

K.L.E. GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2023

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TABLE OF CONTENTS

	PAGE (S)
Consolidated Statement of Comprehensive Income	1
Consolidated Statement of Financial Position	2
Consolidated of Changes in Equity	3
Consolidated Statement of Cash Flows	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statement	9 - 12

K.L.E. GROUP LIMITED
CONSOLIDATED UNAUDITED
STATEMENT OF COMPREHENSIVE INCOME
THREE (3) MONTHS ENDED MARCH 31, 2023


	Notes	Unaudited Three Months ended March 31 2023 \$'000	Unaudited Three Months ended March 31 2022 \$'000	Audited Year ended ended Dec 31, 2022 \$'000
Other operating income	3	11	3,732	18,056
Administrative and other expense	4	(12,390)	(3,856)	(12,464)
(Loss)/profit from operations		(12,379)	(124)	5,592
Finance costs	5	(3,252)	(2,949)	(11,329)
		(15,631)	(3,073)	(5,737)
Share of post - tax (loss)/profit of equity accounted associate		(3,536)	(1,923)	3,201
Loss before taxation		(19,168)	(4,996)	(2,536)
Taxation expense		-	-	-
Loss from continuing operation		(19,168)	(4,996)	(2,536)
Adjustments to discontinued operating results	7	4,230	12,565	27,208
Net (loss) / profit		(14,937)	7,569	24,672
Other Comprehensive Income:				
Items which may be reclassified to profit or loss				
Unrealised gain/(loss) on investments		406	894	284
Total comprehensive (expense)/income for the year		(14,531)	8,463	24,956

K.L.E. GROUP LIMITED
UNAUDITED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	<u>Notes</u>	Unaudited as at March 31 2023	Unaudited as at March 31 2022	Audited as at December 31, 2022
		\$'000	\$'000	\$'000
NON-CURRENT ASSETS				
Investment in joint venture		14,997	15,276	14,997
Investment in associate		68,021	66,432	71,557
Investments		8,082	35,598	8,061
Total non-current assets		91,100	117,306	94,615
CURRENT ASSETS				
Receivables	8	9,823	6,924	9,823
Short term investments		15,031	-	26,925
Cash and cash equivalents	9	5,454	50,462	11,458
Total current assets		30,308	57,386	48,206
Total assets		121,408	174,692	142,821
EQUITY				
Share capital	10	122,903	122,903	122,903
Revaluation reserve		2,069	2,273	1,663
Accumulated deficit		(105,905)	(108,061)	(90,958)
		19,067	17,115	33,608
NON-CURRENT LIABILITIES				
Bank loan	11	69,793	76,911	72,387
Due to related party		-	10,211	-
		69,793	87,122	72,387
CURRENT LIABILITIES				
Current portion of loan	11	10,444	12,063	10,112
Payables	12	22,104	45,211	26,713
Bank overdraft		-	13,137	1
Taxation		-	45	-
Total current liabilities		32,548	70,455	36,826
Total equity and liabilities		121,408	174,692	142,821

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


 Gary Matalon (Director)


 David Shirley (Chairman)

K.L.E. GROUP LIMITED
CONSOLIDATED UNAUDITED
STATEMENT OF CHANGES IN EQUITY
THREE (3) MONTHS ENDED MARCH 31, 2023

	Share capital \$'000	Fair value reserve \$'000	Accumulated deficit \$'000	Total \$'000
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	<u>122,903</u>	<u>2,273</u>	<u>(108,061)</u>	<u>17,115</u>
Audited balance at 31 December 2022	122,903	1,663	(90,968)	33,598
Total Comprehensive Income				
Net profit	-	-	(14,937)	(14,937)
Other comprehensive income	-	406	-	406
Unaudited balances at March 31, 2023	<u>122,903</u>	<u>2,069</u>	<u>(105,905)</u>	<u>19,067</u>

