

# JETCON CORPORATION LIMITED

INTERIM RESULTS  
First Quarter ended March 2023



**Unaudited Financial Statements**

# Report of the Directors to Shareholders of

## Jetcon Corporation Limited

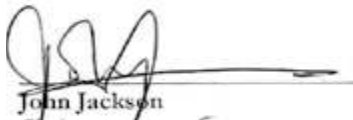
### For the First Quarter ending March 2023

The board decided to release our first quarter results while we await the audit of the 2022 full year results which is not expected to deviate materially from the figures show for 2022 in the interim results. The delay in releasing the audited 2022 results is regretted and it is expected that they will be released by June. In the meantime, the interim results should help investors to get a better picture of developments within the company.

Motor vehicle sales have slipped compared with the first quarter of 2022, and continues into April 2023 as well, however, we have seen positive development with monthly sales increasing month over month for 2023. Revenues are however, down 29 percent compared to the first quarter in 2022. Gross profits fell by 35 percent, and net profits decreased from \$10.2m to a small loss of \$1.8m.

While prices of vehicles and shipping have stabilized somewhat, the increase in interest rates have stifled motor vehicle sales, however with the reduction of inflation and a fall in interest rates on Bank of Jamaica CDs and Government of Jamaica Treasury bill rates augur well for interest rates returning to more normal levels soon. We expect sales to recover as the year progresses. We have sold the majority of our stock of electric vehicles (EVs) and expanded our range to include another brand of EV and have more developments in the pipeline which will be disclosed when they become more concrete.

The Directors would like to take this opportunity to thank the management, staff, and customers of Jetcon for their continued dedication.



John Jackson

Chairman



Andrew Jackson

Managing Director

**JETCON CORPORATION LIMITED**  
**Statement of Comprehensive Income**  
**First Quarter Ending March 31, 2023**

	<u>1st Quarter</u>		<b>Unaudited</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>Revenues</b>	<b>179,706,800</b>	255,067,456	873,260,822
Cost of Sales	<u>154,108,259</u>	<u>215,366,639</u>	<u>750,790,936</u>
Gross Profit	<u>25,598,541</u>	<u>39,700,817</u>	<u>122,469,886</u>
<b>EXPENSES</b>			
Sales and Marketing	<b>5,510,414</b>	7,927,084	22,941,491
Administrative and other	<b>18,268,535</b>	15,170,891	63,513,224
Other Operating Expenses	<b>3,711,136</b>	5,691,834	14,820,855
Finance	<u>(131,182)</u>	<u>675,012</u>	<u>4,640,428</u>
	<u>27,358,903</u>	<u>29,464,821</u>	<u>105,915,998</u>
Profit Before Taxation	<u>-1,760,362</u>	<u>10,235,996</u>	<u>16,553,888</u>
Taxation	-	-	<u>1,131,832</u>
Net Profit after Tax	<b>(1,760,362)</b>	10,235,996	15,422,056
Other comprehensive income:			
Fair Value Investment gains	-	<u>10,831</u>	<u>20,337</u>
<b>Total comprehensive income</b>	<b><u>-\$1,760,362</u></b>	<u>10,246,827</u>	<u>15,442,393</u>
Earnings per share (cents)	<u>-0.30</u>	<u>1.75</u>	<u>2.64</u>

**JETCON CORPORATION LIMITED**  
**Statement of Financial Position**  
**First Quarter Ending March 31, 2023**

<b>ASSETS</b>	<b>Unaudited</b>		<b>Unaudited</b>
	<b>Mar-23</b>	<b>Mar-23</b>	<b>Dec-22</b>
<b>NON-CURRENT ASSETS:</b>			
FIXED ASSETS	<u>173,071,897</u>	<u>170,799,241</u>	<u>161,371,226</u>
<b>CURRENT ASSETS:</b>			
Inventories	349,952,746	382,450,709	392,706,022
Receivables	97,745,936	119,913,082	59,233,312
Due from Parent	20,345,639	20,382,651	20,345,639
Investment	86,472	86,472	86,472
Taxation recoverable			1,554,918
Cash and Equivalents	<u>25,400,102</u>	<u>25,130,078</u>	<u>6,535,346</u>
Total Current Assets	<u>493,530,895</u>	<u>547,962,992</u>	<u>480,461,709</u>
<b>CURRENT LIABILITIES:</b>			
Payables	72,315,566	85,724,745	47,504,314
Right of Use Liability	<u>0</u>	15,357,718	9,475,144
Taxation Payable			3,985,760
Short Term Borrowings	<u>16,476,413</u>	<u>38,377,509</u>	<u>1,296,542</u>
Total Current Liabilities	<u>88,791,979</u>	<u>139,459,972</u>	<u>62,261,760</u>
NET CURRENT ASSETS	404,738,916	408,503,020	418,199,949
Rights of Use long term Liability	<u>0</u>	3,615,560	<u>7,007,677</u>
	<u>\$577,810,813</u>	<u>575,686,701</u>	<u>572,563,498</u>
SHAREHOLDERS EQUITY	<u>\$577,810,813</u>	<u>575,686,701</u>	<u>565,439,874</u>

