



Knutsford Express Services Limited.

Unaudited Financial Statements

1st Quarter Ended August 31, 2021

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE QUARTER ENDED AUGUST 31, 2021

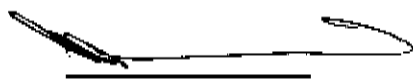
The Board of Directors of Knutsford Express Services Limited is pleased to present the company's unaudited financial statements for the first quarter ending August 31, 2021.

Revenues increased by 91% over the comparative period last year from \$122 million to \$233 million, signaling continued business recovery while still being affected by the restrictions associated with the COVID pandemic. Total assets have also grown over the corresponding period last year by 21.9% from \$1,079 million to \$1,314 million, primarily due to the investment in our Knutsford Express Business Centre in Drax Hall. We expect the completion of construction and full tenancy of the Business Centre in the third quarter.

Net profit after tax grew by \$34.4 million from a loss of (\$25.2 million) in the corresponding quarter of 2020 to \$9.2 million in this first quarter. While our revenues are yet to recover to pre-COVID19 levels, we have managed nonetheless to adjust in this restrictive period while maintaining the highest safety protocols remaining foremost in the minds of local travelers.

Earnings per share climbed from (\$0.05) per share to \$0.02 per share.

We are encouraged that local anti-COVID measures will be successful, thereby increasing the confidence in islandwide travel. We have focused on "Moving What Matters" to our customers through the expansion of our courier service, adding new products and delivery options by improving logistics and introducing new technology. These measures are aimed at improving customer experience.



Oliver Townsend
Director

Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2021

	<u>(Unaudited)</u> <u>August 31, 2021</u> <u>J\$</u>	<u>(Unaudited)</u> <u>August 31, 2020</u> <u>J\$</u>	<u>(Audited)</u> <u>May 31, 2021</u> <u>J\$</u>
ASSETS			
<u>Non-Current Assets</u>			
Goodwill	4,500,000	11,075,500	4,500,000
Property, Plant and Equipment	826,349,084	857,083,836	770,204,944
Right-of-use asset	136,935,740	9,305,805	140,568,760
Investment Property	110,449,415	-	110,449,415
Related party-lease prepayment	4,000,000	4,125,000	4,000,000
Term deposit – restricted	2,736,820	2,702,202	2,728,148
	<u>1,084,971,059</u>	<u>884,292,343</u>	<u>1,032,451,267</u>
<u>Current Assets</u>			
Inventories	20,098,605	27,051,711	16,619,559
Other Assets	35,431,038	17,813,310	22,140,319
Taxation Recoverable	57,045	-	57,045
Short Term Investment	103,124,904	97,167,554	101,636,251
Cash & Bank Balances	70,779,417	52,361,732	58,876,308
	<u>229,491,009</u>	<u>194,394,307</u>	<u>199,329,482</u>
TOTAL ASSETS	<u>\$ 1,314,462,068</u>	<u>1,078,686,650</u>	<u>1,231,780,749</u>
<u>EQUITY & LIABILITIES</u>			
<u>Equity</u>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	629,236,243	692,883,969	613,983,337
	<u>681,041,340</u>	<u>744,689,066</u>	<u>665,788,434</u>
<u>Non-Current Liabilities</u>			
Non-current portion of lease liability	130,769,253	4,184,285	130,769,253
Notes Payable	23,617,736	32,843,376	23,617,736
Bond Payable	335,000,000	200,000,000	300,000,000
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	13,265,278	20,056,882	13,265,278
	<u>503,105,107</u>	<u>257,537,383</u>	<u>468,105,107</u>
<u>Current Liabilities</u>			
Accounts Payable and Accrued Charges	106,906,869	44,685,977	66,137,791
Current Portion of Notes Payable	15,680,716	22,321,517	20,655,857
Lease liability	7,728,036	5,661,923	11,093,560
Taxation Payable	-	3,790,784	-
	<u>130,315,621</u>	<u>76,460,201</u>	<u>97,887,208</u>
TOTAL EQUITY & LIABILITIES	<u>\$ 1,314,462,068</u>	<u>1,078,686,650</u>	<u>1,231,780,749</u>

