



# 2021

Annual Report

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Our Vision:

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

Our Mission:

To create **WOW**  
work on time.

# Core Values:



## Excellence

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



## Creativity

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



## Respect

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



## Passion

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



## Accountability

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



## 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.

# Financial Highlights

**\$155.5M**

NET PROFIT

**\$1.227B**

REVENUE

**\$806.2M**

TOTAL ASSETS

**\$515.7M**

TOTAL EQUITY

A woman with dark hair is leaning over a desk, focused on her work. She is wearing a light-colored t-shirt. Her hands are on a laptop keyboard. In the background, another person is visible, also working at a computer. The scene is dimly lit, with a blue horizontal bar at the top of the page. The overall atmosphere is professional and focused.

# Our Business in Brief

## About the Company

We bring brands to life through dynamic, innovative experiences.

The LAB is a strategy to execution, full-service, advertising agency and production house. We are increasing our share in targeted growth areas including digital communications, marketing technology and production. The LAB previously operated as three distinct business units, but we have now increased to four: **Production, Advertising Agency, Media and Content.**

Our creative services include Production, which is our core service. We conceptualise, script, project manage, shoot, and edit video content for both corporate and entertainment clients. The Advertising Agency arm is concerned with integrated marketing solutions for brands, while our Media arm builds and executes purchase of air time and placement strategies for traditional, digital and social media platforms. Finally, our Content arm is aimed at creating brand content as well as home-grown content such as docu-series and films.

# Services

## Agency

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

## Production

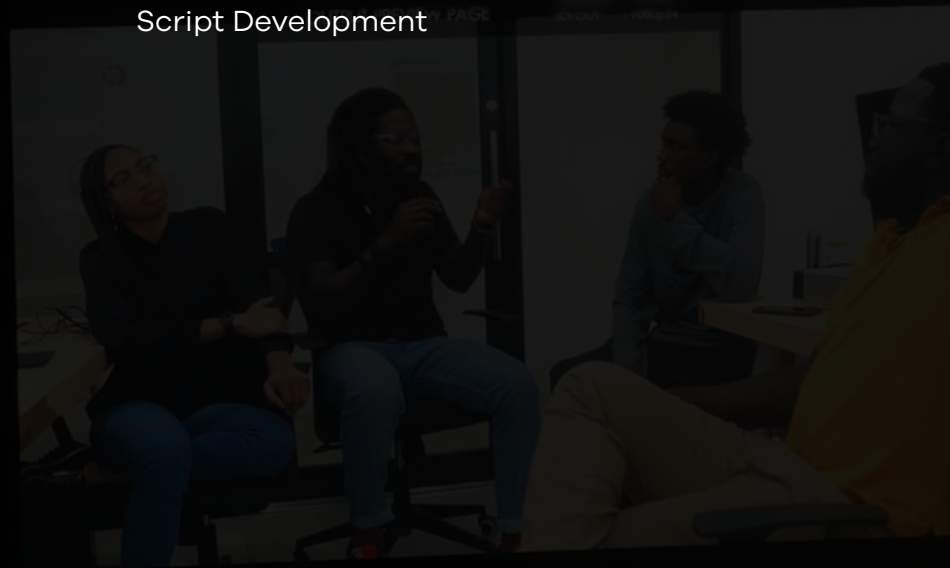
Creative Direction  
Film and Video Production  
Production Management  
Post-Production  
Audio Production  
Motion and 3D Graphics  
Equipment Rental

## Media

Media Strategy & Development  
Media Investment Management  
Media Planning  
Media Buying

## Content

Content Marketing  
Content Creation & Development  
Digital Content Strategy  
Project Development & Creation  
Script Development



# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting of THE LIMNERS AND BARDS LIMITED ("The LAB") will be held on Wednesday, July 20, 2022 at 10:00 a.m. at The LAB Head Office, 69 - 75 Constant Spring Road, Kingston 10, Jamaica and/or virtually to consider and, if thought fit, to pass the following resolutions:

## 1. **Audited Accounts**

[Resolution No. 1 – Directors' Report, Auditors Reports and Audited Financial Statements](#)

"THAT the Audited Accounts for the year ended October 31, 2021 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 that the Ordinary and Special dividends paid on January 22, 2022 as final for the year ended October 31, 2021.](#)

"THAT as recommended by the Directors, the interim dividends of \$0.01334¢ per stock as Ordinary Dividend and \$0.038¢ per share as Special Dividend, paid on January 22, 2022 be and are hereby ratified and declared as final and no further dividend be paid with respect to the year ended October 31, 2021."

## 3. **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 to retire by rotation pursuant to this Article are Mr. Michael Bennett, Ms. Maxine Walters and Ms. Tashara -Lee Johnson, who all being eligible, offer themselves for re-election.



## Resolution No. 3 – 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 of the Company for the year ended October 31, 2021 as remuneration paid to the Directors for their services as Directors be and is hereby approved."

## 5. Appointment of Auditors and their Remuneration:

### Resolution No. 5 – Appointment of Auditors and their Remuneration

"THAT Hall Wilson & 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 by the Directors."

BY ORDER OF THE BOARD



Michael Bennett  
COMPANY SECRETARY

Dated March 14, 2022

## NOTES:

1. A member eligible to attend and vote at a General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy, so appointed, need not be a member of the Company.
2. All members are entitled to attend and vote at the meeting.
3. Enclosed is a form of proxy which must be deposited with the Secretary, at the Registered Office of the Company (69-75 Constant Spring Road, Kingston 10) or the Registrar, Jamaica Central Securities Depository ("JCSD"), 40 Harbour Street, Kingston, not less than forty-eight (48) hours before the time appointed for holding the meeting.

# Chairman's Message



While 2021 was in many ways an unprecedented and very challenging year for The LAB due to the continued impacts of Covid-19, it was also a year of resilience, renaissance and a time to recalibrate.

Our priority was to ensure that the Company's balance sheet position remained sufficiently robust to manage through the short-term economic volatility whilst supporting our strong competitive position for the medium to long term.

Driven by our disciplined cost management strategies, The LAB continued along a path of increased profitability and revenue growth, and our financial results validate the steps we

had taken toward financial and operational rigour in the previous financial year. Revenue and net profits grew by 34.7% and 22.4% respectively. Shareholder equity also increased by \$51.4 million to \$515.7 million, up from \$464.2 million year over year and return on average equity delivered to shareholders was 28.8%.

During the fiscal year 2021, we generated a significant increase in revenues of \$316.0 million to \$1.2 billion relative to the prior year. This was attributable to significant growth in our key business lines: Production (up \$147.9 million or 63.21%) and Media (up \$172.9 million or 35.14%).

The ongoing conditions brought on by the Covid-19 pandemic underscored the importance of digital marketing and The LAB is actively pursuing a larger share of the advertising and

production market and hopes to do so organically before moving toward acquisition opportunities. As part of the organic growth, The LAB is relying heavily on technology and the Company grew its newest business segment (content) to capitalise further on new opportunities in the marketplace.

The Company remains focused on the three strategic drivers to realise the mission of becoming the #1 integrated agency in the region, recognized and respected internationally, which are, technology and disruption, expansion into new markets and a strong focus on quality.

The LAB has restructured its business for fresh flows of revenue. Market research has indicated that one of the biggest opportunities for the Company's line of business is to be found

Steven Gooden

in social media influencer marketing. Consequently, The LAB has invested approximately \$14 million into Scope Caribbean, readying itself for explosive growth in this segment. The wholly owned subsidiary of The LAB will streamline production processes and provide The LAB's clients with real-time, data-driven, performance tracking. The LAB's focus on digital strategy in the growing orange economy is expected to produce even stronger results for the Financial Year 2022/23 with Scope Caribbean's full integration.

The Board continues to monitor the operating environment, conduct robust assessments of the principal risks and challenges affecting the Company and regularly monitor key performance indicators to identify trends and issues. Our strategy remains focused on capitalising on the positive key

structural drivers of growth and leveraging our diverse services, backed by data, to deliver results and create value for our stakeholders.

I want to acknowledge and thank our team at The LAB for their focus and dedication in another challenging year. While the market remained uncertain, during 2021, the team demonstrated the adaptability to transform environmental challenges into executable opportunities for the benefit of all its stakeholders, including clients, employees, and of course, our shareholders.

We remain grateful for your ongoing support.



Steven Gooden  
Chairman



# Director's Report

The Directors submit herewith the Statement of Profit or Loss and Other Comprehensive Income of the Limners and Bards Limited ("The LAB") for the year ended October 31, 2021, together with the Statement of Financial Position as at the same date. The Statement of Profit or Loss and Comprehensive Income shows the following:

| Financial Results  | 2021        | 2020        |
|--|-------------|-------------|
| Profit before Taxation                                   | 153,501,241 | 127,081,245 |
| Taxation   | 2,049,359   | -           |
| Net Profit being Total Comprehensive Income for the year | 155,550,600 | 127,081,245 |
| Earning per stock unit                                   | 16c         | 13c         |

Details of the results for the year as approved by the Board on December 29, 2021 together with the previous year are set out in the Statement of Profit or Loss and Other Comprehensive Income on page 6 of the Audited Financial Statements.

## Dividends

At the end of the financial year, the Company declared an Ordinary and Special dividend of \$0.0133¢ and J\$0.038¢ respectively, as a final dividend payment to all shareholders on record as of January 13, 2022 paid on January 31, 2022. The ex-dividend date was January 12, 2022.

## Directors

For the Financial Year ended October 31, 2021, the Board of Directors met on December 22, 2020, March 26, 2021, April 26, 2021, June 10, 2021, July 14, 2021, September 14, 2021 respectively. The Members of the Board of Directors as of October 31, 2021 are:

|  |                        |
|--|------------------------|
| Mr. Steven Gooden, Chairman                          | Independent Member     |
| Mr. Douglas Lindo, Deputy Chairman                   | Independent Member     |
| Ms. Rochelle Cameron                                 | Independent Member     |
| Ms. Maxine Walters                                   | Independent Member     |
| Mr. Michael Bennett, Company Secretary               | Non-Executive Director |
| Ms. Kimala Bennett, Managing Director                | Executive Director     |
| Ms. Tashara-Lee Johnson,<br>Chief Operations Officer | Executive Director     |

## 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 appreciation to every member of the Team for their performance and dedication to the Company and congratulates them on their achievements during the year under review. The Directors also wish to acknowledge and thank all shareholders and customers for their continued partnership and support of the Company.

Dated March 14, 2022 BY ORDER OF THE BOARD



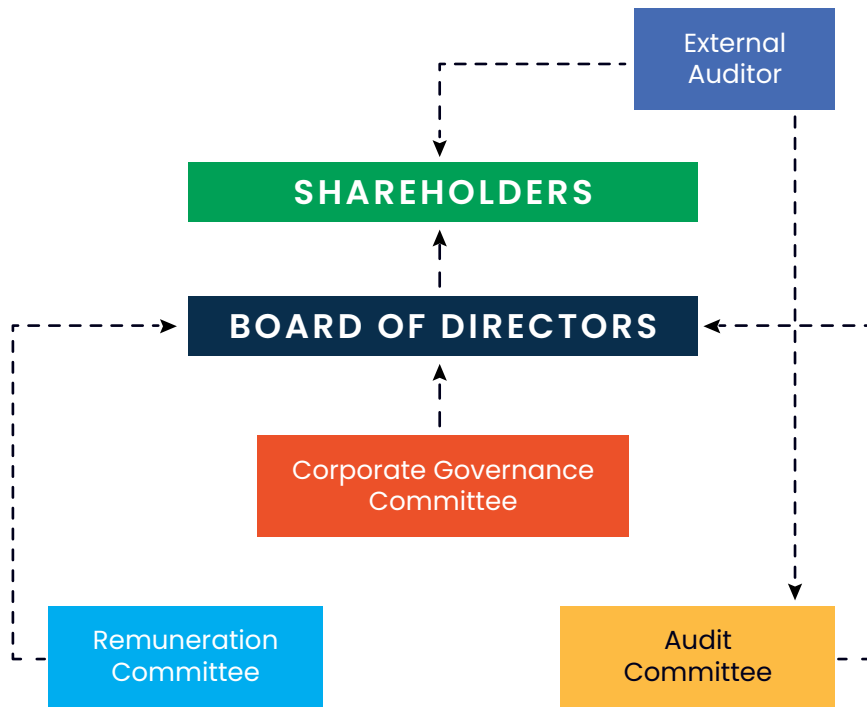
Mr. Steven Gooden  
CHAIRMAN, THE LIMNERS AND BARDS LIMITED



# Corporate Governance

The LAB is committed to the highest standard of corporate governance and the maintenance of an effective framework for the management and control of its business. Good governance ensures everyone in the Company follows appropriate and transparent decision-making processes and that the interests of all stakeholders (shareholders, managers, employees, suppliers and customers) are protected. The Company adheres to the principles of the Jamaica Corporate Governance Code, the Jamaica Stock Exchange Junior Market Rules and International best practices on corporate governance.

The Corporate Governance Structure of the Company is illustrated below:



## Board Role and Function

The Board is responsible for leading and directing the affairs of the Company and setting the policy objectives and strategic plans. **Of the seven (7) Directors, four (4) Directors are Independent Non-Executive Directors; one (1) Non-Executive Director; and two (2) Executive Directors.** In accordance with the Articles of Incorporation, the quorum of Directors for a Board meeting is three (3).