K.L.E. GROUP LIMITED
CONSOLIDATED UNAUDITED
STATEMENT OF CASH FLOWS
THREE (3) MONTHS ENDED MARCH 31, 2023

	Unaudited Quarter ended March 31, 2023 \$'000	Unaudited Quarter ended March 31, 2022 \$'000	Unaudited Year ended December 31, 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the period / year	(14,531)	8,463	24,672
Items not affecting cash resources	<u>7,071</u>	<u>(1,172)</u>	<u>4,102</u>
Operating (loss)/profit before changes in working capital	(7,460)	7,291	28,774
Changes in operating assets and liabilities			
Receivables	-	-	(3,421)
Payables	(4,620)	(9,414)	(27,911)
Related party	-	(2,209)	(12,420)
Taxation paid	<u>-</u>	<u>-</u>	<u>(45)</u>
Net cash used by operations	<u>(12,080)</u>	<u>(4,332)</u>	<u>(15,023)</u>
Cash flows from investing activities			
Interest received	(11)	6	11
Proceeds from sale of investment	11,467	-	-
Investment in subsidiary	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>11,456</u>	<u>6</u>	<u>11</u>
Cash flows from financing activities			
Interest paid	(3,117)	(2,949)	(11,329)
Loan repayment	<u>(2,262)</u>	<u>(3,339)</u>	<u>(9,814)</u>
Net cash used in financing activities	<u>(5,379)</u>	<u>(6,288)</u>	<u>(21,143)</u>
Net increase/(decrease) in cash and cash equivalents	(6,003)	(10,614)	(36,155)
Cash and cash equivalents at beginning of period/year	11,457	47,939	47,939
Effect of exchange movements on foreign balances	<u>-</u>	<u>-</u>	<u>(327)</u>
Cash and cash equivalents at end of period / year	<u><u>5,454</u></u>	<u><u>37,325</u></u>	<u><u>11,457</u></u>

K.L.E. GROUP LIMITED
UNAUDITED
STATEMENT OF COMPREHENSIVE INCOME
THREE (3) MONTHS ENDED MARCH 31, 2023


	Notes	Unaudited Three Months ended March 31 2023 \$'000	Unaudited Three Months ended March 31 2022 \$'000	Audited Year ended ended Dec 31, 2022 \$'000
Other operating income	3	7	3,732	18,054
Administrative and other expense	4	(2,463)	(3,856)	(10,106)
(Loss)/profit from operations		(2,456)	(124)	7,948
Finance costs	5	(3,117)	(2,949)	(11,329)
		(5,573)	(3,073)	(3,381)
Share of post - tax (loss)/profit of equity accounted associate		(3,536)	(1,923)	3,201
Loss before taxation		(9,109)	(4,996)	(180)
Taxation expense		-	-	-
Loss from continuing operation		(9,109)	(4,996)	(180)
Adjustments to discontinued operating results	7	4,230	12,565	27,208
Net (loss) / profit		(4,879)	7,569	27,028
Other Comprehensive Income:				
Items which may be reclassified to profit or loss				
Unrealised gain/(loss) on investments		406	894	284
Total comprehensive (expense)/income for the year		(4,473)	8,463	27,312

K.L.E. GROUP LIMITED
UNAUDITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	<u>Notes</u>	Unaudited as at March 31 2023 \$'000	Unaudited as at March 31 2022 \$'000	Audited as at December 31, 2022 \$'000
NON-CURRENT ASSETS				
Investment in joint venture	-	14,997	15,276	14,997
Investment in subsidiary		13,981	-	13,981
Investment in associate		68,021	66,432	71,557
Investments		8,082	35,598	8,061
Total non-current assets		105,081	117,306	108,596
CURRENT ASSETS				
Receivables	8	6,472	6,924	6,472
Due From related party		4,985	-	1,755
Short term investments		15,031		26,925
Cash and cash equivalents	9	1,545	50,462	1,079
Total current assets		28,032	57,386	36,231
Total assets		133,114	174,692	144,827
EQUITY				
Share capital	10	122,903	122,903	122,903
Revaluation reserve		2,069	2,273	1,663
Accumulated (deficit)/surplus		(93,491)	(108,061)	(88,602)
		31,481	17,115	35,964
NON-CURRENT LIABILITIES				
Bank loan	11	69,793	76,911	72,387
Due to related party		-	10,211	-
		69,793	87,122	72,387
CURRENT LIABILITIES				
Current portion of loan	11	10,444	12,063	10,112
Payables	12	21,396	45,211	26,363
Bank overdraft	9	-	13,137	1
Taxation		-	45	-
Total current liabilities		31,839	70,455	36,476
Total equity and liabilities		133,114	174,692	144,827

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
THREE (3) MONTHS ENDED MARCH 31, 2023

