



Knutsford Express Services Limited.

Unaudited Financial Statements

2nd Quarter Ending November 30, 2020

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE SECOND QUARTER ENDING NOVEMBER 30, 2020

The Board of Directors of Knutsford Express Services Limited is pleased to present the company's unaudited financial statements for the second quarter ending November 30, 2020.

Revenues declined by 47.1% over the comparative period last year from \$282.7 million to \$149.5 million. The ongoing COVID19 pandemic continues to affect passenger travel negatively as a consequence of the continuation of government implemented curfews combined with a reduction in travel between parishes. Nonetheless, we continue to employ best practices to address the potential risks to our passengers, customers and staff. We ensure that our coaches are routinely sanitized, equipped with air purifiers and all customers and staff are screened for COVID-19 symptoms and the wearing of face masks is mandatory. We are encouraged by the response of our customers and expect that these best practice protocols will provide the confidence to the travelling public that will result in increased ridership in our coaches.

Net profit after tax declined by 278% from \$19.6 million in the corresponding quarter of 2019 to a loss of \$33.7 million in this second quarter.

Earnings per share declined from \$0.04 per share to (\$0.07) per share.

Total assets have grown over the similar period last year by 1.7% from \$1,084.3 million to \$1,102.4million, resulting primarily from the continued build out of our new commercial real estate development in Drax Hall, St. Ann, the home of our Ocho Rios Super terminal. The remainder of the development of 14 store fronts is slated for completion by July of this year.

In response to the revenue growth and increased demand for our courier services, we have opened two (2) new courier offices – the first in our new hub at Drax Hall with the second at "Sovereign (Centre) On The Boulevard", conveniently located on Washington Boulevard, on the outskirts of the city of Kingston.



Oliver Townsend
Director



Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2020

	(Unaudited) November 30, 2020	(Unaudited) November 30, 2019	(Audited) May 31, 2020
	J\$	J\$	J\$
ASSETS			
Non-Current Assets			
Goodwill	11,075,500	11,075,500	11,075,500
Property, Plant and Equipment	873,306,525	738,961,279	849,076,614
Right-of-use asset	7,311,382	-	11,300,228
Related party-lease prepayment	4,125,000	4,250,000	4,125,000
Term deposit – restricted	2,710,885	2,667,929	2,685,104
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	898,529,292	756,954,708	878,262,446
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Current Assets			
Inventories	20,655,755	18,449,552	25,015,653
Other Assets	15,042,931	49,519,610	26,207,326
Short Term Investment	96,714,142	138,248,867	123,599,054
Cash & Bank Balances	71,432,674	121,172,260	39,460,869
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	203,845,502	327,390,289	214,282,902
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TOTAL ASSETS	\$ 1,102,374,794	1,084,344,997	1,092,545,348
	=====	=====	=====
EQUITY & LIABILITIES			
Equity			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	659,183,087	755,251,171	713,603,624
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	710,988,184	807,056,268	765,408,721
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Non-Current Liabilities			
Non-current portion of lease liability	4,184,285	-	4,184,285
Notes Payable	31,654,251	27,905,812	20,474,133
Bond Payable	250,000,000	150,000,000	200,000,000
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	20,056,882	15,108,213	20,056,882
	-----	-----	-----
	306,348,258	193,466,865	245,168,140
	-----	-----	-----
Current Liabilities			
Accounts Payable and Accrued Charges	58,187,661	53,493,158	50,558,890
Current Portion of Notes Payable	22,321,517	20,508,078	20,119,635
Lease liability	3,794,801	-	7,499,178
Taxation Payable	734,373	9,820,628	3,790,784
	-----	-----	-----
	85,038,352	83,821,864	81,968,487
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TOTAL EQUITY & LIABILITIES	\$ 1,102,374,794	1,084,344,997	1,092,545,348
	=====	=====	=====

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Oliver Townsend
Director

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Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
SIX (6) MONTHS ENDING NOVEMBER 30, 2020