The Board is focused on:

-  Sustained revenue growth
-  Effective risk management
-  Performance based compensation
-  Integrity and ethical decision making
-  Defined roles and responsibilities

Main activities undertaken by the Board of Directors during the Financial Year 2020/2021 were:

- Approval of the annual operating and capital expenditure budgets and the material changes to them.
- Approval of quarterly reports, management statements and announcement of final results to the Jamaica Stock Exchange.
- Declaration of interim dividend and recommendation of the final dividend.
- Determining the remuneration policy for the Directors

## Board Structure

As at October 31, 2021, the Board is chaired by Mr. Steven Gooden with Mr. Douglas Lindo as Deputy Chairman. The Board is considered to be of an appropriate size for the Company. All members are distinguished by their professional ability and integrity. All Directors are expected to act with “independence” in the Company’s best interests at all times. The Board considers all non-executive Directors to be independent directors. As in accordance with the Private Sector Organization of Jamaica (“PSOJ”) Corporate Governance Code, 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 receive 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.

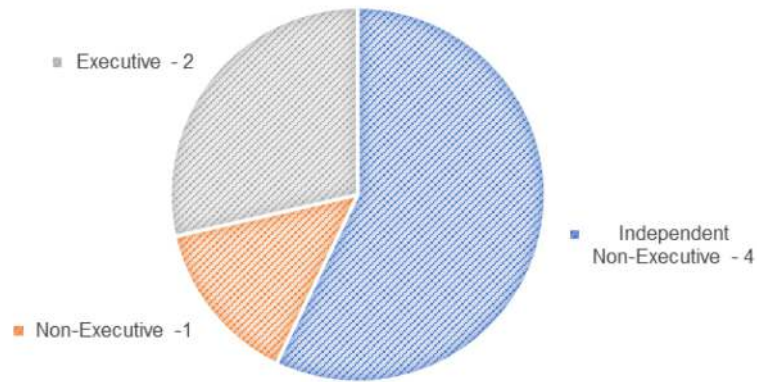
## Board Composition

The composition of the Board has a range of experiences which provides a wider perspective in the understanding of the various aspects of the Company’s business. During the FY 2020/2021, there were no changes in the composition of our Board. The composition of the Board is as follows:

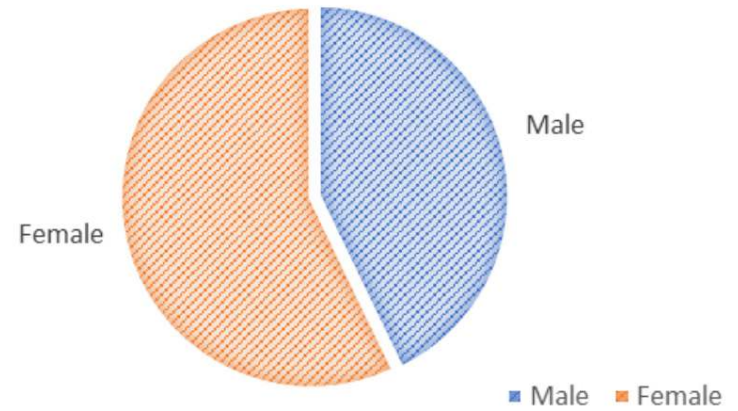
| Names  | Position                  | Audit  | Remuneration | Corporate Governance |
|--|---------------------------|--------|--------------|----------------------|
| Steven Gooden, Chairman                      | Independent Non-Executive | -      | Member       | Member               |
| Douglas Lindo, Deputy Chairman               | Independent Non-Executive | Member | Member       | -                    |
| Rochelle Cameron                             | Independent Non-Executive | Member | Member       | Member               |
| Maxine Walters                               | Independent Non-Executive | Member | Member       |                      |
| Michael Bennett, Company Secretary           | Non-Executive             | -      | -            | Member               |
| Kimala Bennett, Managing Director            | Executive Director        | Member | Member       | Member               |
| Tashara-Lee Johnson, Chief Operating Officer | Executive Director        | Member | -            | -                    |



Independence



Gender



| Expertise  | Steven Gooden | Kimala Bennett | Michael Bennett | Rochelle Cameron | Tashara-Lee Johnson | Douglas Lindo | Maxine Walters |
|--|---------------|----------------|-----------------|------------------|---------------------|---------------|----------------|
| Independent (I)<br>Executive (E)<br>Non-Executive (NE) | I             | E              | NE              | I                | E                   | I             | I              |
| General Management                                     | X             | X              | X               | X                | X                   | X             | X              |
| Strategic Management                                   | X             | X              |                 | X                |                     | X             |                |
| Finance & Accounting                                   | X             |                |                 |                  |                     | X             |                |
| Sales & Marketing                                      |               | X              |                 |                  |                     |               |                |
| Legal  |               |                |                 | X                |                     |               |                |
| Risk Management  | X             |                |                 |                  |                     |               |                |

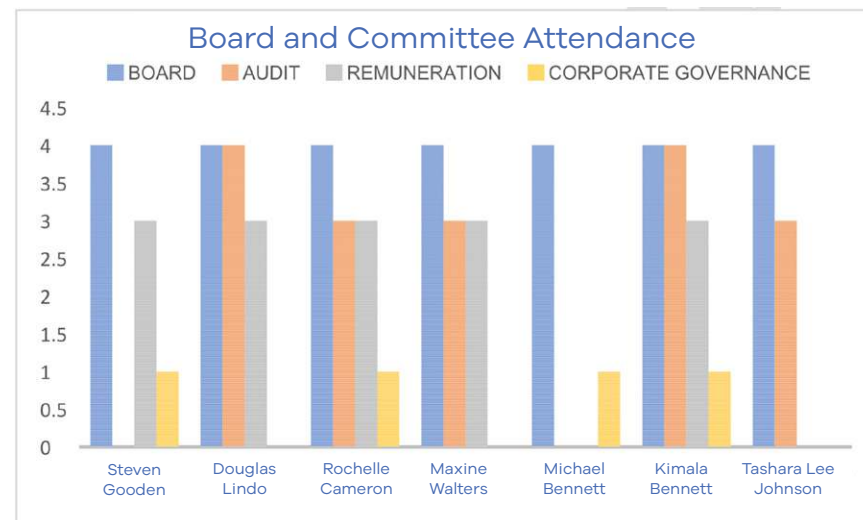
## Board Diversity

The Company recognizes that there are significant benefits to be accrued from having a demographically diverse boardroom. A demographically diverse board is more likely to represent the composition of a company’s employees, customers, and suppliers and can therefore provide a board with a better understanding of the Company’s key markets. A demographically diverse board is better able to help a company identify and respond to market shifts and changes in consumer expectations.

## Board and Committee Attendance

One measure of the commitment level of our Directors to the governance of the Company continues to be evident in the attendance record at Board and Sub-Committees of the Board meetings during the financial year. During the F/Y 2020/2021, the attendance at meetings were as follows:

| Names               | Board (7) | Audit (4) | Remuneration (3) | Corporate Governance (3) |
|---------------------|-----------|-----------|------------------|--------------------------|
| Steven Gooden       | 7         | n/a       | 3                | 3                        |
| Douglas Lindo       | 7         | 4         | 3                | n/a                      |
| Rochelle Cameron    | 7         | 3         | 3                | 3                        |
| Maxine Walters      | 7         | 3         | 3                | n/a                      |
| Michael Bennett     | 7         | n/a       | n/a              | 3                        |
| Kimala Bennett      | 7         | 4         | 3                | 3                        |
| Tashara-Lee Johnson | 7         | 3         | n/a              | n/a                      |



## Board Committees

The Board has established committees to improve their effectiveness and efficiency in the execution of their fiduciary duties and responsibilities. The Chairman of each Board Committee reports to the Board on the matters discussed at the Committee meetings. The Standing Committees of the Board of Directors are Audit, Remuneration and Corporate Governance Committees:

### Audit Committee

The Audit Committee is made up of three (3) independent members, namely Mr. Douglas Lindo (Chairman), Ms. Rochelle Cameron and Ms. Maxine Walters. Two (2) members form a quorum and regularly scheduled meetings are held quarterly and other meetings are held as required. For the financial year ended October 31, 2021 the Audit Committee met four (4) times on [December 17, 2020](#); [March 12, 2021](#); [June 3, 2021](#) and [September 2, 2021](#).

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 with in the preparation of the financials; and
- Ensuring internal controls and systems are in place to identify, report and manage business risks.

#### Main activities undertaken by the Audit Committee during the Financial Year 2020/2021 were:

- Review and make recommendations to the Board regarding the quarterly unaudited financial statements;
- Review and make recommendations to the Board in relation to the appointment of the external auditors Hall Wilson & Associates, Chartered Accountants;
- Review and make recommendation regarding dividend declarations and dividend policy.

#### Remuneration Committee

The Remuneration Committee has three (3) independent members, namely Ms. Rochelle Cameron (Chairperson), Mr. Douglas Lindo and Ms. Maxine Walters. During the year under review the Remuneration Committee held three (3) meetings; [November 4, 2020](#); [December 12, 2020](#) and [August 10, 2021](#). The remit of the Remuneration Committee includes assisting the Board with the following:

- Designing and determining the remuneration of the Chair, Directors, Executive Directors and Senior Management;
- Reviewing the Company's compensation philosophy around base pay, benefits and performance based financial and non-financial incentives;
- Reviewing the risk associated with incentives potentially detrimental to the Company's long-term success;
- Overseeing Director compensation.

#### Main activities undertaken by the Remuneration Committee during the Financial Year 2020/2021 were:

- Review and make recommendations to the Board regarding the Terms of Reference for the Remuneration Committee;
- Review and make recommendations to the Board in relation to Directors' remuneration;
- Review and make recommendations to the Board regarding the Company's salary, bonus and remuneration policy;
- Review the Company's salary, bonus and remuneration policy;
- Review the Key Performance Indicators ("KPIs") for the Managing Director; and
- Succession Planning.

## 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 during the year under review, met three (3) times; [March 30, 2021](#), [May 4, 2021](#), [April 13, 2021](#). The functions the Board delegated by the Board to the Remuneration Committee include:

- Review the Corporate Governance Policy;
- Review and grant approval of timely disclosures to its shareholders as required by the JSE Junior Market Rules;
- Review to ensure the existence of a formal and transparent compensation/remuneration policy for Executives, Directors and Senior Management;
- Ensure that the Board and Committee composition, as well as policies and processes adhere to all relevant legal and regulatory requirements;
- Identify and recommend suitable candidates for appointment to the Board; and
- Review for recommendation to the Board the Insider Trading Policy and guidelines for quarterly reporting.

## Main activities undertaken by the Corporate Governance Committee during the Financial Year 2020/2021 were:

- Review and make recommendations to the Board regarding the treatment of the Company's Transfer/Lease Agreement; and
- Review and make recommendations to the Board in relation to the transfer/sales of the Company's shares between Directors and connected parties.

## 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.

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.

## Shareholder Rights and Responsibilities

In accordance with the principles of transparency, equal treatment and protection of shareholder interests, the Board is committed to maintaining dialogue with shareholders, while improving stakeholder relations. The Company has several communication channels that provide all shareholders with timely and equal access to information.

These include:

- Annual General Meeting (“AGM”)
- The Annual Report
- Financial Results Announcements
- The Company’s website
- Traditional and social media marketing

At each Annual General Meeting, the Company makes available to its shareholders, the minutes of the previous Annual General Meeting. Additionally, the Investor Relations section of the Company’s website at [www.thelabjamaica.com](http://www.thelabjamaica.com) keeps its investors informed and provides updates on announcements, media releases, audited financial statements and annual reports. Enquiries from shareholders and institutional investors on matters relating to their shareholdings are welcomed. Please feel free to contact the Managing Director at [info@tpljamaica.com](mailto:info@tpljamaica.com) to share your opinions, suggestions, and concerns with us.



# Board of Directors



**STEVEN GOODEN**

(Independent Non-Executive Chairman)

Steven Gooden is the Chief Executive Officer of NCB Capital Markets Limited (NCBCM), which is the wealth management and investment banking arm of the Jamaican based NCB Financial Group Limited. Under his leadership, NCBCM has become a leading investment house in the Caribbean having expanded throughout the region via the establishment of hubs in the Cayman Islands, Trinidad & Tobago and Barbados.

Steven's ascension to executive management occurred at the age of 26 when he was appointed General Manager for what was then one of Jamaica's leading fund management companies. In 2009, he rejoined NCB Capital Markets as Vice President, Investments and Trading, successfully integrating the investment management functions of the Group's subsidiaries with combined assets at the time exceeding US\$2 billion.

Steven has a passion for the development and deepening of the region's capital markets and is the President of the Jamaica Securities Dealers Association as well as a Director on the Board of the Jamaica Stock Exchange (JSE). He holds directorships in a number of other companies and serves as Chairman for two companies listed on the JSE Junior Market. He is a holder of the Chartered Financial Analyst (CFA) designation, has a M.Sc. in Finance and Economics, a B.Sc. in Economics and Accounting, and has received many accolades in the areas of research and portfolio management.



**KIMALA BENNETT**

(Executive Director)

Kimala Bennett, the CEO and founder of The LAB, has 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 Welsh Management Institute. She sits on several boards and is a member of the Grace Kennedy Innovation Council.

