



THE LIMNERS AND BARDS LIMITED
UNAUDITED FINANCIAL STATEMENTS
NINE (9) MONTHS ENDED JULY 31, 2020

THE LIMNERS AND BARDS LIMITED

Financial Statements
Nine Months Ended July 31, 2020

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THE LIMNERS AND BARDS LIMITED
Key Performance Highlights
Nine Months Ended July 31, 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 nine months ended July 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Key Performance Highlights:

	Nine months	Nine months	Year over year		Year ended
	Ended July 31	Ended July 31	Change	Percentage	October 31
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>Percentage</u>	<u>2019</u>
	\$	\$	\$	%	\$
Revenue	686,150,365	486,276,454	199,873,911	41.10	631,851,040
Gross profit	227,443,857	172,961,550	54,482,307	31.50	226,730,310
Net profit	107,814,538	69,814,944	37,999,594	54.43	94,746,238
Earnings per share	11c	9c			12c
Total assets	642,116,331	519,595,573	122,520,758	23.58	488,522,918
Shareholders' equity	444,960,442	331,562,396	113,398,046	34.2	356,059,709

Revenue for the nine-month period was \$686.1 million, up 41.1% compared to \$486.2 million for the corresponding period last year.

The revenue growth was driven by growth in media placement (up \$136.3 million or 60.5%), advertising agency (up \$58.1 million or 72.7%) and production (up \$5.3 million or 3%) during the period.

Gross profit increased by 31.5% or \$54.5 million over the previous nine-month period. Gross profit margin of 33.1% decreased from 35.6% recorded in the previous period.

Net profits have increased by \$38.0 million, or 54.4% for the nine-month period compared to the corresponding period ended July 31, 2019. However, there was no taxation for July 2020 and for proper comparison, using the net profit before taxation for July 2019 the increase would be \$19.1 million or 21.6%.

Administration expenses have increased by \$38.1 million, or 47.1% in comparison to the previous nine-month period. These increases are primarily attributable to staff costs (due to increase work volume). While the company implemented a cost containment strategy, some one-off costs also contributed to the increase administration expenses. These included a systemization initiative and training to assist in efficiencies linked to our growth drivers and a pay-out of 50 % of our 2019 employee profit share. Administrative expenses as a percentage of revenue remains relatively flat at 17.3% compared to 16.6% in the previous period.

The balance sheet shows a \$122.5 million, or 23.6% increase in total assets over the corresponding period last year. Non-current assets increased by \$22.3 million attributable mainly to the recognition of "right – of – use asset" offset by reduction in property, plant and equipment due to depreciation and disposal of property. Current assets increased by \$100.2 million primarily as a result of significant increases in cash and investment balances by \$147.2 million (62.2 %) offset by reduction in accounts receivable.

Outlook

Recognising the uncertainty of COVID-19 we continue to pivot, our focus will be on product and service innovation as we actively work on improving our efficiencies as we head into our 4th quarter.

We have been making every effort to minimize the risk of exposure to the virus and have sensitized our Team through messages, and signage on how to prevent exposure to the virus. In addition to providing masks, hand sanitizing stations, social distancing measures and proactive office cleaning and sanitation. We have implemented a Work from Home program which has proven effective in not only minimizing exposure but maintaining team productivity and engagement.

We salute the efforts of our Management and Team at The LAB who continue to adapt and navigate the operations of the Company. And our clients who continue to trust us with their brands.



Steven Gooden
Chairman

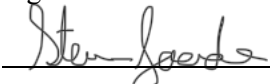


Kimala Bennett
Chief Executive Officer

Statement of Financial Position
At July 31, 2020

	Notes	Unaudited 9 months ended July 31 2020 \$	Unaudited 9 months ended July 31 2019 \$	Audited Year ended October 31 2019 \$
<u>Non – current asset</u>				
Property, plant and equipment	3	58,819,763	90,350,607	99,984,899
Right of use asset	4	52,986,970	-	-
Intangible asset		448,332	-	551,793
Investments		<u>381,440</u>	<u>-</u>	<u>639,314</u>
		<u>112,636,505</u>	<u>90,350,607</u>	<u>101,176,006</u>
<u>Current assets</u>				
Accounts receivable		126,327,139	181,235,495	83,842,135
Due from related parties		16,353,820	11,454,077	10,312,385
Taxation recoverable		3,010,654	-	1,613,736
Cash and cash equivalents		<u>383,788,213</u>	<u>236,555,394</u>	<u>291,578,656</u>
		<u>529,479,826</u>	<u>429,244,966</u>	<u>387,346,912</u>
Total assets		<u>642,116,331</u>	<u>519,595,573</u>	<u>488,522,918</u>
<u>Shareholders' equity</u>				
Share capital	5	178,941,261	178,941,261	178,941,261
Retained earnings		<u>266,019,181</u>	<u>152,621,135</u>	<u>177,118,448</u>
		<u>444,960,442</u>	<u>331,562,396</u>	<u>356,059,709</u>
<u>Non – current liabilities</u>				
Long – term loans		10,847,557	38,977,053	49,885,949
Lease liability	4	52,758,653	-	-
Deferred taxation		<u>-</u>	<u>983,717</u>	<u>-</u>
		<u>63,606,210</u>	<u>39,960,770</u>	<u>49,885,949</u>
<u>Current liabilities</u>				
Accounts payable and accrued charges		131,344,812	135,605,340	79,536,180
Current maturity of long – term loans		1,086,872	1,540,155	3,041,080
Current maturity of lease liability	4	1,117,995	-	-
Taxation payable		<u>-</u>	<u>10,926,912</u>	<u>-</u>
		<u>133,549,679</u>	<u>148,072,407</u>	<u>82,577,260</u>
Total equity and liabilities		<u>642,116,331</u>	<u>519,595,573</u>	<u>488,522,918</u>

