

ANNUAL REPORT 2019

L I M N E R S A N D B A R D S 2 0 1 9

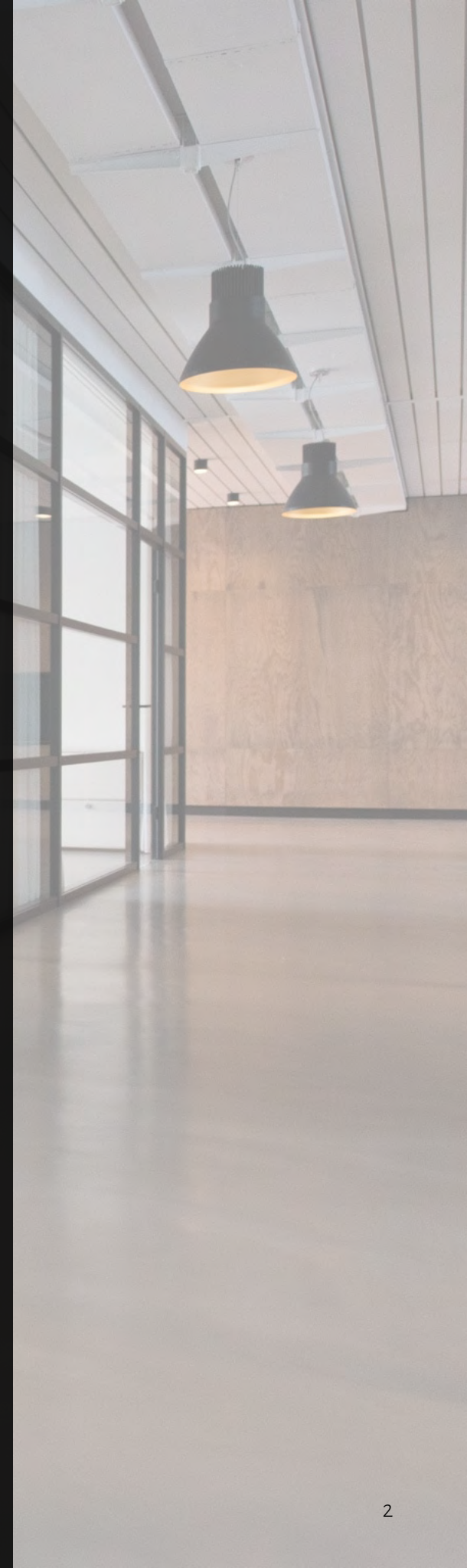


VISION

To become the #1 integrated advertising agency and production company in the region, recognized and respected internationally.

MISSION

To create WOW work on time.



Core VALUES



RESPECT

We value the systems, and structures that have been put in place for the benefit of each person and the organization.

EXCELLENCE

Our work is our legacy and the calling card for new opportunities still yet to be discovered.



CREATIVITY

We aim for the WOW in everything and unapologetically deliver ideas that shake things up.

ACCOUNTABILITY

We are part of a bigger team and what we do affects our clients, our team members and the company.

PASSION

We have a crazy energy that thrives under pressure, because we're obsessed with delivering the WOW.

GOOD VIBES

We work hard and laugh harder. Choosing to see the positive side of every challenge, because only with a "good vibe" perspective can you truly see the possibilities.

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FINANCIAL

HIGHLIGHTS



\$ **94.7** M

NET PROFIT



\$ **631.8** M

REVENUE



\$ **488.5** M

TOTAL ASSETS



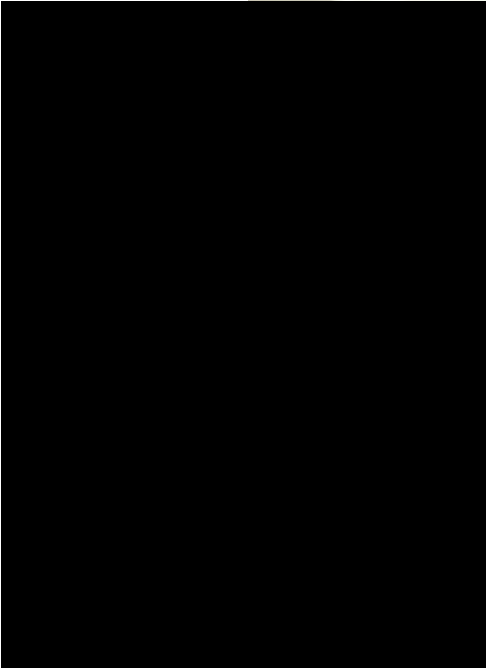
\$ **356** M

TOTAL EQUITY



OUR

BUSINESS IN BRIEF



ABOUT THE COMPANY

The LAB is a strategy to execution full-service advertising agency and production house. We operate as three distinct business units: Production, Advertising Agency, and Media. Production is our core service, we conceptualize, script, project manage, shoot and edit video productions for both corporate and entertainment clients. The Advertising Agency arm is concerned with integrated marketing solutions for brands, and our Media arm builds and executes airspace buying and placement strategies.

The Company's three (3) main service groupings are as follows:



Click the video to learn more about the LAB. See how we got started 12 years ago, hear what our clients have to say about their LAB experience and find out where we are going next.

AGENCY

- Brand Analysis and Strategy
- Creative Concept Development
- Campaign and Promotion
- Development Branding & Design
- Copywriting
- Innovation Sessions

MEDIA

- Media Strategy & Development
- Media Investment Management
- Media Planning
- Media Buying

PRODUCTION

- Creative Direction
- Film and Video Production
- Production Management
- Post-Production
- Audio Production
- Motion and 3D Graphics
- Equipment Rental



NOTICE

OF ANNUAL GENERAL MEETING

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting of THE LIMNERS AND BARDS LIMITED (“The LAB”) will be held on Friday, 24th April, 2020 at the The Jamaica Pegasus Hotel at 10:00 a.m., to consider and, if thought fit, the passing of the following resolutions:

1. Audited Accounts

Resolution No. 1 – Directors’ Report, Auditor’s Reports and Audited Financial Statements

THAT the Audited Accounts for the year ended 31st October 2019 and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, BE AND ARE HEREBY received and adopted.

2. Dividend

Resolution No. 2 – To ratify the dividend paid on 31st January 2020 as final for the year ended 31st October 2019.

THAT as recommended by the Directors, the final dividend of \$0.02 per stock unit paid on 31st January 2020 BE AND ARE HEREBY ratified and declared as final and no further dividend be paid with respect to the year ended 31st October 2019.

3. Retirement and Re-election of Directors

Article 101 of the Company’s Article of Incorporation provides that at every Annual General Meeting one-third of the Directors are subject to retirement for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office. The Directors retiring under this Article are Mr. Michael Bennett, Ms. Maxine Walters and Ms. Tashara-Lee Johnson, who all being eligible, offer themselves up for re-election.

Resolution No. 3 – The retirement and re-election of Directors

Resolution No. 3a

“THAT Mr. Michael Bennett be and is hereby re-elected as a Director of the Company”.

Resolution No. 3b

“THAT Ms. Maxine Walters be and is hereby re-elected as a Director of the Company”.

Resolution No. 3c

“THAT Ms. Tashara-Lee Johnson be and is hereby re-elected as a Director of the Company”.

4. Directors’ Remuneration

Resolution No. 4 – Directors’ Remuneration

THAT the amount shown in the Audited Accounts for the year ended 31st October 2019 as fees to the Directors for services as Directors BE AND IS HEREBY approved.

5. Appointment of Auditors and their Remuneration:

Resolution No. 3 – Appointment of Auditors and their Remuneration

THAT Hall Wilson and Associates, Chartered Accountants of 52B Molyne’s Road, Kingston 10, having signified their willingness to serve, continue in office as Auditors of the Company, until the conclusion of the next Annual General Meeting, at a remuneration to be agreed with the Directors.

BY ORDER OF THE BOARD



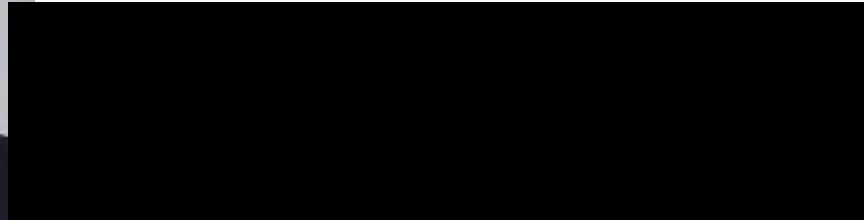
Michael Bennett

COMPANY SECRETARY

Dated 18th February 2020



CHAIRMAN'S MESSAGE



Click the video here
to watch our
Chairman's
message.



Jamaica is on the cusp of its first major industrial revolution since independence, and it is with an up-close understanding of the business arena that I am proud to say The LAB is establishing itself as a true leader and innovator.

As local businesses face off in the global marketplace, we have established a data-driven and strategy-based foundation that can provide support for local and regional brands to remain relevant and top of mind in the global economy. The LAB has been responsive to the market's rapid expansion and has raised the bar on delivering high-quality advertising and strategic support to some of the nation's leading brands.


The Jamaican economy continues to improve, having recorded Gross Domestic Production (GDP) growth of 1.9% for 2018. This growth has been supported by historically low interest rates, controlled inflation and relative stability of the Jamaican Dollar. Further, with unemployment down to a historic low, the business sector is growing, and our performance proves that we are growing right along with it.

Supported by international award-winning productions, bolstered by solid growth strategy, we are on track to meeting our vision of becoming ***“the #1 integrated agency and production company in the region recognized and respected internationally.”***

Since listing the Company's performance demonstrates what happens when a talented team is backed by effective leadership. The LAB broke records in the uptake of its IPO listing and the team delivered a 52% rise in net profits to its shareholders. The effort put in by our dynamic, multifunctional team has allowed the Company to record revenues of J\$631.8 M and to increase shareholders' equity by 189.9% all within its first listed year.

While the LAB continues to build and strengthen mutually beneficial partnerships with its clients, we are mindful that our business must remain flexible to suit the rapidly evolving needs of the industry. For this reason, we have taken an aggressive approach to building out our business infrastructure, putting proven systems in place in order to prepare our team to meet the rise in the demand for creative services.

As The LAB forges a path toward a vibrant and energetic future for the local industry, we look forward to the opportunities that lie ahead and remain committed to assuring confidence and maximizing wealth for all our shareholders through prudent and strategic oversight and management.



STEVEN GOODEN



CEO's

M E S S A G E

As we reflect on the trajectory of The LAB I am proud to say that our team's outstanding work over the years laid the foundation for our historic listing. In July 2019, we became the first advertising agency and production house to be publicly listed on the Jamaica Junior Stock Exchange (JJSE). Interest in our business model was strong, and with support from a wider demographic of investors, our IPO was met with a record-breaking oversubscription of more than 360%. The LAB listed at a price of JMD\$1 per share, which near quadrupled within two weeks of listing, and continues to perform positively, holding the confidence of our shareholders.

It is noteworthy that our LAB staff purchased shares and became part owners of the company, confirming not only that we stand by our work, but that our team is fully invested in their own success. Our team continued to be ground-breaking, this year winning regional gold, and our first stateside silver award in the American Advertising Federation or "ADDY" Awards. Our work was also acknowledged locally, winning gold in the single platform creative category at the RJR/Gleaner Group Awards. The Company's winning streak spanned both our creative output and our management systems, as The LAB's entrepreneurial structure was recognized in our receipt of both the Jamaica Chamber of Commerce Entrepreneur Award and the Anthony Sabga Award for Entrepreneurial Excellence. These landmark achievements are a testament to our team's talent, capabilities and our commitment to excellence.



In a year of tremendous change our team's readiness to embrace new ways of working while remaining focused on achieving stated objectives such as the acquisition of new clients, greater share of wallet of our existing client base and other key performance indicators is to be applauded. The result has been an undeniable success in all critical areas including shareholder equity, annual revenue, gross and net profits.

As we move towards even greater Caribbean expansion, more aggressive client acquisition, increased share of wallet of our existing clientele and an expanded range of services in digital media; we are ensuring that we have the right mix of creative talent so that we continue to deliver insightful advice and to bring valuable services to market.

For this reason, we are bolstering our HR practices with a two-pronged approach. Under the guidance of our human resource consultant, we are applying the best strategies in employee recruitment and retention while investing in enriching and engaging learning experiences for our team that will allow them to offer the best solutions to our clients.

I would like to share my heartfelt gratitude to our team for their focus, tenacity, and their tireless efforts, which have yielded these strong results. I would also like to acknowledge our clients, and thank them for continuing to place their confidence in us.

The LAB continues to strive toward our vision of producing world leading work, while providing continuous value to all our stakeholders. While we continue to evolve according to the rapid pace of our market, we have built a strong foundation and I am confident that we will continue to inspire our team to “Create Wow work on time” to meet the needs of our clients and create greater profit for our shareholders.

The Sky is the Limit!

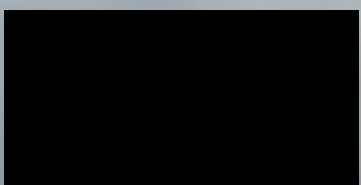


KIMALA BENNETT



DIRECTOR'S

REPORT



The Directors take pleasure in submitting their report for the year ended 31st October 2019. The financial results for the year ended are shown in the table below:

	2019	2018
	JMD	JMD
FINANCIAL STATEMENTS:		
Profit before Taxation	107,450,892	76,533,935
Taxation	12,704,654	14,220,077
Net Profit being total comprehensive Income for the year	94,746,238	62,313,858
Earnings per stock unit	0.12c	0.08c

Details of the results for the year were approved by the Board on 13th December 2019 together with the previous year, and are set out in the Statement of Profit or Loss and Other Comprehensive Income on page 6 of the Audited Financial Statements.

