



Knutsford Express Services Limited.

Unaudited Financial Statements

1st Quarter Ended August 31, 2022

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE QUARTER ENDED AUGUST 31, 2022

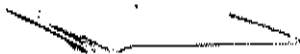
The Board of Directors of Knutsford Express Services Limited is pleased to present the company's unaudited financial statements for the first quarter ended August 31, 2022.

Revenues increased by 78.5% over the comparative period last year from \$233 million to \$415 million. This was due in large part to strong customer demand for passenger travel as well as income contributions from the courier and rental businesses.

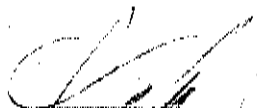
Net profit for the comparative period recorded a significant increase moving from \$15.2 million to \$84.2 million. The post covid period ushered in a return of local and international travel throughout our islandwide network of depots and office locations. The rebound of passenger travel, the continued growth of courier business and the new rental income from the Drax Hall Business Centre resulted in the improved performance over the previous year. Earnings per share currently stands at \$0.17.

Total assets have also grown over the similar period last year by 15.9% from \$1,314 million to \$1,523 million. Our investments in property and technology contributed to the growth over the period.

During this first quarter of 2022, a number of initiatives were undertaken which will contribute to further improvements by our team in terms of greater efficiencies, smarter route planning and income diversification. In addition, our subsidiary, KE Connect Limited, has been repositioned to make a greater contribution with its focus on the charter and travel market.



Oliver Townsend
Director



Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2022

	(Unaudited) August 31, 2022	(Unaudited) August 31, 2021	(Audited) May 31, 2022
	J\$	J\$	J\$
ASSETS			
Non-Current Assets			
Goodwill	4,500,000	4,500,000	4,500,000
Property, plant and equipment	524,434,596	826,349,084	860,261,700
Right-of-use asset	127,258,810	136,935,740	129,442,327
Investment property	482,677,617	110,449,415	161,616,915
Related party-lease prepayment	3,875,000	4,000,000	3,875,000
Investments	19,304,114	-	19,304,114
Term deposit – restricted	-	2,736,820	-
	<u>1,162,050,137</u>	<u>1,084,971,059</u>	<u>1,179,000,056</u>
Current Assets			
Inventories	18,200,399	20,098,605	16,554,357
Other assets	70,004,159	35,431,038	30,593,180
Taxation recoverable	-	57,045	-
Short term investment	178,170,159	103,124,904	73,131,512
Cash & bank balances	94,999,849	70,779,417	105,769,624
	<u>361,374,566</u>	<u>229,491,009</u>	<u>226,048,673</u>
TOTAL ASSETS	<u>\$ 1,523,424,703</u>	<u>1,314,462,068</u>	<u>1,405,048,729</u>
EQUITY & LIABILITIES			
Equity			
Share capital	51,805,097	51,805,097	51,805,097
Accumulated surplus	783,520,234	629,236,243	699,294,664
	<u>835,325,331</u>	<u>681,041,340</u>	<u>751,099,761</u>
Non-Current Liabilities			
Non-current portion of lease liability	120,559,683	130,769,253	122,557,036
Notes payable	21,206,781	23,617,736	27,593,319
Bond payable	335,000,000	335,000,000	335,000,000
Shareholders' loan	452,840	452,840	452,840
Deferred tax liability	17,062,863	13,265,278	17,062,863
	<u>494,282,167</u>	<u>503,105,107</u>	<u>502,666,058</u>
Current Liabilities			
Accounts payable and accrued Charges	141,591,592	106,906,869	111,761,939
Current portion of notes payable	18,133,419	15,680,716	18,133,419
Lease liability	8,252,530	7,728,036	8,252,530
Taxation payable	25,839,664	-	13,135,022
	<u>193,817,205</u>	<u>130,315,621</u>	<u>151,282,910</u>
TOTAL EQUITY & LIABILITIES	<u>\$ 1,523,424,703</u>	<u>1,314,462,068</u>	<u>1,405,048,729</u>

Oliver Townsend
Director

Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
THREE (3) MONTHS ENDED AUGUST 31, 2022

	<u>3 Months Ended</u> <u>August 31, 2022</u> J\$	<u>3 Months Ended</u> <u>August 31, 2021</u> J\$
REVENUE	415,087,805	232,564,796
Less:		
Administrative and general expenses	302,938,635	217,267,049
Operating profit	112,149,170	15,297,747
Finance income	79,772	1,542,268
Finance cost	(15,298,680)	(5,537,961)
Profit before taxation	96,930,212	11,302,054
Taxation	12,704,642	-
Net Profit from continuing operations	84,225,570	11,302,054
Discontinued operations		
Loss from discontinued operations	-	(2,100,815)
Net profit for the period	84,225,570	9,201,239
Other comprehensive income		
Items that may be classified to profit or loss:		
Currency translation differences on foreign subsidiary	-	6,051,667
Total comprehensive income for the period	<u>84,225,570</u>	<u>15,252,906</u>
Earnings per share (Note 4)	\$ 0.17	\$ 0.02