Kimala is a published author specialising 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' and the Jamaica Chamber of Commerce (JCC) 2019 Award for Entrepreneurship. 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. He 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.



**ROCHELLE CAMERON**

(Independent Non-Executive Director)

Rochelle Cameron is an attorney-at-law with 20 years at the Jamaican Bar. She served for several years as Vice President of Legal and Regulatory for Flow Caribbean where she was also Company Secretary of Cable & Wireless Jamaica Limited and its subsidiaries. She is the founder and currently 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 well known for her strategic management, leadership abilities, mentorship and her blend of business acumen and organizational skills, which allows her to be a valuable contributor on various private and public sector boards mentorship. Her diverse experience has given her considerable expertise in corporate governance, mergers & acquisitions, and business development. She has also become a widely called on public speaker for motivation and training in the corporate sphere.



**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 in her field, being credited as associate producer of the American TV show "Going to Extremes", the first Jamaican to do so in the US space.



**TASHARA JOHNSON**

(Executive Director)

Tashara-Lee Johnson is an experienced Film Producer with a demonstrated history of working in Advertising and Media Production. She is the Chief Operating Officer of The LAB and has been with the company full time for over 5 years. In her role, Tashara-Lee manages the day to day operations and plays a key role in the strategic growth 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 (Mona), and has completed a course in Leadership at the Jack Welch Management Institute. Having served primarily in production management roles in previous jobs, Tashara-Lee 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" by Beyonce and Jay-Z.

She recently represented Jamaica at the Black Women Film Network Festival (Atlanta), Cannes Film Festival (France) and The American Black Film Festival (Miami) as the producer of "Flight" which copped several top awards. She has also expanded her skillset, venturing into teaching as a project lecturer for CARIMAC and the OECS' joint Script Writing and Film Production Programme.



**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 coordinates 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's Under Fifty Business Leaders Shaping Jamaica's Future Awards' 2012 Young Entrepreneur Award, given by the Young Entrepreneurs Association in recognition of his contribution in the field of entrepreneurship.

# Leadership Team



TASHARA JOHNSON

(COO)

Tashara-Lee Johnson is an experienced Film Producer with a demonstrated history of working in Advertising and Media Production. She is the Chief Operating Officer of The LAB and has been with the company full time for over 5 years. In her role, Tashara-Lee manages the day to day operations and plays a key role in the strategic growth 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 (Mona), and has completed a course in Leadership at the Jack Welch Management Institute. Having served primarily in production management roles in previous jobs, Tashara-Lee 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" by Beyonce and Jay-Z.

She recently represented Jamaica at the Black Women Film Network Festival (Atlanta), Cannes Film Festival (France) and The American Black Film Festival (Miami) as the producer of "Flight" which copped several top awards. She has also expanded her skillset, venturing into teaching as a project lecturer for CARIMAC and the OECS' joint Script Writing and Film Production Programme.



SANJA JACKSON

(Head of Traffic)

Sanja Jackson is an internationally certified Marketing and Project Management Professional with over ten (10) years of experience in the Creative Industry. Throughout her career, she has amassed a proven track record of improving campaign and operational efficiencies; in both the government and corporate institutions.

Her innate ability to problem-solve and manage multiple projects with competing priorities in a calm and efficient manner are key factors in her success heading the Traffic Department. She has the perfect balance of firm, yet fair, which makes her well-respected by colleagues and able to rally the team across the finish-line with tight deadlines and challenging projects.

Sanja joined the team in 2019 and has since aptly curated and supervised the Creative Teams including freelancers for thousands of projects for brands such as, NCB, Grace, Berger, Digicel, JP St Mary's, Magnum, Kingston 62, TEF, Wihcon, PSOJ, Domino's, and Wendy's, among others.



KIMBERLEY ADAMSON

(Head of Client Services)

Kimberley Adamson brings fourteen (14) years of experience in media and advertising to the post of Client Services Manager. Adept at problem solving and prioritization, she is able to manage complex projects from start to completion. Her extensive experience with local and international teams allows her to respond to the nuanced demands of a regional client base.

During her seven-year journey at The LAB, she has expertly managed several roles including that of Assistant Director, Post-Production Manager, Project Manager and Account Executive. Signature projects worked on outside of The Lab include the avant-garde Mission Catwalk and travel and lifestyle series Hidden Treasures, while her work as a fixer for the Caribbean's Next Top Model, laid the groundwork for a flawless production.

Kimberley possesses a Bachelor of Arts degree in Media and Communication with Honours and a minor in Information Science from the Northern Caribbean University (NCU) and is a trained SCRUM Master proficient at both agile and waterfall project management approaches.





**ANDRE LIVINGSTON**

(Head of Graphics)

Andre Livingston spent four (4) years studying for his Bachelor's in Visual Communication at Edna Manley, after which he spent 5 years at The LAB as a graphic designer before taking up a role as Creative Director at MUSE 360. He worked for 2 years as the Creative Director, developing and designing brand campaigns for Wray and Nephew White Overproof Rum, Magnum Tonic wine, Colbeck Ginger Wine and JB White Overproof Rum. Having also run his own graphic design agency, Andre returns to The LAB with a wider range of creative skills and management experience which he now applies to his new role as Acting Head of Design.



**RAYON MCLEAN**

(Head of Content)

Rayon Mclean's penchant for storytelling drew him to the world of advertising more than twelve years ago. His fascination with the artform has kept him there. Today he has found a home for his extensive global experience leading a team of cutting-edge Caribbean content creators at The LAB. Always exploring novel ways to fuse innovation and authenticity, in 2020 he conceptualised and spearheaded a Google project that captured the poignant stories of the Windrush Generation at the time when their legacy was under threat. A true team leader, Rayon enjoys collaboration and collective creation. Rayon is also an award-winning Theatre Maker who has worked for celebrated agencies such as Leo Burnett in London. He is a 2017 Chevening Scholar and a PM Youth Awardee.



**ANTHONEY WHYTE**

(Head of Media & Innovation)

Anthony Whyte has over five (5) years of experience in Digital and Mainstream Media. Having pursued a Bachelor of Science in Computer Science and Economics, Anthony brings a myriad of firsthand experience and know-how to the rapidly evolving media landscape. He has worked with leading Media Management agencies and has managed teams for some of the Caribbean's biggest brands including, but not limited to; Digicel, Nestle, Grupo Campari, Grace Kennedy, Colombina, GlaxoSmithKline (GSK) and Payless Shoes Store.

On a daily basis, Anthony oversees all media activities, both Digital and Traditional, to ensure that the campaigns are performing optimally and reconciles media placements to ensure that the right creatives are placed at the right time for the right audiences.

Having been at the Lab a little over a year now, Anthony has already worked on campaigns for some of our major clients including, Digicel Christmas, NCB Christmas, Western Union Connecting the Dots, Grace Christmas, NCB E-commerce Testimonials, Digicel Bip and Hunt, Digicel's Top Up Promotions, JPS Christmas, JPS Get Appy and Many More.



**JOLEEN TOMLINSON**

(Creative Strategist)

Joleen Tomlinson immersed herself in the world of translation and EFL teaching in Jamaica, Colombia, and Japan for seven years. Joleen holds a B.A. in Entertainment and Cultural Enterprise Management with first class honours from UWI, Mona, and is fluent in Spanish.

Over the past four (4) years, she has successfully parlayed her expertise into the field of advertising where she has worked as a copywriter and now Creative Lead at The LAB. A strategic thinker and problem solver, Joleen translates complex ideas into creative storytelling that drives conversion for brands such as NCB, Digicel, Wray and Nephew, Grace Kennedy, Magnum, Kingston 62 and several others.

As a bilingual Creative, Joleen has allowed the LAB to explore business opportunities in the Latin American and Caribbean (LACA) region by interpreting meetings with prospective clients.



### DEXTER MUSGRAVE

(Creative Strategist Consulting)

Dexter Musgrave has over eleven (11) 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 five (5) years as both creative director/strategist and consultant. He is a former senior writer at McCann Erickson Trinidad and creative director of Publicis Caribbean.

He has brought his creative thinking to brands like Digicel, Scotia Bank, Cable & Wireless (both as LIME and Flow) 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.

He has worked with marketing and production teams in Jamaica on brands such as NCB, JPS, US Embassy Jamaica, SM Jaleel and the Grace Kennedy Group. 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).



### MARLENE MCINTOSH

(Chief Financial Officer)

Marlene McIntosh is a Chartered Accountant with over twenty (20) years experience at the leadership level in various entities. She is a member of the Institute of Chartered Accountants of Jamaica (ICAJ) and the ACCA. She currently serves as the ACCA Internal Assembly Representative for Jamaica and also serves as a Council member of the ICAJ.

With a background in Information Technology, she has been able to bridge the gap between various aspects of a business and relate the story behind the numbers. She is a Distinguished Toastmaster and motivational speaker who inspires her audience to reach for their goals as they step outside the box that limits their boundaries.

Marlene spent most of her working life with GraceKennedy Limited, holding several positions during her tenure. She has also served as the Administrative Manager and Consultant to various organisations.

She joined The Lab in late 2021 to work closely with the team, utilising her wealth of experience to assist the company to become more efficient in day-to-day processes. Marlene is passionate about life and enjoys singing.



### NATASSIA BENJAMIN

(Accounts Manager)

Natassia Benjamin is an accounting specialist with over ten (10) years of experience and has a background in auditing. She holds certifications in the Association of Accounting Technicians (AAT) levels 2-4 and is currently pursuing her MBA specialism in Finance at Heriot-Watt University.

Natassia's range of experience and training in accounting also includes her course certification in Forensic Accounting from the Institute of Chartered Accountants of Jamaica (ICAJ). She joined the Company in 2017 and has proven herself to be a strong asset thus far.

# Management Discussion & Analysis

The Management Discussion and Analysis (MD&A) for Limners and Bards Limited (The LAB), 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 four main business segments: Production, Agency, Media and our newest segment, Content. 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, 2019. Since then, we have continued to grow and provide shareholder value as at the end of financial year 2021 the value of our stock was up by 244%.

## Financial Highlights

For the financial year ending October 2021, The LAB continued along a path of increased profitability and revenue growth. Revenue and net profits grew by 34.7% and 22.4% respectively. Shareholder equity also increased by \$51.4 million to \$515.7 million, up from \$464.2 million year over year and return on average equity delivered to shareholders was 28.8%.

## Revenue

During the year 2021, we generated a significant increase in revenues of \$316.0 million to \$1.2 billion relative to the prior year. This was attributable to significant growth in our key business lines; Production (up \$147.9 million or 63.21%) and Media (up \$172.9 million or 35.14%), even though there was a marginal decline in Agency (down \$5.4 million or 2.94%).

## Profitability

Gross profit increased by 25.8% or \$77.1 million relative to the previous year. Also, our net profit was \$155 million which was \$28.4 million higher than the previous year. Return on equity for the year was 29.8% and earnings per share increased from \$0.13 to \$0.16.

## Total Assets

The statement of financial position reflects an increase in total assets to \$806 million from \$676 million or 19.3 % higher than the prior year.

## Total Liabilities

Total liabilities grew from \$211.8 million in the previous year to \$290.7 million.

## Income Statement

|                           | October 2019  | October 2020  | October 2021  |
|---------------------------|---------------|---------------|---------------|
| Operating revenue         | 631,851,040   | 911,738,363   | 1,227,208,331 |
| Cost of operating revenue | (405,120,730) | (613,112,753) | (851,401,349) |
| Gross profit              | 226,730,310   | 298,625,610   | 375,806,982   |