  
 John Jackson

Chairman

  
 Andrew Jackson

Managing Director

**JETCON CORPORATION LIMITED**  
**Statement of Cash Flows**  
**First Quarter Ending March 31, 2023**

	2023	2022
Cash Flows from operating activities		
Net Income	(1,760,362)	11,589,199
Non-Cash Items		
Depreciation	<u>1,378,000</u>	<u>13,738,288</u>
Net Cash provided by Operations	<u>(382,362)</u>	<u>25,327,487</u>
Changes in working Capital	<u>30,606,822</u>	<u>(20,994,321)</u>
Cash Flows from Financing activities		
Loans repaid net	<u>(9,475,144)</u>	<u>(17,257,357)</u>
Net cash used provided by investing activities	<u>(9,475,144)</u>	<u>(17,257,357)</u>
Investment Activity	<u>(18,360,973)</u>	(19,191,133)
Cash used in financing operations	<u>2,388,343</u>	(32,115,324)
Cash Balance at Begining of Period	<u>6,535,346</u>	<u>26,357,714</u>
Cash Balance at End of Period	<u>\$ 8,923,689</u>	<u>(5,757,610)</u>
Represented by cash and equivalent		
Bank Overdraft	(16,476,413)	(38,377,509)
Cash and Bank balance	<u>25,400,102</u>	<u>25,130,078</u>
	<u>\$ 8,923,689</u>	<u>(13,247,431)</u>

**Jetcon Corporation Limited**  
**Statement of Shareholders' equity**  
**First Quarter ending March 31, 2023**

	No. of Shares	Share Capital	Capital Reserve	Retained Earnings	Total
<b>Balance at December 2021</b>	194,500,000	88,817,218	16,756,288	459,866,368	565,439,874
<b>Total Comprehensive Income for Period</b>	0	0		10,246,827	10,246,827
<b>Balance at March 2022</b>	<u>194,500,000</u>	<u>\$88,817,218</u>	<u>16,756,288</u>	<u>470,113,195</u>	<u>575,686,701</u>
<b>Balance at December 2022</b>	194,500,000	88,817,218	16,796,982	473,956,975	579,571,175
<b>Total Comprehensive Income for Period</b>				<u>(1,760,362)</u>	<u>(1,760,362)</u>
<b>Balance at March 2023</b>	<u>194,500,000</u>	<u>\$88,817,218</u>	<u>16,796,982</u>	<u>472,196,613</u>	<u>577,810,813</u>

  
 John Jackson  
 Chairman

  
 Andrew Jackson  
 Managing Director

# **Jetcon Corporation Limited**

## **Notes to the Financial Statements**

### **For the First Quarter ending March 31, 2023**

#### **1. IDENTIFICATION**

Jetcon Corporation Limited is incorporated and domiciled in Jamaica. Its registered office is situated at 2 Sandringham Avenue, Kingston 10, Jamaica, WI.

The Company is listed on the Junior Market of the Jamaica Stock Exchange. The principal activity of the company is the importation of motor vehicles for resale in Jamaica.

#### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

##### **(a) Statement of compliance**

The interim financial report for the reporting period ended March 31, 2023 has been prepared in accordance with Accounting Standard IAS 34 'Interim Financial Reporting'.

##### **Changes in significant accounting policies relevant to the company's operations:**

**IFRS 9, Financial instruments** replaces the provisions of IAS 39 that relates to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, and impairment of financial assets. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' [ECL], which means that a loss event will no longer need to occur before an impairment allowance is recognised. The impact of the application of **IFRS 9** is not considered material to the company's disclosure. The immateriality disclosure exemption under IAS 1 'Presentation of Financial Statements', has been applied.

The company applies the simplified approach permitted by **IFRS 9**, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using the ECL. As a practical expedient, a provision matrix is utilized in determining the lifetime ECLs for trade receivables.

The adoption of **IFRS 9** from January 1, 2018 resulted in no adjustments to the comparative figures presented in the financial statements. Further, as stated above, the immateriality exemption under IAS 1 'Presentation of Financial Statements', has been applied.

**Jetcon Corporation Limited**  
**Notes to the Financial Statements**  
**For the First Quarter ending March 31, 2023**

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (continued)**

**BASIS OF PREPARATION**

**(b) Property, plant and equipment**

Items of property, plant and equipment are stated at cost and valuation less accumulated depreciation. Depreciation is recognized on profit or loss on the straight-line basis, over the estimated useful lives of property, plant, motor vehicles and equipment except for land and investment properties.

**(c) Borrowings**

Borrowings are recognized initially as the proceeds received net of transaction costs incurred and are subsequently stated at amortized cost using the effective interest method with any differences between proceeds net of transactions cost and the redemption value recognized in income along with regular interest charges over the period of the borrowings.

**(d) Inventories**

Inventories are valued at the lower of cost or net realisable value.

**3. EARNINGS PER SHARE**

Earnings per share is based on 583,500,000 shares issued.