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
THREE (3) MONTHS ENDED AUGUST 31, 2022

	SHARE CAPITAL JS	ACCUMULATED SURPLUS JS	TOTAL JS
<u>Three Months Ended August 31, 2022</u>			
Balance at 31 st May 2022	51,805,097	609,294,664	751,099,761
Total comprehensive income for the period	-	84,225,570	84,225,570
Balance at 31 st August 2022	\$ 51,805,097 =====	\$ 783,520,234 =====	\$ 835,325,331 =====
<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	\$ 51,805,097 =====	\$ 629,236,243 =====	\$ 681,041,340 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THREE (3) MONTHS ENDED AUGUST 31, 2022

	<u>3 Months ended</u> <u>August 31, 2022</u>	<u>3 Months ended</u> <u>August 31, 2021</u>
	<u>JS</u>	<u>JS</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	84,225,570	9,201,239
Items not affecting cash resources:		
Depreciation and amortisation	36,567,508	27,439,094
Depreciation on right-of-use asset	2,188,517	3,633,020
Taxation	12,704,642	-
Translation adjustment	-	6,051,657
	<u>135,681,237</u>	<u>52,051,457</u>
(Increase)/decrease in operating assets:		
Other assets	(39,410,979)	(13,290,719)
Inventories	(1,646,041)	(3,479,046)
Increase/(decrease) in operating liabilities:		
Accounts payable and accrued charges	29,829,653	40,769,078
Net cash provided by operating activities	<u>124,453,870</u>	<u>76,050,770</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(10,569,430)	(89,309,671)
Transfer from property, plant and equipment	311,821,244	-
Transfer to investment property	(311,821,244)	-
Acquisition of investment property	(11,231,677)	-
Placement of investment	(105,038,647)	(1,488,653)
Term deposit - restricted	-	(3,672)
Net cash used in investing activities	<u>(126,839,754)</u>	<u>(90,806,986)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Lease liability	(1,997,353)	(3,365,524)
Proceeds from notes payable	-	35,000,000
Repayment of notes payable	(6,386,538)	(4,975,141)
Net cash (used in)/provided by financing activities	<u>(8,383,891)</u>	<u>26,659,335</u>
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	<u>(10,769,775)</u>	<u>11,903,109</u>
OPENING CASH AND BANK BALANCES	105,769,624	58,876,303
CLOSING CASH AND BANK BALANCES	<u>\$ 94,999,849</u>	<u>70,779,417</u>

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THREE (3) MONTHS ENDED AUGUST 31, 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, 2022.

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.

August 31, 2022

	Continuing Operations Jamaica	Discontinued Operations USA	Eliminated On Consolidation	Group Total
Statement of Financial Position:				
Assets	1,781,836,288	-	(258,411,585)	1,523,424,703
Shareholders' equity	835,357,331	-	(12,000)	835,325,331
Liabilities	946,498,957	-	(258,399,585)	688,099,372
	1,781,836,288	-	(258,411,585)	1,523,424,703
Statement of Comprehensive Income:				
Revenue	418,407,105	-	(3,319,300)	415,087,805
Finance income	79,722	-	-	79,722
Administrative and general expenses	(306,257,935)	-	(3,319,300)	(302,938,635)
Financial costs	(15,298,680)	-	-	(15,298,680)
Profit before taxation	96,930,212	-	-	96,930,212
Taxation	12,704,642	-	-	12,704,642
Net profit from continuing operations	84,225,570	-	-	84,225,570

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, 2021</u>			
	Continuing Operations Jamaica	Discontinued Operations USA	Eliminated On Consolidation	Group Total
Statement of Financial Position:				
Assets	1,503,563,173	30,544,671	(219,645,776)	1,314,462,068
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)
Net profit/(loss) for the period	<u>11,302,054</u>	<u>(2,100,815)</u>	<u>-</u>	<u>9,201,239</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</u> <u>31.8.2022</u>	<u>1st Quarter</u> <u>31.08.2021</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, 2022

Ten Largest Shareholders	No. of Stock Units	% Holding
1. Oliver Townsend	167,651,720	33.53
2. Anthony Copeland	119,633,320	23.93
3. Gordon Townsend	87,232,590	17.45
4. N.C.B. Capital Markets Ltd. A/C 2231	29,250,790	5.85
5. SJIML A/C 3119	17,391,304	3.48
6. SJLIC For Scotiabridge Retirement Scheme	12,986,000	2.60
7. Sagicor Pooled Equity Fund	9,497,229	1.90
8. GraceKennedy Pension Fund Custodian Ltd for GraceKennedy Pension Scheme	7,500,000	1.50
9. JCSD Trustee Services Ltd. A/C #76579-02	7,128,000	1.43
10. GraceKennedy Pension Fund Custodian Ltd. For GraceKennedy Pension Plan (2009)	5,000,000	1.00

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT AUGUST 31, 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