## Administrative, selling & distribution expenses:

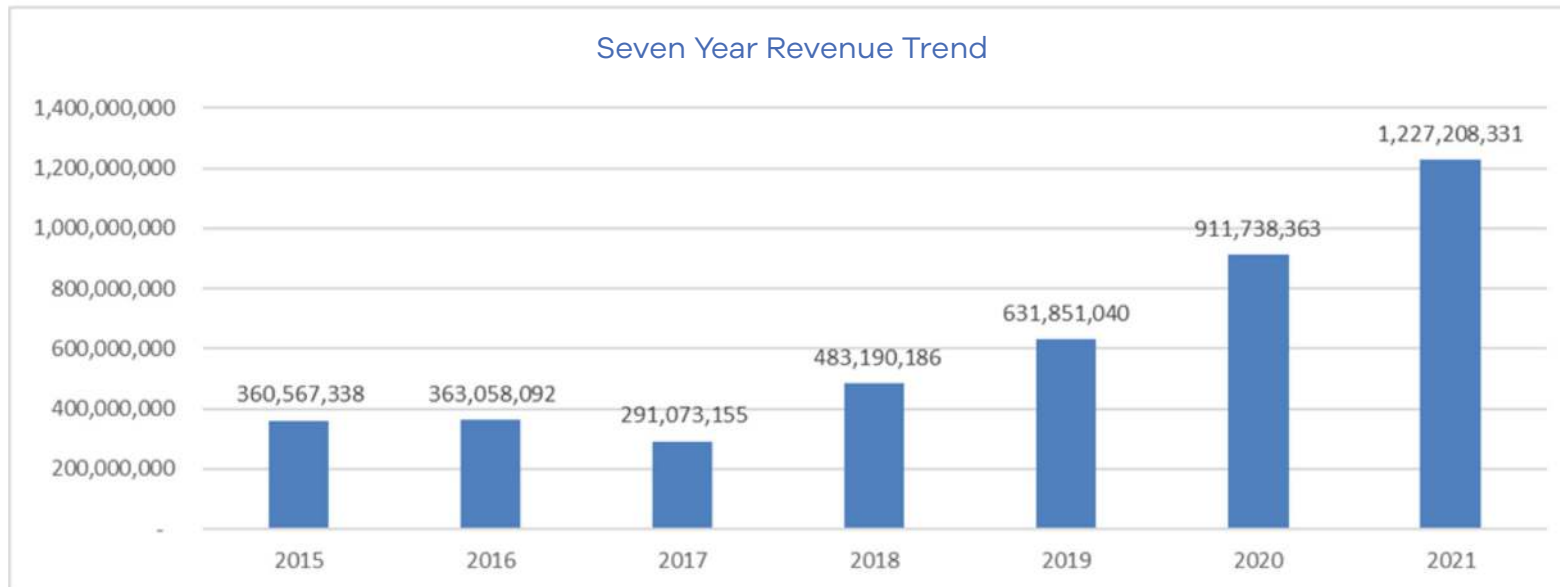
|  | October 2019  | October 2020  | October 2021  |
|--|---------------|---------------|---------------|
| Administration expenses                                  | (115,147,066) | (172,874,745) | (233,516,565) |
| Selling and distribution                                 | (2,085,598)   | (548,564)     | (3,745,356)   |
|  | (117,232,664) | (173,423,309) | (237,261,921) |
| Impairment losses on financial assets                    | (448,216)     | (1,535,366)   | (2,613,706)   |
| Profit before net finance cost and taxation              | 109,049,430   | 123,666,935   | 135,931,355   |
| Finance income   | 3,310,594     | 9,279,673     | 25,805,000    |
| Finance cost   | (4,823,174)   | (5,634,350)   | (8,304,955)   |
| Net finance cost   | (1,512,580)   | 3,645,323     | 17,500,045    |
|  | 107,536,850   | 127,312,258   | 153,431,400   |
| Loss in value of investments classified as FVTPL         | (85,958)      | (231,013)     | 69,841        |
| Profit before tax  | 107,450,892   | 127,081,245   | 153,501,241   |
| Taxation   | (12,704,654)  | 0             | 2,049,359     |
| Net profit being total comprehensive income for the year | 94,746,238    | 127,081,245   | 155,550,600   |

## Statement of Financial Position

|                         | October 2019 | October 2020 | October 2021 |
|-------------------------|--------------|--------------|--------------|
| Non-Current Assets      | 101,176,006  | 116,225,776  | 162,519,252  |
| Current Assets          | 387,346,912  | 559,842,697  | 643,713,237  |
| Total Assets            | 488,522,918  | 676,068,473  | 806,232,489  |
| Current liabilities     | 82,577,260   | 148,992,805  | 183,630,585  |
| Non-Current liabilities | 49,885,949   | 62,848,519   | 106,878,656  |
| Total Liabilities       | 132,463,209  | 211,841,324  | 290,509,241  |
| Net Assets              | 356,059,709  | 464,227,149  | 515,723,248  |

## Ratio

|                     | October 2019 | October 2020 | October 2021 |
|---------------------|--------------|--------------|--------------|
| Return on assets    | 19.39%       | 18.80%       | 19.29%       |
| Gross profit margin | 35.88%       | 32.75%       | 30.62%       |
| Net profit margin   | 15.00%       | 13.94%       | 12.68%       |
| Current ratio       | 4.69:1       | 3.76:1       | 3.51:1       |
| EPS                 | 12c          | 13c          | 16c          |



## Payment of Dividends

We are pleased to advise that on December 29, 2021 our Board of Directors approved a resolution to declare a final ordinary dividend of \$0.0133 per share and a Special Dividend of \$0.038 per share. These payments were made on January 31, 2022, to all shareholders on record as of January 13, 2022.

## Outlook

Propelled by last year’s progress, for the 2021 financial year, The LAB was able to facilitate marketplace innovations that directly aligned with our mission to become the leader in integrated marketing and production in the region. While the year 2020 will be forever remembered as the year everything changed, at The LAB, the year 2021 became the year for realigning and operationalizing in response to the transformed creative landscape.

As the creative industry landscape evolved, we correspondingly realigned the Company’s strategic vision, redefined performance metrics measured against internal targets and external benchmarks, both regionally and internationally. Financial (including cost optimization and risk management) and non-financial (including client satisfaction, employee engagement and innovation) measures were utilised to monitor our performance periodically, from daily and weekly to monthly, quarterly and annually.

While the impact of the Covid-19 pandemic was still being felt in both regional and global economies during the 2021 financial year, The LAB maintained its monitoring and evaluating of industry trends, conducted market research and scenario planning of our operating environment, employees and clients’ needs while actively seeking new opportunities to expand our business.

Although the economy is showing signs of improvement, the pace of recovery remains slow and the Company remains cautiously optimistic as we look ahead, but are mindful of present limitations due to pandemic containment measures.

As the Company navigated the second year of the pandemic, our strategic mission remained central in all of our operational processes. We fast-tracked a number of our strategic initiatives and continued to execute our digital growth plans as we traversed the evolving economic and operating landscape. The successful implementation of our major initiatives demonstrates the Company's resolve to remain as a market leader in the local and regional creative ecosystem and provide world-class services.

The LAB's relentless pursuit of excellence allowed us to focus our mind-set and energies and challenge ourselves to exceed all prior performances so that we can consistently deliver value to our stakeholders, including our clients, employees and shareholders. No matter the market disruption, The LAB welcomed them as opportunities to reflect, adjust, adapt and deliver uncompromising, quality service to our clients and enhance the Company's performance.

## Changing Trends & Innovation

The Company, for the 2021 financial year, continued executing its five-year strategic plan. The LAB saw a five-year innovation timeline accelerate to within a year as both the society and economy were digitised at meteoric speeds. The rapid growth in online platforms like TikTok quickly signalled to us that the pandemic was accelerating the trends on which we based our vision for The LAB, such as having a borderless company, the explosion of digital experiences for customers, and the growing

demand from clients for simple, integrated solutions that combine outstanding creativity with data and technological skills.

The actions taken during 2019 and 2020 to streamline our operations including establishing and hiring specifically to address media and digital innovation meant that we entered 2021 with a strong financial position. Although the effects of the pandemic have been devastating on local and regional economies, the Company posted a noteworthy performance for the fiscal year.

This financial success can be attributed to a number of factors including the implementation of cautious, pre-emptive cost containment measures and guiding, and collaborating with our clients virtually, to ascertain their needs and provide inventive solutions, as their companies navigated the effects of the pandemic. The close relationships with our clients, allowed us to understand their requirements, react quickly to changing consumer behaviour and recommend and create solutions to deliver on clients' needs.

## Business Landscape

Throughout 2021, the COVID-19 pandemic and government containment responses adversely impacted the creative and entertainment sector disproportionately compared to other sectors. The LAB's decisive and prudent response of strengthening its balance sheet, reducing costs and enhancing flexibility in response to these challenges proved advantageous. The LAB gained market share, notwithstanding the challenging conditions, through streamlining its operations and leveraging its strengths within local and regional markets.

Our momentum continues to accelerate. Over the past two years, we have seen record growth in both finances and the explosion of our industry into digitization. Our team is building new opportunities to produce extraordinary branding experiences for our clients that make powerful connections with consumers.

The LAB remains focused on its three-pronged approach to navigate the pandemic, which involves a focus on the health and wellness of our employees, who are the drivers behind the Company's success, technological support as more of the business becomes digital, and cost containment in the face of continued economic uncertainties.

As we move forward in realising our 2025 strategic mission, we remain focused on our three strategic priorities: Strong focus on quality, Technology and disruption and Expansion into new markets. Most importantly, [the strong focus on quality](#) is maintained by our excellent creative output.

We continue to drive innovation along the core pillars of a 21st-century digital advertising strategy: designing, creating, and enabling influencers and global performance marketing. These services form the core of the digital marketing world, and we provide them to our clients.

Next, [technology and disruption](#) is leveraging technology to innovate and disrupt our product and service offerings and delivery. The LAB will not just sell digital marketing services but will also enhance the client experience by developing an ecosystem of brand marketing tools based on data and trend analyses.

The investment in Scope Caribbean, our user generated influencer and talent online platform, which is accessed by film producers, casting directors, agencies and brands from around the world, is a game-changing innovation that will create new, recurring, high-value revenue streams based on our client base and industry expertise.

Finally, our [expansion into new markets](#) ensures our growth in different markets and service segments. The proactive restructuring of our business to build out a digital department prepares the Company for producing major productions that come to Jamaica and creates opportunities to license content so that we are well positioned for top-line growth in the future, beyond the pandemic.

The launch of the regional pitch competition [Pitch Perfect](#), will not only help the Company to unearth and develop creative talent but also will position The LAB as the chief facilitators of content in the region as we embark on gaining a share of the global digital market which is currently valued at US\$300 billion.

While conditions remain uncertain, the Company finished 2021 with a strong financial position and strong inroads into the explosive growth of digital content. The initiatives undertaken by The LAB have positioned it to capitalise on the structural growth opportunities that a digital agency presents as pandemic and economic conditions are expected to improve in 2022 and beyond.



# Risk

The Company continues to undertake robust assessments of the principal risks and uncertainties affecting its operations and markets. The Covid-19 pandemic and the measures to contain its spread such as curfews and gathering restrictions may have a continuing adverse effect on segments of our business, in particular production but scenario mapping has allowed us to prepare approaches for increased sales in other segments, to bolster the reduced spending in key aspects of our business.

The competitive landscape in our industry is constantly evolving and the threat of new entrants into the market as well as the role of traditional agency models is constantly being redefined. The Company's digital transformation plan that started in 2020 remains on target and equipped to respond to market trends and changing client needs. The LAB will always be client-first and is committed to providing faster, more agile and more effectively integrated solutions.

The LAB remains vigilant in the face of reduced economic activities locally and regionally, and continues to actively monitor its revenue streams to ensure that they are sufficiently diverse so that no single client represents more than a third of its inflows. We maintain continuous engagement with our clients and suppliers through this period of uncertainty and reduction in economic activity as companies reduce their advertising spend.

Our risk mitigation strategy remains focused on exploiting new opportunities for product diversification beyond our geographical locale, expanding our digital capabilities and creating sustainable talent systems by recruiting, training and retaining the highest quality staff.





# People & Culture

Our people-centred strategy is essential to The LAB's vision of being a transformative company that specialises in creative disruption. Our goal is to attract, retain and grow the most talented, creative, imaginative and inspired people within the region. We are focused on developing a high-performance, unique work experience where people are open to diverse, trailblazing ideas, are empowered to do extraordinary "WOW" work and are aligned with our values and long-term thinking.

During 2021, The LAB team responded seamlessly to the challenges caused by COVID-19, adjusted to the new realities and transitioned seamlessly into our accelerated timeline for our borderless business. To streamline our processes, The LAB created a new human resources post, People Operations Manager, to strengthen the internal talent pool so it can consistently deliver on quality to our clients.



We have created a workplace culture that encourages disruptive views and a mamba mind-set. We believe this will ultimately drive superior business decisions, increase innovation and support a more engaged workforce. Despite the ongoing challenges presented by the pandemic, the Company has adapted and realigned key aspects of our corporate culture successfully to the virtual space. This includes having daily department check-ins and weekly meetings/huddles, virtually hosting staff seminars, and maintaining engagement with the ever-exciting spirit week and birthday club.

At The LAB, our employees are the contributors driving the change in our operational processes. We are listening more closely to our people. When we understand and learn from their experiences, we create a deeper level of connection where everyone can do inspiring creative work, which boosts productivity and enables the Company to maintain its competitive edge in the creative space.

We continue to invest in building talent and aim to ensure that our people continue to be challenged, motivated and embody our corporate culture. Our investment in employee training and development, along with providing additional mentoring, training, and leadership experiences to accelerate learning for our future leaders, forms the basis of our succession planning.

In yet another difficult year, I am immensely proud of the way our people have addressed the challenges presented by Covid-19. Most of the team have been working remotely – and dealing with all the difficulties that this brings. We are beyond grateful for their flexibility, dedication and commitment to reimagining solutions for our clients and contributing to the growth of our organisation. This is a testament to our people and also the strong relationships The LAB maintains with all its stakeholders, including clients, employees, and of course, our shareholders.

**Our team remains our  
greatest asset and  
a constant source of  
inspiration and pride!**



# Training & Development

Talent is the life force of The LAB. We invest in new hires, training and skills development to help make us more competitive and to grow our people, teams and client solutions.

Our training goals remain focused on strengthening skills that unlock superior client relationships and results, developing our people to produce and exceed our expectations of "WOW" work, and ensuring that our people are empowered to create opportunities to disrupt and innovate our service offerings for our clients.

We have been able to capitalise on training opportunities in the global pandemic, and have been able to enroll more staff members and departments in webinars and online training sessions which would have been restricted, prior to Covid-19, due to the cost factor.

