



Knutsford Express Services Limited
Unaudited Financial Statements
3rd Quarter Ended February 28, 2022

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE QUARTER ENDED FEBRUARY 28, 2022

The Board of Directors of Knutsford Express Services Limited is pleased to present the company's unaudited financial statements for the third quarter ended February 28, 2022.

Ongoing global recovery in travel is proving sustained and shows in a 62.8% increase in our revenues to \$301 million for the quarter to February 28, 2022 from \$185 million over the comparative quarter in 2021. This has also translated to revenues of \$774 million for the nine months compared to \$456 million for the comparative nine month period. Net profit after tax has significantly improved to \$37 million in this quarter from a loss in the comparative quarter of \$1.6 million and to \$45 million for the nine months from a loss of \$60.6 million in the comparative nine months.

Earnings per share for the quarter improved to \$0.08 per share from a loss of \$0.01 per share in the comparative quarter.

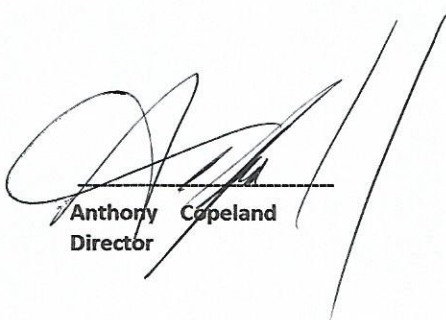
We anticipate that while the pandemic has redefined consumer behavior, there is a vital need for humans to physically connect, reconnect and travel. We are essentially a company and brand that is synonymous with passenger travel and the movement of packages. We will align our strategy accordingly to maximize revenue growth.

Recent global events have significantly pushed the price of fuel to record highs. While this has impacted us we also view this as a great opportunity to increase ridership and revenue as motorists have the opportunity to enjoy the huge cost savings and benefits in traveling cross country with us.

Total assets have also grown over the similar period last year by 18.7% from \$1,112 million to \$1,319 million, mainly reflecting our investment in the recently completed Knutsford Express Business Centre in Drax Hall. We are pleased with the take up and forward commitments indicate full tenancy before the end of our financial year.



Oliver Townsend
Director




Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FEBRUARY 28, 2022

	<u>(Unaudited)</u> <u>February 28, 2022</u>	<u>(Unaudited)</u> <u>February 28, 2021</u>	<u>(Audited)</u> <u>May 31, 2021</u>
	<u>J\$</u>	<u>J\$</u>	<u>J\$</u>
ASSETS			
<u>Non-Current Assets</u>			
Goodwill	4,500,000	11,075,500	4,500,000
Property, Plant and Equipment	870,173,276	905,295,858	770,204,944
Right-of-use asset	130,843,658	5,316,959	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	-	2,719,597	2,728,148
	-----	-----	-----
	1,119,966,349	928,532,914	1,032,451,267
	-----	-----	-----
<u>Current Assets</u>			
Inventories	17,319,841	17,998,783	16,619,559
Other Assets	20,149,086	26,387,725	22,140,319
Taxation recoverable	676,845	-	57,045
Short Term Investment	88,531,223	100,903,547	101,636,251
Cash & Bank Balances	72,605,279	37,977,861	58,876,308
	-----	-----	-----
	199,282,274	183,267,916	199,329,482
	-----	-----	-----
TOTAL ASSETS	1,319,248,623	1,111,800,830	1,231,780,749
	=====	=====	=====
<u>EQUITY & LIABILITIES</u>			
<u>Equity</u>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	665,983,054	658,120,374	613,983,337
	-----	-----	-----
	717,788,151	709,925,471	665,788,434
	-----	-----	-----
<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	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
	-----	-----	-----
<u>Current Liabilities</u>			
Accounts Payable and Accrued Charges	91,003,207	76,333,663	66,137,791
Current Portion of Notes Payable	5,054,251	17,415,762	20,655,857
Lease liability	2,297,907	1,777,676	11,093,560
	-----	-----	-----
	98,355,365	95,527,101	97,887,208
	-----	-----	-----
TOTAL EQUITY & LIABILITIES	1,319,248,623	1,111,800,830	1,231,780,749
	=====	=====	=====

.....
Oliver Townsend
Director

.....

Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
NINE (9) MONTHS ENDED FEBRUARY 28, 2022

	<u>3 Months ended</u> <u>Feb28, 2022</u> <u>J\$</u>	<u>3 Months ended</u> <u>Feb28, 2021</u> <u>J\$</u>	<u>9 Months ended</u> <u>Feb28, 2022</u> <u>J\$</u>	<u>9 Months ended</u> <u>Feb 28, 2021</u> <u>J\$</u>
REVENUE	301,187,629	185,049,290	774,407,803	456,371,379
Less:				
Administrative and general expenses	258,474,258	187,291,334	715,871,920	514,564,250
Operating profit/(loss)	42,713,371	(2,242,044)	58,535,883	(58,192,871)
Other income	997,968	706,601	997,968	706,601
Finance income	138,075	3,960,481	2,865,479	8,286,905
Finance cost	(6,830,620)	(4,085,572)	(17,000,923)	(11,436,143)
Profit/(loss) before taxation	37,018,794	(1,660,534)	45,398,407	(60,635,508)
Taxation	-	-	-	-
Net profit/(loss) for the period	37,018,794	(1,660,534)	45,398,407	(60,635,508)
Other comprehensive profit/(loss):				
Items that may be classified to profit or loss:				
Currency translation differences on foreign subsidiary	(37,567)	597,821	6,601,310	5,152,258
Total comprehensive income/(loss)	\$ 36,981,227	(1,062,713)	51,999,717	(55,483,250)
Earnings per share (Note 4)	\$ 0.08	\$ (0.01)	\$ 0.09	\$ (0.13)

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
NINE (9) MONTHS TO FEBRUARY 28, 2022

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<u>Nine Months Ended February 28, 2022</u>			
Balance at 31 st May 2021	51,805,097	613,983,337	665,788,434
Total comprehensive income for the period	-	51,999,717	51,999,717
Balance at 28 th February 2022	----- \$ 51,805,097 =====	----- \$ 665,983,054 =====	----- \$ 717,788,151 =====

Nine Months Ended February 28, 2021

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 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2022

	<u>9 Months ended</u> <u>February 28, 2022</u>	<u>9 Months ended</u> <u>February 28, 2021</u>
	<u>J\$</u>	<u>J\$</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net profit/(loss) for the period	45,398,407	(60,635,508)
Items not affecting cash Resources:		
Depreciation and amortisation	97,975,955	80,622,892
Depreciation on right-of-use asset	9,725,102	5,983,269
Taxation charge	-	-
Translation Adjustment	6,601,310	5,152,258
	<u>159,700,774</u>	<u>31,122,911</u>
Decrease/(Increase) in Operating Assets		
Other assets	1,991,233	45,210,615
Inventories	(700,282)	7,016,870
Increase in operating Liabilities:		
Accounts payable and accrued charges	24,865,416	25,774,773
	<u>185,857,141</u>	<u>109,125,169</u>
Income tax paid	(619,800)	(3,790,784)
	<u>185,237,341</u>	<u>105,334,385</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of property, plant and equipment	(197,944,287)	(136,842,136)
Placement of investment	13,105,027	(22,695,507)
Term deposit – restricted	2,728,148	(34,493)
	<u>(182,111,112)</u>	<u>(159,572,136)</u>
<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Lease liability	(8,795,653)	(5,721,502)
Proceeds from bond	35,000,000	50,000,000
Proceeds from notes payable	-	15,095,400
Repayment of notes payable	(15,601,605)	(6,619,155)
	<u>10,602,742</u>	<u>52,754,743</u>
NET INCREASE /(DECREASE)IN CASH AND BANK BALANCES	13,728,971	(1,483,008)
OPENING CASH AND BANK BALANCES	58,876,308	39,460,869
CLOSING CASH AND BANK BALANCES	<u>\$ 72,605,279</u>	<u>37,977,861</u>

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR NINE (9) MONTHS ENDED FEBRUARY 28, 2022

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.

February 28, 2022

	<u>Jamaica</u>	<u>USA</u>	<u>Eliminated On Consolidation</u>	<u>Group Total</u>
Statement of Financial Position:				
Assets	1,512,222,434 =====	27,225,066 =====	(220,198,877) =====	1,319,248,623 =====
Shareholders’ Equity	726,075,389	(6,954,138)	(1,333,100)	717,788,151
Liabilities	786,147,045 -----	34,179,204 -----	(218,865,777) -----	601,460,472 -----
	1,512,222,434 =====	27,225,066 =====	(220,198,877) =====	1,319,248,623 =====
Statement of Comprehensive Income :				
Revenue	774,407,803	-	-	774,407,803
Finance income	2,865,479	-	-	2,865,479
Other income	997,968	-	-	997,968
Administrative and general expenses	(709,110,996)	(6,760,924)	-	(715,871,920)
Financial costs	(16,905,768)	(95,155)	-	(17,000,923)
Net profit for the period	52,254,486 =====	(6,856,079) =====	- =====	45,398,407 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR NINE (9) MONTHS ENDED FEBRUARY 28, 2022

3. SEGMENT REPORTING CONT'D

February 28, 2021

	<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)	1,246,000	(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) =====

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>3rd Quarter 28.02.2022</u>	<u>3rd Quarter 28.02.2021</u>	<u>Nine Months Ended 28.02.2022</u>	<u>Nine Months Ended 28.02.2021</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 FEBRUARY 28, 2022

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	29,243,352	5.8487
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 FEBRUARY 28, 2022

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