



Knutsford Express Services Limited.
Unaudited Financial Statements
3rd Quarter Ending February 28, 2021

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE THIRD QUARTER ENDING FEBRUARY 28, 2021

The Board of Directors of Knutsford Express Services Limited is pleased to present the company's unaudited financial statements for the third quarter ending February 28, 2021.

Revenues declined by 41.8% over the comparative period last year from \$318 million to \$185 million. The ongoing COVID19 pandemic continues to affect passenger travel negatively as a consequence of the continuation of government implemented curfews. We, however, have responded by increasing our courier services which have become very popular with individuals and companies alike. During this quarter we opened another courier outlet at Sovereign Centre on the Boulevard on Washington Boulevard.

Net profit after tax declined by 102.8% from \$37.7 million in the corresponding quarter of 2020 to a loss of \$1 million in this third quarter. Notwithstanding this result, we note that for the first time during the pandemic our company has neared a break-even financial position in this quarter and we are heartened that our customers continue to develop more confidence in our continuing COVID19 measures. We are committed to best practices and protocols in managing the potential risks to our passengers, customers and staff. Our standards require mandatory wearing of masks by passengers and staff in our coaches and offices, screening for COVID19 symptoms and having our coaches routinely sanitized.

At the end of the third quarter, total assets amount to \$1,111.8 million and earnings per share (\$0.01) per share.

New business initiatives such as the investment in our Drax Hall Business Centre development has resulted in the completion of Phase 1 and all shops fully tenanted. Demand for the shops and the response to Phase 2 which is due for completion in the first quarter of our new financial year (July 2021) is also very encouraging and signals positive contributions to our company in the ensuing 2021/22



Oliver Townsend
Director



Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FEBRUARY 28, 2021

	<u>(Unaudited)</u> February 28, 2021 J\$	<u>(Unaudited)</u> February 29, 2020 J\$	<u>(Audited)</u> May 31, 2020 J\$
ASSETS			
<u>Non-Current Assets</u>			
Goodwill	11,075,500	11,075,500	11,075,500
Property, Plant and Equipment	905,295,858	801,731,501	849,076,614
Right-of-use asset	5,316,959	-	11,300,228
Related party-lease prepayment	4,125,000	4,250,000	4,125,000
Term deposit – restricted	2,719,597	2,685,104	2,685,104
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	928,532,914	819,742,105	878,262,446
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<u>Current Assets</u>			
Inventories	17,998,783	18,426,991	25,015,653
Other Assets	26,387,725	102,836,422	26,207,326
Short Term Investment	100,903,547	139,596,542	123,599,054
Cash & Bank Balances	37,977,861	96,311,875	39,460,869
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	183,267,916	357,171,830	214,282,902
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TOTAL ASSETS	\$ 1,111,800,830	1,176,913,935	1,092,545,348
	=====	=====	=====
<u>EQUITY & LIABILITIES</u>			
<u>Equity</u>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	658,120,374	792,983,495	713,603,624
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	709,925,471	844,788,592	765,408,721
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<u>Non-Current Liabilities</u>			
Non-current portion of lease liability	4,184,285	-	4,184,285
Notes Payable	31,654,251	22,693,803	20,474,133
Bond Payable	250,000,000	200,000,000	200,000,000
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	20,056,882	15,108,213	20,056,882
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	306,348,258	238,254,856	245,168,140
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<u>Current Liabilities</u>			
Accounts Payable and Accrued Charges	76,333,663	59,625,686	50,558,890
Current Portion of Notes Payable	17,415,762	20,508,078	20,119,635
Lease liability	1,777,676	-	7,499,178
Taxation Payable	-	13,736,723	3,790,784
	-----	-----	-----
	95,527,101	93,870,487	81,968,487
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TOTAL EQUITY & LIABILITIES	\$ 1,111,800,830	1,176,913,935	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)
NINE (9) MONTHS ENDING FEBRUARY 28, 2021

	<u>3 Months ended</u> <u>Feb 28, 2021</u> <u>₱</u>	<u>3 Months ended</u> <u>Feb 29, 2020</u> <u>₱</u>	<u>9 Months ended</u> <u>Feb 28, 2021</u> <u>₱</u>	<u>9 Months ended</u> <u>Feb 29, 2020</u> <u>₱</u>
REVENUE	185,049,290	318,040,558	456,371,379	925,232,649
Less:				
Administrative and General Expenses	187,291,334	271,514,462	514,564,250	797,458,690
Operating (Loss)/ Profit	(2,242,044)	46,526,096	(58,192,871)	127,773,959
Other Income	706,601	-	706,601	-
Finance Income	3,960,481	757,190	8,286,905	5,179,206
Finance Cost	(4,085,572)	(6,949,496)	(11,436,143)	(19,696,017)
(Loss)/Profit before Taxation	(1,660,534)	40,333,790	(60,635,508)	113,257,148
Taxation	-	3,916,095	-	10,076,006
Net (Loss)/Profit for the period	(1,660,534)	36,417,695	(60,635,508)	103,181,142
Other Comprehensive profit: Items that may be subsequently classified to profit or loss: Currency Translation differences on foreign subsidiary	597,821	1,314,629	5,152,258	1,961,134
Total Comprehensive (Loss)/ Income	\$ (1,062,713)	37,732,324	(55,483,250)	105,142,276
Earnings per share (Note 4)	\$ (0.01)	\$ 0.08	\$ (0.13)	\$ 0.21

