



THE LIMNERS AND BARDS LIMITED
UNAUDITED FINANCIAL STATEMENTS
SIX (6) MONTHS ENDED APRIL 30, 2020

THE LIMNERS AND BARDS LIMITED
Key Performance Highlights
Six Months Ended April 30, 2020

On behalf of the Board of Directors, we are pleased to present the unaudited financial statements of the Limners and Bards Limited for the six months ended April 30, 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS). The COVID-19 pandemic has had an unprecedented impact on companies globally. The LAB remains committed to the welfare of our staff and their family and supporting our clients in traversing the crisis by bridging the gap between consumers and brands.

Key Performance Highlights:

	Six months	Six months	Year over year		Year ended
	Ended April 30	Ended April 30	Change	Percentage	October 31
	2020	2019			2019
	\$	\$	\$	%	\$
Revenue	471,418,362	334,478,637	136,939,725	40.94	631,851,040
Gross profit	165,682,186	124,902,776	40,779,410	32.65	226,730,310
Net profit	86,673,489	57,117,212	29,556,277	51.75	94,746,238
Earnings per share	9c	8c			12c
Total assets	598,853,288	315,519,240	283,334,048	89.80	488,522,918
Shareholders' equity	423,819,393	139,938,634	283,880,759	202.86	356,059,709

Revenue for the six – month period was \$471.4 million, up 40.94% compared to \$334.5 million for the corresponding period last year.

The revenue growth was driven by growth in media (up \$99.3 million or 72.5%) and agency (up \$46.7 million or 78%). There was reduction in production (down \$9.1 million or 7%) during the period.

Gross profit increased by 32.65% or \$40.8 million over the previous six – month period. Gross profit margin of 35.1% decreased from 37.3% recorded in the previous period. This is mainly attributable to an increase in direct costs associated with agency (up 348%) and media (up 70%).

Net profits have increased by \$29.5 million, or 51.75% to \$86.6 million for the six – month period compared to the corresponding period ended April 30, 2019. However, there was no taxation for April 2020 and for proper comparison, using the net profit before taxation for April 2019 the increase would be \$14.5 million or 20.11%.

Administration expenses have increased by \$27.99 million, or 55.4% in comparison to the previous six – month period. These increases are primarily attributable to staff costs (due to increase work volume). Even with this increase, administrative expenses as a percentage of revenue remains relatively flat at 16.66% compared to 15.11% in the previous period.

The balance sheet shows a \$283.3 million, or 89.8% increase in total assets over the corresponding period last year. Non – current assets increased by \$19 million mainly attributable to the recognition of “right – of – use asset” offset by reduction in property, plant and equipment due to depreciation and disposal (of building). Current assets increased by \$264.3 million primarily as a result of significant increases in cash and investment balances by \$273 million (294 %) offset by reduction in accounts receivable.

In an effort to navigate financial challenges which the pandemic incurs on our industry, The LAB has employed various cost containment policies. The LAB has resolved to remain a critical resource for our clients. We are determined to remain competitive by reimagining the work process and have applied global standards and the Ministry of Health and Wellness' COVID-19 safety precautions to all our production sets.

The LAB encourages our community to remain safe and optimize levels of productivity and ingenuity to support the reactivation of the Jamaican economy. We would like to thank our team for their resilience and relentless pursuit of excellence, and our clients for trusting us with their business during this difficult time.



