

**K.L.E. GROUP LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**SIX (6) MONTHS ENDED JUNE 30, 2022**

**K.L.E. GROUP LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED JUNE 30, 2022**

---

---

**TABLE OF CONTENTS**

	<b>PAGE (S)</b>
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statement	5 - 9

**K.L.E. GROUP LIMITED**  
**UNAUDITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**SIX MONTHS ENDED JUNE 30, 2022**

		Unaudited Quarter ended June 30, 2022 \$'000	Unaudited Quarter ended June 30, 2021 \$'000	Unaudited Six Months ended June 30, 2022 \$'000	Unaudited Six Months ended June 30, 2021 \$'000	Audited Year ended Dec 31, 2021 \$'000
Notes						
Revenue	3	-	38,208	-	73,364	-
Cost of Sales		-	(11,909)	-	(22,745)	-
Gross profit		-	26,299	-	50,619	-
Other operating income	4	6	1,062	3,738	1,079	78,476
Administrative and other expense	5	(3,197)	(33,151)	(7,225)	(63,218)	(17,470)
(Loss)/profit from operations		(3,191)	(5,790)	(3,487)	(11,520)	61,006
Finance and depreciation cost	6	(2,868)	(12,489)	(5,643)	(28,747)	(20,056)
		(6,058)	(18,279)	(9,131)	(40,267)	40,950
Share of post - tax loss of equity accounted associate		3,233	-	1,309	-	(6,978)
(Loss)/profit before taxation		(2,825)	(18,279)	(7,821)	(40,267)	33,972
Taxation expense			-	-	-	(8,241)
(Loss)/profit from continuing operation		(2,825)	(18,279)	(7,821)	(40,267)	25,731
Profit/(loss) from discontinued operations	7		-	12,565	-	(11,400)
		(2,825)	(18,279)	4,743	(40,267)	14,331
Other Comprehensive Income						
Items which may be reclassified to profit or loss						
Unrealised gain/(loss) on investments		-	1,062	266	(558)	(528)
<b>Net loss for the period, being total comprehensive income /(expense) for the year</b>		<b>(2,825)</b>	<b>(17,217)</b>	<b>5,009</b>	<b>(40,825)</b>	<b>13,803</b>
Number of shares		100,000	100,000	100,000	100,000	100,000
Earnings per stock unit:		(0.028)	(0.17)	0.050	(0.22)	\$0.14

**K.L.E. GROUP LIMITED**  
**UNAUDITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Notes	Unaudited as at June 30, 2022 \$'000	Unaudited as at June 30, 2021 \$'000	Audited as at December 31, 2021 \$'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		-	93,524	-
Right to use asset	13	-	27,820	27,820
Investment in joint venture	-	15,276	14,078	15,276
Investment in associate		69,665	42,634	68,356
Investments		34,968	7,331	34,702
Long term receivables	9	-	7,280	-
Deferred tax asset		-	8,241	-
<b>Total non-current assets</b>		<b>119,909</b>	<b>200,908</b>	<b>146,154</b>
<b>CURRENT ASSETS</b>				
Inventories	8	-	3,896	-
Receivables	9	6,924	1,345	6,402
Due From related party		-	35,884	-
Cash and cash equivalents	12	41,756	2,701	57,233
<b>Total current assets</b>		<b>48,680</b>	<b>43,826</b>	<b>63,635</b>
<b>Total assets</b>		<b>168,590</b>	<b>244,734</b>	<b>209,789</b>
<b>EQUITY</b>				
Share capital		122,903	122,903	122,903
Revaluation reserve		1,645	1,349	1,379
Accumulated (deficit)/surplus		(110,887)	(170,228)	(115,630)
		<b>13,661</b>	<b>(45,976)</b>	<b>8,652</b>
<b>NON-CURRENT LIABILITIES</b>				
Bank loan	10	77,311	87,134	86,882
Other long term loan	10	-	94,108	-
Lease Liability - long term portion	13		24,334	18,093
Due to related party		17,058	-	12,420
		<b>94,369</b>	<b>205,576</b>	<b>117,395</b>
<b>CURRENT LIABILITIES</b>				
Current portion of loan	10	9,478	8,348	5,431
Payables	11	41,571	55,885	54,624
Bank overdraft		9,466	12,147	9,294
Lease Obligation current portion	13	-	8,107	14,348
Taxation		45	648	45
<b>Total current liabilities</b>		<b>60,559</b>	<b>85,135</b>	<b>83,742</b>
<b>Total equity and liabilities</b>		<b>168,590</b>	<b>244,734</b>	<b>209,789</b>

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

Gary Matalon (Director)

David Shirley (Chairman)

**K.L.E. GROUP LIMITED**  
**UNAUDITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**SIX MONTHS ENDED JUNE 30, 2022**