We are proud that we were able to continue to provide a full and wide range of virtual training, for all categories of staff, in the areas of talent management, digitization, production, content creation and management. Below is a list of some of the significant training activities in which we were engaged for 2021.

- 1.** Our Production and Postproduction teams underwent training and information sessions with global experts in their respective fields.
- 2.** Melissa Llewellyn (US Producer based in Los Angeles & Philadelphia) conducted a two-month production training with an internal team to sharpen their production capabilities. This session was very practical and also included our interns.
- 3.** Mr. Adjani Salmon, screenwriter, director, actor and producer of the television mini-series, "Dreaming Whilst Black", and now a guest actor on the BBC series "Doctor Who", provided our Postproduction team with information sessions on the viability of content and provided guidance on how to move to the next level in commercialization.



# Company Highlights

2021 Kick Off - Playing To WIN



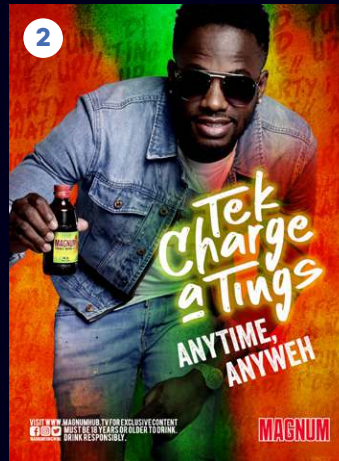
## Interns



# Project Highlights



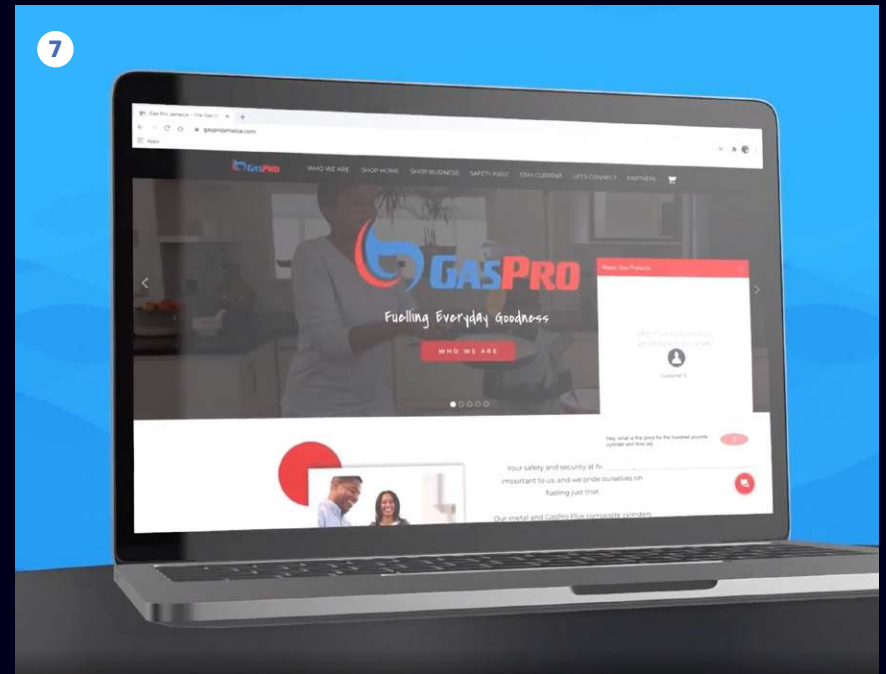
1. Grace - Taste That Moves You  
2. Magnum - Tek Charge a Tings



3. Berger- Shoppa Showdown Shopping Spree  
4. J. Wray & Nephew - New Look Same Rum







5. Catherine's Peak - Everything Good

6. Crime Stop - Stand For Country

7. Gas Pro - Website Relaunch

8. Digicel- Baby Olympics

9. Grace - Food Drink

10. KFC - We Still Ah Do It BIG

11. Grace Tropical Rhythms - #jointherhythm

12. NCB - Fast Cash

# Awards

## ADDY Awards

Our mission remains to become the #1 integrated agency in the region, recognised and respected internationally, as such, key metrics for assessing this goal remains regional and global viability and recognition. We are pleased to be the recipients of five (5) Addy Awards this year for work done in 2021.

These awards are:



Catherine's Peak 60 sec  
"Everything Good"  
TV Commercial



The LAB's 2020 Annual Report  
"Playing To Win"



Grace "Chillin With Grace"  
Content Series



KFC "Still Ah Do It Big" TVC



Grace Food Drink "Inna Di Mix"  
Content Series

# Behind the Scenes





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# Corporate Social Responsibility

The LAB's Corporate Social Responsibility (CSR) is grounded in its commitment to ignite passion, empower people and develop future talent. The Memorandum of Understanding between The LAB and the Caribbean Institute of Media and Communication (CARIMAC), at the University of the West Indies, Mona, is just one of the ways in which we seek to deliver on this commitment.

For the past four (4) years, the Company has provided three (3) promising students with tuition support and annual internship opportunities.

Recognizing the significant adverse effects of the pandemic on the education sector at all levels; the Company prioritised resources into education, strengthened its support and increased the number of grants disbursed to tertiary level students pursuing careers in the creative sector.



The proud recipients of The LAB's 2021 bursaries are:



ALEX PEARSON



AMANDA REID



RUTH-ANN BRISCOE



SHANIELLE THOMAS

A hand is shown typing on a white keyboard. The background is dark and blurred. A solid green horizontal bar is positioned at the top of the page. A solid blue horizontal bar is positioned at the bottom left of the page.

# Audited Financial Statements

Financial Year  
Nov 2020 - Oct 2021



# Auditors Report

## 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 31, which comprise the statement of financial position as at October 31, 2021, 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, 2021, 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. | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Obtain and evaluate the model used by management.</li> <li>• Testing the completeness of the data used.</li> <li>• Testing the accuracy of the ECL calculation.</li> <li>• Reviewing collection history and testing subsequent collections.</li> <li>• Assessing the adequacy of disclosures of the key assumptions and judgments in the financial statements.</li> </ul> |

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

2

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:

# Auditors Report

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.

We also provided the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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)

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 29, 2021

# Financial Statements

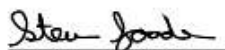
## THE LIMNERS AND BARDS LIMITED

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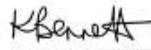
Group Statement of Financial Position  
At October 31, 2021

|                                       | Notes | 2021<br>£          | 2020<br>£          |
|---------------------------------------|-------|--------------------|--------------------|
| <b>Non – current assets</b>           |       |                    |                    |
| Property, plant and equipment         | 4     | 58,728,263         | 57,310,248         |
| Intangible assets                     | 5     | 4,876,846          | 5,862,544          |
| Right – of – use asset                | 6     | 96,386,641         | 52,644,683         |
| Investments                           | 8     | 478,143            | 408,301            |
| Deferred taxation                     | 9     | 2,049,359          | -                  |
|                                       |       | <u>162,519,252</u> | <u>116,225,776</u> |
| <b>Current assets</b>                 |       |                    |                    |
| Due from related parties              | 10    | -                  | 17,554,178         |
| Accounts receivable                   | 11    | 222,234,933        | 158,427,327        |
| Taxation recoverable                  |       | 6,225,722          | 3,444,850          |
| Cash and cash equivalents             | 12    | 415,252,582        | 380,416,342        |
|                                       |       | <u>643,713,237</u> | <u>559,842,697</u> |
| <b>Total assets</b>                   |       | <b>806,232,489</b> | <b>676,068,473</b> |
| <b>Shareholders' equity</b>           |       |                    |                    |
| Share capital                         | 13    | 178,941,261        | 178,941,261        |
| Retained earnings                     |       | 336,781,987        | 285,285,888        |
|                                       |       | <u>515,723,248</u> | <u>464,227,149</u> |
| <b>Non – current liabilities</b>      |       |                    |                    |
| Long – term loans                     | 14    | 9,141,087          | 10,374,542         |
| Due to related party                  | 10    | 55,473             | -                  |
| Long – term lease liability           | 6     | 97,682,096         | 52,473,977         |
|                                       |       | <u>106,878,656</u> | <u>62,848,519</u>  |
| <b>Current liabilities</b>            |       |                    |                    |
| Accounts payable and accrued charges  | 15    | 180,364,465        | 146,600,229        |
| Current maturity of long – term loans | 14    | 1,233,454          | 1,258,686          |
| Current maturity of lease liability   | 6     | 2,032,666          | 1,133,890          |
|                                       |       | <u>183,630,585</u> | <u>148,992,805</u> |
| <b>Total equity and liabilities</b>   |       | <b>806,232,489</b> | <b>676,068,473</b> |

The financial statements on pages 5 to 31 were approved for issue by the Board of Directors on December 29, 2021 and signed on its behalf by:



Steven Gooden  
Chairman



Kimala Bennett  
Chief Executive Officer

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

## THE LIMNERS AND BARDS LIMITED

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Group Statement of Profit or Loss and Other Comprehensive Income  
Year Ended October 31, 2021

|   | Notes | 2021<br>£             | 2020<br>£            |
|---|-------|-----------------------|----------------------|
| Operating revenue   | 16    | 1,227,208,331         | 911,738,363          |
| Cost of operating revenue                                       |       | ( 851,401,349)        | (613,112,753)        |
| <b>Gross profit</b>   |       | <b>375,806,982</b>    | <b>298,625,610</b>   |
| <b>Administrative, selling and distribution expenses:</b>       |       |                       |                      |
| Administration expenses   | 17    | ( 233,516,565)        | (172,874,745)        |
| Selling and distribution  |       | ( 3,745,356)          | ( 548,564)           |
|   |       | <u>( 237,261,921)</u> | <u>(173,423,309)</u> |
| Impairment losses on financial assets                           | 17    | ( 2,613,706)          | ( 1,535,366)         |
| <b>Profit before net finance cost and taxation</b>              |       | <b>135,931,355</b>    | <b>123,666,935</b>   |
| Finance income  |       | 25,805,000            | 9,279,673            |
| Finance cost  |       | ( 8,304,955)          | ( 5,634,350)         |
| <b>Net finance income</b>                                       | 18    | <b>17,500,045</b>     | <b>3,645,323</b>     |
|   |       | 153,431,400           | 127,312,258          |
| Loss in value of investments classified as FVTPL                |       | 69,841                | ( 231,013)           |
| <b>Profit before taxation</b>                                   |       | <b>153,501,241</b>    | <b>127,081,245</b>   |
| Taxation  | 19    | 2,049,359             | -                    |
| <b>Net profit being total comprehensive income for the year</b> |       | <b>155,550,600</b>    | <b>127,081,245</b>   |
| Earnings per stock unit   | 20    | 16c                   | 13c                  |

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

# Financial Statements

## THE LIMNERS AND BARDS LIMITED

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### Group Statement of Changes in Equity Year Ended October 31, 2021

|   | Share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>£         |
|---|-----------------------|---------------------------|--------------------|
| 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>127,081,245</u>        | <u>127,081,245</u> |
| Balance at October 31, 2020             | 178,941,261           | 285,285,888               | 464,227,149        |
| Dividends                               | -                     | (104,054,501)             | (104,054,501)      |
| Total comprehensive income for the year | -                     | <u>155,550,600</u>        | <u>155,550,600</u> |
| Balance at October 31, 2021             | <u>178,941,261</u>    | <u>336,781,987</u>        | <u>515,723,248</u> |

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

## THE LIMNERS AND BARDS LIMITED

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### Group Statement of cash flows Year Ended October 31, 2021

|  | 2021<br>£          | 2020<br>£          |
|--|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                    |                    |
| Net profit for the year  | 155,550,600        | 127,081,245        |
| Adjustments to reconcile net profit for the year to net cash provided by operating activities: |                    |                    |
| Depreciation and amortisation  | 16,801,277         | 12,357,729         |
| (Profit)/loss on investment  | ( 69,841)          | 231,013            |
| Interest income  | ( 8,378,366)       | ( 4,429,944)       |
| Interest expense   | 6,966,314          | 4,664,780          |
| Taxation   | ( 2,049,359)       | -                  |
|  | 168,820,625        | 139,904,823        |
| Working capital components:  |                    |                    |
| Due from related parties   | 17,554,178         | ( 7,241,793)       |
| Accounts receivable  | ( 63,839,812)      | ( 74,541,220)      |
| Due to related party   | 55,473             | -                  |
| Accounts payable and accrued charges   | <u>33,764,236</u>  | <u>67,064,049</u>  |
| Cash provided by operating activities  | 156,354,700        | 125,185,859        |
| Interest paid  | ( 6,966,314)       | ( 4,664,780)       |
| Tax paid/deducted at source  | ( 2,780,872)       | ( 1,831,114)       |
| Net cash provided by operating activities  | <u>146,607,514</u> | <u>118,689,965</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                    |
| Interest received  | 8,410,572          | 4,385,973          |
| Proceeds from disposal of property, plant and equipment  | -                  | 45,160,417         |
| Addition to property, plant and equipment  | ( 13,421,492)      | ( 18,572,646)      |
| Net cash (used) in/provided by investing activities  | ( 5,010,920)       | 30,973,744         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |                    |
| Payment of lease liability – principal portion   | ( 1,447,167)       | ( 618,416)         |
| Long – term loans, net   | ( 1,258,686)       | ( 41,293,802)      |
| Dividends paid   | (104,054,501)      | ( 18,913,805)      |
| Net cash (used)/provided by financing activities   | (106,760,354)      | ( 60,826,023)      |
| Net increase in cash and cash equivalents  | 34,836,240         | 88,837,686         |
| Cash and cash equivalents at start of year   | <u>380,416,342</u> | <u>291,578,656</u> |
| Cash and cash equivalents at end of year   | <u>415,252,582</u> | <u>380,416,342</u> |