Steven Gooden
Chairman



Kimala Bennett
Chief Executive Officer

THE LIMNERS AND BARDS LIMITED

Financial Statements
Six Months Ended April 30, 2020

CONTENTS


	<u>Pages</u>
Statement of Financial Position	1
Statement of Comprehensive Income	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-7

*

Statement of Financial Position
At April 30, 2020

	Notes	Unaudited 6 months ended April 30 2020 \$	Unaudited 6 months ended April 30 2019 \$	Audited Year ended October 31 2019 \$
<u>Non – current assets</u>				
Property, plant and equipment	3	53,692,612	89,580,631	99,984,899
Right of use asset	4	54,000,340	-	-
Intangible assets		482,819	-	551,793
Investments		<u>402,929</u>	<u>-</u>	<u>639,314</u>
		<u>108,578,700</u>	<u>89,580,631</u>	<u>101,176,006</u>
<u>Current assets</u>				
Accounts receivable		118,870,769	133,461,968	83,842,135
Due from related parties		16,448,365	3,111,044	10,312,385
Taxation recoverable		2,545,437	-	1,613,736
Cash and cash equivalents		<u>352,410,017</u>	<u>89,365,597</u>	<u>291,578,656</u>
		<u>490,274,588</u>	<u>225,938,609</u>	<u>387,346,912</u>
Total assets		<u>598,853,288</u>	<u>315,519,240</u>	<u>488,522,918</u>
<u>Shareholders' equity</u>				
Share capital	5	178,941,261	15,231	178,941,261
Retained earnings		<u>244,878,132</u>	<u>139,923,403</u>	<u>177,118,448</u>
		<u>423,819,393</u>	<u>139,938,634</u>	<u>356,059,709</u>
<u>Non – current liabilities</u>				
Long – term loans		10,817,702	39,366,081	49,885,949
Long – term lease liability	4	53,052,925	-	-
Deferred taxation		<u>-</u>	<u>983,717</u>	<u>-</u>
		<u>63,870,627</u>	<u>40,349,798</u>	<u>49,885,949</u>
<u>Current liabilities</u>				
Accounts payable and accrued charges		108,735,481	113,519,469	79,536,180
Current maturity of long – term loans		1,340,915	1,540,155	3,041,080
Current maturity of lease liability	4	1,086,872	-	-
Related party loan		-	10,024,474	-
Taxation payable		<u>-</u>	<u>10,146,710</u>	<u>-</u>
		<u>111,163,268</u>	<u>135,230,808</u>	<u>82,577,260</u>
Total equity and liabilities		<u>598,853,288</u>	<u>315,519,240</u>	<u>488,522,918</u>

Signed on behalf of the Board of Directors by:



Steven Gooden

Chairman



Director

Kimala Bennett

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

Statement of Comprehensive Income
Six (6) Months Ended April 30, 2020

	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2020</u> \$	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2019</u> \$	<u>Unaudited</u> Quarter ended <u>April 30</u> <u>2020</u> \$	<u>Unaudited</u> Quarter ended <u>April 30</u> <u>2019</u> \$	<u>Audited</u> Year ended <u>October 31</u> <u>2019</u> \$
Operating revenue	471,418,362	334,478,637	208,419,683	145,106,658	631,851,040
Cost of operating revenue	(305,736,186)	(209,575,861)	(133,388,691)	(88,402,970)	(405,120,730)
Gross profit	<u>165,682,176</u>	<u>124,902,776</u>	<u>75,030,992</u>	<u>56,703,688</u>	<u>226,730,310</u>
Administrative, selling and distribution expenses:					
Administration expenses	(78,130,737)	(49,560,204)	(37,058,079)	(25,454,477)	(115,147,066)
Selling and distribution	(397,129)	(976,221)	(12,829)	(299,711)	(2,085,598)
	<u>(78,527,866)</u>	<u>(50,536,425)</u>	<u>(37,070,908)</u>	<u>(25,754,188)</u>	<u>(117,232,664)</u>
Impairment losses on financial assets	-	-	-	-	(448,216)
Profit before net finance cost and taxation	<u>87,154,310</u>	<u>74,366,351</u>	<u>37,960,084</u>	<u>30,949,500</u>	<u>109,049,430</u>
Finance income	2,277,406	158,682	1,062,375	132,876	3,310,594
Finance cost	(2,521,842)	(2,385,795)	(1,161,479)	(1,087,313)	(4,823,174)
Net finance cost	<u>(244,436)</u>	<u>(2,227,113)</u>	<u>(99,104)</u>	<u>(954,437)</u>	<u>(1,512,580)</u>
Loss in value of investment classified as FVTPL	(236,385)	-	(96,713)	-	(85,958)
Profit before taxation	86,673,489	72,139,238	37,764,267	29,995,063	107,450,892
Taxation	-	(15,022,026)	-	(5,438,526)	(12,704,654)
Net profit, being total comprehensive income for the period/year	<u>86,673,489</u>	<u>57,117,212</u>	<u>37,764,267</u>	<u>24,556,537</u>	<u>94,746,238</u>
Earnings per stock unit	6 <u>9c</u>	<u>8c</u>	<u>4c</u>	<u>3c</u>	<u>12c</u>