Dividends

Post the end of the financial year, the Company declared a final dividend of J\$0.02 per share to all shareholders on record as at 3rd January 2020, subject to compliance with applicable laws. The ex-dividend date is 2nd January 2020.

Directors

Since the Company listed its shares on the Junior Market of the Jamaica Stock Exchange on July 26, 2019, the Board of Directors met on 4th September 2019 and 13th December 2019 respectively. The Directors of the Company as at 31st October 2019 are:

Mr. Steven Gooden – Chairman

Ms. Kimala Bennett – Executive Director

Mr. Michael Bennett – Executive Director

Ms. Tashara-Lee Johnson – Executive Director

Mr. Douglas Lindo – Independent Member

Ms. Rochelle Cameron – Independent Member

Ms. Maxine Walters – Independent Member

Auditors


Hall Wilson & Associates, Chartered Accountants of 52B Molynes Road, Kingston 10, St. Andrew signified their willingness to serve as Auditors of the Company for the next financial year.

Acknowledgement

The Directors wish to express their thanks to management and staff for their performance and dedication to the Company and congratulate them on their achievements during the year under review. Also, the Directors appreciate and wish to thank all shareholders and clients for their continued partnership and support to the Company.

Dated 20th February 2020

BY ORDER OF THE BOARD



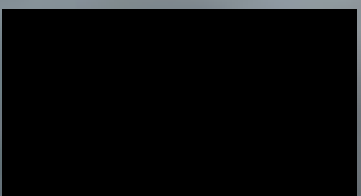
Mr. Steven Gooden

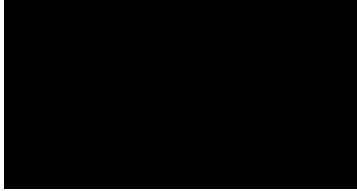
Chairman, The Limners and Bards Limited



CORPORATE

GOVERNANCE





The Limners and Bards Limited (“The LAB”) was incorporated in Jamaica under the Companies Act. On February 25, 2019, the Company was re-registered as a public company and its shares were listed on the Junior Market of the Jamaica Stock Exchange on July 26, 2019. The company is a strategy to execution full-service advertising agency and production house. We operate as three distinct business units: Production, Advertising Agency and Media.

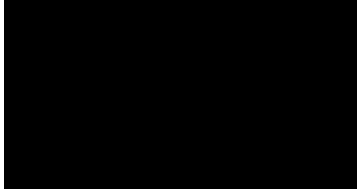
The Board of Directors of The LAB recognizes the importance of developing a strong corporate governance structure and is dedicated to doing so. To achieve this, the Board ensures that The LAB strives to:

- Be compliant with all the applicable legal and regulatory requirements under which it carries out business;
- Implement systems, policies and procedures that promote good corporate governance;
- Foster good work ethics and principles among management and staff;
- Be transparent and accountable to shareholders and stakeholders to fulfill its social responsibilities.

The LAB’s Corporate Governance Policy and Terms of Reference for the Audit Committee and Remuneration Committee were reviewed and approved by the Board at its first Board Retreat held on January 25, 2020. The Board commits to reviewing these policies annually to ensure that they accord with applicable laws and regulations as well as reflect local and international best practices for corporate governance.

Board Responsibility

The Board of Directors’ primary obligation is to provide guidance and directives to management that will ultimately result in strong oversight and increase in stockholders’ value. At all times, Directors are expected to act in the best interest of the Company in the exercise of their judgement, which must be independent and sound business judgement. The Board is ultimately responsible for all policies and operating procedures that the Company implements in the carrying out of its business and must hold management and itself accountable.



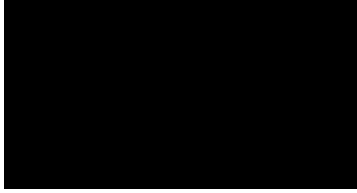
The Role of the Board of Directors are, but not limited to:

- Evaluating the performance of the Managing Director, Chief Financial Officer and the Company Secretary and members of the Senior Management Team;
- Selecting, evaluating and fixing the compensation of Senior Management of the Company and establishing policies regarding compensation of other management personnel;
- Reviewing succession plans and management development programs for Senior Management;
- Reviewing and periodically approving long-term strategic and business plans and monitoring corporate performance against such plans;
- Reviewing the major risks facing the Company and overseeing strategies to address these risks;
- Adopting policies of corporate conduct, including compliance with applicable laws, rules and regulations, maintenance of accounting, financial and other controls, and reviewing the adequacy of compliance systems and controls;
- Evaluating the overall effectiveness of the Board and the individual directors on an annual basis;
- Reviewing succession plans for the Directors of the Company on an annual basis.

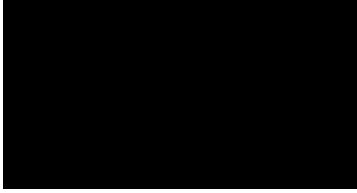
The Role of the Chairman of the Board of Directors is to preside over meetings of the Board of Directors and ensure the smooth functioning of the Board in the interest of good governance.

The Chairman's responsibilities include:

- Providing overall leadership to the Board without limiting the principle of collective responsibility for Board decisions;
- Determining, in conjunction with the Managing Director and the Company Secretary, the development of an annual work plan for the Board against agreed objectives and goals as well as playing an active part in setting the agenda for Board meetings and annual Strategy Retreats;



- Acting as the liaison between the Board and management and particularly between the Board and the Managing Director, ensuring that all Directors have a constructive role in the affairs of the Company and taking a lead role in recommending the removal of non-performing or unsuitable directors from the Board through the Annual Board of Directors Evaluation Exercise;
- Ensuring that the relevant information is presented to the Board to enable Directors to arrive at informed decisions;
- Participating in board discussions regarding succession planning for the Chairman of the Board, recruitment of new directors and the management of succession planning;
- Participating in board discussions on establishing performance goals and assessments of the Managing Director in meeting agreed targets and overseeing succession plans for key senior management roles;
- Performing representative duties on behalf of the Company including external communication with Regulators and other stakeholders as required;
- Chairing the Annual General meeting of the Company and fielding questions on the Company's performance.



The Role of the Managing Director is to advise and support the Board of Directors. The Managing Director is to provide the board with up-to-date information, make recommendations for new board members, participate in board orientation and self-evaluation. The Managing Director's responsibilities include: -

- Collaborating with the Board of Directors and keeping them advised and informed on the strategic direction of the company and being the intermediary between the Board and the Team. This requires the Managing Director to attend board meetings and meet with the Chairman or other Board Directors as needed;
- Being responsible for leading the development and execution of long-term strategies with the goal of increasing shareholder value;
- Maintaining awareness of the competitive market landscape, expansion opportunities and industry developments while assessing associated risks to the Company and ensuring they are monitored and minimized;
- Recommending to the Board yearly budget for approval and prudently managing the organization's resources, the annual budget, financial and physical resources and ensuring that the organization is in continual compliance with current laws and regulations;
- Overseeing design, marketing, promotion, delivery and quality of programs, products and services;
- Leading and managing the Team effectively in accordance with predetermined Performance Measures and Job Position Description;
- Alerting the Board in advance of any forthcoming complex, contentious, sensitive issues or corporate decisions as soon as possible prior to regularly scheduled board meetings.

Board Composition

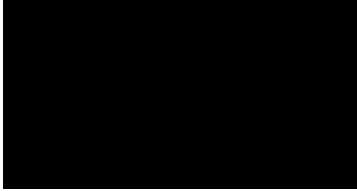
As at 31st October 2019, the Board is comprised of seven (7) members, namely Mr. Steven Gooden (Chairman), Ms. Kimala Bennett (Managing Director), Mr. Douglas Lindo, Ms. Rochelle Cameron, Ms. Maxine Waters, Mr. Michael Bennett (Company Secretary) and Ms. Tashara-Lee Johnson.

Of the Company's seven (7) Directors, there are four (4) Independent Non-Executive Directors. A Director will not be considered independent if: -

- The Director has been an employee of the Company within the last five (5) years;
- The Director is affiliated with a company that acts as an advisor or consultant to the company or its related parties, or is and has acted in such capacity at any time during the past five years;
- The Director has any personal service contracts with the company, its related parties or its senior management at any time during the past five (5) years;
- The Director receives additional remuneration from the Company apart from Director's fee and any performance related pay scheme;
- The Director is employed as an executive officer of another company where any of the company's executive serve on that company's Board;
- The Directors represents a significant shareholder;
- The Director is a member of the immediate family of any individual who is, or has been at any time during the past five (5) years, employed by the company or its related parties as an executive officer.

The Board members are experienced and respected individuals from varied backgrounds and professions. The expertise of the Board members to support and challenge management is reflected in the table below.

Expertise	Steven Gooden	Kimala Bennett	Michael Bennett	Rochelle Cameron	Tashara-Lee Johnson	Douglas Lindo	Maxine Walters
Independent (I)/Executive (E)/Non-Executive (NE)	I	E	NE	I	E	I	I
Advertising and Production Industry		✓			✓		✓
General Management	✓	✓	✓	✓	✓	✓	✓
Strategic Management	✓	✓	✓	✓	✓	✓	
Finance & Accounting	✓					✓	
Brand & Marketing		✓			✓		✓
Legal				✓			
Risk Management	✓			✓		✓	



Board Committees

The Board's three (3) established Committees are as follows:

- i. The Audit Committee
- ii. The Remuneration Committee
- iii. Corporate Governance Committee

Audit Committee

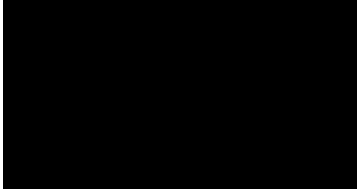
The Audit Committee is made up of three (3) members, namely Mr. Douglas Lindo (Chairman), Ms. Rochelle Cameron and Ms. Maxine Walters. Two (2) members form a quorum and meetings are held quarterly and/or when deemed necessary to do so. The Audit Committee met twice since the Company listed its shares, this was on 3rd September 2019 and 9th December 2019.

The Audit Committee plays a critical role to the Board in overseeing the financial reporting and the auditing process of the Company's financials. The Committee's roles and functions entail:

- Reviewing the unaudited quarterly financials and audited financials;
- Monitoring and ensuring that the integrity of the financials is maintained;
- Ensuring that proper accounting standards are complied within the preparation of the financials;
- Ensuring internal controls and systems are in place to identify and contain business risks.

During the financial year under review the Audit Committee:

- Reviewed and recommended to the Board the approval of Unaudited Financial Statements for the nine (9) months ended July 31, 2019;
- Reviewed and recommended to the Board the appointment of the external auditors Hall Wilson & Associates, Chartered Accountants;
- Reviewed the audited financials for year ended 31st October 2019 prepared by the external auditors, Hall Wilson & Associates;
- Recommended to the Board for approval a final dividend payment of \$0.02 cent to all shareholders on record as at 3rd January 2020 paid on 31st January 2020.
- Recommended to the Board for approval a Capital Expenditure budget of J\$54 million for the fiscal year 2020.



Remuneration Committee

The Remuneration Committee has three (3) members, namely Ms. Rochelle Cameron (Chairperson), Ms. Douglas Lindo and Ms. Maxine Walters. The Remuneration Committee:

- Designs and determines the remuneration of the Chair, Directors, Executive Directors and Senior Management;
- Reviews pay principles applied across the Company, base pay, benefits and all incentives and aspects of financial and non-financial reward that are performance-based;
- Takes steps to counteract the risk of incentives that are detrimental to the long-term success of the Company;
- Exercises discretion to ensure the remuneration outcome for individual directors are reasonable and reflects the individual's contribution.

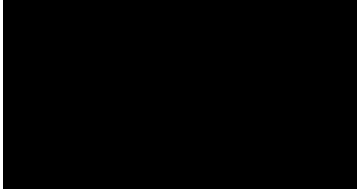
This Committee did not meet during the year under review.

Corporate Governance Committee

The Corporate Governance Committee has four (4) members, namely Mr. Steven Gooden (Chairman), Ms. Rochelle Cameron, Ms. Kimala Bennett and Mr. Michael Bennett. The Corporate Governance Committee:

- Carries out periodic reviews of the Corporate Governance Policy and principles;
- Reviews and approves timely disclosures to its Stockholders/Stakeholders and other regulatory bodies as required by the JSE Junior Market Rules;
- Ensures a formal and transparent compensation/remuneration policy for Executives, Directors and Senior Management;
- Monitors as appropriate, Directors' orientation to update the skills and knowledge required to fulfil their roles both on the Board and Committees;
- Reviews strategies, performance and resolves disputes speedily; and
- Reviews the Insider Trading Policy and quarterly Directors and Senior Management Disclosure of shareholdings.

This Committee did not meet during the year under review.



Board Appointment, Rotation, Retirement

The appointment of Board members is governed by the Company's Articles of Incorporation. It states that the Directors shall appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. The Director appointed shall hold office only until the next Annual General Meeting and be eligible for re-election.

Rotation and Retirement

Board rotation and retirement is also governed by the Company's Articles. At the first Annual General Meeting, one-third (1/3) of the directors shall retire. The Director who has been in office longest, since their last election or appointment, shall retire. However, retiring directors shall be eligible for re-election or re-appointment. A Board member may resign or retire at any time by providing the Chairman with a written notice of resignation.