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

# Financial Statements

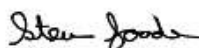
## THE LIMNERS AND BARDS LIMITED

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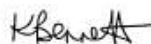
Statement of Financial Position  
At October 31, 2021

|                                       | Notes | 2021<br>£          | 2020<br>£          |
|---------------------------------------|-------|--------------------|--------------------|
| <b>Non – current assets</b>           |       |                    |                    |
| Property, plant and equipment         | 4     | 58,728,263         | 57,310,248         |
| Intangible assets                     | 5     | 4,876,846          | 5,862,544          |
| Right – of – use asset                | 6     | 96,386,641         | 52,644,683         |
| Investment in subsidiary              | 7     | 15,000,000         | -                  |
| Investments                           | 8     | 478,143            | 408,301            |
|                                       |       | <u>175,469,893</u> | <u>116,225,776</u> |
| <b>Current assets</b>                 |       |                    |                    |
| Due from related parties              | 10    | -                  | 17,554,178         |
| Accounts receivable                   | 11    | 222,234,933        | 158,427,327        |
| Taxation recoverable                  |       | 6,225,722          | 3,444,850          |
| Cash and cash equivalents             | 12    | 408,530,018        | 380,416,342        |
|                                       |       | <u>636,990,673</u> | <u>559,842,697</u> |
| <b>Total assets</b>                   |       | <b>812,460,566</b> | <b>676,068,473</b> |
| <b>Shareholders' equity</b>           |       |                    |                    |
| Share capital                         | 13    | 178,941,261        | 178,941,261        |
| Retained earnings                     |       | 342,830,064        | 285,285,888        |
|                                       |       | <u>521,871,325</u> | <u>464,227,149</u> |
| <b>Non – current liabilities</b>      |       |                    |                    |
| Long – term loans                     | 14    | 9,141,088          | 10,374,542         |
| Due to related party                  | 10    | 55,473             | -                  |
| Long – term lease liability           | 6     | 97,682,095         | 52,473,977         |
|                                       |       | <u>106,878,656</u> | <u>62,848,519</u>  |
| <b>Current liabilities</b>            |       |                    |                    |
| Accounts payable and accrued charges  | 15    | 180,444,465        | 146,600,229        |
| Current maturity of long – term loans | 14    | 1,233,454          | 1,258,686          |
| Current maturity of lease liability   | 6     | 2,032,666          | 1,133,890          |
|                                       |       | <u>183,710,585</u> | <u>148,992,805</u> |
| <b>Total equity and liabilities</b>   |       | <b>812,460,566</b> | <b>676,068,473</b> |

The financial statements on pages 5 to 31 were approved for issue by the Board of Directors on December 29, 2021 and signed on its behalf by:



Steven Gooden  
Chairman



Kimala Bennett  
Chief Executive Officer

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

## THE LIMNERS AND BARDS LIMITED

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Statement of Profit or Loss and Other Comprehensive Income  
Year Ended October 31, 2021

|   | Notes | 2021<br>£             | 2020<br>£            |
|---|-------|-----------------------|----------------------|
| Operating revenue   | 16    | 1,227,208,331         | 911,738,363          |
| Cost of operating revenue                                       |       | ( 851,510,349)        | (613,112,753)        |
| <b>Gross profit</b>   |       | <b>375,697,982</b>    | <b>298,625,610</b>   |
| <b>Administrative, selling and distribution expenses:</b>       |       |                       |                      |
| Administration expenses   | 17    | ( 228,384,289)        | (172,874,745)        |
| Selling and distribution  |       | ( 570,990)            | ( 548,564)           |
|   |       | <u>( 228,955,279)</u> | <u>(173,423,309)</u> |
| Impairment losses on financial assets                           | 17    | ( 2,613,706)          | ( 1,535,366)         |
| <b>Profit before net finance cost and taxation</b>              |       | <b>144,128,997</b>    | <b>123,666,935</b>   |
| Finance income  |       | 25,804,794            | 9,279,673            |
| Finance cost  |       | ( 8,304,955)          | ( 5,634,350)         |
| <b>Net finance income</b>                                       | 18    | <b>17,499,839</b>     | <b>3,645,323</b>     |
|   |       | 161,628,836           | 127,312,258          |
| Loss in value of investments classified as FVTPL                |       | 69,841                | ( 231,013)           |
| <b>Profit before taxation</b>                                   |       | <b>161,698,677</b>    | <b>127,081,245</b>   |
| Taxation  | 19    | -                     | -                    |
| <b>Net profit being total comprehensive income for the year</b> |       | <b>161,698,677</b>    | <b>127,081,245</b>   |

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

# Financial Statements

## THE LIMNERS AND BARDS LIMITED

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### Statement of Changes in Equity Year Ended October 31, 2021

|   | Share<br>capital<br>\$ | Retained<br>earnings<br>\$ | Total<br>\$        |
|---|------------------------|----------------------------|--------------------|
| 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>127,081,245</u>         | <u>127,081,245</u> |
| Balance at October 31, 2020             | 178,941,261            | 285,285,888                | 464,227,149        |
| Dividends                               | -                      | (104,054,501)              | (104,054,501)      |
| Total comprehensive income for the year | -                      | <u>161,698,677</u>         | <u>161,698,677</u> |
| Balance at October 31, 2021             | <u>178,941,261</u>     | <u>342,930,064</u>         | <u>521,871,325</u> |

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

## THE LIMNERS AND BARDS LIMITED

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### Statement of cash flows Year Ended October 31, 2021

|  | 2021<br>\$           | 2020<br>\$           |
|--|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                      |                      |
| Net profit for the year  | 161,698,677          | 127,081,245          |
| Adjustments to reconcile net profit for the year to net cash provided by operating activities: |                      |                      |
| Depreciation and amortisation  | 16,801,277           | 12,357,729           |
| (Profit)/loss on investment  | ( 69,841)            | 231,013              |
| Interest income  | ( 8,378,159)         | ( 4,429,944)         |
| Interest expense   | <u>6,966,314</u>     | <u>4,664,780</u>     |
|  | 177,018,268          | 139,904,823          |
| Working capital components:  |                      |                      |
| Due from related parties   | 17,554,178           | ( 7,241,793)         |
| Accounts receivable  | ( 63,839,812)        | ( 74,541,220)        |
| Due to related party   | 55,473               | -                    |
| Accounts payable and accrued charges   | <u>33,844,236</u>    | <u>67,064,049</u>    |
| Cash provided by operating activities  | 164,632,343          | 125,185,859          |
| Interest paid  | ( 6,966,314)         | ( 4,664,780)         |
| Tax paid/deducted at source  | <u>( 2,780,872)</u>  | <u>( 1,831,114)</u>  |
| Net cash provided by operating activities  | <u>154,885,157</u>   | <u>118,689,965</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                      |                      |
| Interest received  | 8,410,365            | 4,385,973            |
| Investment in subsidiary   | ( 15,000,000)        | -                    |
| Proceeds from disposal of property, plant and equipment  | -                    | 45,160,417           |
| Addition to property, plant and equipment  | <u>(13,421,492)</u>  | <u>(18,572,646)</u>  |
| Net cash (used) in/provided by investing activities  | <u>( 20,011,127)</u> | <u>30,973,744</u>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                      |                      |
| Payment of lease liability – principal portion   | ( 1,447,167)         | ( 618,416)           |
| Long – term loans, net   | ( 1,258,686)         | ( 41,293,802)        |
| Dividends paid   | <u>(104,054,501)</u> | <u>( 18,913,805)</u> |
| Net cash used in financing activities  | <u>(106,760,354)</u> | <u>( 60,826,023)</u> |
| Net increase in cash and cash equivalents  | 28,113,676           | 88,837,686           |
| Cash and cash equivalents at start of year   | <u>380,416,342</u>   | <u>291,578,656</u>   |
| Cash and cash equivalents at end of year   | <u>408,530,018</u>   | <u>380,416,342</u>   |

The accompanying notes form an integral part of the financial statements

# Notes to Financial Statements

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 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 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, media 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, 2020:

Certain new and amended standards that were in issue came into effect during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and has adopted the following, which are relevant to its operations:

- Amendments to IAS 1 'Presentation of financial statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after January 1, 2020). These amendments and consequential amendments to other IFRSs result in the use of a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting. They clarify the explanation of the definition of material and also incorporate some of the guidance in IAS 1 about immaterial information. The adoption of these amendments did not have a significant impact on the company.
- Amendments to IFRS 16 'Leases – COVID - 19 related rent concessions extension of the practical expedient', (effective for annual periods beginning on or after June 1, 2020). This amendment provides lessees with an exemption from assessing whether a COVID - 19 related concession is a lease modification. The adoption of this amendment did not have an impact on the company's financial statements.

#### New and amended standards issued but not yet effective and not early adopted:

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.

- Amendments to IAS 1 'Presentation of financial statements' on classification of liabilities, (effective for annual periods beginning on or after January 1, 2022). These amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

## THE LIMNERS & BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

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

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

- Amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9 and IFRS 16 (effective for annual periods beginning on or after January 1, 2022). Amendments to IFRS 3 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16 'Property, plant and equipment' prohibit a company from deducting from the cost of the property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9 'Financial instruments' and the illustrative examples accompanying IFRS 16, 'Leases'.

The company is assessing the impact the amendments will have on its 2022 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) Basis of consolidation:

##### Subsidiaries

A subsidiary is an entity controlled by the company. Control exists when the company has power, directly and indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The company may have power over an entity even when it holds no ownership interest in the entity, or when it holds less than a majority of voting power in the entity. In such cases, the company exercises judgment and assesses its power to direct the relevant activities of the entity, as well as its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the entity. The financial statements of the subsidiary are included consolidated from the date on which control commences until the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated on consolidation. In the company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment.

#### (d) 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.

# Notes to Financial Statements

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

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

#### (d) Use of estimates and judgement (continued):

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:

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.

##### 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:

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. 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.

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 3. Significant accounting policies (continued)

#### (a) Property, plant and equipment (continued):

##### (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.

#### (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.



# Notes to Financial Statements

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 3. Significant accounting policies (continued)

#### (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.

#### (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 the statement of profit or loss and other comprehensive income.

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in the statement of profit or loss and other comprehensive income 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 shareholders equity in the period in which they are approved by the Board of Directors.

#### (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 value of goods and services and is recognised in the statement of profit or loss and other comprehensive income 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 profit or loss and other 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.

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 3. Significant accounting policies (continued)

#### (l) Taxation (continued):

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.

#### (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.

# Notes to Financial Statements

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 3. Significant accounting policies (continued)

#### (n) Financial instruments (continued):

##### (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.

##### (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 the statement of profit or loss and other comprehensive income 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) Leases:

The company adopted IFRS 16 as at November 1, 2019, consequently, all leases are accounted for by recognising a right-of-use asset and a lease liability for all leases with a term greater than 12 months.

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 3. Significant accounting policies (continued)

#### (o) Leases (continued):

At the lease commencement date, the company recognises a right-of-use asset and a lease liability on the statement of financial position. Lease liability is measured at the present value of the contractual payments due to the lessor over the lease term (including variable payments based on an index or rate), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Other variable payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability, reduced by any lease incentives received and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liability will be increased as a result of interest charged and reduced for payments made. Right-of-use assets are amortised on a straight-line basis over the shorter of the remaining lease term or over the remaining economic life of the leased asset.

When the company revises its estimate of the term of any lease or when the variable element of future payments dependent on an index or rate is revised, it adjusts the carrying amount of the liability to reflect the payments to be made over the revised term. Which were discounted at the same discount rate that applied on the lease commencement date. Similarly, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining lease term or useful economic life of the leased asset.

The company has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

The right-of-use asset is depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis.