	<b>Share capital \$'000</b>	<b>Revaluation reserve \$'000</b>	<b>Accumulated deficit \$'000</b>	<b>Total \$'000</b>
Balance at 31 December 2020	122,903	1,907	(129,961)	(5,151)
<b>Total Comprehensive Income</b>				
Net loss	-	-	(40,267)	(40,267)
Other Comprehensive loss	-	(558)	-	(558)
<b>Unaudited balances at June 30, 2021</b>	<b>122,903</b>	<b>1,349</b>	<b>(170,228)</b>	<b>(45,976)</b>
Audited balance at 31 December 2021	122,903	1,379	(115,630)	8,652
<b>Total Comprehensive Income</b>				
Net profit	-	-	4,743	4,743
Other comprehensive income	-	266	-	266
<b>Unaudited balances at June 30, 2022</b>	<b>122,903</b>	<b>1,645</b>	<b>(110,887)</b>	<b>13,661</b>

**K.L.E. GROUP LIMITED**  
**UNAUDITED**  
**STATEMENT OF CASH FLOWS**  
**SIX MONTHS ENDED JUNE 30, 2022**

	Unaudited Quarter ended June 30, 2022 \$'000	Unaudited Quarter ended June 30, 2021 \$'000	Unaudited Year ended December 31, 2021 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit/(loss) for the period / year</b>	<b>5,009</b>	<b>(40,825)</b>	<b>14,331</b>
Items not affecting cash resources	<u>32,056</u>	<u>31,165</u>	<u>38,166</u>
Operating (loss)/profit before changes in working capital	<b>37,065</b>	<b>(9,660)</b>	<b>52,497</b>
Changes in operating assets and liabilities			
Inventories	-	(371)	3,525
Receivables	(522)	9,214	11,437
Payables	(13,056)	2,132	869
Related party	4,638	8,850	30,234
Fixed assets transfer to related party	-	-	99,390
Taxation paid	<u>-</u>	<u>-</u>	<u>(601)</u>
<b>Net cash provided by operations</b>	<u><b>28,125</b></u>	<u><b>10,165</b></u>	<u><b>197,351</b></u>
<b>Cash flows from investing activities</b>			
Interest received	<b>6</b>	17	17
Purchase of investments	-	-	(26,813)
Proceeds from sale of investment	-	-	-
Purchase of property, plant and equipment	<u>-</u>	<u>(150)</u>	<u>(118)</u>
<b>Net cash provided by/(used in) investing activities</b>	<u><b>6</b></u>	<u><b>(133)</b></u>	<u><b>(26,914)</b></u>
<b>Cash flows from financing activities</b>			
Interest and other related expense	(5,817)	(8,702)	(14,383)
Loan repayment	(5,523)	(1,019)	(97,633)
Lease Interest expense paid	-	(1,764)	(1,786)
Lease Liability derecognised/payment	(32,441)	(3,416)	(5,202)
<b>Net cash used in financing activities</b>	<u><b>(43,781)</b></u>	<u><b>(14,901)</b></u>	<u><b>(119,004)</b></u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(15,650)</b>	<b>(4,869)</b>	<b>51,433</b>
<b>Cash and cash equivalents at beginning of period/year</b>	<b>47,939</b>	<b>(4,578)</b>	<b>(4,578)</b>
Effect of exchange movements on foreign balances	<u>-</u>	<u>-</u>	<u>1,084</u>
<b>Cash and cash equivalents at end of period / year</b>	<u><b>32,289</b></u>	<u><b>(9,447)</b></u>	<u><b>47,939</b></u>

**K.L.E. GROUP LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED JUNE 30, 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 Jamiaca 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" join 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**  
**SIX MONTHS ENDED JUNE 30, 2022**

**3. REVENUES**

	<b>Unaudited</b> <b>June 30, 2022</b> <b>\$'000</b>	<b>Unaudited</b> <b>June 30, 2021</b> <b>\$'000</b>	<b>Audited</b> <b>December 31, 2021</b> <b>\$'000</b>
Food and Bar	-	73,205	-
Merchandise and Rental	-	159	-
	<u>-</u>	<u>73,364</u>	<u>-</u>

**4. OTHER OPERATING INCOME**

	<b>Unaudited</b> <b>Quarter ended</b> <b>June 30, 2022</b> <b>\$'000</b>	<b>Unaudited</b> <b>Quarter ended</b> <b>June 30, 2021</b> <b>\$'000</b>	<b>Audited</b> <b>Year ended</b> <b>December 31, 2021</b> <b>\$'000</b>
Gain on sale of investment	-	-	77,348
Interest income	6	17	17
Other income	3,732	1,061	1,111
	<u>3,738</u>	<u>1,078</u>	<u>78,476</u>

