



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

THE LIMNERS AND BARDS LIMITED

Key Performance Highlights

Nine Months Ended July 31, 2021

On behalf of the Board of Directors, we are pleased to present the unaudited financial statements of the Limners and Bards Limited for the nine months ended July 31, 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Key Performance Highlights:

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

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

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

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

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

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

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

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



Steven Gooden
Chairman



Kimala Bennett
Chief Executive Officer

THE LIMNERS AND BARDS LIMITED

Financial Statements
Nine Months Ended July 31, 2021

CONTENTS

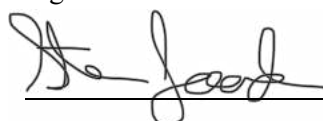
	<u>Pages</u>
Statement of Financial Position	1
Statement of Comprehensive Income	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-7

*

Statement of Financial Position
At July 31, 2021

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

Signed on behalf of the Board of Directors by:



Steven Gooden
Chairman



Kimala Bennett
Chief Executive Officer

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

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

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

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

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

	<u>Share capital</u> \$	<u>Retained earnings</u> \$	<u>Total</u> \$
Balance at October 31, 2019	178,941,261	177,118,448	356,059,709
Dividends	-	(18,913,805)	(18,913,805)
Total comprehensive income for the year	<u>-</u>	<u>127,081,245</u>	<u>127,081,245</u>
Balance at October 31, 2020	178,941,261	285,285,888	464,227,149
Dividends	-	(69,981,439)	(69,981,439)
Total comprehensive income for the period	<u>-</u>	<u>142,177,447</u>	<u>142,177,447</u>
Balance at July 31, 2021	<u>178,941,261</u>	<u>357,481,896</u>	<u>536,423,157</u>

	<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>

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

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

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

1. Corporate structure and nature of business

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

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

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

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

(a) Statement of compliance:

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

b) Basis of preparation:

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

The accounting policies that have been applied in the preparation of these un – audited financial statements are consistent with those used in the audited financial statements for the year ended October 31, 2020.

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

3. Property, plant and equipment

	<u>Motor Vehicle</u> \$	<u>Computers</u> \$	<u>Equipment</u> \$	<u>Office Furniture & equipment</u> \$	<u>Building & Building improvement</u> \$	<u>Total</u> \$
<u>At cost</u>						
October 31, 2019	11,882,480	6,398,730	31,409,462	9,184,846	74,536,165	133,411,683
Disposal	-	-	-	-	(51,125,000)	(51,125,000)
Additions	-	<u>6,623,475</u>	<u>3,020,451</u>	<u>362,795</u>	<u>2,929,340</u>	<u>12,936,061</u>
October 31, 2020	11,882,480	13,022,205	34,429,913	9,547,641	26,340,505	95,222,744
Additions	-	<u>1,957,050</u>	<u>7,774,872</u>	<u>906,924</u>	<u>1,861,353</u>	<u>12,500,199</u>
July 31, 2021	<u>11,882,480</u>	<u>14,979,255</u>	<u>42,204,785</u>	<u>10,454,565</u>	<u>28,201,858</u>	<u>107,722,943</u>
<u>Depreciation</u>						
October 31, 2019	594,125	5,374,972	15,737,465	2,653,833	9,066,389	33,426,784
Disposal	-	-	-	-	(5,964,583)	(5,964,583)
Charge for the year	<u>2,376,496</u>	<u>957,138</u>	<u>2,921,205</u>	<u>871,103</u>	<u>3,324,353</u>	<u>10,450,295</u>
October 31, 2020	2,970,621	6,332,110	18,658,670	3,524,936	6,426,159	37,912,496
Charge for the period	<u>1,782,372</u>	<u>1,356,338</u>	<u>2,806,349</u>	<u>727,285</u>	<u>2,029,229</u>	<u>8,701,573</u>
July 31, 2021	<u>4,752,993</u>	<u>7,688,448</u>	<u>21,465,019</u>	<u>4,252,221</u>	<u>8,455,388</u>	<u>46,614,069</u>
<u>Net book values</u>						
July 31, 2021	<u>7,129,487</u>	<u>7,290,807</u>	<u>20,739,766</u>	<u>6,202,344</u>	<u>19,746,470</u>	<u>61,108,874</u>
October 31, 2020	<u>8,911,859</u>	<u>6,690,095</u>	<u>15,771,243</u>	<u>6,022,705</u>	<u>19,914,346</u>	<u>57,310,248</u>

4. Right – of – use asset/lease liability

Right – of – use asset:

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

Lease liability:

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

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

5. Investment in subsidiary

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

6. Earnings per stock unit

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

	<u>Unaudited</u> 9 months ended <u>July 31</u> <u>2021</u> \$	<u>Unaudited</u> 9 months ended <u>July 31</u> <u>2020</u> \$	<u>Audited</u> Year ended <u>October 31</u> <u>2020</u> \$
Net profit attributable to shareholders	142,177,447	107,814,538	127,081,245
Weighted average of ordinary stock units	945,690,252	945,690,252	945,690,252
Basic and diluted earnings per stock unit	<u>15c</u>	<u>11c</u>	<u>13c</u>

THE LIMNERS AND BARDS LIMITED

Shareholding of Directors, senior managers and top ten shareholders
At July 31, 2021

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