

K.L.E. GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
NINE (9) MONTHS ENDED SEPTEMBER 30, 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

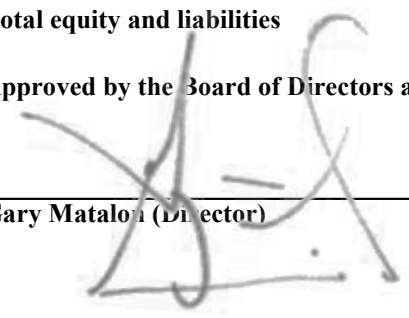
K.L.E. GROUP LIMITED
CONSOLIDATED UNAUDITED
STATEMENT OF COMPREHENSIVE INCOME
NINE (9) MONTHS ENDED SEPTEMBER 30, 2023

	Notes	Unaudited Quarter ended Sept. 30 2023	Unaudited Quarter ended Sept. 30 2022	Unaudited Nine Months ended Sept. 30 2023 \$'000	Unaudited Nine Months ended Sept. 30 2022 \$'000	Audited Year ended Dec 31, 2022 \$'000
Other operating income	3	1,301	2	55,313	3,741	18,056
Administrative and other expense	4	(7,975)	(1,739)	(54,963)	(8,772)	(12,464)
(Loss)/profit from operations		(6,674)	(1,737)	349	(5,031)	5,592
Finance costs	5	(2,726)	(2,766)	(8,563)	(8,603)	(11,329)
		(9,400)	(4,503)	(8,213)	(13,634)	(5,737)
Share of post - tax (loss)/profit of equity accounted associate		(1,284)	2,724	(5,660)	4,033	3,201
Loss before taxation		(10,684)	(1,779)	(13,873)	(9,601)	(2,536)
Taxation expense			-	-	-	-
Loss from continuing operation		(10,684)	(1,779)	(13,873)	(9,601)	(2,536)
Adjustments to discontinued operating results	7	-	14,644	4,230	27,208	27,208
Net (loss) / profit		(10,684)	12,864	(9,643)	17,607	24,672
Other Comprehensive Income:						
Items which may be reclassified to profit or loss						
Unrealised gain/(loss) on investments		-	89	743	355	284
Total comprehensive (expense)/income for the year		(10,684)	12,953	(8,899)	17,962	24,956
Number of shares		100,000	100,000	100,000	100,000	100,000
Earnings per stock unit:		(0.11)	0.13	(0.09)	0.18	0.25

K.L.E. GROUP LIMITED
UNAUDITED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	<u>Notes</u>	Unaudited as at Sept. 30 2023	Unaudited as at Sept. 30 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		65,897	72,389	71,557
Investments		6,854	35,057	8,061
Total non-current assets		87,749	122,722	94,615
CURRENT ASSETS				
Receivables	8	11,116	7,154	9,823
Short term investments		6,825	-	26,925
Cash and cash equivalents	9	16,575	43,171	11,458
Total current assets		34,517	50,325	48,206
Total assets		122,267	173,048	142,821
EQUITY				
Share capital	10	122,903	122,903	122,903
Revaluation reserve		2,406	1,734	1,663
Accumulated deficit		(100,611)	(98,022)	(90,958)
		24,699	26,615	33,608
NON-CURRENT LIABILITIES				
Bank loan	11	64,791	74,879	72,387
Due to related party		(630)	30,553	-
		64,161	105,432	72,387
CURRENT LIABILITIES				
Current portion of loan	11	10,787	9,790	10,112
Payables	12	22,620	27,030	26,713
Bank overdraft		-	4,137	1
Taxation		-	45	-
Total current liabilities		33,407	41,001	36,826
Total equity and liabilities		122,267	173,048	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
NINE (9) MONTHS ENDED SEPTEMBER 30, 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	-	-	17,608	17,608
Other Comprehensive income	-	355	-	355
Unaudited balances at September 30, 2022	122,903	1,734	(98,022)	26,615
Audited balance at 31 December 2022	122,903	1,663	(90,968)	33,598
Total Comprehensive Income				
Net profit	-	-	(9,643)	(9,643)
Other comprehensive income	-	743	-	743
Unaudited balances at September 30, 2023	122,903	2,406	(100,611)	24,699