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
NINE (9) MONTHS TO FEBRUARY 28, 2021

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<u>Nine Months Ended February 28, 2021</u>			
Balance at 31 st May 2020	51,805,097	713,603,624	765,408,721
Total comprehensive Loss for the period	-	(55,483,250)	(55,483,250)
Balance at 28 th February 2021	\$ 51,805,097 =====	\$ 658,120,374 =====	\$ 709,925,471 =====
 <u>Nine Months Ended February 29, 2020</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	-	105,142,276	105,142,276
Transaction with owners: Dividend Paid	-	(40,000,000)	(40,000,000)
Balance at 29 th February 2020	\$ 51,805,097 =====	\$ 792,983,495 =====	\$ 844,788,592 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE (9) MONTHS ENDED FEBRUARY 28, 2021

	<u>9 Months ended</u> <u>February 28, 2021</u>	<u>9 Months ended</u> <u>February 29, 2020</u>
	J\$	J\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net (Loss)/Profit for the period	(60,635,508)	103,181,142
Items not affecting Cash Resources:		
Depreciation and Amortisation	80,622,892	74,449,225
Depreciation on right-of-use asset	5,983,269	-
Taxation Charge	-	10,076,006
Translation Adjustment	5,152,258	1,961,134
	-----	-----
	31,122,911	189,667,507
(Increase)/Decrease in Operating Assets		
Other Assets	22,515,108	(84,721,840)
Inventories	7,016,870	4,230,253
Increase in operating Liabilities:		
Accounts Payable and Accrued charges	25,774,773	10,745,831
	-----	-----
	86,429,662	119,921,751
Income Tax Paid	(3,790,784)	-
	-----	-----
Net Cash provided by operating activities	82,638,878	119,921,751
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<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of Property, Plant and Equipment	(136,842,136)	(143,477,349)
Term Deposit – Restricted	(34,493)	(29,094)
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Net Cash used in Investing Activities	(136,876,629)	(143,506,443)
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<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Dividends paid	-	(40,000,000)
Lease liability	(5,721,502)	-
Proceeds from bond	50,000,000	50,000,000
Proceeds from notes payable	15,095,400	-
Repayment of notes payable	(6,619,155)	(22,219,172)
	-----	-----
Net Cash Used Provided by/(Used in) Financing Activities	52,754,743	(12,219,172)
	-----	-----
NET DECREASE IN CASH AND BANK BALANCES	(1,483,008)	(35,803,864)
OPENING CASH AND BANK BALANCES	39,460,869	132,115,739
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CLOSING CASH AND BANK BALANCES	\$ 37,977,861	96,311,875
	=====	=====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR NINE (9) MONTHS ENDED FEBRUARY 28, 2021

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 1222 Providence Drive, Ironshore Estate, 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>February 28, 2021</u>			
	<u>Jamaica</u>	<u>USA</u>	<u>Eliminated On Consolidation</u>	<u>Group Total</u>
Statement of Financial Position:				
Assets	1,656,071,463 =====	52,917,295 =====	(597,187,928) =====	1,111,800,830 =====
Shareholders' Equity	787,970,116	(76,717,545)	(1,327,100)	709,925,471
Liabilities	868,101,347 -----	129,634,840 -----	(595,860,828) -----	401,875,359 -----
1,656,071,463	52,917,295 =====	(597,187,928) =====	1,111,800,830 =====	=====
Statement of Comprehensive Income:				
Revenue	456,979,593	638,086	(1,246,300)	456,371,379
Finance Income	8,286,905	-	-	8,286,905
Other Income	706,601	-	-	706,601
Administrative and general expenses	(504,511,508)	(11,299,042)	1,246,300	(514,564,250)
Financial Costs	(11,255,802)	(180,341)	-	(11,436,143)
Net Loss for the period	(49,794,211) =====	(10,841,297) =====	- =====	(60,635,508) =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR NINE (9) MONTHS ENDED FEBRUARY 28, 2021

3.

SEGMENT REPORTING CONT'D
February 29, 2019

	<u>Jamaica</u>	<u>USA</u>	<u>Eliminated On Consolidation</u>	<u>Group Total</u>
Statement of Financial Position:				
Assets	1,545,048,535 =====	61,054,011 =====	(429,188,611) =====	1,176,913,935 =====
Shareholders' Equity	894,562,579	(48,452,387)	(1,321,600)	844,788,592
Liabilities	650,485,956	109,506,398	(427,867,011)	332,125,343
Statement of Comprehensive Income:				
Revenue	912,004,144	20,810,395	(7,581,890)	925,232,649
Finance Income	5,179,206	-	-	5,179,206
Administrative and general expenses	(758,964,680)	(46,075,900)	7,581,890	(797,458,690)
Financial Costs	(19,134,000)	(562,017)	-	(19,696,017)
Profit before taxation	139,084,670	(25,827,522)	-	113,257,148
Taxation Charge	10,076,006	-	-	10,076,006
Net Profit for the period	129,008,664 =====	(25,827,522) =====	- =====	103,181,142 =====

4. **EARNINGS PER SHARE**

Earnings per share is calculated by dividing the profit or 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:

Ended	3rd Quarter <u>29.02.2021</u>	3rd Quarter <u>29.02.2020</u>	Nine Months Ended <u>29.02.2021</u>	Nine Months <u>29.02.2020</u>
Weighted Average number of Ordinary shares held during the period	500,000,015 =====	500,000,015 =====	500,000,015 =====	500,000,015 =====