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

Statement of Changes in Equity
Six (6) Months Ended April 30, 2020

	<u>Share capital</u> \$	<u>Retained earnings</u> \$	<u>Total</u> \$
Balance at October 31, 2018	100	122,821,322	122,821,422
Dividends	-	(40,000,000)	(40,000,000)
Bonus shares issued	15,131	(15,131)	-
Issued shares	189,138,050	-	189,138,050
Share issue costs	(10,212,020)	-	(10,212,020)
Total comprehensive income for the year	<u>-</u>	<u>94,312,257</u>	<u>94,312,257</u>
Balance at October 31, 2019	178,941,261	177,118,448	356,059,709
Dividends	-	(18,913,805)	(18,913,805)
Total comprehensive income for the period	<u>-</u>	<u>86,673,489</u>	<u>86,673,489</u>
Balance at April 30, 2020	<u>178,941,261</u>	<u>244,878,132</u>	<u>423,819,393</u>

	<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
Dividends	-	(40,000,000)	(40,000,000)
Bonus shares issued	15,131	(15,131)	-
Total comprehensive income for the period	<u>-</u>	<u>57,117,212</u>	<u>57,117,212</u>
Balance at April 30, 2019	<u>15,231</u>	<u>139,923,403</u>	<u>139,938,634</u>

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

Statement of Cash Flows
Six (6) Months Ended April 30, 2020

	Unaudited 6 months ended April 30 2020 \$	Unaudited 6 months ended April 30 2019 \$	Audited Year ended October 31 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period/year	86,673,489	57,117,212	94,746,238
Adjustments to reconcile net profit for the period/year to net cash provided by operating activities:			
Depreciation	5,631,332	5,282,663	11,362,039
Loss on investments	236,385	-	85,958
Interest income	(2,243,037)	(52,818)	(1,340,112)
Interest expense	1,882,555	2,015,156	3,890,707
Taxation	-	15,022,026	12,704,654
	<u>92,180,724</u>	<u>79,384,239</u>	<u>121,449,484</u>
Working capital components:			
Due from related parties	(6,135,980)	21,662,816	14,461,475
Accounts receivable	(35,028,634)	(68,542,008)	(18,922,006)
Accounts payable and accrued charges	<u>29,199,301</u>	<u>55,325,108</u>	<u>21,341,819</u>
Cash provided by operating activities	80,215,411	87,830,155	138,330,772
Interest paid	(1,882,555)	(2,015,156)	(3,890,707)
Tax paid	(931,700)	(15,308,626)	(25,735,418)
Net cash provided by operating activities	<u>77,401,156</u>	<u>70,506,373</u>	<u>108,704,647</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	2,243,037	52,818	905,962
Investment	-	-	(725,272)
Disposal of property, plant and equipment	45,160,417	5,155,051	5,155,053
Addition to property, plant and equipment	(4,204,546)	(8,438,198)	(25,473,636)
Net cash provided by/(used in) investing activities	<u>43,198,908</u>	<u>(3,230,329)</u>	<u>(20,137,893)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issued shares	-	-	178,926,030
Payment of lease liability – principal portion	(86,486)	-	-
Long – term loans, net	(40,768,412)	(9,809,948)	2,210,845
Dividends paid	(18,913,805)	(40,000,000)	(40,000,000)
Related party loan	-	10,024,474	-
Net cash (used in)/provided by financing activities	<u>(59,768,703)</u>	<u>(39,785,474)</u>	<u>141,136,875</u>
Net increase in cash and cash equivalents	60,831,361	27,490,570	229,703,629
Cash and cash equivalents at start of period	<u>291,578,656</u>	<u>61,875,027</u>	<u>61,875,027</u>
Cash and cash equivalents at end of period	<u>352,410,017</u>	<u>89,365,597</u>	<u>291,578,656</u>