#### (p) 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.

#### (q) 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.

#### (r) 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 22.

# Notes to Financial Statements

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 4. Property, plant and equipment

|                       | Motor Vehicle | Computers  | Equipment  | Office Furniture & equipment | Building & Building improvement | Total         |
|-----------------------|---------------|------------|------------|------------------------------|---------------------------------|---------------|
|                       | £             | £          | £          | £                            | £                               | £             |
| <b>At cost</b>        |               |            |            |                              |                                 |               |
| October 31, 2019      | 11,882,480    | 6,398,730  | 31,409,462 | 9,184,846                    | 74,536,165                      | 133,411,683   |
| Disposals             | -             | -          | -          | -                            | (51,125,000)                    | ( 51,125,000) |
| Additions             | -             | 6,623,475  | 3,020,451  | 362,795                      | 2,929,340                       | 12,936,061    |
| October 31, 2020      | 11,882,480    | 13,022,205 | 34,429,913 | 9,547,641                    | 26,340,505                      | 95,222,744    |
| Additions             | -             | 2,249,432  | 8,058,981  | 769,823                      | 2,014,353                       | 13,092,589    |
| December 2021         | 11,882,480    | 15,271,637 | 42,488,894 | 10,317,464                   | 28,354,858                      | 108,315,333   |
| <b>Depreciation</b>   |               |            |            |                              |                                 |               |
| 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   | 2,376,496     | 957,138    | 2,921,205  | 871,103                      | 3,324,353                       | 10,450,295    |
| October 31, 2020      | 2,970,621     | 6,332,110  | 18,658,670 | 3,524,936                    | 6,426,159                       | 37,912,496    |
| Charge for the year   | 2,376,496     | 1,832,577  | 3,771,748  | 944,177                      | 2,749,576                       | 11,674,574    |
| October 31, 2021      | 5,347,117     | 8,164,687  | 22,430,418 | 4,469,113                    | 9,175,735                       | 49,587,070    |
| <b>Net book value</b> |               |            |            |                              |                                 |               |
| October 31, 2021      | 6,535,363     | 7,106,950  | 20,058,476 | 5,848,351                    | 19,179,122                      | 58,728,263    |
| October 31, 2020      | 8,911,859     | 6,690,095  | 15,771,243 | 6,022,705                    | 19,914,346                      | 57,310,248    |

The building was transferred to a related company, Kimala Bennett Realty Company Limited (KBRC) in exchange for the transfer of bank loan and receivable from KBRC repayable within one year. Motor vehicle was pledged as security for loans (See notes 10 and 14).

### 5. Intangible assets

|                         | Software  |
|-------------------------|-----------|
|                         | £         |
| <b>At cost</b>          |           |
| October 31, 2019        | 689,741   |
| Addition                | 5,636,585 |
| October 31, 2020        | 6,326,326 |
| Addition                | 328,903   |
| October 31, 2021        | 6,655,229 |
| <b>Amortisation:</b>    |           |
| October 31, 2019        | 137,948   |
| Charge for the year     | 325,834   |
| October 31, 2020        | 463,782   |
| Charge for the year     | 1,314,601 |
| October 31, 2021        | 1,778,383 |
| <b>Carrying amount:</b> |           |
| October 31, 2021        | 4,876,846 |
| October 31, 2020        | 5,867,544 |

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 6. Right-of-use asset/lease liability

|  | 2021         | 2020         |
|--|--------------|--------------|
|  | £            | £            |
| <b>Right-of-use asset:</b>   |              |              |
| November 1/Adoption of IFRS 16   | 52,644,683   | 54,226,283   |
| Addition   | 47,554,061   | -            |
| October 31   | 100,198,744  | 54,226,283   |
| Amortisation   | ( 3,812,103) | ( 1,581,600) |
| October 31   | 96,386,641   | 52,644,683   |
| <b>Lease liability:</b>  |              |              |
| November 1/Adoption of IFRS 16   | 53,607,867   | 54,226,283   |
| Addition   | 47,554,061   | -            |
| October 31   | 101,161,928  | 54,226,283   |
| Interest charged for the period  | 6,192,969    | 2,675,702    |
| Payments made for the period   | ( 7,640,135) | ( 3,294,118) |
| October 31   | 99,714,762   | 53,607,867   |
| Current liability  | ( 2,032,666) | ( 1,133,890) |
| Non-current  | 97,682,096   | 52,473,977   |
| The right-of-use asset relates to the lease of buildings, units # 4 & 5 situated at 69 – 75 Constant Spring Road, Kingston 10. |              |              |

### 7. Investment in subsidiary

|  | 2021       | 2020 |
|--|------------|------|
|  | £          | £    |
| Scope Caribbean Limited  | 15,000,000 | -    |
| Scope Caribbean Limited was incorporated on April 13, 2021 and is a wholly owned subsidiary of the company. This represents the cost paid to acquire all the issued ordinary shares. |            |      |

### 8. Investments

|                                     | 2021    | 2020       |
|-------------------------------------|---------|------------|
|                                     | £       | £          |
| Quoted shares – classified as FVTPL |         |            |
| QWI Shares – value at November 1    | 408,301 | 639,314    |
| At fair value – October 31          | 478,143 | 408,301    |
| Gain/(loss) in value of investment  | 69,842  | ( 231,013) |

### 9. Deferred taxation

|  | Group     |      | Company |      |
|--|-----------|------|---------|------|
|  | 2021      | 2020 | 2021    | 2020 |
|  | £         | £    | £       | £    |
| Deferred tax is attributable to the following:   |           |      |         |      |
| Unutilised tax losses  | 2,049,359 | -    | -       | -    |
| All changes in the provision for deferred taxation are recognized in the statement of profit or loss and other comprehensive income. |           |      |         |      |

# Notes to Financial Statements

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 10. Due from related parties

The balances are interest free and have no fixed repayment terms (see note 4).

### 11. Accounts receivable

|                                     | 2021               | 2020               |
|-------------------------------------|--------------------|--------------------|
|                                     | £                  | £                  |
| Trade receivables                   | 220,706,142        | 154,635,459        |
| Allowance for impairment losses (i) | ( 5,346,860)       | ( 2,733,154)       |
|                                     | 215,359,282        | 151,902,305        |
| Other receivables                   | 6,875,651          | 6,525,022          |
|                                     | <u>222,234,913</u> | <u>158,427,327</u> |

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

|                                      | 2021             | 2020             |
|--------------------------------------|------------------|------------------|
|                                      | £                | £                |
| Balance at beginning of year         | 2,733,154        | 1,197,788        |
| Impairment loss recognized (Note 17) | 2,613,706        | 1,535,366        |
|                                      | <u>5,346,860</u> | <u>2,733,154</u> |

### 12. Cash and cash equivalents

|                            | Group              |                    | Company            |                    |
|----------------------------|--------------------|--------------------|--------------------|--------------------|
|                            | 2021               | 2020               | 2021               | 2020               |
|                            | £                  | £                  | £                  | £                  |
| Bank balances              | 157,002,391        | 43,402,102         | 150,279,827        | 43,402,102         |
| Short – term bank deposits | 258,250,191        | 337,014,240        | 258,250,191        | 337,014,240        |
|                            | <u>415,252,582</u> | <u>380,416,342</u> | <u>408,530,018</u> | <u>380,416,342</u> |

### 13. Share capital

|   | 2021               | 2020               |
|---|--------------------|--------------------|
|   | £                  | £                  |
| Authorized:                                     |                    |                    |
| 5,000,000,000 Ordinary shares without par value |                    |                    |
| Issued and fully paid:                          |                    |                    |
| 945,690,252 Ordinary shares without par value   | <u>178,941,261</u> | <u>178,941,261</u> |

### 14. Long-term loan

|  | 2021             | 2020              |
|--|------------------|-------------------|
|  | £                | £                 |
| 6.99% National Commercial Bank Jamaica Limited (i) | 10,374,541       | 11,633,228        |
| Current maturity of long – term loans              | ( 1,233,454)     | ( 1,258,686)      |
|  | <u>9,141,087</u> | <u>10,374,542</u> |

(i) The 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 4).

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 15. Accounts payable and accrued charges

|                                    | Group              |                    | Company            |                    |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                    | 2021               | 2020               | 2021               | 2020               |
|                                    | £                  | £                  | £                  | £                  |
| Trade payables                     | 154,189,027        | 133,532,527        | 154,269,027        | 133,532,527        |
| Other payables and accrued charges | <u>26,175,438</u>  | <u>13,067,702</u>  | <u>26,175,438</u>  | <u>13,067,702</u>  |
|                                    | <u>180,364,465</u> | <u>146,600,229</u> | <u>180,444,465</u> | <u>146,600,229</u> |

### 16. Operating revenue

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

### 17. Expenses by nature

|  | Group              |                    | Company            |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2021               | 2020               | 2021               | 2020               |
|  | £                  | £                  | £                  | £                  |
| <b>Administrative:</b>                                     |                    |                    |                    |                    |
| Directors' remuneration – Executive                        | 28,663,366         | 24,589,771         | 28,663,366         | 24,589,771         |
| Directors' fees – non – executive                          | 3,053,125          | 2,385,000          | 3,053,125          | 2,385,000          |
| Staff costs  | 129,830,337        | 86,268,836         | 128,023,595        | 86,268,836         |
| Audit fees   | 2,000,000          | 1,250,000          | 2,000,000          | 1,250,000          |
| Depreciation and amortisation                              | 12,989,174         | 10,776,129         | 12,989,174         | 10,776,129         |
| Amortisation – right – of – use asset                      | 3,812,103          | 1,581,600          | 3,812,103          | 1,581,600          |
| Other administrative expenses                              | <u>53,168,460</u>  | <u>46,023,409</u>  | <u>49,842,926</u>  | <u>46,023,409</u>  |
|  | <u>233,516,565</u> | <u>172,874,745</u> | <u>228,384,289</u> | <u>172,874,745</u> |
| <b>Selling and distribution:</b>                           |                    |                    |                    |                    |
| Advertising, promotion & entertainment                     | 3,734,856          | 548,564            | 560,490            | 548,564            |
| Travelling   | 10,500             | -                  | 10,500             | -                  |
|  | <u>3,745,356</u>   | <u>548,564</u>     | <u>570,990</u>     | <u>548,564</u>     |
| Total administrative and selling and distribution expenses | <u>237,261,921</u> | <u>173,423,309</u> | <u>228,955,279</u> | <u>173,423,309</u> |
| Impairment losses on financial assets:                     |                    |                    |                    |                    |
| Trade receivables (note 10(i))                             | <u>2,613,706</u>   | <u>1,535,366</u>   | <u>2,613,706</u>   | <u>1,535,366</u>   |
| <b>Staff costs</b>   |                    |                    |                    |                    |
| Salaries   | 109,452,202        | 73,106,971         | 107,645,460        | 73,106,971         |
| Employer's statutory contributions                         | 15,680,033         | 9,744,557          | 15,680,033         | 9,744,557          |
| Other staff costs  | <u>4,698,102</u>   | <u>3,417,308</u>   | <u>4,698,102</u>   | <u>3,417,308</u>   |
|  | <u>129,830,337</u> | <u>86,268,836</u>  | <u>128,023,595</u> | <u>86,268,836</u>  |

# Notes to Financial Statements

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 18. Net finance income

|                           | Group               |                     | Company             |                     |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
|                           | 2021<br>\$          | 2020<br>\$          | 2021<br>\$          | 2020<br>\$          |
| Finance income:           |                     |                     |                     |                     |
| Foreign exchange gain     | 17,426,634          | 4,849,729           | 17,426,634          | 4,849,729           |
| Interest income           | 8,378,366           | 4,429,944           | 8,378,160           | 4,429,944           |
|                           | <u>25,805,000</u>   | <u>9,279,673</u>    | <u>25,804,794</u>   | <u>9,279,673</u>    |
| Finance cost:             |                     |                     |                     |                     |
| Loan charges and interest | ( 773,345)          | ( 1,989,078)        | ( 773,345)          | ( 1,989,078)        |
| Lease interest            | ( 6,192,969)        | ( 2,675,702)        | ( 6,192,969)        | ( 2,675,702)        |
| Bank charges              | ( 1,338,641)        | ( 969,570)          | ( 1,338,641)        | ( 969,570)          |
|                           | <u>( 8,304,955)</u> | <u>( 5,634,350)</u> | <u>( 8,304,955)</u> | <u>( 5,634,350)</u> |
|                           | <u>17,500,045</u>   | <u>3,645,323</u>    | <u>17,499,839</u>   | <u>3,645,323</u>    |

### 19. Taxation

|   | Group            |                                 | Company       |               |
|---|------------------|---------------------------------|---------------|---------------|
|   | 2021<br>\$       | 2020<br>\$                      | 2021<br>\$    | 2020<br>\$    |
| (a) Current taxation  | 36,302,586       | 31,433,083                      | 36,302,586    | 31,433,083    |
| Remission of income tax   | ( 36,302,586)    | ( 31,433,083)                   | ( 36,302,586) | ( 31,433,083) |
| Deferred taxation:  |                  |                                 |               |               |
| Origination of temporary differences  | 2,049,359        | -                               | -             | -             |
| Total taxation in the statement of profit or loss   | <u>2,049,359</u> | <u>-</u>                        | <u>-</u>      | <u>-</u>      |
| (b) Reconciliation of effective tax rate:   |                  |                                 |               |               |
| Profit before taxation  | 153,501,241      | 127,081,245                     | 161,698,677   | 127,081,245   |
| Computed "expected" tax expense @ 25%   | 38,375,310       | 31,770,311                      | 40,424,669    | 31,770,311    |
| Tax relieved under the JMISE  | ( 32,203,868)    | ( 31,433,083)                   | ( 36,302,586) | ( 31,433,083) |
| Difference between results for Financial statements and tax reporting purposes in respect of:   |                  |                                 |               |               |
| Disallowed items, net   | ( 4,122,083)     | ( 337,228)                      | ( 4,122,083)  | ( 337,228)    |
| Actual tax expense in the statement of profit or loss   | <u>2,049,359</u> | <u>-</u>                        | <u>-</u>      | <u>-</u>      |
| c). Effective July 26, 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 in the proportions set out below, provided the shares remain listed for at least 15 years. |                  |                                 |               |               |
| Years 1 to 5  | 100 %            | August 1, 2019 to July 31, 2024 |               |               |
| Years 6 to 10   | 50 %             | August 1, 2024 to July 31, 2029 |               |               |

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 20. 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.

|   | 2021<br>\$  | 2020<br>\$  |
|---|-------------|-------------|
| Net profit attributable to shareholders   | 155,550,600 | 127,081,245 |
| Weighted average of ordinary stock units  | 945,690,252 | 945,690,252 |
| Basic and diluted earnings per stock unit | <u>16¢</u>  | <u>13¢</u>  |

### 21. Dividends

During the year the Board of Directors declared and paid dividend as follows:

- Final for 2019/2020, paid on January 27, 2021, comprising ordinary dividend of \$0.034 per ordinary share and a special dividend of \$0.04 to shareholders on record at January 8, 2021.
- Interim for 2020/2021, paid on August 27, 2021, ordinary dividend of \$0.036 per ordinary share to shareholders on record at August 5, 2021.

