |
| Natassia Benjamin | 293,923 | 293,923 | - |
| Colleen Corke – Campbell | 60,000 | 60,000 | - |
| Samantha Whyte | 50,000 | 50,000 | - |
| Dexter Musgrave | - | - | - |
| | | | |
| | | | |
| TOP (10) SHAREHOLDERS | <u>Units</u> | <u>Ownership Percentage</u> | |
| Kimala Bennett Private Company Limited | 728,181,394 | 77.000% | |
| NCB Capital Markets. A/C 2231 | 32,814,792 | 3.4699% | |
| Tashara – Lee Johnson | 21,461,669 | 2.2694% | |
| JMMB Securities Ltd. House Account #2 | 17,821,187 | 1.8845% | |
| ATL Group Pension Fund Trustee Nominee Ltd | 16,000,000 | 1.6919% | |
| JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund | 8,064,633 | 0.8528% | |
| MF & G Asset Management Limited | 7,718,838 | 0.8162% | |
| Pankaj Ashok Bhatia | 6,646,708 | 0.7028% | |
| Randy Rowe | 5,115,300 | 0.5409% | |
| Douglas Orane | 5,000,000 | 0.5287% | |