Director Orientation

At its first Board of Directors' meeting as a publicly listed company, held on 4th September 2019, the Board of Directors participated in an Orientation Session on Directors' Responsibilities under the Jamaica Stock Exchange Rules and the Companies Act of Jamaica. The Session highlighted inter alia that the Board of Directors shall act with due skill and care to: (a) promote the commercial activities of the Company; (b) ensure the compliance and other applicable legal requirements of the Company; and (c) establish adequate procedures, systems and controls for the purposes of:

- the good standard of corporate governance;
- good fiscal discipline on financial reporting; and
- the making of public announcements and timely disclosure.



BOARD OF
DIRECTORS

steven Gooden



INDEPENDENT
NON EXECUTIVE CHAIRMAN

Steven Gooden is the Chief Executive Officer of NCB Capital Markets Limited, which under his leadership has expanded into the southern and eastern Caribbean via the establishment of hubs in the Cayman Islands, Trinidad & Tobago and Barbados. Steven's ascension to executive management was at 26 years old when he was appointed General Manager for one of Jamaica's leading fund management companies. In 2009, he rejoined NCB Capital Markets as Vice President, Investments and Trading where he successfully integrated the investment management functions of the Group's subsidiaries with combined assets exceeding US\$2 Billion. Steven is a holder of the Chartered Financial Analyst (CFA) designation, has a master's degree in Finance and Economics and a bachelor's degree in Economics and Accounting. He has also participated in executive development courses at Chicago Booth and Wharton Business schools covering strategy, change leadership and mergers & acquisitions. Steven sits on the board of directors of several companies within the NCB Group, the Jamaica Stock Exchange Limited and the Caribbean Mezzanine Fund Limited. Additionally, he is the Chairman of NCB Global Finance Limited and NCB Capital Markets (Barbados) Limited as well as President of the Jamaica Securities Dealers Association.

kimala **Bennett**



EXECUTIVE DIRECTOR

Kimala Bennett is CEO and founder of the LAB with over a decade of experience in the film production and advertising sector. Kimala holds a bachelor's degree from Mount Holyoke College and is currently pursuing an Executive MBA at the Jack Welch Management Institute. She sits on several boards and is a member of the Grace Kennedy Innovation Council. Kimala is a published author specializing in entrepreneurial manuals such as 'Starting a Business in Jamaica' and "The Young Entrepreneurs' Handbook". She is also a recipient of the PSOJ '50 Under Fifty Business Leaders Shaping Jamaica's Future Awards'. The film director turned entrepreneur was named the 2019 Anthony Sabga Laureate for Caribbean Excellence in Entrepreneurship.

michael **Bennett**



NON EXECUTIVE DIRECTOR

Michael Bennett is a local legend in the music and entertainment industry. Michael is known for his philanthropic music ventures including coordinating the two year USAID funded FiWi programme at the University of Technology Jamaica which taught musical skills as well as entertainment management and entrepreneurship. Michael holds a bachelor's degree in Business Administration from NCU and is the owner and Creative Director of the renowned Grafton Studios, which has nurtured acts from JC Lodge to Chronixx. Michael has received countless awards for his musical work including the 2018 Iconic Mentorship award from the Jamaica Reggae Industry Association (JaRIA). He has produced national projects including the Jamaica 50 Anthem and the Heart of Jamaica Album for J. Wray and Nephew.

maxine **Walters**



INDEPENDENT
NON EXECUTIVE DIRECTOR

Maxine Walters is one of Jamaica's most respected filmmakers with over 25 years of experience as the island's go-to film partner for high budget international projects. Her brand has built a reputation for providing world-class filmmaking in the Caribbean. Her company is credited with work for brands such as Virgin Media, Puma and Gatorade. Maxine is known for bringing Hollywood to Jamaican film, creating exposure and on-set training opportunities for local film crews. She has made her mark in various parts of the entertainment sector and is one of the founders of Reggae Sunsplash. She broke ground being credited as associate producer of the American TV show "Going to Extremes", the first Jamaican to do so in the US space.

tashara -lee **Johnson**



EXECUTIVE DIRECTOR

Tashara-Lee Johnson is the General Manager of the LAB where she has been a team member for 3 years, and plays a key role in the strategic growth and day-to-day operations of the Company. She holds a bachelor's degree in Media & Communication with a minor in International Relations from The University of the West Indies and has completed a course in Leadership at the Jack Welch Management Institute. Having served primarily in production management roles in previous jobs, Tashara has extensive international experience with campaigns, commercials, feature films, and documentaries. Some of these include King of the Dancehall by Nick Cannon, Hooked by Max Emerson, Flight by Kia Moses, and OTR II Beyonce and Jay-Z. She recently represented Jamaica at the Black Women Film Network Festival, as the producer of "Flight" which won the Audience Award, Best Screenplay, Best Cinematography as well as the overall top prize. The film has also been recognized by the Cannes Film Festival.

rochelle Cameron



INDEPENDENT
NON EXECUTIVE DIRECTOR

An attorney-at-law with over 20 years at the Jamaican Bar, Rochelle is a former Crown Counsel with the Office of the Director of Public Prosecutions in Jamaica. She has served as Vice President of Legal and Regulatory for Flow Caribbean and Company Secretary of Cable & Wireless Jamaica Limited and its subsidiaries. Her blend of business acumen and organizational skills allows her to be a valuable contributor on various private and public sector boards. Ultimately, however, she is focused on the development of people and is committed to helping organizations create an enabling environment in which colleagues are engaged and motivated to tap into and unleash their brilliance. In keeping with this passion for mobilizing people beyond their perceived limits, Rochelle has also served as the Assistant Vice President of Human Resource Development and Public Relations at the Jamaica Broilers Group. She is the founder and CEO of Prescient Consulting Services Limited a firm which supports organisations with the development and execution of impactful legal, people and communications strategies. She is also the co-founder of Ready to Emerge Limited, an organisation focused on personal and professional development. In addition to her legal training, Rochelle holds a Master of Business Administration in International Business, from the Mona School of Business and Management, and is a former lecturer at the institution. Ms. Cameron is a John Maxwell certified Coach, Trainer and Speaker.

douglas **Lindo**



INDEPENDENT
NON EXECUTIVE DIRECTOR

Douglas Lindo is the co-owner, and Managing Director of Bellindo Ltd., one of the country's leading manufacturers of designed metal products for the commercial and residential sectors. He is also a member of the adjunct faculty of the University of the West Indies, Mona School of Business and Management, where he co-ordinates and lectures the module on New Ventures and Entrepreneurship and provides consultancy services on a range of entrepreneurship related projects through his other company – Windward Holdings.

He has also owned and managed businesses in the agriculture and beverage manufacturing sectors. Over the last twenty years, Douglas has held senior executive positions both in the private and public sector. He has provided consultation services to the Government of Jamaica, overseas investors with business interests in Jamaica, and a range of locally based entrepreneurs. Douglas is a recipient of the PSOJ '50 Under Fifty Business Leaders Shaping Jamaica's Future Awards' & the 2012 Young Entrepreneur Award, given by the Young Entrepreneurs Association in recognition of his contribution in the field of entrepreneurship.



SENIOR

MANAGEMENT

natassia
Benjamin

ACCOUNTS MANAGER



Natassia Benjamin is an accounting specialist with over seven (7) years of experience and has a background in auditing. She holds certifications in the Association of Accounting Technicians (AAT) levels 2-4 and Association of Chartered Certified Accountants (ACCA) Level 1. Natassia's range of experience in accounting also includes her course certification in Forensic Accounting from the Institute of Chartered Accountants of Jamaica (ICA). She joined the Company in 2017 and has proven herself to be a strong asset to the Company.

tashan
Hendricks

CREATIVE DIRECTOR



Tashan Hendricks has eight (8) years of experience in the creative industry having worked with a range of local agencies. Tashan holds a bachelor's degree in Entertainment & Cultural Enterprise Management from the University of the West Indies and several certificates in event marketing and management. She has worked with the LAB for a total of three (3) years during which she has also acted as a copywriter and account executive. Tashan has led the creative conceptualization of over 100 projects with the LAB, and draws on her experience in artiste and event management to guide the Company's creative talent.

dexter Musgrave

CREATIVE STRATEGIST (CONSULTING)



Dexter Musgrave has over ten (10) years of experience as a creative lead in the field of advertising, working with agencies across the region and in the United States. Dexter has worked with the LAB for two (2) years as both creative director/strategist and consultant. He has brought his creative thinking to brands like Digicel, Scotia Bank, Cable & Wireless and international brands like Nestle, and Coca Cola. Some of his most notable creative campaign achievements have been the Digicel “Be Extraordinary” launch in the Trinidad, Guyana, Barbados and St. Lucia markets. Dexter has conceptualised, written and directed commercials that have received local and international awards by such bodies as the Advertising Agencies Association of Trinidad and Tobago, (AAATT), the Caribbean Advertising Federation (CAF) and the American Advertising Federation (AAF).

samantha Whyte

MEDIA MANAGER



Samantha Whyte has over fifteen (15) years of experience as a media buyer in the advertising arena, working with local and international agencies. She has worked with the Company for the last three (3) years. Samantha graduated cum laude from University College of the Caribbean with an associate’s degree in Business Administration. She also holds certificates in Media Planning from the Advertising Agencies Association of Jamaica (AAJ) and Caribbean School of Media and Communication (CARIMAC). Samantha has worked on large media executions including the local campaign launches of Red Bull, and the National Health Fund, as well as the brand transition from b-mobile to LIME, and the rebranding of RBTT to RBC. Her international work includes campaigns for Nestle in Trinidad and Europe. Samantha has received certificates for outstanding contributions in media from both the Jamaica Observer and the Sunday Herald.

colleen
Corke-Campbell

CLIENT SERVICE MANAGER



Colleen Corke-Campbell has over eight (8) years of experience in client services, entertainment and project management. Colleen graduated from the University of the West Indies in 2011 with a bachelor's degree in Entertainment and Cultural Enterprise Management and holds a CAPM certification in Project Management. Colleen has led and overseen some of Digicel's biggest projects in Jamaica and the region, as well as coordinating production's, from concept to execution, for large brands. She is a skilled task manager and has efficiently managed several concurrent accounts for household names including HiLo and GK General Insurance.

tricia
Knott-Francis

HEAD OF PRODUCTION

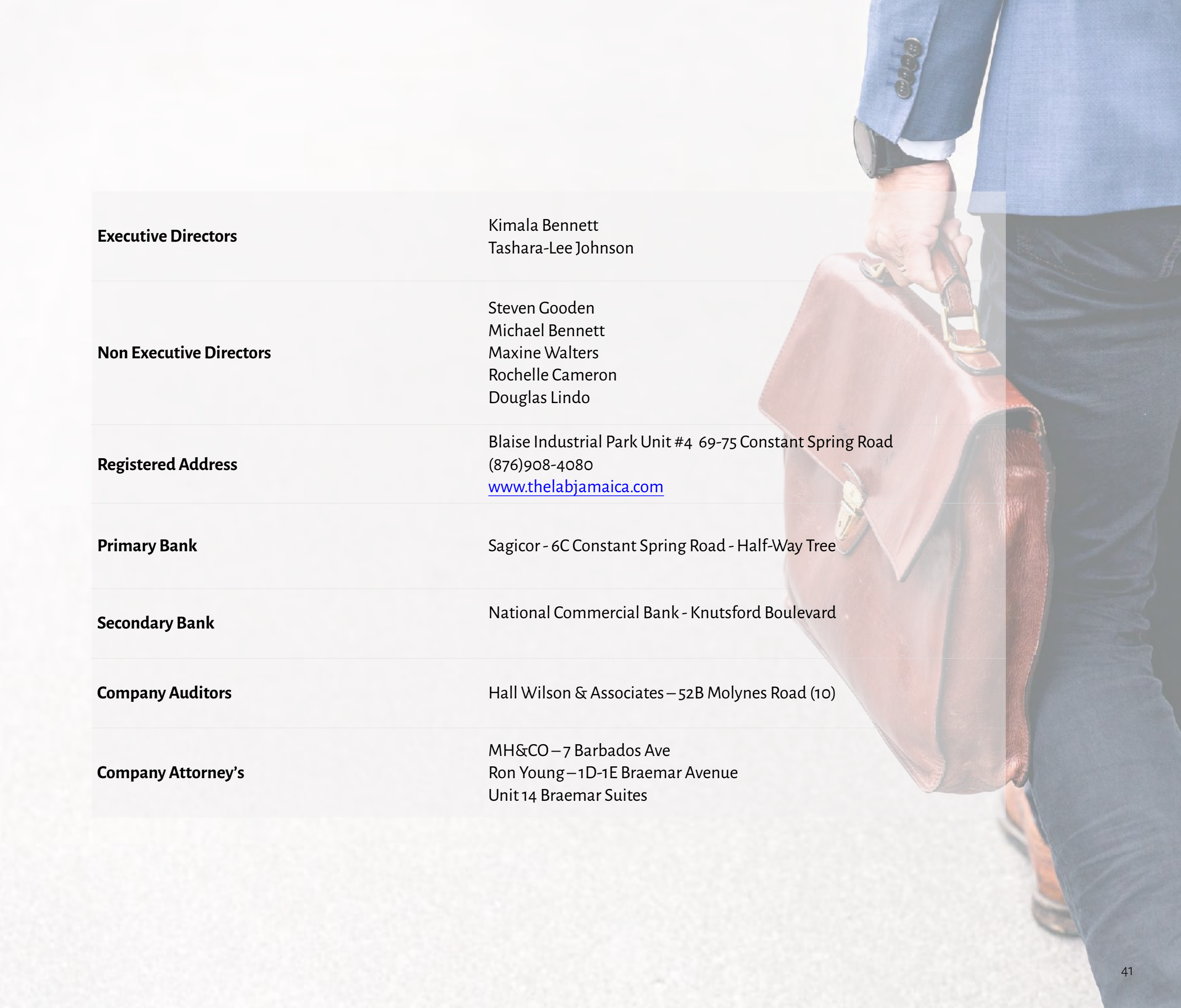


Tricia Knott-Francis has over fifteen (15) years of experience in event and film production and has worked with the Company for ten (10) years. She is at the core of the production department, managing executions for the full range of the Company's clientele with a team of some 100 crew members. Her talent and comprehensive experience bring a level of capability and energy to the film production services for the Company. Tricia has a solid reputation for efficiency having managed several multi-million-dollar budgets for both local and international productions. Productions include NCB Capital Quest and JPS PowerSmart Energy Challenge reality TV shows, Digicel Set For The Summer and Grace Flava with a Beat, to name a few.