**5. ADMINISTRATIVE AND OTHER EXPENSES**

	<b>Unaudited</b> <b>June 30, 2022</b> <b>\$'000</b>	<b>Unaudited</b> <b>June 30, 2021</b> <b>\$'000</b>	<b>Audited</b> <b>December 31, 2021</b> <b>\$'000</b>
Bank service charge	8	2,055	2,056
Insurance	-	1,591	-
Professional fees	5,177	2,333	-
Rent	-	2,755	470
Repairs and maintenance	-	1,065	2,284
Salaries and related cost	-	27,814	-
Security	-	798	-
Staff welfare	-	1,338	-
Utilities	70	10,777	-
Advertising and marketing	600	3,966	-
Bathroom supplies	-	115	-
Couriers	-	494	-
Dues and subscription	920	554	-
Equipment rental & charges	-	1,247	-
IT expense	-	493	-
Cleaning and sanitation	-	824	940
Licenses and permits	-	58	-
Office supplies and expenses	-	129	-
Printing and reproduction	-	61	-
Travel and entertainment	-	53	-
Bad debt	-	-	(8,765)
Kitchen and bar supplies	-	1,144	-
Music and entertainment	-	554	-
Donation	450	-	-
Penalties and interest	-	-	17,547
Royalties	-	2,938	2,938
Casual Labour	-	61	-
	<u>7,225</u>	<u>63,218</u>	<u>17,470</u>



**K.L.E. GROUP LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED JUNE 30, 2022**

**6. FINANCE AND POLICY COST**

	Unaudited Quarter ended June 30, 2022 \$'000	Unaudited Quarter ended June 30, 2021 \$'000	Audited Year ended Dec 31, 2020 \$'000
Interest expense	5,817	10,466	14,383
Lease interest expense	-	-	1,786
Ammortisation of ROU asset	-	-	4,971
Depreciation expense	-	20,159	-
Foreign exchange gain	(173)	(1,877)	(1,084)
	<u>5,643</u>	<u>28,747</u>	<u>20,056</u>

**7. DISCONTINUED OPERATION**

	Unaudited Quarter ended June 30, 2022 \$'000	Unaudited Quarter ended June 30, 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
<b>ADMINISTRATIVE AND OTHER EXPENSES:</b>			
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>
<b>Profit/(loss) from discontinued operations</b>	<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**  
**SIX MONTHS ENDED JUNE 30, 2022**

**8. INVENTORIES**

	<b>Unaudited June 30, 2022 \$'000</b>	<b>Unaudited June 30, 2021 \$'000</b>	<b>Audited Dec. 31, 2021 \$'000</b>
Goods for resale	-	3,896	-
	-	3,896	-

**9. RECEIVABLES**

	<b>Unaudited June 30, 2022 \$'000</b>	<b>Unaudited June 30, 2021 \$'000</b>	<b>Audited Dec. 31, 2021 \$'000</b>
Trade receivables			
Trade receivables	-	527	-
Related Party	-	8,577	-
Total financial assets other than cash equivalents classified as amortised cost	-	9,104	-
Prepayments and other receivables	6,924	479	6,402
Less long term portion - other receivables	-	(7,280)	-
	6,924	1,345	6,402

**10. LOANS PAYABLE**

	<b>Unaudited June 30, 2022 \$'000</b>	<b>Unaudited June 30, 2021 \$'000</b>	<b>Audited Dec. 31, 2021 \$'000</b>
Bank loan - Sagicor Bank Limited			
(i) J\$96.5 Million Loan	86,790	95,482	92,313
Other Loan			
(ii) USD \$700,000.00	-	94,108	-
Total loans	86,790	189,590	92,313
Classified as follows:			
<b>Non-current</b>			
Bank loan	77,311	87,134	86,882
Other loan	-	94,108	-
	77,311	181,242	86,882
<b>Current</b>			
Bank loan	9,478	8,348	5,431
Other loan	-	-	-
	9,478	8,348	5,431
Total loan payable	86,790	189,590	92,313

**K.L.E. GROUP LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED JUNE 30, 2022**

**11. PAYABLES**

	<b>Unaudited</b> <b>June 30, 2022</b> <b><u>\$'000</u></b>	Unaudited June 30, 2021 <b><u>\$'000</u></b>	Audited Dec. 31, 2021 <b><u>\$'000</u></b>
Trade payables	1,438	19,504	670
Statutories and GCT	38,925	21,708	39,518
Royalties payable	-	12,565	12,565
Other payables	1,208	2,108	1,871
	<u>41,571</u>	<u>55,885</u>	<u>54,624</u>

**12. CASH AND CASH EQUIVALENTS**

	<b>Unaudited</b> <b>June 30, 2022</b> <b><u>\$'000</u></b>	Unaudited June 30, 2021 <b><u>\$'000</u></b>	Audited Dec. 31, 2021 <b><u>\$'000</u></b>
Cash and bank balances	41,756	2,701	57,233
Bank overdraft	(9,466)	(12,147)	(9,294)
	<u>32,289</u>	<u>(9,446)</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:

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

The following table presents the lease obligation for the company:

	<b>June 30, 2022</b> <b><u>\$'000</u></b>	June 30, 2021 <b><u>\$'000</u></b>	Dec. 31, 2021 <b><u>\$'000</u></b>
Openinig balance	-	35,857	35,857
Interest expense on lease obligation	-	1,764	1,786
Rent Payments	-	(5,180)	(5,202)
	<u>-</u>	<u>32,441</u>	<u>32,441</u>