Signed on behalf of the Board of Directors by:



Steven Gooden
Chairman



Kimala Bennett
Chief Executive Officer

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

Statement of Comprehensive Income
 Nine (9) Months Ended July 31, 2020

	<u>Unaudited</u> 9 months ended July 31 2020 \$	<u>Unaudited</u> 9 months ended July 31 2019 \$	<u>Unaudited</u> Quarter ended July 31 2020 \$	<u>Unaudited</u> Quarter ended July 31 2019 \$	<u>Audited</u> Year ended October 31 2019 \$
Operating revenue	686,150,365	486,276,454	214,732,006	151,797,814	631,851,040
Cost of operating revenue	(458,706,508)	(313,314,904)	(153,681,754)	(103,739,042)	(405,120,730)
Gross profit	<u>227,443,857</u>	<u>172,961,550</u>	<u>61,050,252</u>	<u>48,058,772</u>	<u>226,730,310</u>
Administrative, selling and Distribution expenses:					
Administration expenses	(118,470,985)	(79,909,602)	(39,770,254)	(30,349,398)	(115,147,066)
Selling and distribution	(538,564)	(976,221)	-	-	(2,085,598)
	<u>(119,009,549)</u>	<u>(80,885,823)</u>	<u>(39,770,254)</u>	<u>(30,349,398)</u>	<u>(117,232,664)</u>
Impairment loss on financial assets	-	-	-	-	(448,216)
Profit before net finance cost and taxation	<u>108,434,308</u>	<u>92,075,727</u>	<u>21,279,998</u>	<u>17,709,374</u>	<u>109,049,430</u>
Finance income	3,652,429	250,793	1,375,023	92,111	3,310,594
Finance cost	(4,014,325)	(3,689,546)	(1,492,483)	(1,303,749)	(4,823,174)
Net finance cost	<u>(361,896)</u>	<u>(3,438,753)</u>	<u>(117,460)</u>	<u>(1,211,638)</u>	<u>(1,512,580)</u>
Loss in value of investment classified as FVTPL	(257,874)	-	(21,489)	-	(85,958)
Profit before taxation	107,814,538	88,636,974	21,141,049	16,497,736	107,450,892
Taxation	-	(18,822,030)	-	(3,800,004)	(12,704,654)
Net profit, being total comprehensive income for the period/year	<u>107,814,538</u>	<u>69,814,944</u>	<u>21,141,049</u>	<u>12,697,732</u>	<u>94,746,238</u>
Earnings per stock unit (\$)	6 <u>11c</u>	<u>9c</u>	<u>2c</u>	<u>1c</u>	<u>12c</u>

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

Statement of Changes in Equity
Nine (9) Months Ended July 31, 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)
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>94,312,257</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>107,814,538</u>	<u>107,814,538</u>
Balance at July 31, 2020	<u>178,941,261</u>	<u>266,019,181</u>	<u>444,960,442</u>

	<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)
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 period	<u>-</u>	<u>69,814,944</u>	<u>69,814,944</u>
Balance at July 31, 2019	<u>178,941,261</u>	<u>152,621,135</u>	<u>331,562,396</u>