CORPORATE

DATA



Executive Directors	Kimala Bennett Tashara-Lee Johnson
Non Executive Directors	Steven Gooden Michael Bennett Maxine Walters Rochelle Cameron Douglas Lindo
Registered Address	Blaise Industrial Park Unit #4 69-75 Constant Spring Road (876)908-4080 www.thelabjamaica.com
Primary Bank	Sagikor - 6C Constant Spring Road - Half-Way Tree
Secondary Bank	National Commercial Bank - Knutsford Boulevard
Company Auditors	Hall Wilson & Associates – 52B Molynes Road (10)
Company Attorney's	MH&CO – 7 Barbados Ave Ron Young – 1D-1E Braemar Avenue Unit 14 Braemar Suites



DISCLOSURE

OF SHAREHOLDINGS

Shareholding of Directors, Senior Managers and Top Ten Shareholders as At October 31, 2019

	TOTAL	DIRECT	CONNECTED PARTY
DIRECTORS			
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	7,499,830	7,499,830	
Randy Rowe	6,065,240	6,065,240	
Natassia Benjamin	293,923	293,923	
Tashan Hendrick	100,000	100,000	
Colleen Corke – Campbell	50,000	50,000	
TOP (10) SHAREHOLDERS			
	UNITS	OWNERSHIP PERCENTGAE	
Kimala Bennett Private Company Limited	728,181,394	77.0000%	
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	7,499,830	0.7931%	
Pankaj Ashok Bhatia	6,094,626	0.6455%	
Randy Rowe	6,065,240	0.6414%	
Douglas Orane	5,000,000	0.5287%	
NCB Capital Markets. A/C 2231	4,997,326	0.5288%	
Pentannual Holdings Limited	3,537,401	0.3471%	





MANAGEMENT DISCUSSION &
ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) for the Limners and Bards Limited should be read in conjunction with the Historical Financial Data set out elsewhere in this Annual Report.

THE COMPANY

The LAB is a full-service and fully-integrated advertising agency and film production company. We provide services to our clients through our three (3) main business segments; Production, Media and Agency. We currently have clients across several sectors ranging from the telecommunications, financial services, food & beverage, gaming and sports, government, education and non-profit industries.

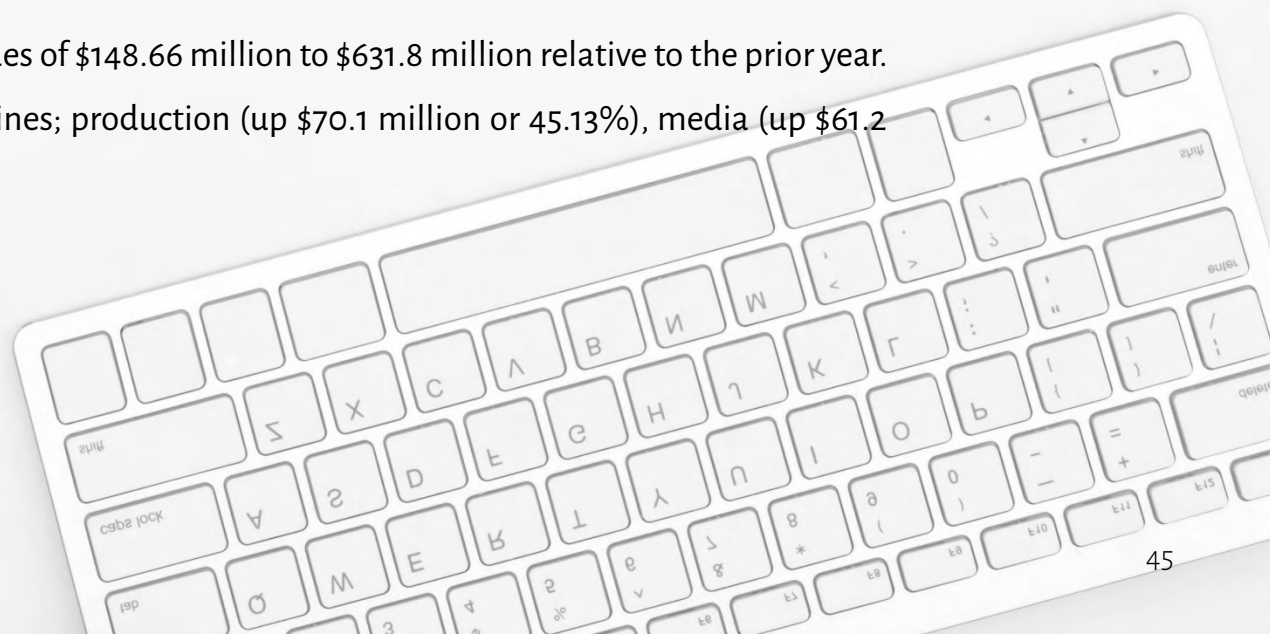
On July 28, 2019, we became the first advertising agency and film production company to be listed on the Junior Market of the Jamaica Stock Exchange (JMSE) after a successful IPO that opened and closed on July 17, 2020.

FINANCIAL HIGHLIGHTS

For the financial year ending October 2019, The LAB continued along a path of increased profitability and revenue growth. Revenue and net profits grew by 30.77% and 52.05% respectively. Shareholder equity also increased by 189.9% to \$356 million, up from \$233.2 million year over year and return on average equity delivered to shareholders was 26.6%.

Revenue

During the year 2019, we generated significant increase in revenues of \$148.66 million to \$631.8 million relative to the prior year. This was attributable to significant growth in our key business lines; production (up \$70.1 million or 45.13%), media (up \$61.2 million or 26.53%) and agency (up \$17.1 million or 17.77%).



The growth in revenue was also positively impacted by our strategies of growing share of wallet from existing clients by seeking to deliver greater value and services to meet their needs.

Profitability

Gross profit increased by 39.37% or \$64.0 million relative to the previous year. Also, our net profit was \$94.7 million which was \$32.432 million higher than the previous year. As mentioned earlier, the company was listed on the JMJSE during the 2019 financial year. A key benefit of listing on the JMJSE is that the company became eligible for a remission on income tax once certain conditions were achieved after the date of admission.

Return on equity for the year was 26.6% and earnings per share increased from \$0.08 (diluted) to \$0.12. There was dilution resulting from the issuance of new shares by the company that were sold during the initial public offer (IPO) which opened and closed on July 17, 2019.

Total assets

The statement of financial position reflects an increase in total assets to \$488.5 million from \$243.1 million or 100.92 % higher than the prior year. A larger cash balance of \$291.5 million compared to \$61.8 million in the prior year is mainly attributed to the proceeds of the IPO.

Total liabilities

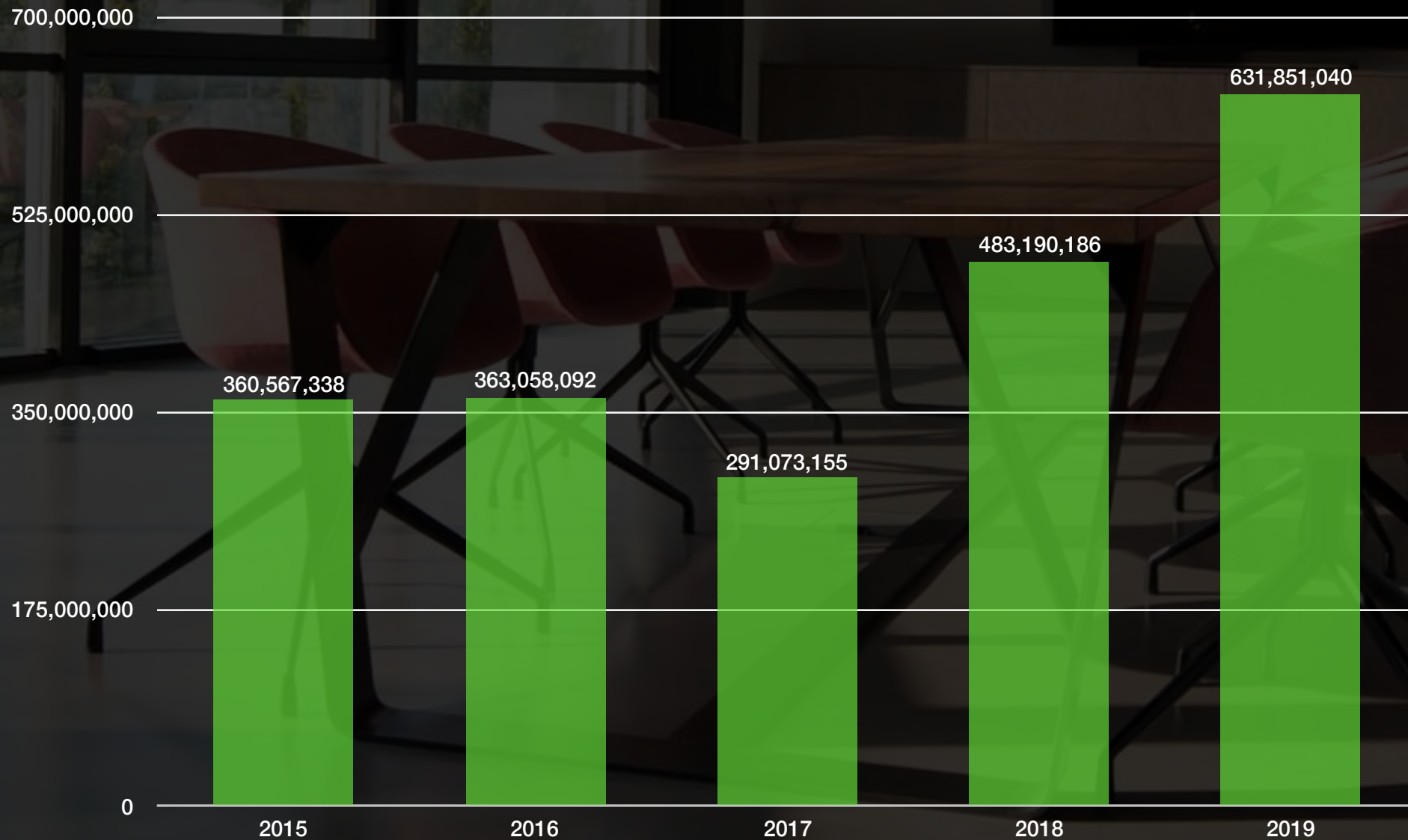
Total liabilities grew at a much slower pace to \$132.4 million compared to \$120.3 million in the previous year. Strategic investments made to strengthen core areas of the business did not require the company to increase its liabilities. We therefore remain relatively liquid closing the year with a cash balance of \$291.5 million.

FINANCIAL ANALYSIS

Income Statement	October 2018	October 2019
	\$	\$
Operating revenue	483,190,186	631,851,040
Cost of operating revenue	(320,508,814)	(405,120,730)
Gross profit	162,681,372	226,730,310
Loss on disposal of property, plant and equipment	(1,454,543)	-
	161,226,829	226,730,310
Administrative, selling and distribution expenses:		
Administration expenses	(81,653,011)	(115,147,066)
Selling and distribution	(559,516)	(2,085,598)
	(82,212,527)	(117,232,664)
Impairment losses on financial assets	(315,591)	(448,216)
Profit before net finance cost and taxation	78,698,711	109,049,430
Finance income	413,610	3,310,594
Finance cost	(2,578,386)	(4,823,174)
Net finance cost	(2,164,776)	(1,512,580)
	76,533,935	107,536,850
Loss in value of investments classified as FVTPL	-	(85,958)
Profit before taxation	76,533,935	107,450,892
Taxation	(14,220,077)	(12,704,654)
Net profit being total comprehensive income for the year	62,313,858	94,746,238

Statement of Financial Position	October 2018	October 2019
Non-Current Assets	91,580,148	101,176,006
Current Assets	151,568,847	387,346,912
Total Assets	243,148,995	488,522,918
Current Liabilities	70,573,841	82,577,260
Non-Current Liabilities	49,753,732	49,885,949
Total Liabilities	120,327,573	132,463,209
Net Assets	122,821,422	356,059,709

Ratios	October 2018	October 2019
Return on assets	25.63%	19.39%
Gross profit margin	33.67%	35.88%
Net profit margin	12.90%	15.00%
Current Ratio	2.15:1	4.69:1
EPS	8c	12c



Five Year Trend

Over the past five years, we have delivered significant growth in revenues moving from \$360.5M in 2015 to \$631.8M in 2019. This level of growth has been relatively consistent with the exception of 2017 where revenues fell by 19.80% as a result of the company taking a strategic decision to focus on retooling and training in preparation for the next phase of our growth. Since this time, however, we have been repeating the rewards of our decision as our revenues and profitability have consistently exceeded the prior years.