The accompanying notes form an integral part of the financial statements

Notes to the Financial Statements
Six (6) Months Ended April 30, 2020

1. Corporate structure and nature of business

The company is incorporated in Jamaica under the Companies Act and is domiciled in Jamaica. The registered office of the company and its principal place of business is situated at Unit # 4, 69 - 75 Constant Spring Road, Kingston 10.

The principal activities of the company are production, media and is an advertising agency.

The company was re – registered as a public company by resolution passed at an extraordinary general meeting held on February 25, 2019 and its shares were listed on the Junior Market of the Jamaica Stock Exchange on July 26, 2019.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB) and comply with the provisions of the Companies Act.

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

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

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

b) Basis of preparation:

The financial statements are presented in Jamaican dollars (J\$), which is the functional currency of the company. The financial statements are prepared under the historical cost convention.

The accounting policies that have been applied in the preparation of these un – audited financial statements are consistent with those used in the audited financial statements for the year ended October 31, 2019.

Notes to the Financial Statements (Continued)
Six (6) Months Ended April 30, 2020

3. Property, plant and equipment

	Motor Vehicle	Computers	Equipment	Office Furniture & equipment	Building & Building improvement	Total
	\$	\$	\$	\$	\$	\$
<u>At cost</u>						
October 31, 2018	9,665,724	5,241,830	31,379,425	4,753,800	67,252,733	118,293,512
Disposal	(9,665,724)	-	-	-	-	(9,665,724)
Additions	<u>11,882,480</u>	<u>1,156,900</u>	<u>30,037</u>	<u>4,431,046</u>	<u>7,283,432</u>	<u>24,783,895</u>
October 31, 2019	11,882,480	6,398,730	31,409,462	9,184,846	74,536,165	133,411,683
Disposal	-	-	-	-	(51,125,000)	(51,125,000)
Additions	<u>-</u>	<u>2,473,465</u>	<u>-</u>	<u>1,057,055</u>	<u>674,026</u>	<u>4,204,546</u>
April 30, 2020	<u>11,882,480</u>	<u>8,872,195</u>	<u>31,409,462</u>	<u>10,241,901</u>	<u>24,085,191</u>	<u>86,491,229</u>
<u>Depreciation</u>						
October 31, 2018	3,866,290	4,346,180	12,596,520	1,735,351	4,169,023	26,713,364
Disposal	(4,510,671)	-	-	-	-	(4,510,671)
Charge for the year	<u>1,238,506</u>	<u>1,028,792</u>	<u>3,140,945</u>	<u>918,482</u>	<u>4,897,366</u>	<u>11,224,091</u>
October 31, 2019	594,125	5,374,972	15,737,465	2,653,833	9,066,389	33,426,784
Disposal	-	-	-	-	(5,964,583)	(5,964,583)
Charge for the period	<u>1,188,248</u>	<u>295,230</u>	<u>1,396,676</u>	<u>422,212</u>	<u>2,034,050</u>	<u>5,336,416</u>
April 30, 2020	<u>1,782,373</u>	<u>5,670,202</u>	<u>17,134,141</u>	<u>3,076,045</u>	<u>5,135,856</u>	<u>32,798,617</u>
<u>Net book values</u>						
April 30, 2020	<u>10,100,107</u>	<u>3,201,993</u>	<u>14,275,321</u>	<u>7,165,856</u>	<u>18,949,335</u>	<u>53,692,612</u>
October 31, 2019	<u>11,288,355</u>	<u>1,023,758</u>	<u>15,671,997</u>	<u>6,531,013</u>	<u>65,469,776</u>	<u>99,984,899</u>