Oliver Townsend
Director

Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
THREE (3) MONTHS ENDED AUGUST 31, 2021

	<u>3 Months Ended</u> <u>August 31, 2021</u> <u>J\$</u>	<u>3 Months Ended</u> <u>August 31, 2020</u> <u>J\$</u>
REVENUE	232,564,796	121,783,931
Less:		
Administrative and General Expenses	219,348,749	148,215,700
Operating Profit/(Loss)	13,216,047	(26,431,769)
Finance Income	1,542,268	4,212,066
Finance Cost	(5,557,076)	(2,960,310)
Profit/(Loss) before Taxation	9,201,239	(25,180,013)
Taxation	-	-
Net Profit/(Loss) for the period	9,201,239	(25,180,013)
Other Comprehensive profit/(loss):		
Items that may be classified to profit or loss:		
Currency translation differences on foreign subsidiary	6,051,667	4,460,358
Total comprehensive income/(loss) for the period	15,252,906	(20,719,655)
Earnings per share (Note 4)	\$ 0.02	\$ (0.05)

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THREE (3) MONTHS ENDED AUGUST 31, 2021

	<u>3 Months ended</u> <u>August 31, 2021</u> <u>IS</u>	<u>3 Months ended</u> <u>August 31, 2020</u> <u>IS</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net profit/(loss) for the period	9,201,239	(25,180,013)
Items not affecting cash resources:		
Depreciation and amortisation	33,165,531	27,439,094
Depreciation on right-of-use asset	3,633,020	1,994,423
Translation adjustment	6,051,667	4,460,358
	<u>52,051,457</u>	<u>8,713,862</u>
(Increase)/decrease in operating assets		
Other assets	(13,290,719)	8,394,016
Inventories	(3,479,046)	(2,036,058)
Increase in operating liabilities:		
Accounts payable and accrued charges	40,769,078	(5,872,913)
Net cash provided by operating activities	<u>76,050,770</u>	<u>9,198,907</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of property, plant and equipment	(89,309,671)	(35,446,316)
Placement of investment	(1,488,653)	26,431,500
Term deposit – restricted	(8,672)	(17,098)
Net cash used in Investing activities	<u>(90,806,996)</u>	<u>(9,031,914)</u>
<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Lease liability	(3,365,524)	(1,837,255)
Proceeds from notes payable	35,000,000	15,095,400
Repayment of notes payable	(4,975,141)	(524,275)
Net Cash provided by financing activities	<u>26,659,335</u>	<u>12,733,870</u>
NET INCREASE IN CASH AND BANK BALANCES	11,903,109	12,900,863
OPENING CASH AND BANK BALANCES	58,876,308	39,460,869
CLOSING CASH AND BANK BALANCES	<u>\$ 70,779,417</u>	<u>52,361,732</u>

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
THREE (3) MONTHS TO ENDED AUGUST 31, 2021

	<u>SHARE CAPITAL</u> <u>J\$</u>	<u>ACCUMULATED SURPLUS</u> <u>J\$</u>	<u>TOTAL</u> <u>J\$</u>
<u>Three Months Ended August 31, 2021</u>			
Balance at 31 st May 2021	51,805,097	613,983,337	665,788,434
Total comprehensive income for the period	-	15,252,906	15,252,906
Balance at 31 st August 2021	<u>\$ 51,805,097</u>	<u>\$ 629,236,243</u>	<u>\$ 681,041,340</u>
<u>Three Months Ended August 31, 2020</u>			
Balance at 31 st May 2020	51,805,097	713,603,624	765,408,721
Total comprehensive loss for the period	-	(20,719,655)	(20,719,655)
Balance at 31 st August 2020	<u>\$ 51,805,097</u>	<u>\$ 692,883,969</u>	<u>\$ 744,689,066</u>

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THREE (3) MONTHS ENDED AUGUST 31, 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 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, 2021.