PAYMENT OF DIVIDENDS

We are pleased to advise that on December 13, 2019 our Board of Directors approved a resolution to declare a dividend of 2 cents per ordinary share. This dividend was paid to shareholders on January 31, 2020.

OUTLOOK

In order to continue executing on our key strategic goal of regional expansion, we have expanded our team to reflect this new focus. Our brand and insight strategist and one of our creative leads are of regional heritage bringing solid exposure and experience in working in the regional marketplace. We are proud to say that their contribution has already borne fruit as we have already been able to take our first bold steps into this competitive landscape by the securing of contracts with two Trinidadian companies.

The worldwide advertising market is estimated to be valued at over US\$550 billion. It is our opinion that based on the borderless nature of our business and our qualified team, structure and unique capabilities, the LAB is positioned to acquire a share of this mega market. Accordingly, we are guided by international best practices as we seek greater market share. In order to ensure that we continue on the right path, we have contracted the services of a consultant who has vast experience in scaling global agencies with success.

Market expansion must be matched by the retention and growth of key talent. For this reason, a human resource consultant, who has successfully molded corporate cultures for several blue chip companies, is ably leading the creation of our systems, standard operating procedures and our people culture.

In equal measure, we have invested in comprehensive project management technology allowing us to increase efficiency, track profitability, and monitor workflows. We are now able to engage more heavily in data driven decision making which will ultimately increase our competitiveness.

The year 2020 will mark our entrance into the Digital Marketing space for which we are currently developing an innovative suite of services. To this end, we are engaged in research and consultations to ensure that our foray into the market will be well-timed and profitable.



BUSINESS LANDSCAPE

The positive macroeconomic climate supported by strong consumer confidence will continue to encourage business investment and business expansion, both of which will require quality advertising support and will represent additional revenue opportunities.

Our high performance, client-oriented culture, and reputation of producing “wow work on time”, combined with deep cross-sector experience in areas such as telecommunications, fast moving consumer goods, wines and spirits and financial services will continue to give us a clear competitive advantage in the growing marketplace.

RISK

The risk mitigation strategy employed is centred on market diversification and talent management.

Although we have leveraged opportunities for growth in multiple markets from inception, in 2020, we will be taking a more deliberate approach to deepen regional and international revenue streams while still paying careful attention to our core clientele in Jamaica. Revenue inflows are also carefully monitored to ensure that no one client represents more than 30% of our revenue base.

Creative talent is central to our success and so through an internship programme and partnership with CARIMAC - the Caribbean's leading media educational institution – new talent is identified and nurtured. Team engagement and development are key areas of focus in our retention strategy.

PEOPLE AND CULTURE

Collaboration is intrinsic to a culture such as ours that recognizes that good ideas can come from anywhere. Therefore, our executive team, our elite team of creatives and our tribe of freelancers are all invested in the learning and sharing of new ideas and best practices. These, they are invited to share at our Monday morning meetings that ensure that we all begin the week on the same page.

While active self-directed research is encouraged, we have also invested in international conference attendance and training for our creatives and agency heads, thereby exposing our team to leading market trends and opportunities to foster their networks with like-minded professionals.



Today, we seek to balance our creative prowess with a top tier talent in human resource development who has helped us to place adequate focus on critical areas such as HR policy development, evaluation, retention strategies, and succession planning. In so doing, we ensure that our team remains strong and able to deliver. Of equal importance, is the fact that our team members know that they can grow as the LAB grows and that we are providing them with support to develop the necessary skills for it.

Sustaining an intense, high performance culture such as our own requires a strong spirit of camaraderie. With our annual retreat, birthday club, 5K participation and celebratory events, we ensure that together we work and together we play so that when the time comes we continue to produce “WOW WORK ON TIME!”

“

Collaboration is intrinsic to a culture such as ours that recognizes that good ideas can come from anywhere.

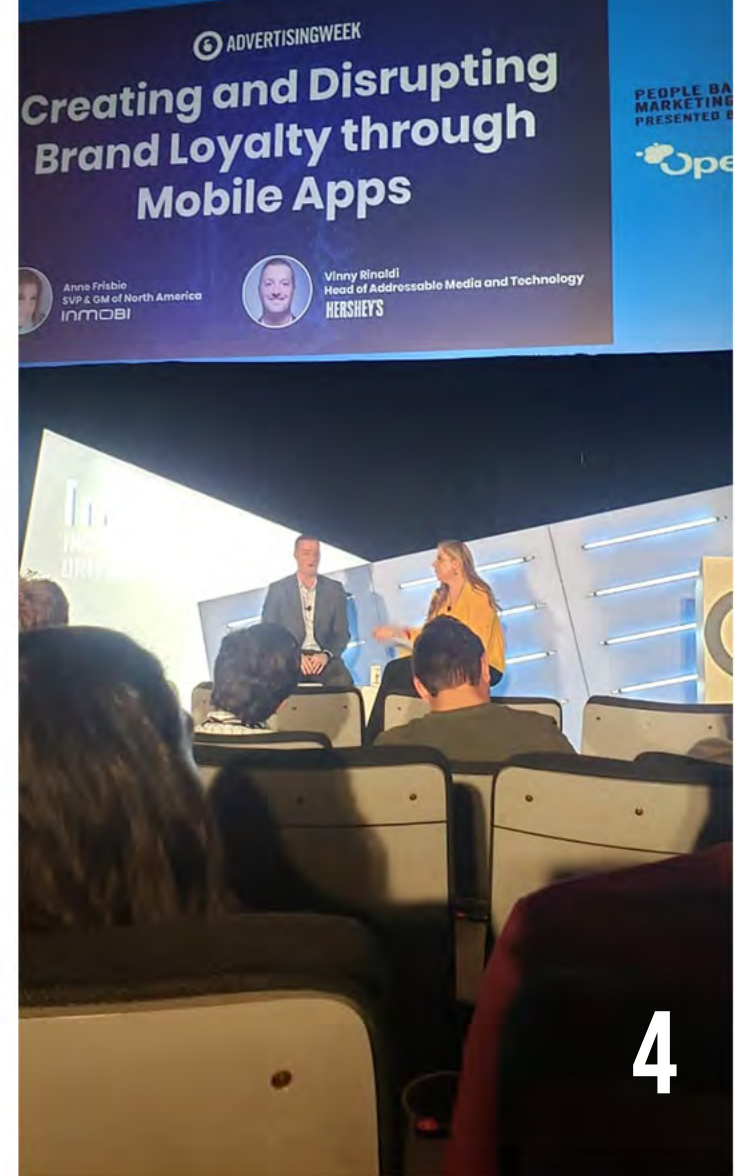
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“

**WOW
WORK
ON
TIME!**

”



TRAINING AND DEVELOPMENT

1. General Manager Tashara-Lee Johnson attended the Agency Management Institute (AMI) Conference in Chicago focused on agency efficiencies , best practices and creating a platform for international cross agency collaboration.
2. The Regulatory and Market Oversight Division of the Jamaica Stock Exchange conducted a JSE's Rules Orientation Session with members of The LAB
3. Director Rochelle Cameron speaks at our 2019 Company Strategic Retreat.
4. Creative Director Tashan Hendricks attends the ADWEEK conference in New York to learn more about trends in the industry.

CORPORATE SOCIAL RESPONSIBILITY

Nurturing new talent

One of the areas of which we are most proud, is the nurturing of creative talent. Success in this space demands a disciplined approach to learning and application. For this reason, we provided **three students** in need from the Caribbean School of Media and Communication (CARIMAC), UWI, Mona with scholarships and internships in the 2019 fiscal year.

Supporting activism through film

The cost of equipment rental is prohibitive and so it can be a deterrent for filmmaker activists. For a few well-designed projects that are socially impactful, we are able to waive the rental charges for film producers who are working on verifiable community based initiatives.

Supporting miles of smiles for the special needs community

As a long standing partner with Digicel, we supported the work of its foundation especially as it relates to those with special needs. For the third consecutive year, our team participated in large numbers in the Digicel 5K and we facilitated the coverage and promotion of this worthy cause.



A person with short dreadlocks, wearing a light blue hoodie, is seen from the back and side, raising their right fist in a celebratory gesture. They are sitting at a desk in a computer lab or office, with multiple computer monitors displaying code or data. The background is bright and slightly blurred, showing shelves with books and other office equipment. The overall mood is one of achievement and success.

COMPANY

HIGHLIGHTS

LISTING ON THE JSE

On July 26, 2019, The LAB made history as the first Advertising and Film Production Company to have listed on the Jamaica Junior Stock Exchange, further diversifying the types of companies listed by the JMSE.

Twelve years prior, the founders commenced operations with J\$20,000.00 and a Mac computer. The Company ended the 2019 fiscal year with revenues of \$631.8 million dollars and pre-tax profits of \$107.4 million dollars. The LAB's record breaking IPO was oversubscribed by 360% and yielded a raise of J\$189,138,050.



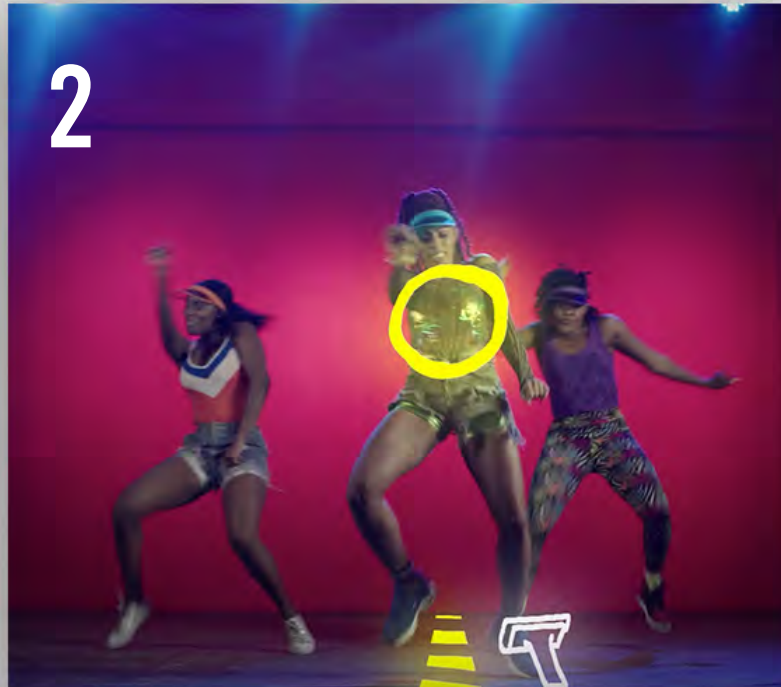
20 19

PROJECTS

2019 saw a marked increase in the scale and scope of the campaigns undertaken by The LAB.

Take a look at some of the work we did!

1. Digicel Business Essentials
2. Digicel "Saucy Summa"
3. Grace Christmas
4. NCB Fifa World Cup
5. JPS "Powering What Matters"





7 OPEN THE DOOR TO YOUR OWN HOME

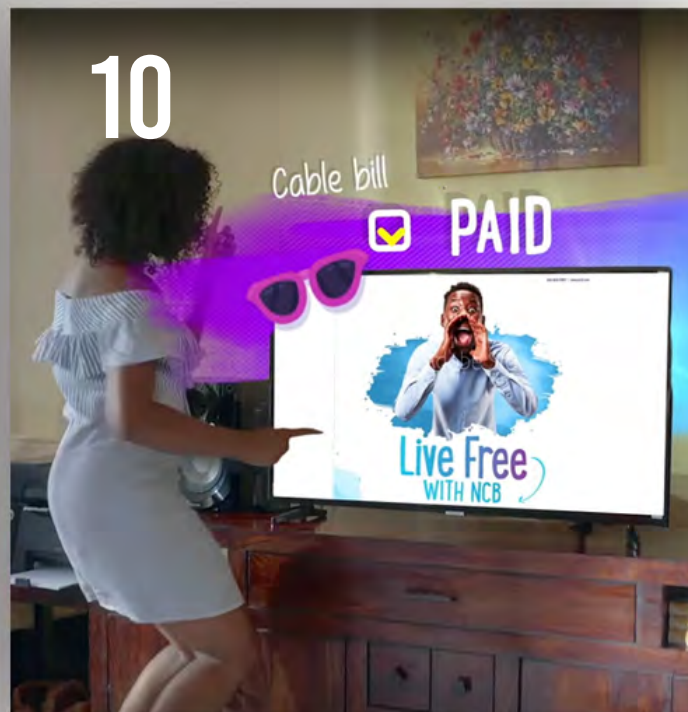
Rates as low as 6.95%

Up to 100% financing

Up to 35 years to repay

Start at: myhome.jncb.com or text "MY HOME" to 876-383-1729 for more info.

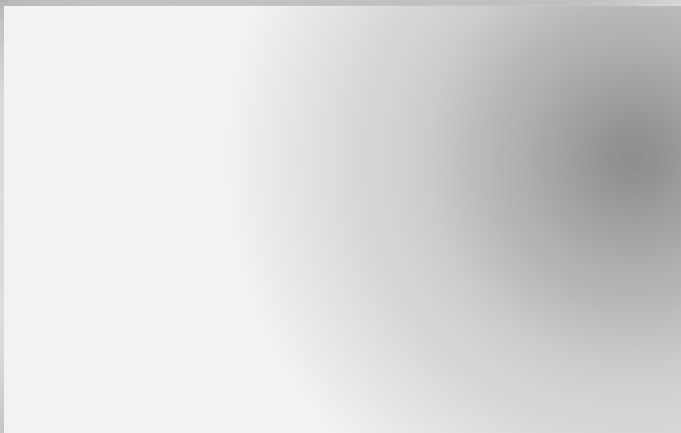
Effective annual interest rate as low as 7.176%. Conditions apply.