K.L.E. GROUP LIMITED
CONSOLIDATED UNAUDITED
STATEMENT OF CASH FLOWS
NINE (9) MONTHS ENDED SEPTEMBER 30, 2023

	Unaudited Quarter ended Sept. 30, 2023 \$'000	Unaudited Quarter ended Sept. 30, 2022 \$'000	Unaudited Year ended December 31, 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the period / year	(8,899)	17,962	24,672
Items not affecting cash resources	<u>14,999</u>	<u>(414)</u>	<u>4,102</u>
Operating profit before changes in working capital	6,100	17,548	28,774
Changes in operating assets and liabilities			
Receivables	(1,293)	(752)	(3,421)
Payables	(4,104)	(27,596)	(27,911)
Related party	(630)	18,133	(12,420)
Taxation paid	-	-	(45)
Net cash provided by / (used in) operations	<u>72</u>	<u>7,333</u>	<u>(15,023)</u>
Cash flows from investing activities			
Interest received	(34)	8	11
Proceeds from sale of investment	20,564	-	-
Net cash provided by investing activities	<u>20,530</u>	<u>8</u>	<u>11</u>
Cash flows from financing activities			
Interest paid	(8,563)	(8,602)	(11,329)
Loan repayment	(6,921)	(7,644)	(9,814)
Net cash used in financing activities	<u>(15,484)</u>	<u>(16,245)</u>	<u>(21,143)</u>
Net increase/(decrease) in cash and cash equivalents	5,118	(8,904)	(36,155)
Cash and cash equivalents at beginning of period/year	11,457	47,939	47,939
Effect of exchange movements on foreign balances	-	-	(327)
Cash and cash equivalents at end of period / year	<u><u>16,575</u></u>	<u><u>39,034</u></u>	<u><u>11,457</u></u>


K.L.E. GROUP LIMITED
UNAUDITED
STATEMENT OF COMPREHENSIVE INCOME
NINE (9) MONTHS ENDED SEPTEMBER 30, 2023

	Notes	Unaudited Quarter ended Sept. 30 2023	Unaudited Quarter ended Sept. 30 2022	Unaudited Nine Months ended Sept. 30 2023 \$'000	Unaudited Nine Months ended Sept. 30 2022 \$'000	Audited Year ended Dec 31, 2022 \$'000
Other operating income	3	1,299	2	55,304	3,741	18,054
Administrative and other expense	4	(2,350)	(1,739)	(33,950)	(8,772)	(10,106)
(Loss)/profit from operations		(1,051)	(1,737)	21,354	(5,031)	7,948
Finance costs	5	(2,726)	(2,766)	(8,563)	(8,603)	(11,329)
		(3,777)	(4,503)	12,791	(13,634)	(3,381)
Share of post - tax (loss)/profit of equity accounted associate		(1,284)	2,724	(5,660)	4,033	3,201
Loss before taxation		(5,061)	(1,778)	7,131	(9,601)	(180)
Taxation expense		-	-	-	-	-
Loss from continuing operation		(5,061)	(1,778)	7,131	(9,601)	(180)
Adjustments to discontinued operating results	7	-	14,644	4,230	27,208	27,208
Net (loss) / profit		(5,061)	12,866	11,362	17,607	27,028
Other Comprehensive Income:						
Items which may be reclassified to profit or loss						
Unrealised gain/(loss) on investments		-	89	743	355	284
Total comprehensive (expense)/income for the year		(5,061)	12,955	12,105	17,962	27,312
Number of shares		100,000	100,000	100,000	100,000	100,000
Earnings per stock unit:		(0.05)	0.13	0.12	0.18	0.27

K.L.E. GROUP LIMITED
UNAUDITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	<u>Notes</u>	Unaudited as at Sept. 30 2023 \$'000	Unaudited as at Sept. 30 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		65,897	72,389	71,557
Investments		6,854	35,057	8,061
Total non-current assets		101,730	122,722	108,596
CURRENT ASSETS				
Receivables	8	7,766	7,154	6,472
Due From related party		22,866	-	1,755
Short term investments		6,825	-	26,925
Cash and cash equivalents	9	5,838	43,171	1,079
Total current assets		43,295	50,325	36,231
Total assets		145,024	173,048	144,827
EQUITY				
Share capital	10	122,903	122,903	122,903
Revaluation reserve		2,406	1,734	1,663
Accumulated (deficit)/surplus		(77,250)	(98,022)	(88,602)
		48,059	26,615	35,964
NON-CURRENT LIABILITIES				
Bank loan	11	64,791	74,879	72,387
Due to related party		-	30,553	-
		64,791	105,432	72,387
CURRENT LIABILITIES				
Current portion of loan	11	10,787	9,790	10,112
Payables	12	21,387	27,030	26,363
Bank overdraft	9	-	4,137	1
Taxation		-	45	-
Total current liabilities		32,174	41,001	36,476
Total equity and liabilities		145,024	173,048	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
NINE (9) MONTHS ENDED SEPTEMBER 30, 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	-	-	17,608	17,608
Other Comprehensive income	-	355	-	355
Unaudited balances at September 30, 2022	122,903	1,734	-	26,615
Audited balance at 31 December 2022	122,903	1,663	(88,612)	35,954
Total Comprehensive Income				
Net profit	-	-	11,362	11,362
Other comprehensive income	-	743	-	743
Unaudited balances at September 30, 2023	122,903	2,406	(77,250)	48,059