	<u>3 Months ended</u> <u>Nov 30, 2020</u> <u>I\$</u>	<u>3 Months ended</u> <u>Nov 30, 2019</u> <u>I\$</u>	<u>6 Months ended</u> <u>Nov 30, 2020</u> <u>I\$</u>	<u>6 Months ended</u> <u>Nov 30, 2019</u> <u>I\$</u>
REVENUE	149,538,158	282,668,633	271,322,089	607,192,091
Less:				
Administrative and General Expenses	179,057,216	258,799,601	327,272,916	525,944,228
Operating (Loss)/ Profit	(29,519,058)	23,869,032	(55,950,827)	81,247,863
Finance Income	114,358	2,402,883	4,326,424	4,422,016
Finance Cost	(4,390,261)	(5,881,175)	(7,350,571)	(12,746,521)
(Loss)/Profit before Taxation	(33,794,961)	20,390,740	(58,974,974)	72,923,358
Taxation	-	1,403,276	-	6,159,911
Net (Loss)/Profit for the period	(33,794,961)	18,987,464	(58,974,974)	66,763,447
Other Comprehensive profit: Items that may be subsequently classified to profit or loss:				
Currency Translation differences on foreign subsidiary	94,079	658,013	4,554,437	646,505
Total Comprehensive (Loss)/ Income	\$ (33,700,882)	19,645,477	(54,420,537)	67,409,952
Earnings per share (Note 4)	\$ (0.07)	\$ 0.04	\$ (0.12)	\$ 0.14

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
SIX (6) MONTHS TO NOVEMBER 30, 2020

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<u>Six Months Ended November 30, 2020</u>			
Balance at 31 st May 2020	51,805,097	713,603,624	765,408,721
Total comprehensive Loss for the period	-	(54,420,537)	(54,420,537)
Balance at 30 th November 2020	<u>-----</u> \$ 51,805,097 <u>=====</u>	<u>-----</u> \$ 659,183,087 <u>=====</u>	<u>-----</u> \$ 710,988,184 <u>=====</u>
 <u>Six Months Ended November 30, 2019</u>			
Balance at 31 st May 2019	51,805,097	727,841,219	779,646,316
Net Profit being total comprehensive Income for the period	-	67,409,952	67,409,952
Transaction with owners: Dividend Paid	-	(40,000,000)	(40,000,000)
Balance at 30 th November 2019	<u>-----</u> \$ 51,805,097 <u>=====</u>	<u>-----</u> \$ 755,251,171 <u>=====</u>	<u>-----</u> \$ 807,056,268 <u>=====</u>

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2020

	<u>6 Months ended</u> <u>November 30, 2020</u>	<u>6 Months ended</u> <u>November 30, 2019</u>
	<u>J\$</u>	<u>J\$</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net (Loss)/Profit for the period	(58,974,974)	66,763,447
Items not affecting Cash Resources:		
Depreciation and Amortisation	53,986,959	49,866,044
Depreciation on right-of-use asset	3,988,846	-
Taxation Charge	-	6,159,911
Translation Adjustment	4,554,437	646,505
	<u>3,555,268</u>	<u>123,435,907</u>
(Increase)/Decrease in Operating Assets		
Other Assets	38,049,307	(30,057,353)
Inventories	4,359,898	4,207,692
Increase in operating Liabilities:		
Accounts Payable and Accrued charges	7,628,771	4,613,303
	<u>53,593,244</u>	<u>102,199,549</u>
Income Tax Paid	(3,056,411)	-
	<u>50,536,833</u>	<u>102,199,549</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of Property, Plant and Equipment	(78,216,870)	(56,123,946)
Term Deposit – Restricted	(25,781)	(11,919)
	<u>(78,242,651)</u>	<u>(56,135,865)</u>
<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Dividends paid	-	(40,000,000)
Lease liability	(3,704,377)	-
Proceeds from bond	50,000,000	-
Proceeds from notes payable	15,095,400	-
Repayment of notes payable	(1,713,400)	(17,007,163)
	<u>59,677,623</u>	<u>(57,007,163)</u>
Net Cash Used Provided by/(Used in) Financing Activities		
	<u>31,971,805</u>	<u>(10,943,479)</u>
NET INCREASE/(DECREASE)IN CASH AND BANK BALANCES		
	<u>39,460,869</u>	<u>132,115,739</u>
OPENING CASH AND BANK BALANCES		
	<u>\$ 71,432,674</u>	<u>121,172,260</u>
CLOSING CASH AND BANK BALANCES	=====	=====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR SIX (6) MONTHS ENDED NOVEMBER 30, 2020

1. IDENTIFICATION

Knutsford Express Services Limited ("the company") is incorporated in Jamaica under the Jamaican Companies Act. The company is domiciled in Jamaica with its registered office located at 10 Harbour Circle, Montego Bay, St. James, and was listed on the Jamaica Junior Stock Exchange in January 2014. The company has three wholly owned subsidiaries.

The company's main activities are the provision of transportation and courier services.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and comply with the relevant requirements of the Jamaican Companies Act.