20 19

PROJECTS

6. Grace "Good Food Dem"
7. NCB Mortgage "Open the Door"
8. Zoomers "Zoom Into Fun"
9. GK "Real Recognize Real"
10. NCB Summer "Live Free"
11. Digicel "Nuff Winnin' Nuff Givin'"



BEHIND THE SCENES

Members of the LAB team at work on a few of our projects from 2019.



AWARDS

1. The LAB received 3 ADDY Awards for 2019 for its work on Grace Christmas, Grace Nannyville and NCB MPOS.
2. Our innovative approach to entrepreneurship was recognized by the Jamaica Chamber of Commerce for which we copped the Jamaica Chamber of Commerce Entrepreneur Award.
3. The LAB was the recipient of the 2019 RJR Gleaner Communications Group Single Platform Creative Award for our work on NCB MPOS.
4. Regionally, we were awarded the prestigious Anthony Sabga Award for Entrepreneurial Excellence.

AUDITED FINANCIAL STATEMENTS

THE LIMNERS AND BARDS LIMITED

Financial Statements
Year ended October 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of
THE LIMNERS AND BARDS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Limners And Bards Limited ("the Company") set out on pages 5 to 26, which comprise the statement of financial position as at October 31, 2019, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at October 31, 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment were of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on this matter.

Measurement of expected credit loss

Key Audit Matter	How the matter was addressed in our audit
We considered the measurement of expected credit loss (ECL) a key audit matter as the determination is subjective and requires management to make significant judgments and estimates and the application of forward – looking information.	Our audit procedures included: <ul style="list-style-type: none"> • Obtain and evaluate the model used by management. • Testing the completeness of the data used. • Testing the accuracy of the ECL calculation. • Reviewing collection history and testing subsequent collections. • Assessing the adequacy of disclosures of the key assumptions and judgments in the financial statements.

HALL, WILSON & ASSOCIATES

CHARTERED ACCOUNTANTS
KINGSTON, JAMAICA, W.I.

52b MOLYNES ROAD,
KINGSTON 10

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(876) 901-3067
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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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To the Members of
THE LIMNERS AND BARDS LIMITED

Report on the Audit of the Financial Statements (continued)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

HALL, WILSON & ASSOCIATES

CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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To the Members of
THE LIMNERS AND BARDS LIMITED

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HALL, WILSON & ASSOCIATES

CHARTERED ACCOUNTANTS
KINGSTON, JAMAICA, W.I.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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To the Members of
THE LIMNERS AND BARDS LIMITED

Report on the Audit of the Financial Statements (continued)

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

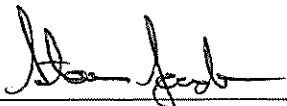
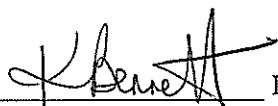
The engagement partner on the audit resulting in this independent auditor's report is Wilfield St. P. Hall.

Hall Wilson & Associates
Chartered Accountants
December 13, 2019

Statement of Financial Position
At October 31, 2019

	Notes	2019 \$	2018 \$
<u>Non – current asset</u>			
Property, plant and equipment	5	99,984,899	91,580,148
Intangible assets	6	551,793	-
Investments	7	639,314	-
		<u>101,176,006</u>	<u>91,580,148</u>
<u>Current assets</u>			
Due from related parties	8	10,312,385	24,773,860
Accounts receivable	9	83,842,135	64,919,960
Taxation recoverable		1,613,736	-
Cash and cash equivalents	10	<u>291,578,656</u>	<u>61,875,027</u>
		<u>387,346,912</u>	<u>151,568,847</u>
Total assets		<u>488,522,918</u>	<u>243,148,995</u>
<u>Shareholders' equity</u>			
Share capital	11	178,941,261	100
Retained earnings		<u>177,118,448</u>	<u>122,821,322</u>
		<u>356,059,709</u>	<u>122,821,422</u>
<u>Non - current liabilities</u>			
Long - term loans	12	49,885,949	48,155,400
Deferred taxation	13	-	<u>1,598,332</u>
		<u>49,885,949</u>	<u>49,753,732</u>
<u>Current liabilities</u>			
Accounts payable and accrued charges	14	79,536,180	58,194,361
Current maturity of long - term loans	12	3,041,080	2,560,784
Taxation payable		-	<u>9,818,696</u>
		<u>82,577,260</u>	<u>70,573,841</u>
Total equity and liabilities		<u>488,522,918</u>	<u>243,148,995</u>

The financial statements on pages 5 to 26 were approved for issue by the Board of Directors on December 13, 2019 and signed on its behalf by:

Steven Gooden Chairman Kimala Bennett Director

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

Statement of Profit or Loss and Other Comprehensive Income
Year ended October 31, 2019

	<u>Notes</u>	<u>2019</u> \$	<u>2018</u> \$
Operating revenue	15	631,851,040	483,190,186
Cost of operating revenue		(405,120,730)	(320,508,814)
Gross profit		226,730,310	162,681,372
Loss on disposal of property, plant and equipment		<u>-</u>	(1,454,543)
		<u>226,730,310</u>	<u>161,226,829</u>
Administrative, selling and distribution expenses:	16		
Administration expenses		(115,147,066)	(81,653,011)
Selling and distribution		(2,085,598)	(559,516)
		<u>(117,232,664)</u>	<u>(82,212,527)</u>
Impairment losses on financial assets	16	(448,216)	(315,591)
Profit before net finance cost and taxation		<u>109,049,430</u>	<u>78,698,711</u>
Finance income		3,310,594	413,610
Finance cost		(4,823,174)	(2,578,386)
Net finance cost	17	<u>(1,512,580)</u>	<u>(2,164,776)</u>
		107,536,850	76,533,935
Loss in value of investments classified as FVTPL		(85,958)	<u>-</u>
Profit before taxation		107,450,892	76,533,935
Taxation	18	<u>(12,704,654)</u>	<u>(14,220,077)</u>
Net profit being total comprehensive income for the year		<u>94,746,238</u>	<u>62,313,858</u>
Earnings per stock unit	19	<u>12c</u>	<u>08c</u>

Statement of Changes in Equity
Year ended October 31, 2019

	<u>Share capital</u> \$	<u>Retained earnings</u> \$	<u>Total</u> \$
Balance at October 31, 2017	100	60,507,464	60,507,564
Total comprehensive income for the year	<u>-</u>	<u>62,313,858</u>	<u>62,313,858</u>
Balance at October 31, 2018	100	122,821,322	122,821,422
Adjustment on initial application of IFRS 9	<u>-</u>	<u>(433,981)</u>	<u>(433,981)</u>
Adjusted balances at November 1, 2018	100	122,387,341	122,387,441
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>94,746,238</u>	<u>94,746,238</u>
Balance at October 31, 2019	<u>178,941,261</u>	<u>177,118,448</u>	<u>356,059,709</u>

Statement of cash flows
Year ended October 31, 2019

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	94,746,238	62,313,858
Adjustments to reconcile net profit for the year to net cash provided by operating activities:		
Depreciation and amortisation	11,362,039	10,557,482
Loss on disposal of property, plant and equipment	-	1,454,543
Loss on investment	85,958	-
Interest income	(1,340,112)	(92,428)
Interest expense	3,890,707	2,806,135
Taxation	<u>12,704,654</u>	<u>14,220,077</u>
	121,449,484	91,259,667
Working capital components:		
Due from related parties	14,461,475	(5,352,091)
Accounts receivable	(18,922,006)	(18,757,797)
Accounts payable and accrued charges	<u>21,341,819</u>	<u>27,534,157</u>
Cash provided by operating activities	138,330,772	94,683,936
Interest paid	(3,890,707)	(2,806,135)
Tax paid	<u>(25,735,418)</u>	<u>(2,677,167)</u>
Net cash provided by operating activities	<u>108,704,647</u>	<u>89,200,634</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	905,962	92,428
Investment	(725,272)	-
Disposal of property, plant and equipment	5,155,053	-
Addition to property, plant and equipment	<u>(25,473,636)</u>	<u>(71,668,798)</u>
Net cash used in investing activities	<u>(20,137,893)</u>	<u>(71,576,370)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued	178,926,030	-
Long – term loans, net,	2,210,845	-
Dividends paid	<u>(40,000,000)</u>	<u>-</u>
Net cash provided by financing activities	<u>141,136,875</u>	<u>40,721,184</u>
Net increase in cash and cash equivalents	229,703,629	58,345,448
Cash and cash equivalents at start of year	<u>61,875,027</u>	<u>3,529,579</u>
Cash and cash equivalents at end of year	<u>291,578,656</u>	<u>61,875,027</u>

Notes to the Financial Statements
Year ended October 31, 2019

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 is situated at 17 Holborn Road, Kingston 10 and its principal place of business is situated at Unit # 4, 69 - 75 Constant Spring Road, Kingston 10.

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.

The principal activities of the company are the production of television and multimedia commercials, video productions feature films and is an advertising agency.

2. Statement of compliance and basis of preparation

(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.

New standards, interpretations and amendments to standards that are effective for accounting periods beginning on or after January 1, 2018:

Certain new and amended standards that were in issue came into effect during the current financial year. This is the first set of set of the company's annual financial statements in which IFRS 9, *Financial Instruments* and IFRS 15, *Revenue from contracts with Customers*, have been applied from November 1, 2018. Their adoption resulted in changes to significant accounting policies and are described in note 3.

New and amended standards issued but not yet effective:

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not effective at the date of the statement of financial position and which the company has not early adopted. Management anticipates that the following will be relevant to the company's financial statements.

- *IFRS 16, Leasing* (effective for annual periods beginning on or after January 1, 2019). Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short – term leases of low – value assets; however, this exemption can only be applied by lessees. The company is assessing the impact of adopting the standard on its financial statements.
- Amendments to *IFRS 9 'Financial Instruments'*, on *prepayment features with negative compensation* (effective for annual periods beginning on or after January 1, 2019). This amendment enables companies to measure some financial assets containing a prepayment feature which results in negative compensation at amortised cost. The relevant assets would otherwise have been measured at fair value through profit or loss. The adoption of this amendment is not expected to have an impact on the company.

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

2. Statement of compliance and basis of preparation (continued)

New and amended standards issued but not yet effective (continued):

- *IFRIC 23 'Uncertainty over Income Tax Treatments'* (effective for annual periods beginning on or after January 1, 2019) IFRIC 23 clarifies how the recognition and measurement requirements of IAS 12 'Income Taxes' are applied where there is uncertainty over income tax treatment. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The company is assessing the impact on the financial statements arising from the future adoption of the interpretation.
- *Annual improvements IFRS 2015 – 2018 Cycle – Amendments to IAS 12 and IAS 23 (effective for annual periods beginning on or after January 1, 2019)*. The amendments to IAS 12 clarify that all income tax consequences of dividends should be recognised in the income statement, regardless of how the tax arises. The amendments to IAS 23 clarify that if any specific borrowing remains outstanding after the related asset are ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The adoption of these amendments is not expected to have a significant impact on the company's financial statements.

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, except for the inclusion of investments classified as fair value through profit or loss carried at fair value.

(c) Use of estimates and judgement:

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the statement of financial position date, and the income and expenses for the year then ended. Actual amounts could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below.

(i) Financial assets:

For the purpose of these financial statements, judgment refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and well – reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS. The key relevant judgements are as follows:

1. Classification of financial assets (applicable to 2019 only):

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

2. Statement of compliance and basis of preparation (continued)

(c) Use of estimates and judgement (continued):

(i) Financial assets (continued):

2. Impairment of financial assets:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward – looking information into measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement.

Allowance for impairment losses (Applicable for 2019 only):

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward – looking information. Management also estimates the likely amount of cash flows recoverable on the financial assets in determining loss given default. The use of assumptions make uncertainty inherent in such estimates.

(ii) Residual value and expected useful life of property, plant and equipment:

The residual value and the expected useful life of an asset are reviewed at least at each financial year end and, if expectations differ from previous estimates, the change is accounted for. The useful life of an asset is defined in terms of the asset's expected utility to the company.

3. Changes in significant accounting policies

The company has adopted IFRS 9, *Financial Instruments* and IFRS 15, *Revenue from contracts with Customers* from November 1, 2018. A number of other standards and interpretations to standards were also effective from November 1, 2018 but they did not have a material impact on the company's financial statements.

The effect of initially applying these standards is mainly attributed to additional disclosures.

- *IFRS 9, Financial Instruments* (effective November 1, 2018). Resulting from the application of this new standard, the company made changes to the accounting policies relating to the treatment of financial assets. The company has applied the transitional relief and opted not to restate the comparative results. Adjustments to the carrying amounts of financial assets and financial liabilities arising from the adoption of IFRS 9 as of November 1, 2018 are recognised directly in equity. The adoption of IFRS 9 impacted the following areas:
 - Investment in quoted securities are now measured at fair value through profit or loss (FVPL). This did not have an impact on the opening statement of financial position as of November 1, 2018.
 - The impairment of financial assets (trade and other receivables) did not have a material impact on the opening statement of financial position as at November 1, 2018.

