



Knutsford Express Services Limited.

Unaudited Financial Statements

2nd Quarter Ended November 30, 2021

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE QUARTER ENDED NOVEMBER 30, 2021

The Board of Directors of Knutsford Express Services Limited is pleased to present the company's unaudited financial statements for the second quarter ended November 30, 2021.

Ongoing global recovery in travel is welcomed and has contributed to a 60.9% increase in revenues this quarter to \$241 million from \$150 million over the comparative period. We continue to monitor and anticipate changes in demand for passenger and courier services and, in the case of the latter, have extended our courier services to the Norman Manley International Airport.

One of our key initiatives, the Knutsford Express Business Centre, in Drax Hall provides synergies as a key logistics point for our business customers in addition to creating a diversified income stream going forward along with our core transportation business. With the development of this business centre, total assets in the second quarter have grown over the similar period last year by 18.9% from \$1,102 million to \$1,310 million.

Net profit after tax improved to breakeven this quarter from a loss in the corresponding period of \$33.7 million, yielding a significantly improved year to date performance with a net profit in the first six months of \$15 million as compared to a loss of \$54.4 million for the comparative period in 2020.

We expect that our ongoing efforts to further digitize our processes will bring improved efficiencies to our operations and increased customer satisfaction.



Oliver Townsend
Director



Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2021

	(Unaudited) November 30, 2021 J\$	(Unaudited) November 30, 2020 J\$	(Audited) May 31, 2021 J\$
ASSETS			
Non-Current Assets			
Goodwill	4,500,000	11,075,500	4,500,000
Property, Plant and Equipment	862,742,266	873,306,525	770,204,944
Right-of-use asset	133,609,413	7,311,382	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	-	2,710,885	2,728,148
	1,115,301,094	898,529,292	1,032,451,267
Current Assets			
Inventories	21,392,645	20,655,755	16,619,559
Other Assets	18,639,769	15,042,931	22,140,319
Taxation recoverable	672,052	-	57,045
Short Term Investment	88,531,224	96,714,142	101,636,251
Cash & Bank Balances	65,865,744	71,432,674	58,876,308
	195,101,434	203,845,502	199,329,482
TOTAL ASSETS	\$ 1,310,402,528	1,102,374,794	1,231,780,749
EQUITY & LIABILITIES			
Equity			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	629,001,827	659,183,087	613,983,337
	680,806,924	710,988,184	665,788,434
Non-Current Liabilities			
Non-current portion of lease liability	130,769,253	4,184,285	130,769,253
Notes Payable	23,617,736	31,654,251	23,617,736
Bond Payable	335,000,000	250,000,000	300,000,000
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	13,265,278	20,056,882	13,265,278
	503,105,107	306,348,258	468,105,107
Current Liabilities			
Accounts Payable and Accrued Charges	111,452,658	58,187,661	66,137,791
Current Portion of Notes Payable	10,355,816	22,321,517	20,655,857
Lease liability	4,682,023	3,794,801	11,093,560
Taxation Payable	-	734,373	-
	126,490,497	85,038,352	97,887,208
TOTAL EQUITY & LIABILITIES	\$ 1,310,402,528	1,102,374,794	1,231,780,749

Oliver Townsend
Director

Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
SIX (6) MONTHS ENDED NOVEMBER 30, 2021

	<u>3 Months ended</u> <u>Nov 30, 2021</u> <u>J\$</u>	<u>3 Months ended</u> <u>Nov 30, 2020</u> <u>J\$</u>	<u>6 Months ended</u> <u>Nov 30, 2021</u> <u>J\$</u>	<u>6 Months ended</u> <u>Nov 30, 2020</u> <u>J\$</u>
REVENUE	240,655,378	149,538,158	473,220,174	271,322,089
Less:				
Administrative and General Expenses	238,048,913	179,057,216	457,397,662	327,272,916
Operating (Loss)/ Profit	2,606,465	(29,519,058)	15,822,512	(55,950,827)
Finance Income	1,185,136	114,358	2,727,404	4,326,424
Finance Cost	(4,613,227)	(4,390,261)	(10,170,303)	(7,350,571)
(Loss)/Profit before Taxation	(821,626)	(33,794,961)	8,379,613	(58,974,974)
Taxation	-	-	-	-
Net (Loss)/Profit for the period	(821,626)	(33,794,961)	8,379,613	(58,974,974)
Other Comprehensive profit/(loss):				
Items that may be classified to profit or loss:				
Currency Translation differences on foreign subsidiary	587,210	94,079	6,638,877	4,554,437
Total Comprehensive (loss)/ income	\$ (234,416)	(33,700,882)	15,018,490	(54,420,537)
Earnings per share (Note 4)	\$ (0.001)	\$ (0.07)	\$ 0.02	\$ (0.12)