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>August 31, 2021</u>			
	<u>Jamaica</u>	<u>USA</u>	<u>Eliminated On Consolidation</u>	<u>Group Total</u>
Statement of Financial Position:				
Assets	1,503,563,173	30,544,671	(219,645,776)	1,314,462,068
	<u>1,503,563,173</u>	<u>30,544,671</u>	<u>(219,645,776)</u>	<u>1,314,462,068</u>
Shareholders' equity	683,574,245	(1,205,805)	(1,327,100)	681,041,340
Liabilities	819,988,928	31,750,476	(218,318,676)	633,420,728
	<u>1,503,563,173</u>	<u>30,544,671</u>	<u>(219,645,776)</u>	<u>1,314,462,068</u>
Statement of Comprehensive Income:				
Revenue	232,564,796	-	-	232,564,796
Finance income	1,542,268	-	-	1,542,268
Administrative and general expenses	(217,267,049)	(2,081,700)	-	(219,348,749)
Financial costs	(5,537,961)	(19,115)	-	(5,557,076)
	<u>11,302,054</u>	<u>(2,100,815)</u>	<u>-</u>	<u>9,201,239</u>
Net profit/(loss) for the period	<u>11,302,054</u>	<u>(2,100,815)</u>	<u>-</u>	<u>9,201,239</u>

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THREE (3) MONTHS ENDED AUGUST 31, 2021

3. SEGMENT REPORTING CONT'D

	<u>August 31, 2020</u>			
	<u>Jamaica</u>	<u>USA</u>	<u>Eliminated On Consolidation</u>	<u>Group Total</u>
Statement of Financial Position:				
Assets	<u>1,528,357,622</u>	<u>54,623,287</u>	<u>(504,294,259)</u>	<u>1,078,686,650</u>
Shareholders' equity	816,459,098	(70,442,932)	(1,327,100)	744,689,066
Liabilities	<u>711,898,524</u>	<u>125,066,219</u>	<u>(502,967,159)</u>	<u>333,997,584</u>
	<u>1,528,357,622</u>	<u>54,623,287</u>	<u>(504,294,259)</u>	<u>1,078,686,650</u>
Statement of Comprehensive Income:				
Revenue	121,145,845	638,086	-	121,783,931
Finance income	4,212,066	-	-	4,212,066
Administrative and general expenses	(143,740,618)	(4,475,082)	-	(148,215,700)
Financial costs	(2,922,519)	(37,791)	-	(2,960,310)
Net loss for the period	<u>(21,305,226)</u>	<u>(3,874,787)</u>	<u>-</u>	<u>(25,180,013)</u>

4. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit 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>1st Quarter 31.8.2021</u>	<u>1st Quarter 31.08.2020</u>
Weighted Average number of Ordinary shares held during the period	<u>500,000,015</u>	<u>500,000,015</u>

Knutsford Express Services Limited

LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT AUGUST 31, 2021

Ten Largest Shareholders	No. of Stock Units	% Holding
1. Oliver Townsend	167,651,720	33.5287
2. Anthony Copeland	119,633,320	23.9267
3. Gordon Townsend	87,232,590	17.4465
4. N.C.B. Capital Markets Ltd. A/C 2231	28,939,617	5.7879
5. SJIML A/C 3119	17,391,304	3.4783
6. SJLIC For Scotiabridge Retirement Scheme	12,986,000	2.5972
7. GraceKennedy Pension Fund Custodian Ltd for GraceKennedy Pension Scheme	7,500,000	1.5000
8. JCSD Trustee Services Ltd. A/C #76579-02	7,128,000	1.4256
9. Sagicor Pooled Equity Fund	6,000,000	1.2000
10. GraceKennedy Pension Fund Custodian Ltd. For GraceKennedy Pension Plan (2009)	5,000,000	1.0000

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT AUGUST 31, 2021

Name	Personal	Connected Party
Oliver Townsend	167,651,720	953,960
Anthony Copeland	119,633,320	NIL
Gordon Townsend	87,232,590	NIL
Wayne Wray	600,000	NIL
Peter Pearson	245,000	NIL