

K.L.E. GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

THREE (3) MONTHS ENDED MARCH 31, 2022

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K.L.E. GROUP LIMITED
UNAUDITED
STATEMENT OF COMPREHENSIVE INCOME
THREE (3) MONTHS ENDED MARCH 31, 2022

	Notes	Unaudited Three Months ended March 31 2022 \$'000	Unaudited Three Months ended March 31 2021 \$'000	Audited Year ended ended Dec 31, 2021 \$'000
Revenue	3	-	35,156	-
Cost of Sales		-	(10,837)	-
Gross profit		-	24,320	-
Other operating income	4	3,732	16	78,476
Administrative and other expense	5	(4,029)	(30,982)	(17,470)
(Loss)/profit from operations		(297)	(6,645)	61,006
Finance and depreciation cost	6	(2,776)	(15,342)	(20,056)
		(3,073)	(21,988)	40,950
Share of post - tax loss of equity accounted associate		(1,923)	-	(6,978)
(Loss)/profit before taxation		(4,996)	(21,988)	33,972
Taxation expense		-	-	(8,241)
(Loss)/profit from continuing operation		(4,996)	(21,988)	25,731
Profit/(loss) from discontinued operations	7	12,565	-	(11,400)
		7,569	(21,988)	14,331
Other Comprehensive Income				
Items which may be reclassified to profit or loss				
Unrealised gain/(loss) on investments		894	(110)	(528)
Net profit / (loss) for the period, being total comprehensive income /(expense) for the year		8,463	(22,098)	13,803
Number of shares		100,000	100,000	100,000
Earnings per stock unit:		\$0.08	(\$0.22)	\$0.14

K.L.E. GROUP LIMITED
UNAUDITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Unaudited	Unaudited	Audited
	as at	as at	as at
Notes	March 31	March 31	December 31,
	2022	2021	2021
	\$'000	\$'000	\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	-	100,970	-
Right to use asset	13	-	30,335
Investment in joint venture	-	15,276	14,078
Investment in associate	-	66,432	42,634
Investments	-	35,597	7,778
Long term receivables	9	-	7,280
Deferred tax asset	-	-	8,241
Total non-current assets	117,305	211,316	146,154
CURRENT ASSETS			
Inventories	8	-	2,706
Receivables	9	6,924	1,982
Due From related party	-	-	53,698
Cash and cash equivalents	12	50,462	532
Total current assets	57,386	58,918	63,635
Total assets	174,692	270,234	209,789
EQUITY			
Share capital	122,903	122,903	122,903
Revaluation reserve	2,273	1,797	1,379
Accumulated (deficit)/surplus	(108,061)	(151,949)	(115,630)
	17,115	(27,249)	8,652
NON-CURRENT LIABILITIES			
Bank loan	10	76,911	84,437
Other long term loan	10	-	94,108
Lease Liability - long term portion	13	-	25,071
Due to related party	-	10,211	-
	87,122	203,616	117,395
CURRENT LIABILITIES			
Current portion of loan	10	12,063	12,063
Payables	11	45,211	62,513
Bank overdraft	-	13,137	9,581
Lease Obligation current portion	13	-	9,065
Taxation	-	45	646
Total current liabilities	70,454	93,868	83,742
Total equity and liabilities	174,692	270,234	209,789

Approved by the Board of Directors and signed on its behalf by:


 Gary Matolon (Director)


 David Shirley (Chairman)

K.L.E. GROUP LIMITED
UNAUDITED
STATEMENT OF CHANGES IN EQUITY
THREE (3) MONTHS ENDED MARCH 31, 2022

	Share capital \$'000	Revaluation reserve \$'000	Accumulated deficit \$'000	Total \$'000
Balance at 31 December 2020	122,903	1,907	(129,961)	(5,151)
Total Comprehensive Income				
Net loss	-	-	(21,988)	(21,988)
Other Comprehensive loss	-	(110)	-	(110)
Unaudited balances at March 31, 2021	122,903	1,797	(151,949)	(27,249)
Audited balance at 31 December 2021	122,903	1,379	(115,630)	8,652
Total Comprehensive Income				
Net profit	-	-	7,569	7,569
Other comprehensive income	-	894	-	894
Unaudited balances at March 31, 2022	122,903	2,273	(108,061)	17,115