### 22. Segment reporting

The company has three reportable segments: production, media and agency. Performance is measured based on segment gross profit and management has determined that this measure is the most relevant in evaluating results and allocating resources. Assets and liabilities are not assigned to each segment. Segment information for the reporting period are as follows:

|              | Year Ended October 31, 2021 |                   |                    |                    |
|--------------|-----------------------------|-------------------|--------------------|--------------------|
|              | Production<br>\$            | Media<br>\$       | Agency<br>\$       | Total<br>\$        |
| Revenue      | 382,126,379                 | 664,965,723       | 180,116,229        | 1,227,208,331      |
| Direct costs | (229,243,180)               | (568,611,888)     | ( 53,546,281)      | ( 851,401,349)     |
| Gross profit | <u>152,883,199</u>          | <u>96,353,835</u> | <u>126,569,948</u> | <u>175,806,982</u> |
|              | Year Ended October 31, 2020 |                   |                    |                    |
|              | Production<br>\$            | Media<br>\$       | Agency<br>\$       | Total<br>\$        |
| Revenue      | 234,105,237                 | 492,061,773       | 185,571,353        | 911,738,363        |
| Direct costs | (131,727,572)               | (420,548,626)     | ( 60,836,550)      | ( 613,112,753)     |
| Gross profit | <u>102,377,665</u>          | <u>71,513,147</u> | <u>124,734,803</u> | <u>298,625,615</u> |

### 23. Related party transactions

The statements of financial position and profit or loss and other comprehensive income includes the following related party transactions arising from the ordinary course of business during the year.

|   | 2021<br>\$       | 2020<br>\$        |
|---|------------------|-------------------|
| <b>Transactions during the year:</b>                                |                  |                   |
| Talent fees – Scope Caribbean Limited (eliminated on consolidation) | 432,000          | -                 |
| Impairment provision – CR8 Space Limited                            | 1,205,366        | -                 |
| Lease payments – Kimala Bennett Realty Company                      | <u>8,038,750</u> | <u>3,764,706</u>  |
| <b>Year end balances:</b>   |                  |                   |
| Due from (note 10)  | -                | <u>17,554,178</u> |
| Due to (note 10)  | <u>55,471</u>    | -                 |

# Notes to Financial Statements

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 24. 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:

|                           | 2021               | 2020               |
|---------------------------|--------------------|--------------------|
|                           | \$                 | \$                 |
| Cash and cash equivalents | 415,252,582        | 380,416,342        |
| Investment                | 478,143            | 408,301            |
| Due from related parties  | -                  | 17,554,178         |
| Accounts receivable       | <u>222,234,933</u> | <u>158,427,327</u> |
|                           | <u>637,965,658</u> | <u>556,806,148</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 impairment 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.

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 customer's 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, 2021 were as follows:

|                       | Current        | 31-60 days     | 61-90 days     | Over 90 days     | Total            |
|-----------------------|----------------|----------------|----------------|------------------|------------------|
|                       | 1%             | 1.5%           | 2%             | 5%               |                  |
| Gross carrying amount | 89,107,964     | 36,596,600     | 28,108,276     | 66,893,302       | 220,706,142      |
| Lifetime ECL          | <u>891,080</u> | <u>548,949</u> | <u>562,166</u> | <u>3,344,665</u> | <u>5,346,860</u> |

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 24. Financial risk management (continued)

#### (a) Credit risk (continued):

##### (i) Trade receivables (continued)

#### October 31, 2020

|                       | Current           | 31-60 days        | 61-90 days        | Over 90 days      | Total              |
|-----------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
|                       | 1%                | 1.5%              | 2%                | 5%                |                    |
| Gross carrying amount | <u>76,015,765</u> | <u>22,469,079</u> | <u>30,053,375</u> | <u>17,098,240</u> | <u>154,635,459</u> |
| Lifetime ECL          | <u>760,158</u>    | <u>337,036</u>    | <u>781,048</u>    | <u>854,912</u>    | <u>2,733,154</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, 2021, interest bearing assets aggregated \$236,976,457 (2020: \$233,121,361) financial liabilities subject to interest aggregated \$10,374,541 (2020: \$11,633,227).

An increase in interest rates of 100 basis points would increase profit for the year and retained earnings by approximately \$2,266,019 (2020: \$2,214,881). A reduction in interest rates of 100 basis points would have an equal but opposite effect, assuming all other variables remain constant.

#### (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\$).

# Notes to Financial Statements

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 24. Financial risk management (continued)

#### (b) Market risk (continued):

##### (ii) Foreign currency risk (continued):

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:

|                       | 2021<br>US\$     | 2020<br>US\$     |
|-----------------------|------------------|------------------|
| Financial assets      | 1,619,299        | 1,655,778        |
| Financial liabilities | ( 12,993)        | ( 8,000)         |
| Net assets            | <u>1,606,306</u> | <u>1,647,778</u> |

Average exchange rates were as follows:

|                     | US \$1.00 |
|---------------------|-----------|
| At October 31, 2020 | 145.00    |
| At October 31, 2021 | 155.66    |

Sensitivity analysis:

A 5% strengthening or weakening of the United States dollar against the Jamaican dollar would increase/(decrease) equity and profit by \$12,501,880 (2020: \$11,946,391). This analysis assumes that all variables, in particular, interest rates remain constant. The analysis is performed on the same basis for 2020.

##### (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 \$47,814 (2020: \$40,830). A 10% decrease would have an equal but opposite effect on the net results or shareholders equity.

#### (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 LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 24. Financial risk management (continued)

#### (c) Liquidity risk (continued):

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

|                         | Carrying<br>amount<br>\$ | Contractual<br>cash flows<br>\$ | 0-1<br>year<br>\$  | 2-5<br>year<br>\$ | >5<br>year<br>\$   |
|-------------------------|--------------------------|---------------------------------|--------------------|-------------------|--------------------|
| <b>October 31, 2021</b> |                          |                                 |                    |                   |                    |
| Accounts payable        | 180,364,465              | 180,364,465                     | 180,364,465        | -                 | -                  |
| Lease liability         | 99,714,761               | 197,285,710                     | 10,430,442         | 42,082,914        | 144,772,354        |
| Long - term loans       | <u>10,374,541</u>        | <u>13,208,203</u>               | <u>2,032,031</u>   | <u>4,064,063</u>  | <u>7,112,109</u>   |
|                         | <u>290,453,767</u>       | <u>390,858,378</u>              | <u>192,826,938</u> | <u>46,146,977</u> | <u>151,884,463</u> |
| <b>October 31, 2020</b> |                          |                                 |                    |                   |                    |
| Accounts payable        | 146,600,229              | 146,600,229                     | 146,600,229        | -                 | -                  |
| Lease liability         | 53,607,867               | 109,176,481                     | 5,647,059          | 22,588,237        | 80,941,185         |
| Long - term loans       | <u>11,633,228</u>        | <u>15,240,235</u>               | <u>2,032,031</u>   | <u>4,064,063</u>  | <u>9,144,141</u>   |
|                         | <u>211,841,324</u>       | <u>271,016,945</u>              | <u>154,279,319</u> | <u>26,652,300</u> | <u>90,085,326</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 investor, creditor 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 of capital.

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.

# Notes to Financial Statements

## THE LIMNERS AND BARDS LIMITED

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Notes to the Financial Statements  
Year Ended October 31, 2021

### 25. 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.

### 26. Impact of COVID – 19

The World Health Organisation (WHO) declared the novel Coronavirus (COVID – 19) outbreak a pandemic on March 11, 2020. The pandemic and the measures to control its impact have resulted in disruptions to economic activities, business operations and asset prices. Some of the measures taken by the Government to contain the impact include, travel bans, quarantines, curfews, social distancing, closure of non – essential services and work from home orders. These measures have affected some areas of the company's operations, particularly production.

The company has performed various assessments and stress testing of its business plans under different scenarios as part of its business continuity and contingency planning. The company has implemented a work from home regime with remote access to its operation systems for most of its employees. In addition, temperature checks and hand sanitising are requirements for all staff members and visitors entering the office. COVID – 19 test is also a requirement for all persons involved on shoots/production sites.



# Disclosure of Shareholdings

| Directors                                     | TOTAL             | Direct             | Connected Party |
|---|-------------------|--------------------|-----------------|
| Kimala Bennett                                | 730,181,394       |                    |                 |
| Kimala Bennett Private Company Limited        |                   |                    | 728,181,394     |
| Adrian Randle                                 |                   |                    | 2,000,000       |
| Tashara-Lee Johnson                           | 21,698,669        | 21,461,669         |                 |
| Ann-Marie Francis                             |                   |                    | 237,000         |
| Steven Gooden                                 | 2,728,412         | 2,728,412          | -               |
| Michael Bennett                               | 1,000,000         | 1,000,000          | -               |
| Maxine Waleters                               | -                 | -                  | -               |
| Rochelle Cameron                              | 100,000           | 100,000            | -               |
| Douglas Lindo                                 | 3,310,594         | 9,279,673          | 25,805,000      |
| <b>Senior Management</b>                      |                   |                    |                 |
| Natassia Benjamin                             | 293,923           | 293,923            | -               |
| Colleen Corke-Campbell                        | 60,000            | 60,000             | -               |
| Samantha Whyte                                | 50,000            | 50,000             | -               |
| Kimberley Adamson                             | 29,620            | 29,620             | -               |
| Dexter Musgrave                               | -                 | -                  | -               |
| Marlene McIntosh                              | -                 | -                  | -               |
| <b>Top Ten (10) Shareholders</b>              |                   |                    |                 |
|   | <b># of Units</b> | <b>Ownership %</b> |                 |
| Kimala Bennett Private Company Limited        | 728,181,394       | 77.0000            |                 |
| NCB Capital Markets. A/C 2231                 | 33,884,373        | 3.5830             |                 |
| Tashara-Lee Johnson                           | 21,698,669        | 2.2694             |                 |
| JMMB Securities Ltd. House Account #2         | 20,821,187        | 2.2017             |                 |
| ATL Group Pension Fund Trustee Nominee Ltd    | 16,000,000        | 1.6919             |                 |
| JCSD Trustee Services Limited A/C Barita Unit | 12,420,647        | 1.3134             |                 |
| MF&G Asset Mangement Limited                  | 7,718,838         | 0.8162             |                 |
| Douglas Orane                                 | 5,000,000         | 0.5287             |                 |
| Randy Rowe                                    | 4,720,798         | 0.4992             |                 |
| Andrew Pairman                                | 3,500,000         | 0.3701             |                 |

# Form of Proxy

I/We \_\_\_\_\_ of \_\_\_\_\_  
[ Name of Shareholder(s) ] [ Address of Shareholder(s) ]

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

\_\_\_\_\_ of \_\_\_\_\_  
[ Name of Proxy ] [ Address of Proxy ]

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 July 20, 2022 at the LAB Head Office 69 – 75 Constant Spring Road, Blaise Industrial Park Unit 4 Kingston 10, Jamaica at 10:00 a.m. and/or virtually 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 |
|--|-----|---------|
| <b>RESOLUTION NO. 1</b><br>Directors' Report and Auditors Report and Audited Financial Statements                            |     |         |
| <b>RESOLUTION NO. 2</b><br>To ratify the dividend paid on [31st January 2022] as final for the year ended 31st October 2021. |     |         |
| <b>RESOLUTION NO. 3 - Retirement and Re-election of Director</b>   |     |         |
| Resolution 3a<br>"THAT Mr. Michael Bennett be and is hereby re-elected a Director of the Company".                           |     |         |
| Resolution 3b<br>"THAT Ms. Maxine Walters be and is hereby re-elected a Director of the Company".                            |     |         |
| Resolution 3c<br>"THAT Ms. Tashara-Lee Johnson be and is hereby re-elected a Director of the Company".                       |     |         |
| <b>RESOLUTION NO. 4</b><br>Directors' Remuneration   |     |         |
| <b>RESOLUTION NO. 5</b><br>Appointment and remuneration of the Auditors  |     |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
[ Signature of Shareholder(s) ]

**NOTES:**

1. This Form of Proxy must be lodged at the Registered Office of the Company (69-75 Constant Spring Road, Kingston 10) or the Registrar, Jamaica Central Securities Depository ("JCSD"), 40 Harbour Street, Kingston, not later than forty-eight (48) hours before the meeting.
2. Any alterations in this Form of Proxy should be initialed.
3. 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.
4. 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.
5. An adhesive stamp of \$100.00 must be affixed to the Form of Proxy.

# 2021 Annual Report