K.L.E. GROUP LIMITED
UNAUDITED
STATEMENT OF CASH FLOWS
NINE (9) MONTHS ENDED SEPTEMBER 30, 2023

	Unaudited Quarter ended Sept. 30, 2023 \$'000	Unaudited Quarter ended Sept. 30, 2022 \$'000	Unaudited Year ended December 31, 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the period / year	12,105	17,962	27,028
Items not affecting cash resources	<u>14,941</u>	<u>(414)</u>	<u>3,866</u>
Operating profit before changes in working capital	27,046	17,548	30,894
Changes in operating assets and liabilities			
Receivables	(1,294)	(752)	(70)
Payables	(4,987)	(27,596)	(28,261)
Related party	(21,111)	18,133	(14,175)
Taxation paid	-	-	(45)
Net cash used by operations	<u>(346)</u>	<u>7,333</u>	<u>(11,657)</u>
Cash flows from investing activities			
Interest received	25	8	9
Proceeds from sale of investment	20,564	-	-
Investment in subsidiary	-	-	(13,981)
Net cash provided by/(used in) investing activities	<u>20,589</u>	<u>8</u>	<u>(13,972)</u>
Cash flows from financing activities			
Interest paid	(8,563)	(8,602)	(11,329)
Loan repayment	(6,921)	(7,644)	(9,814)
Net cash used in financing activities	<u>(15,483)</u>	<u>(16,246)</u>	<u>(21,143)</u>
Net increase/(decrease) in cash and cash equivalents	4,759	(8,905)	(46,772)
Cash and cash equivalents at beginning of period/year	1,078	47,939	47,939
Effect of exchange movements on foreign balances	-	-	(89)
Cash and cash equivalents at end of period / year	<u>5,838</u>	<u>39,034</u>	<u>1,078</u>

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE (9) MONTHS ENDED SEPTEMBER 30, 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 September 30, 2023 for the purpose of consolidation.

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE (9) MONTHS ENDED SEPTEMBER 30, 2023

3. OTHER OPERATING INCOME

	The Group			The Company		
	Unaudited Quarter ended 30-Sep-23 \$'000	Unaudited Quarter ended 30-Sep-22 \$'000	Audited Year ended 31-Dec-22 \$'000	Unaudited Quarter ended 30-Sep-23 \$'000	Unaudited Quarter ended 30-Sep-22 \$'000	Audited Year ended 31-Dec-22 \$'000
Interest income	34	8	9	25	8	9
Other income	55,279	3,732	18,047	55,279	3,732	18,045
	<u>55,313</u>	<u>3,740</u>	<u>18,056</u>	<u>55,304</u>	<u>3,740</u>	<u>18,054</u>

4. ADMINISTRATIVE AND OTHER EXPENSES

	The Group			The Company		
	Unaudited Quarter ended 30-Sep-23 \$'000	Unaudited Quarter ended 30-Sep-22 \$'000	Audited Year ended 31-Dec-22 \$'000	Unaudited Quarter ended 30-Sep-23 \$'000	Unaudited Quarter ended 30-Sep-22 \$'000	Audited Year ended 31-Dec-22 \$'000
Bank service charge	198	13	141	49	13	131
Professional fees	25,200	6,382	8,539	4,630	6,382	6,950
Utilities	-	70	70	-	70	70
Advertising and marketing**	26,993	900	1,490	26,993	900	969
Dues and subscription	1,726	1,055	1,258	1,726	1,055	1,258
Printing and Office supplies	95	95	95	95	95	95
Donations	150	450	450	-	450	450
Foreign exchange loss / (gain)	602	(193)	421	457	(193)	183
	<u>54,963</u>	<u>8,772</u>	<u>12,464</u>	<u>33,950</u>	<u>8,772</u>	<u>10,106</u>

**advertising and marketing expenses relate specifically to the Bessa project for work done since 2012 to present

5. FINANCE COST

	The Group and The Company		
	Unaudited Quarter ended 30-Sep-23 \$'000	Unaudited Quarter ended 30-Sep-22 \$'000	Audited Year ended 31-Dec-22 \$'000
Interest expense	8,563	8,602	11,329
	<u>8,563</u>	<u>8,602</u>	<u>11,329</u>

6. EARNINGS PER STOCK UNIT

	Unaudited Quarter ended 30-Sep-23 \$'000	Unaudited Quarter ended 30-Sep-22 \$'000	Audited Year ended 31-Dec-22 \$'000
Net profit attributable to Stockholders (\$'000)	(9,643)	17,607	24,672
Number of ordinary stockholders (weighted average) ('000)	100,000	100,000	100,000
Basic and diluted earnings per stock unit (\$)	<u>(0.10)</u>	<u>0.18</u>	<u>0.25</u>

K.L.E. GROUP LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE (9) MONTHS ENDED SEPTEMBER 30, 2023

7. DISCONTINUED OPERATION

	The Group and The Company		
	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	30-Sep-23	30-Sep-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	27,208	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
	30-Sep-23	30-Sep-22	31-Dec-22
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Prepayment and other receivables	11,116	7,154	9,823

	The Company		
	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	30-Sep-23	30-Sep-22	31-Dec-22
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Prepayment and other receivables	7,766	7,154	6,472

9. CASH AND CASH EQUIVALENTS

	The Group		
	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	30-Sep-23	30-Sep-22	31-Dec-22
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash and bank balances	16,575	43,171	11,458
Bank overdraft	-	(4,137)	(1)
	16,575	39,034	11,457

	The Company		
	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	30-Sep-23	30-Sep-22	31-Dec-22
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash and bank balances	5,838	43,171	1,079
Bank overdraft	-	(4,137)	(1)
	5,838	39,034	1,078