The standard also amends some of the requirements of *IFRS 7, Financial Instruments: Disclosures* including added disclosures about investments in equity instruments designated at fair value through other comprehensive income.

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

3. Changes in significant accounting policies (continued)

On the date of the initial application, November 1, 2018, the financial instruments of the company were reclassified as follows:

<u>Financial assets</u>	<u>Original IAS 39 Category</u>	<u>New IFRS 9 Category</u>	<u>IAS 39 balance 31.10.18</u>	<u>Impairment allowance</u>	<u>IFRS 9 balance 01.11.18</u>
Cash and cash Equivalents	Loans and receivables	Amortised cost	61,875,027	-	61,875,027
Trade and other Receivables	Loans and receivables	Amortised costs	<u>64,919,960</u>	<u>(433,981)</u>	<u>64,485,979</u>
			<u>126,794,987</u>	<u>(433,981)</u>	<u>126,361,006</u>

The impact, net of tax, on transition to IFRS 9 on the opening unappropriated profits at November 1, 2018 is as follows:

Retained earnings – under IAS 39 (October 1, 2018)	122,821,322
Reclassification – impairment allowance on trade and other receivables	<u>(433,981)</u>
Opening balance under IFRS 9 (November 1, 2018)	<u>122,387,341</u>

- *IFRS 15, Revenue from contracts with Customers* (effective for annual periods beginning on or after January 1, 2018). Under the new standard, revenue must be allocated to performance obligations based on relative transaction prices. A performance obligation is defined as a promise to transfer goods or services to a customer. Revenue recognition takes place over time or at a point in time, with the transfer of control as the key criterion. Any bundled goods or services that are distinct must be separately recognised and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed. Application of the standard did not have an impact on the revenue or results of the company.

4. Significant accounting policies

(a) Property, plant and equipment:

- (i) Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self – constructed assets includes the cost of material and direct labour and any other costs directly attributable to bringing the assets to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

- (ii) Depreciation:

Property, plant and equipment are depreciated on a straight-line basis at annual rates estimated to write off the assets over their expected useful lives. The depreciation rates are as follows:

Equipment, furniture, fixtures & building improvements	10%
Building	5%
Computers & motor vehicles	20%

Depreciation methods, useful lives and residual values are reassessed annually.

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

4. Significant accounting policies (continued)

(b) Intangible assets – computer software:

Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of five (5) years for the software on a straight – line basis.

Costs associated with developing or maintaining computer software programs are recognised as expenses as incurred.

(c) Accounts receivable:

Accounts receivable is stated at amortised cost less impairment losses.

(d) Related parties:

A party is related to the company, if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - (a) is controlled by, or is under common control with the company;
 - (b) has a direct or indirect interest in the company that gives it significant influence;
or
 - (c) has joint control over the company;
- (ii) the party is an associate of the company;
- (iii) the party is a joint venture in which the company is a venturer;
- (iv) the party is a member of the key management personnel of the company;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The company has a related party relationship with its directors and key management personnel, representing certain senior officers of the company.

(e) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances including short-term deposits and other monetary investments with maturities ranging between one and three months from the date of statement of financial position. Bank overdrafts, repayable on demand and forming an integral part of the company's cash management activities, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Accounts payable:

Trade and other payables are measured at amortised cost.

(g) Borrowings:

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest – bearing borrowings are measured at amortised cost, with any difference between proceeds (net of transaction costs) and redemption value being recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as property, plant and equipment.

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

4. Significant accounting policies (continued)

(h) Foreign currencies:

Foreign currency balances at the reporting date are translated at the exchange rates ruling at that date. Transactions in foreign currencies are converted at the exchange rates ruling at the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are recognised in profit or loss.

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss are treated as cash items and included in cash flows from operating or financing activities along with movement in the relevant balances.

(i) Share capital:

Ordinary shares are classified as equity where there is no obligation to transfer cash or other assets. Transaction costs directly attributable to the issue of shares are shown in equity as a deduction from the proceeds of the issue.

(j) Dividends:

Dividends on ordinary shares are recognised in equity in the period in which they are approved. Interim dividends payable to shareholders are approved by the directors while final dividends have to be approved by the equity shareholders at the Annual General Meeting. Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

(k) Revenue recognition:

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control over a good or service to and is accepted by a customer. Revenue from the sale of goods or provision of service represents the invoiced of goods and services and is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

(l) Taxation:

Taxation on the profit or loss for the year comprises current and deferred tax. Taxation is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the date of the statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

4. Significant accounting policies (continued)

(m) Impairment:

Financial assets

The company recognises loss allowances for expected credit loss (ECL) on financial assets measured at amortised cost and at fair value through OCI. This replaces IAS 39's 'incurred loss model'.

Recognition of credit loss is no longer dependent on the company first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of future cash flows of the instrument.

The company applies the simplified approach for trade receivables which is permitted by IFRS 9. The simplified approach requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

In calculating, the company uses its historical experience, external indicators and forward - looking information to calculate the expected credit losses using a provision matrix.

The company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

In the prior year, the impairment of trade receivables was based on the incurred loss model. Individually significant receivables were considered for impairment when they were past due or when other objective evidence was received that a specific counterparty will default. Receivables that were not considered to be individually impaired were reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate was then based on recent historical counterparty default rates for each identified group.

(n) Financial instruments:

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets comprise cash and cash equivalents, trade and other receivables, investments and amounts due from related parties. Similarly, financial liabilities comprise trade and other payables and loans.

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (except a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not a FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

4. Significant accounting policies (continued)

(n) Financial instruments (continued):

(ii) Classification and subsequent measurement

The financial assets that meet both of the following conditions are not designated as at fair value through profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as “held to collect” and measured at amortised cost.

Amortised cost represents the net present value (NPV) of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Trade and other receivables
- Investments

Due to their short – term nature, the company initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement

- Finance cost at amortised cost – These are measured at amortised cost using the effective interest method.
- FVTPL – Any gains or losses recognised in profit or loss.
- FVOCI – Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset. None of the company’s financial assets fall into this category.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the company transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass – through’ arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(o) Expenses:

(i) Finance costs and income:

Finance costs comprise interest expense on borrowings calculated using the effective interest rate method. Finance income comprise interest income on funds invested.

(ii) Operating lease payments:

Payments made under operating leases are recognised in the statement of comprehensive income on a straight - line basis over the term of the lease.

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

4. Significant accounting policies (continued)

(p) Short – term employee benefits:

Short term employee benefits including holiday entitlement are included in accruals, measured at the undiscounted amount that the company expects to pay as a result of the unused entitlement.

(q) Operating segment:

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess performance. The company has three operating segments: agency, production and media. Results by segments are disclosed in Note 21.

5. 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, 2017	9,665,724	5,241,830	28,279,979	3,437,181	2,283,649	48,908,363
Disposal	-	-	-	-	(2,283,649)	(2,283,649)
Additions	-	-	<u>3,099,446</u>	<u>1,316,619</u>	<u>67,252,733</u>	<u>71,668,798</u>
October 31, 2018	9,665,724	5,241,830	31,379,425	4,753,800	67,252,733	118,293,512
Disposals	(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	<u>11,882,480</u>	<u>6,398,730</u>	<u>31,409,462</u>	<u>9,184,846</u>	<u>74,536,165</u>	<u>133,411,683</u>
<u>Depreciation</u>						
October 31, 2017	1,933,145	3,504,188	9,458,578	1,259,971	829,107	16,984,989
Disposal	-	-	-	-	(829,107)	(829,107)
Charge for the year	<u>1,933,145</u>	<u>841,992</u>	<u>3,137,942</u>	<u>475,380</u>	<u>4,169,023</u>	<u>10,557,482</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	<u>594,125</u>	<u>5,374,972</u>	<u>15,737,465</u>	<u>2,653,833</u>	<u>9,066,389</u>	<u>33,426,784</u>
<u>Net book values</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>
October 31, 2018	<u>5,799,434</u>	<u>895,650</u>	<u>18,782,905</u>	<u>3,018,449</u>	<u>63,083,710</u>	<u>91,580,148</u>

Motor vehicle and building were pledged as security for loans (See note 12).

6. Intangible assets

	<u>Software</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>
<u>At cost</u>		
October 31, 2018	-	-
Addition	<u>689,741</u>	<u>689,741</u>
October 31, 2019	<u>689,741</u>	<u>689,741</u>

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

6. Intangible assets (continued)

	<u>Software</u> \$	<u>Total</u> \$
Amortisation		
October 31, 2018	-	-
Charge for the year	<u>137,948</u>	<u>137,948</u>
October 31, 2019	<u>137,948</u>	<u>137,948</u>
Carrying amount:		
October 31, 2019	<u><u>551,793</u></u>	<u><u>551,793</u></u>
October 31, 2018	<u><u>-</u></u>	<u><u>-</u></u>

7. Investments

	<u>2019</u> \$	<u>2018</u> \$
Quoted shares: – classified as FVTPL		
QWI Shares – at acquisition	725,272	-
At fair value	<u>639,314</u>	<u>-</u>
Loss in value of investment	<u><u>(85,958)</u></u>	<u><u>-</u></u>

8. Due from/to related parties

The balances are interest free and have no fixed repayment terms.

9. Accounts receivable

	<u>2019</u> \$	<u>2018</u> \$
Trade receivables	72,574,045	53,765,395
Allowance for impairment losses (i)	<u>(1,197,788)</u>	<u>(315,591)</u>
	71,376,257	53,449,804
Other receivables	<u>12,465,878</u>	<u>11,470,156</u>
	<u><u>83,842,135</u></u>	<u><u>64,919,960</u></u>

(i) The movement in allowance for doubtful receivables during the year was as follows:

	<u>2019</u> \$	<u>2018</u> \$
Balance at beginning of year	315,591	-
Transition adjustment – IFRS 9 (note 3)	433,981	-
Impairment loss recognized	<u>448,216</u>	<u>315,591</u>
	<u><u>1,197,788</u></u>	<u><u>315,591</u></u>

10. Cash and cash equivalents

	<u>2019</u> \$	<u>2018</u> \$
Bank balances	108,169,336	61,875,027
Short – term bank deposit	<u>183,409,320</u>	<u>-</u>
	<u><u>291,578,656</u></u>	<u><u>61,875,027</u></u>

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

11. Share capital

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Authorized:		
5,000,000,000 (100: 2018) Ordinary shares without par value		
Issued and fully paid:		
945,690,252 (100: 2018) Ordinary shares without par value	<u>178,941,261</u>	<u>100</u>

At an extraordinary general meeting of the Company held on February 25, 2019, the following steps were approved in respect to the capital structure of the Company:

- The authorized ordinary share capital was increased from 100 ordinary shares without par value to 1,000 ordinary shares without par value.
- Thereafter the company's ordinary share capital was sub-divided with each ordinary share being divided into 5,000,000 ordinary shares.
- Thereafter Kimala Bennett and Tashara-Lee Johnson were allotted 728,181,394 shares and 28,370,708 shares respectively.
- 189,138,050 ordinary shares were offered to and taken up by the general public and/or the Reserve Share Applicants.
- The re – registration of the Company as a public company under the provisions of the Companies Act 2004
- The adoption of new Articles of Incorporation.

12. Long-term loans

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
7.5% National Commercial Bank Jamaica Limited (i)	-	9,056,175
8.5% National Commercial Bank Jamaica Limited (ii)	40,119,854	41,660,000
6.99% National Commercial Bank Jamaica Limited (iii)	<u>12,807,175</u>	<u>-</u>
	52,927,029	50,716,184
Current maturity of long - term loans	<u>(3,041,080)</u>	<u>(2,560,784)</u>
	<u>49,885,949</u>	<u>48,155,400</u>

- (i) This loan was repaid during the year.
- (ii) The loan is secured by first legal mortgage over commercial building situated at Unit 4, 69 to 75 Constant Spring Road. The loan is repayable in one hundred and eighty equal monthly payments. (See note 5).
- (iii) This loan is secured by a bill of sale over a motor vehicle owned by the company. The vehicle is comprehensively insured with the bank's interest noted as mortgagor. The loan is repayable in one hundred and two equal monthly payments. (See note 5).

13. Deferred taxation

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Deferred taxation is attributable to:		
Property, plant and equipment	<u>-</u>	<u>1,598,332</u>

All changes in the provision for deferred taxation are recognized in the statement of profit or loss and other comprehensive income. Also see note 18 (c).

Notes to the Financial Statements
Year ended October 31, 2019

14. Accounts payable and accrued charges

	<u>2019</u>	<u>2018</u>
	\$	\$
Trade payables	70,692,238	46,470,847
Other payables and accrued charges	<u>8,843,942</u>	<u>11,723,514</u>
	<u>79,536,180</u>	<u>58,194,361</u>

15. Operating revenue

Operating revenue represents the invoiced value of services provided by the company, after discounts allowed and general consumption tax.