K.L.E. GROUP LIMITED
UNAUDITED
STATEMENT OF CASH FLOWS
THREE (3) MONTHS ENDED MARCH 31, 2022

	Unaudited Quarter ended March 31, 2022 <u>\$'000</u>	Unaudited Quarter ended March 31, 2021 <u>\$'000</u>	Unaudited Year ended December 31, 2021 <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the period / year	8,463	(22,098)	14,331
Items not affecting cash resources	29,869	16,043	38,166
Operating (loss)/profit before changes in working capital	38,332	(6,055)	52,497
Changes in operating assets and liabilities			
Inventories	-	819	3,525
Receivables	-	8,577	11,437
Payables	(9,414)	8,758	869
Related party	(2,209)	(8,964)	30,234
Fixed assets transfer to related party	-	-	99,390
Taxation paid	-	-	(601)
Net cash provided by operations	26,709	3,135	197,351
Cash flows from investing activities			
Interest received	6	16	17
Purchase of investments	-	-	(26,813)
Proceeds from sale of investment	-	-	-
Purchase of property, plant and equipment	-	-	(118)
Net cash provided by/(used in) investing activities	6	16	(26,914)
Cash flows from financing activities			
Loan proceeds	-	-	-
Interest and other related expense	(2,949)	(5,052)	(14,383)
Loan repayment	(3,339)	-	(97,633)
Lease Interest Expense Paid	-	(849)	(1,786)
Lease Liability derecognised	(32,441)	(1,721)	(5,202)
Net cashused in financing activities	(38,729)	(7,622)	(119,004)
Net (decrease)/increase in cash and cash equivalents	(12,014)	(4,471)	51,433
Cash and cash equivalents at beginning of period/year	47,939	(4,578)	(4,578)
Effect of exchange movements on foreign balances	-	-	1,084
Cash and cash equivalents at end of period / year	35,925	(9,049)	47,939

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2022

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

K.L.E Group Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is Unit 6, 67 Constant Spring Road, Kingston 10.

The company's shares are listed on the Junior Market of the Jamaica Stock Exchange.

The principal activities of the company were the operation of restaurants under the brand "Usain Bolt's Tracks and Records", and the provision of management services to T & R Restaurant Systems Limited t/a FranJam. During the prior year the company discontinued the restaurant operations and related assets and liabilities of the restaurant operation were transferred to T & R Restaurant Systems Limited, an associate company. FranJam now operates the Usain Bolt's Tracks and Records restaurants in both Montego Bay and Kingston.

KLE currently has a 49% shareholdings in associated company, T&R Restaurant Systems Limited and a 25% stake in the "Bessa" joint venture in Oracabessa St. Mary.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The interim financial statements have been prepared under the historical cost basis and are expressed in Jamaican Dollars, which is the company's functional and presentation currency.

The Company's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS). These statements are also prepared in accordance with the requirements of the Jamaican Companies Act.

The interim financial report is to be read in conjunction with the audited financial statements for the year ended December 31, 2021. These explanatory notes attached to the interim financials statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended December 31, 2021.

The significant accounting policies adopted are consistent with those of the audited financial statement for the year ended December 31, 2021.

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2022

3. REVENUES

	Unaudited March 31, 2022 \$'000	Unaudited March 31, 2021 \$'000	Audited December 31, 2021 \$'000
Food and Bar	-	35,104	-
Merchandise and Rental	-	52	-
	-	35,156	-

4. OTHER OPERATING INCOME

	Unaudited Quarter ended March 31, 2022 \$'000	Unaudited Quarter ended March 31, 2021 \$'000	Audited Year ended December 31, 2021 \$'000
Gain on sale of investment	-	-	77,348
Interest income	6	16	17
Other income	3,726	-	1,111
	3,732	16	78,476

5. ADMINISTRATIVE AND OTHER EXPENSES

	Unaudited March 31, 2022 \$'000	Unaudited March 31, 2021 \$'000	Audited December 31, 2021 \$'000
Bank service charge	5	939	2,056
Insurance	-	574	-
Professional fees	3,772	1,353	-
Rent	-	1,292	470
Repairs and maintenance	-	200	2,284
Salaries and related cost	-	14,313	-
Security	-	329	-
Staff welfare	-	576	-
Utilities	1	5,393	-
Advertising and marketing	-	1,523	-
Bathroom supplies	1	115	-
Couriers	-	226	-
Dues and subscription	250	325	-
Equipment rental & charges	-	693	-
IT expense	-	328	-
Cleaning and sanitation	-	361	940
Licenses and permits	-	11	-
Office supplies and expenses	-	92	-
Printing and reproduction	-	61	-
Travel and entertainment	-	21	-
Bad debt	-	-	(8,765)
Kitchen and bar supplies	-	430	-
Music and entertainment	-	416	-
Penalties and interest	-	-	17,547
Royalties	-	1,408	2,938
Casual Labour	-	3	-
	4,030	30,982	17,470