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

Statement of cash flows
 Nine (9) Months Ended July 31, 2020

	<u>Unaudited</u> 9 months ended July 31 <u>2020</u> \$	<u>Unaudited</u> 9 months ended July 31 <u>2019</u> \$	<u>Audited</u> Year ended October 31 <u>2019</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period	107,814,538	69,814,944	94,746,238
Adjustments to reconcile net profit for the period to net cash provided by operating activities:			
Depreciation	9,165,184	7,633,395	11,362,039
Loss on investments	257,874	-	85,958
Interest income	(3,504,956)	(144,157)	(1,340,112)
Interest expense	3,243,179	3,169,841	3,890,707
Taxation	<u>-</u>	<u>18,822,030</u>	<u>12,704,654</u>
	116,975,819	99,296,053	121,449,484
Working capital components:			
Due from related parties	(6,041,434)	13,319,784	14,461,475
Accounts receivable	(42,485,004)	(116,315,535)	(18,922,006)
Accounts payable and accrued charges	<u>51,808,632</u>	<u>77,410,979</u>	<u>21,341,819</u>
Cash provided by operating activities	120,258,013	73,711,281	138,330,772
Interest paid	(3,243,179)	(3,169,841)	(3,890,707)
Tax paid	<u>(1,396,919)</u>	<u>(18,328,430)</u>	<u>(25,735,418)</u>
Net cash provided by operating activities	<u>115,617,915</u>	<u>52,213,010</u>	<u>108,704,647</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	3,504,956	144,157	905,962
Investment	-	-	(725,272)
Disposal of property, plant and equipment	45,160,416	5,155,052	5,155,053
Addition to property, plant and equipment	<u>(11,817,690)</u>	<u>(11,558,906)</u>	<u>(25,473,636)</u>
Net cash provided by/(used) in investing activities	<u>36,847,682</u>	<u>(6,259,697)</u>	<u>(20,137,893)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long – term loans, net	(40,992,600)	(10,198,976)	2,210,845
Issued shares	-	178,926,030	178,926,030
Payment of lease liability – principal portion	(349,635)	-	-
Dividends paid	<u>(18,913,805)</u>	<u>(40,000,000)</u>	<u>(40,000,000)</u>
Net cash (used)/provided by financing activities	<u>(60,256,040)</u>	<u>128,727,054</u>	<u>141,136,875</u>
Net increase in cash and cash equivalents	92,209,557	174,680,367	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>383,788,213</u>	<u>236,555,394</u>	<u>291,578,656</u>

The accompanying notes form an integral part of the financial statements

Notes to the Financial Statements
Nine (9) Months Ended July 31, 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)
 Nine (9) Months Ended July 31, 2020

3. Property, plant and equipment

	<u>Motor Vehicle</u> \$	<u>Computers</u> \$	<u>Equipment</u> \$	<u>Office Furniture & equipment</u> \$	<u>Building & Building improvement</u> \$	<u>Total</u> \$
<u>At cost</u>						
October 31, 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>5,059,674</u>	<u>5,026,933</u>	<u>1,057,056</u>	<u>674,027</u>	<u>11,817,690</u>
July 31, 2020	<u>11,882,480</u>	<u>11,458,404</u>	<u>36,436,395</u>	<u>10,241,902</u>	<u>24,085,192</u>	<u>94,104,373</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>1,782,372</u>	<u>533,823</u>	<u>2,184,143</u>	<u>674,833</u>	<u>2,647,238</u>	<u>7,822,409</u>
July 31, 2020	<u>2,376,497</u>	<u>5,908,795</u>	<u>17,921,608</u>	<u>3,328,666</u>	<u>5,749,044</u>	<u>35,284,610</u>
<u>Net book values</u>						
July 31, 2020	<u>9,505,983</u>	<u>5,549,609</u>	<u>18,514,787</u>	<u>6,913,236</u>	<u>18,336,148</u>	<u>58,819,763</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:

	\$
<u>At cost</u>	
October 31, 2019	-
Addition	<u>54,226,283</u>
	54,226,283
Depreciation	<u>1,239,313</u>
Net book value July 31, 2020	<u>52,986,970</u>

Lease liability:

At April 1, 2020	54,226,282
Interest charged for the period	1,532,718
Payments made for the period	<u>(1,882,352)</u>
Balance at July 31, 2020	53,876,648
Current	<u>(1,117,995)</u>
Non – current	<u>52,758,653</u>

Notes to the Financial Statements (Continued)
Nine (9) Months Ended July 31, 20205. Share capital

	<u>Unaudited</u> 9 months ended <u>July 31</u> <u>2020</u> \$	<u>Unaudited</u> 9 months ended <u>July 31</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 Ordinary shares without par value	<u>178,941,261</u>	<u>178,941,261</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> 9 months ended <u>July 31</u> <u>2020</u> \$	<u>Unaudited</u> 9 months ended <u>July 31</u> <u>2019</u> \$	<u>Audited</u> Year ended <u>October 31</u> <u>2019</u> \$
Net profit attributable to shareholders	107,814,538	69,814,944	94,746,238
Weighted average of ordinary stock units	948,690,252	756,552,202	803,836,715
Basic and diluted earnings per stock unit	<u>11c</u>	<u>9c</u>	<u>12c</u>

THE LIMNERS AND BARDS LIMITED

Shareholding of Directors, senior managers and top ten shareholders

At July 31, 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>	28,698,669	28,461,669	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	-
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	46,828,855	4.9518%	
Tashara – Lee Johnson	28,461,669	3.0096%	
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	5,479,794	0.5794%	
Douglas Orane	5,000,000	0.5287%	
Andrew Pairman	3,500,000	0.3701%	