	Share capital \$'000	Fair value reserve \$'000	Accumulated deficit \$'000	Total \$'000
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	<u>122,903</u>	<u>2,273</u>	<u>(108,061)</u>	<u>17,115</u>
Audited balance at 31 December 2022	122,903	1,663	(88,612)	35,954
Total Comprehensive Income				
Net profit	-	-	(4,879)	(4,879)
Other comprehensive income	-	406	-	406
Unaudited balances at March 31, 2023	<u>122,903</u>	<u>2,069</u>	<u>(93,491)</u>	<u>31,481</u>

K.L.E. GROUP LIMITED
UNAUDITED
STATEMENT OF CASH FLOWS
THREE (3) MONTHS ENDED MARCH 31, 2023

	Unaudited Quarter ended March 31, 2023 \$'000	Unaudited Quarter ended March 31, 2022 \$'000	Unaudited Year ended December 31, 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the period / year	(4,473)	8,463	27,028
Items not affecting cash resources	<u>7,053</u>	<u>(1,172)</u>	<u>3,866</u>
Operating profit before changes in working capital	2,580	7,291	30,894
Changes in operating assets and liabilities			
Receivables	-	-	(70)
Payables	(4,978)	(9,414)	(28,261)
Related party	(3,230)	(2,209)	(14,175)
Taxation paid	<u>-</u>	<u>-</u>	<u>(45)</u>
Net cash used by operations	<u>(5,628)</u>	<u>(4,332)</u>	<u>(11,657)</u>
Cash flows from investing activities			
Interest received	7	6	9
Proceeds from sale of investment	11,467	-	-
Investment in subsidiary	<u>-</u>	<u>-</u>	<u>(13,981)</u>
Net cash provided by/(used in) investing activities	<u>11,474</u>	<u>6</u>	<u>(13,972)</u>
Cash flows from financing activities			
Interest paid	(3,117)	(2,949)	(11,329)
Loan repayment	<u>(2,262)</u>	<u>(3,339)</u>	<u>(9,814)</u>
Net cash used in financing activities	<u>(5,379)</u>	<u>(6,288)</u>	<u>(21,143)</u>
Net increase/(decrease) in cash and cash equivalents	467	(10,614)	(46,772)
Cash and cash equivalents at beginning of period/year	1,078	47,939	47,939
Effect of exchange movements on foreign balances	<u>-</u>	<u>-</u>	<u>(89)</u>
Cash and cash equivalents at end of period / year	<u>1,545</u>	<u>37,325</u>	<u>1,078</u>

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2023

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 business is the investment in Entertainment and Real estate ventures as well as property rental and management.

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.

Bessa Resort Management Limited is a limited liability company, which was incorporated in Jamaica on 7 June 2022 and is a 100% owned subsidiary of the company. The principal business is real estate and property management. The company was formed to manage the property rental of the completed Bessa Villas. Trading activities is scheduled to commence during the second half of the 2023 financial year.

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 group'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 consolidated financial report is to be read in conjunction with the audited financial statements for the year ended December 31, 2022. These explanatory notes attached to the interim consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the consolidated financial position and performance of the Company since the financial year ended December 31, 2022.

The significant accounting policies adopted are consistent with those of the audited financial statement for the year ended December 31, 2022.

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all the periods presented unless otherwise stated. Amounts are rounded to the nearest thousand, unless otherwise indicated.

The group uses the unaudited financial statements of its subsidiary, Bessa Resort Management Limited as at March 31, 2023 for the purpose of consolidation.

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2023

3. OTHER OPERATING INCOME

	The Group			The Company		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended	Quarter ended	Quarter ended	Year ended
	31-Mar-23	31-Mar-22	31-Dec-22	31-Mar-23	31-Mar-22	31-Dec-22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	7	6	9	7	6	9
Other income	-	3,726	18,047	-	3,726	18,045
	<u>7</u>	<u>3,732</u>	<u>18,056</u>	<u>7</u>	<u>3,732</u>	<u>18,054</u>