The accounting policies are consistent with those applied to the audited financial statements for the year ended May 31, 2020

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican Dollars.

3. SEGMENT REPORTING

Segment financial information is presented in respect of geographic locations. Assets, liabilities and operating results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment transactions are charged at arm's length prices.

	<u>November 30, 2020</u>			
	<u>Jamaica</u>	<u>USA</u>	<u>Eliminated On Consolidation</u>	<u>Group Total</u>
Statement of Financial Position:				
Assets	1,596,306,541 =====	52,345,575 =====	(546,277,322) =====	1,102,374,794 =====
Shareholders' Equity	788,128,180	(75,812,896)	(1,327,100)	710,988,184
Liabilities	808,178,361	128,158,471	(544,950,222)	391,386,610
	1,596,306,541 =====	52,345,575 =====	(546,277,322) =====	1,102,374,794 =====
Statement of Comprehensive Income:				
Revenue	271,498,003	638,086	(814,000)	271,322,089
Finance Income	4,326,424	-	-	4,326,424
Administrative and general expenses	(318,223,765)	(9,863,151)	814,000	(327,272,916)
Financial Costs	(7,236,809)	(113,762)	-	(7,350,571)
Net Loss for the period	(49,636,147) =====	(9,338,827) =====	- =====	(58,974,974) =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR SIX (6) MONTHS ENDED NOVEMBER 30, 2020

3. SEGMENT REPORTING CONT'D

November 30, 2019

	<u>Jamaica</u>	<u>USA</u>	<u>Eliminated On Consolidation</u>	<u>Group Total</u>
Statement of Financial Position:				
Assets	1,209,978,993 =====	57,699,572 =====	(183,333,568) =====	1,084,344,997 =====
Shareholders' Equity	852,105,368	(43,727,500)	(1,321,600)	807,056,268
Liabilities	357,873,625	101,427,072	(182,011,968)	277,288,729
	<u>1,209,978,993</u> =====	<u>57,699,572</u> =====	<u>(183,333,568)</u> =====	<u>1,084,344,997</u> =====
Statement of Comprehensive Income:				
Revenue	598,880,878	12,772,403	(4,461,190)	607,192,091
Finance Income	4,422,016	-	-	4,422,016
Administrative and general expenses	(499,491,528)	(30,913,890)	4,461,190	(525,944,228)
Financial Costs	(12,609,271)	(137,250)	-	(12,746,521)
Profit before taxation	91,202,095	(18,278,737)	-	72,923,358
Taxation Charge	6,159,911	-	-	6,159,911
Net profit for the period	85,042,184 =====	(18,278,737) =====	- =====	66,763,447 =====

4. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit/loss for the period by the weighted average number of ordinary shares in issue for the period. The weighted number of shares for the period was calculated as follows:

	<u>2nd Quarter 30.11.2020</u>	<u>2nd Quarter 30.11.2019</u>	<u>Six Months Ended 30.11.2020</u>	<u>Six Months Ended 30.11.2019</u>
Weighted Average number of Ordinary shares held during the period	500,000,015 =====	500,000,015 =====	500,000,015 =====	500,000,015 =====

Knutsford Express Services Limited

LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT NOVEMBER 30, 2020

Shareholder	Units
1. Oliver Townsend	167,651,720
2. Anthony Copeland	119,633,320
3. Gordon Townsend	87,232,590
4. N.C.B. Capital Markets Ltd. A/C 2231	29,044,788
5. SJIML A/C 3119	17,391,304
6. SJLIC For Scotiabridge Retirement Scheme	12,986,000
7. GraceKennedy Pension Fund Custodian Ltd for GraceKennedy Pension Scheme	7,500,000
8. JCSD Trustee Services Ltd. A/C #76579-02	7,128,000
9. Sagicor Pooled Equity Fund	6,000,000
10. GraceKennedy Pension Fund Custodian Ltd. For GraceKennedy Pension Plan (2009)	5,000,000

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT NOVEMBER 30, 2020

Director	Shareholdings	Connected Parties	Shareholdings
Oliver Townsend	167,633,320		
Oliver Townsend/Paula Townsend	10,000		
Yohann Townsend/Oliver Townsend	8,400		
		Paula Townsend	953,960
Anthony Copeland	119,633,320	---	
Gordon Townsend	87,232,590	---	
Wayne Wray	100,000		
Wayne Wray/Christine Randle	500,000	---	
Peter Pearson/Yvonne Pearson	245,000	---	