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2022

6. FINANCE AND POLICY COST

	Unaudited Quarter ended March 31, 2022 \$'000	Unaudited Quarter ended March 31, 2021 \$'000	Audited Year ended Dec 31, 2020 \$'000
Interest expense	2,949	5,052	14,383
Lease interest expense	-	849	1,786
Ammortisation of ROU asset	-	2,456	4,971
Depreciation expense	-	7,592	-
Foreign exchange gain	(173)	(606)	(1,084)
	<u>2,776</u>	<u>15,342</u>	<u>20,056</u>

7. DISCONTINUED OPERATION

	Unaudited Quarter ended March 31, 2022 \$'000	Unaudited Quarter ended March 31, 2021 \$'000	Audited Year ended Dec 31, 2020 \$'000
Total revenue	-	-	73,364
Cost of sales	-	-	(22,744)
Gross profit	-	-	50,620
Gain on sale of discontinued operation	<u>12,565</u>	<u>-</u>	<u>6,382</u>
	12,565	-	57,002.00
ADMINISTRATIVE AND OTHER EXPENSES:			
Advertising	-	-	3,996
Auditors remuneration	-	-	2,287
Couriers	-	-	494
Depreciation	-	-	9,290
Insurance	-	-	966
IT Expenses	-	-	493
Legal and professional fees	-	-	4,673
Other expenses	-	-	3,744
Repairs and maintenance	-	-	1,065
Security	-	-	798
Staff cost	-	-	29,212
Travel and entertainment	-	-	608
Utilities	-	-	8,901
Gas	-	-	1,875
	<u>-</u>	<u>-</u>	<u>68,402.00</u>
Profit/(loss) from discontinued operations	<u>12,565</u>	<u>-</u>	<u>(11,400)</u>

Profit from discontinued operation is as a result of the finalisation, settlement and transfer of a contractual obligation to T & R Restaurant Systems Limited as per signed agreement.

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2022

8. INVENTORIES

	Unaudited March 31, 2022 \$'000	Unaudited March 31, 2021 \$'000	Audited Dec. 31, 2021 \$'000
Goods for resale	-	2,706	-
	-	2,706	-

9. RECEIVABLES

	Unaudited March 31, 2022 \$'000	Unaudited March 31, 2021 \$'000	Audited Dec. 31, 2021 \$'000
Trade receivables			
Trade receivables	-	9,086	-
Related Party	-	-	-
Total financial assets other than cash equivalents classified as amortised cost	-	9,086	-
Prepayments and other receivables	6,924	102	6,402
Less long term portion - other receivables	-	(7,280)	-
	6,924	1,908	6,402

10. LOANS PAYABLE

	Unaudited March 31, 2022 \$'000	Unaudited March 31, 2021 \$'000	Audited Dec. 31, 2021 \$'000
Bank loan - Sagicor Bank Limited			
(i) J\$96.5 Million Loan	88,974	96,500	92,313
Other Loan			
(ii) USD \$700,000.00	-	94,108	-
Total loans	88,974	190,608	92,313
Classified as follows:			
Non-current			
Bank loan	76,911	84,437	86,882
Other loan	-	94,108	-
	76,911	178,545	86,882
Current			
Bank loan	12,063	12,063	5,431
Other loan	-	-	-
	12,063	12,063	5,431
Total loan payable	88,974	190,608	92,313

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2022

11. PAYABLES

	Unaudited March 31, 2022 \$'000	Unaudited March 31, 2021 \$'000	Audited Dec. 31, 2021 \$'000
Trade payables	3,942	33,965	670
Statutories and GCT	39,305	15,915	39,518
Royalties payable	-	11,034	12,565
Other payables	1,963	1,600	1,871
	<u>45,211</u>	<u>62,514</u>	<u>54,624</u>

12. CASH AND CASH EQUIVALENTS

	Unaudited March 31, 2022 \$'000	Unaudited March 31, 2021 \$'000	Audited Dec. 31, 2021 \$'000
Cash and bank balances	50,462	532	57,233
Bank overdraft	(13,137)	(9,581)	(9,294)
	<u>37,325</u>	<u>(9,049)</u>	<u>47,939</u>

13. RIGHT OF USE OF ASSETS

The company recognized the right of use asset for its leases premises as follows:

	Unaudited March 31, 2022	Unaudited March 2021 \$'000	Audited Dec. 31, 2021 \$'000
Openinig balance	-	32,791	32,791
Amortisation	-	(2,456)	(4,971)
Balance	<u>-</u>	<u>30,335</u>	<u>27,820</u>

The following table presents the lease obligation for the company:

	March 31, 2022 \$'000	March 2021 \$'000	Dec. 31, 2021 \$'000
Openinig balance	-	35,857	35,857
Interest expense on lease obligation	-	849	1,786
Rent Payments	-	(2,570)	(5,202)
	<u>-</u>	<u>34,136</u>	<u>32,441</u>