4. ADMINISTRATIVE AND OTHER EXPENSES

	The Group			The Company		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended	Quarter ended	Quarter ended	Year ended
	31-Mar-23	31-Mar-22	31-Dec-22	31-Mar-23	31-Mar-22	31-Dec-22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank service charge	73	5	141	50	5	131
Professional fees	11,015	3,772	8,539	1,110	3,772	6,950
Utilities	-	-	70	-	-	70
Advertising and marketing	-	-	1,490	-	-	969
Dues and subscription	1,303	250	1,258	1,303	250	1,258
Cleaning and sanitation	-	-	-	-	-	-
Printing and Office supplies	-	2	95	-	2	95
Donations	-	-	450	-	-	450
Foreign exchange loss / (gain)	-	(173)	421	-	(173)	183
	<u>12,390</u>	<u>3,856</u>	<u>12,464</u>	<u>2,463</u>	<u>3,856</u>	<u>10,106</u>
	(12,390.22)	(3,856.00)	(12,464.00)	(2,462.92)	(3,856.00)	(10,106.00)

5. FINANCE COST

	The Group and The Company		
	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	31-Mar-23	31-Mar-22	31-Dec-22
	\$'000	\$'000	\$'000
Interest expense	3,117	2,949	11,329
	<u>3,117</u>	<u>2,949</u>	<u>11,329</u>

6. EARNINGS PER STOCK UNIT

	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	31-Mar-23	31-Mar-22	31-Dec-22
	\$'000	\$'000	\$'000
Net (loss)/profit attributable to Stockholders (\$'000)	(14,937)	7,569	24,672
Number of ordinary stockholders (weighted average) ('000)	100,000	100,000	100,000
Basic and diluted earnings per stock unit (\$)	<u>(0.15)</u>	<u>0.08</u>	<u>0.25</u>

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2023

7. DISCONTINUED OPERATION

	The Group and The Company		
	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	31-Mar-23	31-Mar-22	31-Dec-22
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Adjustment to discontinued operations results credited to the profit and loss	4,230	12,565	27,208

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.

The continued adjustment is due to the settling of obligation owed to TAJ by T&R Restaurant Systems Limited.

8. RECEIVABLES

	The Group		
	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	31-Mar-23	31-Mar-22	31-Dec-22
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Prepayment and other receivables	9,823	6,924	9,823

	The Company		
	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	31-Mar-23	31-Mar-22	31-Dec-22
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Prepayment and other receivables	6,472	6,924	6,472

9. CASH AND CASH EQUIVALENTS

	The Group		
	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	31-Mar-23	31-Mar-22	31-Dec-22
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash and bank balances	5,454	50,462	11,458
Bank overdraft	-	(13,137)	(1)
	<u>5,454</u>	<u>37,325</u>	<u>11,457</u>

	The Company		
	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	31-Mar-23	31-Mar-22	31-Dec-22
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash and bank balances	1,545	50,462	1,079
Bank overdraft	-	(13,137)	(1)
	<u>1,544.51</u>	<u>37,325</u>	<u>1,078</u>

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED MARCH 31, 2023

10. SHARE CAPITAL

	Unaudited Quarter ended 31-Mar-23 \$'000	Unaudited Quarter ended 31-Mar-22 \$'000	Audited Year ended 31-Dec-22 \$'000
Authorised - 100,000,000 ordinary shares of no par value			
Stated capital, issued and fully paid up - 100,000,000 ordinary shares of no par value	122,903	122,903	122,903

11. LOANS PAYABLE

	The Group and The Company		
	Unaudited Quarter ended 31-Mar-23 \$'000	Unaudited Quarter ended 31-Mar-22 \$'000	Audited Year ended 31-Dec-22 \$'000
Bank loan - Sagicor Bank Limited (i) J\$96.5 Million Loan	80,237	88,974	82,499
Total loans	80,237	88,974	82,499
Classified as follows:			
Non-current			
Bank loan	69,793	76,911	72,387
Current			
Bank loan	10,444	12,063	10,112
Total loan payable	80,237	88,974	82,499

12. PAYABLES

	The Group		
	Unaudited Quarter ended 31-Mar-23 \$'000	Unaudited Quarter ended 31-Mar-22 \$'000	Audited Year ended 31-Dec-22 \$'000
Trade and other payables	1,586	5,905	2,535
Statutories and GCT	20,518	15,915	24,178
	22,104	21,820	26,713
	The Company		
	Unaudited Quarter ended 31-Mar-23 \$'000	Unaudited Quarter ended 31-Mar-22 \$'000	Audited Year ended 31-Dec-22 \$'000
Trade and other payables	1,125	5,905	2,535
Statutories and GCT	20,271	15,915	24,178
	21,396	21,820	26,713