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
SIX (6) MONTHS TO NOVEMBER 30, 2021

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<u>Six Months Ended November 30, 2021</u>			
Balance at 31 st May 2021	51,805,097	613,983,337	665,788,434
Total comprehensive income for the period	-	15,018,490	15,018,490
Balance at 30 th November 2021	\$ 51,805,097 =====	\$ 629,001,827 =====	\$ 680,806,924 =====

Six Months Ended November 30, 2020

Balance at 31 st May 2020	51,805,097	727,841,219	779,646,316
Total comprehensive loss for the period	-	(54,420,537)	(54,420,537)
Balance at 30 th November 2020	\$ 51,805,097 =====	\$ 659,183,087 =====	\$ 710,988,184 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

	<u>6 Months ended</u> <u>November 30, 2021</u>	<u>6 Months ended</u> <u>November 30, 2020</u>
	<u>J\$</u>	<u>J\$</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net profit/(loss) for the period	8,379,613	(58,974,974)
Items not affecting cash resources:		
Depreciation and amortisation	65,825,873	53,986,959
Depreciation on right-of-use asset	6,959,347	3,988,846
Taxation charge	-	-
Translation Adjustment	6,638,877	4,554,437
	<u>87,803,710</u>	<u>3,555,268</u>
(Increase)/Decrease in Operating Assets		
Other assets	3,500,550	11,164,395
Inventories	(4,773,086)	4,359,898
Increase in operating Liabilities:		
Accounts payable and accrued charges	45,314,867	7,628,771
	<u>131,846,041</u>	<u>26,708,332</u>
Income tax paid	(615,007)	(3,056,411)
	<u>131,231,034</u>	<u>23,651,921</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of property, plant and equipment	(158,363,195)	(78,216,870)
Placement of investment	13,105,027	26,884,912
Term deposit – restricted	2,728,148	(25,781)
	<u>(142,530,020)</u>	<u>(51,357,739)</u>
<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Lease liability	(6,411,537)	(3,704,377)
Proceeds from bond	35,000,000	50,000,000
Proceeds from notes payable	-	15,095,400
Repayment of notes payable	(10,300,041)	(1,713,400)
	<u>18,288,422</u>	<u>59,677,623</u>
Net cash provided by financing activities		
NET INCREASE IN CASH AND BANK BALANCES	<u>6,989,436</u>	<u>31,971,805</u>
OPENING CASH AND BANK BALANCES	<u>58,876,308</u>	<u>39,460,869</u>
CLOSING CASH AND BANK BALANCES	<u>\$ 65,865,744</u>	<u>71,432,674</u>

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

November 30, 2021

	<u>Jamaica</u>	<u>USA</u>	<u>Eliminated On Consolidation</u>	<u>Group Total</u>
Statement of Financial Position:				
Assets	1,501,510,056 =====	28,820,732 =====	(219,928,260) =====	1,310,402,528 =====
Shareholders' Equity	685,716,457	(3,576,433)	(1,333,100)	680,806,924
Liabilities	815,793,599 =====	32,397,165 =====	(218,595,160) =====	629,595,604 =====
	1,501,510,056 =====	28,820,732 =====	(219,928,260) =====	1,310,402,528 =====
Statement of Comprehensive Income :				
Revenue	473,220,174	-	-	473,220,174
Finance Income	2,727,404	-	-	2,727,404
Administrative and general expenses	(452,389,925)	(5,007,737)	-	(457,397,662)
Financial Costs	(10,126,806)	(43,497)	-	(10,170,303)
Net profit/(loss) for the period	13,430,847 =====	(5,051,234) =====	- =====	8,379,613 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR SIX (6) MONTHS ENDED NOVEMBER 30, 2021

3. SEGMENT REPORTING CONT'D

	<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) =====

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:

	<u>2nd Quarter 30.11.2021</u>	<u>2nd Quarter 30.11.2020</u>	<u>Six Months Ended 30.11.2021</u>	<u>Six Months Ended 30.11.2020</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, 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	29,282,521	5.8565
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 NOVEMBER 30, 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