4. Right – of – use asset/lease liability

Right – of – use asset:

	\$
At cost	
October 31, 2019	-
Addition	<u>54,226,283</u>
	54,226,283
Depreciation	<u>(225,943)</u>
Net book value April 30, 2020	<u>54,000,340</u>

Lease liability:

At April 1, 2020	54,226,282
Interest charged for the period	384,103
Payments made for the period	<u>(470,588)</u>
Balance at April 30, 2020	<u>54,139,797</u>
Current	1,086,872
Non – current	<u>53,052,925</u>
	<u>54,139,797</u>

Notes to the Financial Statements (Continued)
Six (6) Months Ended April 30, 2020

5. Share capital

	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2020</u> \$	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2019</u> \$	<u>Audited</u> Year ended <u>October 31</u> <u>2019</u> \$
Authorized:			
5,000,000,000 Ordinary shares without par value			
Issued and fully paid:			
948,690,252 (April 2019: 756,552,202)			
Ordinary shares without par value	<u>178,941,261</u>	<u>15,231</u>	<u>178,941,261</u>

6. Earnings per stock unit

The calculation of earnings per stock unit is based on the profit after taxation and the weighted average number of stock units in issue during the period/year.

	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2020</u> \$	<u>Unaudited</u> 6 months ended <u>April 30</u> <u>2019</u> \$	<u>Audited</u> Year ended <u>October 31</u> <u>2019</u> \$
Net profit attributable to shareholders	86,673,489	57,117,212	94,746,238
Weighted average of ordinary stock units	945,690,252	756,552,202	803,836,715
Basic and diluted earnings per stock unit	<u>9c</u>	<u>8c</u>	<u>12c</u>

THE LIMNERS AND BARDS LIMITED

Shareholding of Directors, senior managers and top ten shareholders
At April 30, 2020

DIRECTORS	<u>Total</u>	<u>Direct</u>	<u>Connected party</u>
Kimala Bennett <i>Kimala Bennett Private Company Limited</i> <i>Adrian Randle</i>	731,621,684	100	728,181,394 3,440,190
Tashara – Lee Johnson <i>Ann-Marie Francis</i>	28,798,669	28,561,669	237,000
Steven Gooden	2,728,412	2,728,412	-
Michael Bennett	-	-	-
Maxine Walters	-	-	-
Rochelle Cameron	-	-	-
Douglas Lindo	-	-	-
SENIOR MANAGEMENT			
Tricia Knott – Francis	7,349,830	7,349,830	-
Natassia Benjamin	293,923	293,923	-
Tashan Hendrick	100,000	100,000	-
Colleen Corke – Campbell	60,000	60,000	-
Samantha Whyte	50,000	50,000	-
Dexter Musgrave	-	-	-
TOP (10) SHAREHOLDERS	<u>Units</u>	<u>Ownership Percentage</u>	
Kimala Bennett Private Company Limited	728,181,394	77.000%	
NCB Capital Markets. A/C 2231	47,085,855	4.9790%	
Tashara – Lee Johnson	28,561,669	3.0202%	
ATL Group Pension Fund Trustee Nominee Ltd	16,000,000	1.6919%	
MF & G Asset Management Limited	7,718,838	0.8162%	
Tricia Knott – Francis	7,349,830	0.7772%	
Pankaj Ashok Bhatia	6,646,708	0.7028%	
Randy Rowe	6,198,522	0.6554%	
Douglas Orane	5,000,000	0.5287%	
Andrew Pairman	3,500,000	0.3701%	