16. Expenses by nature

	<u>2019</u>	<u>2018</u>
	\$	\$
Administrative:		
Directors' remuneration – Executive	11,696,871	6,617,933
Staff costs	60,320,080	33,021,896
Audit fees	1,250,000	600,000
Depreciation and amortisation	11,362,039	10,557,482
Other administrative expenses	<u>30,518,076</u>	<u>30,855,700</u>
	<u>115,147,066</u>	<u>81,653,011</u>
	<u>2019</u>	<u>2018</u>
	\$	\$
Selling and distribution:		
Advertising, promotion and entertainment	637,611	295,516
Travelling	<u>1,447,987</u>	<u>264,000</u>
	<u>2,085,598</u>	<u>559,516</u>
Total administrative and selling and distribution expenses	<u>117,232,664</u>	<u>82,212,527</u>
Impairment losses on financial assets:		
Trade receivables (note 9(i))	<u>448,216</u>	<u>315,591</u>
	<u>2019</u>	<u>2018</u>
	\$	\$
Staff costs		
Salaries	47,224,019	27,310,876
Employer's statutory contributions	6,188,358	3,560,010
Other staff costs	<u>6,907,703</u>	<u>2,151,010</u>
	<u>60,320,080</u>	<u>33,021,896</u>

Notes to the Financial Statements (Continued)
Year ended October 31, 2019

17. Net finance cost

	<u>2019</u>	<u>2018</u>
	\$	\$
Finance income:		
Foreign exchange gain	1,970,482	321,182
Interest income	<u>1,340,112</u>	<u>92,428</u>
	<u>3,310,594</u>	<u>413,610</u>
Finance cost:		
Loan charges and interest	(4,178,877)	(2,806,135)
Loan charges – prior year refunded	-	988,360
Bank charges	<u>(644,297)</u>	<u>(760,611)</u>
	<u>(4,823,174)</u>	<u>(2,578,386)</u>
	<u>(1,512,580)</u>	<u>(2,164,776)</u>

18. Taxation

	<u>2019</u>	<u>2018</u>
	\$	\$
(a) Current taxation	27,052,339	14,411,307
Remission of income tax (note 13 c)	(6,763,085)	-
Employment tax credit	(5,986,268)	
Deferred taxation:		
Origination of temporary differences	<u>(1,598,332)</u>	<u>(191,230)</u>
Total taxation in the statement of profit or loss	<u>12,704,654</u>	<u>14,220,077</u>
(b) Reconciliation of effective tax rate:		
Profit/(loss) before taxation	<u>107,450,892</u>	<u>76,533,935</u>
Computed "expected" tax expense @ 25%	26,862,723	19,133,484
Tax relieved under the JMSE	(6,763,085)	-
Employment tax credit	(5,986,268)	(4,985,245)
Difference between results for financial statements and tax reporting purposes in respect of:		
Disallowed items, net	<u>(1,408,716)</u>	<u>71,838</u>
Actual tax expense in the statement of profit or loss	<u>12,704,654</u>	<u>14,220,077</u>
c). Effective July 28, 2019, the company's shares were listed on the Junior Market of the Jamaica Stock Exchange (JMSE). By notice dated August 13, 2009, the Minister of Finance and the Public Service, issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) Notice, 2009. The Notice effectively granted a remission of income tax to eligible companies that are admitted to the JMSE if certain conditions were achieved after that date of initial admission. Consequently, the company is entitled to a remission of income tax for ten years from the date of listing.		

19. 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 year.

	<u>2019</u>	<u>2018</u>
	\$	\$
Net profit attributable to shareholders	94,746,238	62,313,858
Weighted average of ordinary stock units	803,836,715	756,552,202
Basic and diluted earnings per stock unit	<u>12c</u>	<u>08c</u>

Notes to the Financial Statements (continued)
Year ended October 31, 2019

20. Dividends

The company declared and paid a dividend to the shareholder prior to listing. No dividend has been declared since listing.

21. Segment reporting

Segment information for the reporting period are as follows:

	Production \$	Media \$	Agency \$	Total \$
Revenue	225,763,243	292,291,551	113,796,246	631,851,040
Direct costs	<u>(125,430,756)</u>	<u>(251,871,272)</u>	<u>(27,818,702)</u>	<u>(405,120,730)</u>
Gross profit	<u>100,332,487</u>	<u>40,420,279</u>	<u>85,977,544</u>	<u>226,730,310</u>

22. Financial risk management

Exposure to various types of financial instrument risk arises in the ordinary course of the company's business. The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed on a regular basis and reflect changes in market conditions and the company's activities.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises principally on trade and other receivables, cash and cash equivalents and investments. There is no significant concentration of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The maximum exposure to credit risk at the reporting date was:

	<u>2019</u> \$	<u>2018</u> \$
Cash and cash equivalents	291,578,656	61,875,027
Investments	639,314	-
Due from related parties	10,312,386	24,773,860
Accounts receivable	<u>83,842,135</u>	<u>64,919,960</u>
	<u>386,372,491</u>	<u>151,568,847</u>

(i) Trade receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the company's customer base has less of an influence on credit risk.

A credit policy has been established under which each customer is analysed individually for creditworthiness. Credit is granted to customers on the approval of management. During the credit approval process, the customer is assessed for certain indicators of possible delinquency. In monitoring customer credit risk, customers are grouped according to the ageing of their debt. The company does not require collateral in respect of trade and other receivables.

The company establishes an allowance for impeachment that represents its estimate of incurred losses in respect of trade and other receivables. The allowances for doubtful debts are based on the ageing of the receivables and the customer's ability to pay.

Notes to the Financial Statements (continued)
 Year ended October 31, 2019

22. Financial risk management (continued)

(a) Credit risk (continued):

(i) Trade receivables (continued)

The expected loss rates are based on the payment profile for sales over the last 24 months as well as the historical losses during the period. Individual customer payment history also forms a critical part in the analysis. The historical rates are adjusted to reflect forward looking economic factors affecting the customers ability to pay. Trade receivables are written off when there is no reasonable expectation of recovery.

The expected credit loss for trade receivables as at October 31, 2019 were as follows:

	<u>Current</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>Over 90 days</u>	<u>Total</u>
ECL rate	<u>1%</u>	<u>1.5%</u>	<u>2%</u>	<u>5%</u>	
Gross carrying amount	<u>47,578,099</u>	<u>11,655,216</u>	<u>3,995,249</u>	<u>9,345,481</u>	<u>72,574,045</u>
Lifetime ECL	<u>475,781</u>	<u>174,828</u>	<u>79,905</u>	<u>467,274</u>	<u>1,197,788</u>

(ii) Cash and cash equivalents

The company limits its exposure to credit risk by maintaining these balances with financial institutions which management considered to be stable and only with counterparties that are appropriately licensed and regulated. Management does not expect any counterparty to fail to meet its obligations.

The company considered that cash and cash equivalents have low credit risk. No impairment allowances were recognised on initial adoption of IFRS 9 and there has been no change during the year.

(b) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market. The company has no significant exposure to market risk as financial instruments subject to this risk are not material.

(i) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The company minimises interest rate risk by investing mainly in fixed rate instruments and contracting liabilities at fixed rates, where possible. The company's interest rate risk arises mainly from bank loans.

The company does not account for any interest bearing financial instrument at fair value, therefore a change in interest rates at the reporting date would not affect the carrying value of the company's financial instruments.

At October 31, 2019, interest bearing assets aggregated \$25,200,521 (2018: \$16,473,962) financial liabilities subject to interest aggregated \$52,927,029 (2018: \$50,716,184).

An increase in interest rates of 100 basis points would decrease profit for the year and retained earnings by approximately \$277,265 (2018: \$342,422 increase). A reduction in interest rates of 100 basis points would have an equal but opposite effect, assuming all other variables remain constant.

Notes to the Financial Statements (continued)
Year ended October 31, 2019

22. Financial risk management (continued)

(b) Market risk (continued):

(ii) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The company is exposed to currency risk on transactions that are denominated in a currency other than its functional currency. The principal currency giving rise to this risk is the United States dollars (US\$).

The company manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currency and by managing the timing of payments of foreign currency liabilities.

The company's exposure to foreign currency risk at the reporting date was as follows:

	<u>2019</u> <u>US\$</u>	<u>2018</u> <u>US\$</u>
Financial assets	256,653	184,343
Financial liabilities	(21,099)	(3,378)
Net assets	<u>235,554</u>	<u>180,965</u>

Average exchange rates were as follows:

	<u>US \$1.00</u>
At October 31, 2018	128.59
At October 31, 2019	140.12
At December 13, 2019	134.81

Sensitivity analysis:

A 5% strengthening or weakening of the United States dollar against the Jamaican dollar would increase/(decrease) equity and profit by \$1,650,291 (2018: \$1,163,514). This analysis assumes that all variables, in particular, interest rates remain constant. The analysis is performed on the same basis for 2018.

(iii) Equity price risk:

Equity price risk arises from FVTPL equity securities held by the company as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the company's investment strategy is to maximise investment returns.

A 10% increase in the market price at the reporting date would cause an increase in gain on investments classified as FVTPL of \$63,931 (the shares were acquired during the current year). A 10% decrease would have an equal but opposite effect on the profit or loss account.

Notes to the Financial Statements (continued)
Year ended October 31, 2019

22. Financial risk management (continued)

(c) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid resources to meet its financial liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to reputation. Liquidity risk may result from an inability to sell a financial asset at, or close to, fair value.

The following are the contractual maturities of financial liabilities (including interest payments where applicable) measured at amortised costs.

	<u>Carrying amount</u> \$	<u>Contractual cash flows</u> \$	<u>0-1 year</u> \$	<u>2-5 year</u> \$	<u>>5 year</u> \$
October 31, 2019					
Accounts payable	79,536,180	79,536,180	79,536,180	-	-
Long – term loans	<u>52,927,029</u>	<u>84,732,912</u>	<u>7,054,203</u>	<u>28,216,812</u>	<u>49,461,897</u>
	<u>132,463,209</u>	<u>164,269,092</u>	<u>86,590,383</u>	<u>28,216,812</u>	<u>49,461,897</u>
	<u>Carrying amount</u> \$	<u>Contractual cash flows</u> \$	<u>0-1 year</u> \$	<u>2-5 year</u> \$	<u>>5 year</u> \$
October 31, 2018					
Accounts payable	58,194,361	58,194,361	58,194,361	-	-
Taxation payable	9,818,696	9,818,696	9,818,696	-	-
Long – term loans	<u>50,716,184</u>	<u>84,616,880</u>	<u>6,687,403</u>	<u>26,749,613</u>	<u>51,179,864</u>
	<u>118,729,241</u>	<u>152,629,937</u>	<u>74,700,460</u>	<u>26,749,613</u>	<u>51,179,864</u>

(d) Operational risk:

Operational risk is the risk of direct or indirect losses arising from a variety of causes associated with the entity's processes, personnel, technology, infrastructure and external factors, other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

(e) Capital management

The policy of the company's Board of Directors is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of business and ensure it continues as a going concern.

The company considers its capital to be its total equity inclusive of unappropriated profits and capital reserves. The company's financial objective is to generate a targeted operating surplus, in order to strengthen and provide for the future continuity of the company as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost the of capital.

Notes to the Financial Statements (continued)
Year ended October 31, 2019

22. Financial risk management (continued)

(e) Capital management (continued)

The Directors regularly review the financial position of the company at meetings and monitor the return on capital and the level of dividends to the ordinary shareholders.

There was no change to the company's approach to capital management policies during the year.

23. Fair value of financial instruments

The fair value of short – term monetary assets and liabilities are assumed to approximate their carrying values due to their relatively short - term nature. Long – term loans are carried at the contractual settlement amounts.

THE LIMNERS AND BARDS LIMITED

Shareholding of Directors, senior managers and top ten shareholders
At October 31, 2019

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	7,499,830	7,499,830	-
Randy Rowe	6,065,240	6,065,240	-
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>Units</u>	<u>Ownership Percentage</u>
Kimala Bennett Private Company Limited	728,181,394	77.0000%
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	7,499,830	0.7931%
Pankaj Ashok Bhatia	6,094,626	0.6455%
Randy Rowe	6,065,240	0.6414%
Douglas Orane	5,000,000	0.5287%
NCB Capital Markets. A/C 2231	4,997,326	0.5288%
Pentannual Holdings Limited	3,537,401	0.3471%



FORM OF
PROXY

FORM OF PROXY

I/We _____ of

being member/members of THE LIMNERS AND BARDS LIMITED (“The LAB”) hereby appoint

_____ of _____ or

failing him The Chairman of the Board of The Limners and Bards Limited.

as my/our proxy vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 24th April 2020 at 10:00 a.m. at The Jamaica Pegasus Hotel and at any adjournment thereof.

Please indicate with an X in the space provided how you wish your proxy to vote on the Resolution referred to. Unless otherwise indicated, the proxy will vote as he thinks fit.

RESOLUTION	FOR	AGAINST
RESOLUTION NO. 1 Directors’ Report and Auditors Report and Audited Financial Statements		
RESOLUTION NO. 2 To ratify the dividend paid on 31 st January 2020 as final for the year ended 31 st October 2019.		
RESOLUTION NO. 3 Retirement and Re-election of Director		
Resolution 3a “THAT Mr. Michael Bennett be and is hereby re-elected a Director of the Company”.		
Resolution 3b “THAT Ms. Maxine Walters be and is hereby re-elected a Director of the Company”.		
Resolution 3c “THAT Ms. Tashara-Lee Johnson be and is hereby re-elected a Director of the Company”.		
RESOLUTION NO. 4 Directors’ Remuneration		
RESOLUTION NO. 5 Appointment and remuneration of the Auditors		

Signed this _____ day of _____, 2020

Signature: _____

FORM OF PROXY

NOTES:

- i. This Form of Proxy must be lodged at the Registered Office of the Company not later than forty-eight (48) hours before the meeting.
- ii. Any alterations in this Form of Proxy should be initialed.
- iii. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint-holders, seniority being determined by the order in which the names stand on the register.
- iv. If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an Office or Attorney duly authorized.
- v. An adhesive stamp of \$100.00 must be affixed to the Form of Proxy.