



Knutsford Express Services Limited.

Unaudited Financial Statements

Six (6) Months Ended November 30, 2022

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE QUARTER ENDED NOVEMBER 30, 2022

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, 2022.

Travel to Jamaica remains robust and reflects a strong desire to visit Jamaica despite the headwinds of travel advisories and SOEs. Demand for our courier service remains strong, we are proud to facilitate the support from Jamaican entrepreneurs that entrust us with their local supply chain requirements to over 18 national locations. Transportation revenue has also grown significantly in this period due to increased local and international travel. This quarter has seen a 65 % increase in revenue to \$ 398 million from \$241 million over the comparative period. For the six months, revenue has increased to \$813 million from \$473 million for the comparative period.

One of our key initiatives, the Knutsford Business Centre in Drax Hall provides synergies as a key logistics point for our business customers in addition to creating a rental income stream 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% from \$1,310 million to \$ 1,557 million.

Increased efficiencies gained over the COVID19 period together with the new revenue stream and continued strong demand for our brand and services have all combined to yield one of our strongest second quarters. Net profit for the quarter has increased to \$59 million from a loss of \$234 thousand in 2021. For the six months, net profit has increased to \$143 million from \$15 million in the comparative period.

We will deepen our efforts to further digitize our processes to bring improved efficiencies to our operations and importantly enhance both customer and employee satisfaction.



Oliver Townsend
Director




Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2022

| | <u>(Unaudited)</u> <u>November 30, 2022</u> J\$ | <u>(Unaudited)</u> <u>November 30, 2021</u> J\$ | <u>(Audited)</u> <u>May 31, 2022</u> J\$ |
|--|---|---|--|
| ASSETS | | | |
| Non-Current Assets | | | |
| Goodwill | 4,500,000 | 4,500,000 | 4,500,000 |
| Property, plant and equipment | 517,188,061 | 862,742,266 | 860,261,700 |
| Right-of-use asset | 125,093,214 | 133,609,413 | 129,442,327 |
| Investment property | 485,369,208 | 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 |
| | ----- | ----- | ----- |
| | 1,155,329,597 | 1,115,301,094 | 1,179,000,056 |
| | ----- | ----- | ----- |
| Current Assets | | | |
| Inventories | 18,841,170 | 21,392,645 | 16,554,357 |
| Other assets | 99,810,074 | 18,639,769 | 30,593,180 |
| Taxation recoverable | - | 672,052 | - |
| Short term investments | 224,476,945 | 88,531,224 | 73,131,512 |
| Cash & bank balances | 58,933,135 | 65,865,744 | 105,769,624 |
| | ----- | ----- | ----- |
| | 402,061,324 | 195,101,434 | 226,048,673 |
| | ----- | ----- | ----- |
| TOTAL ASSETS | \$ 1,557,390,921 | 1,310,402,528 | 1,405,048,729 |
| | ===== | ===== | ===== |
| EQUITY & LIABILITIES | | | |
| Equity | | | |
| Share capital | 51,805,097 | 51,805,097 | 51,805,097 |
| Accumulated surplus | 842,399,921 | 629,001,827 | 699,294,664 |
| | ----- | ----- | ----- |
| | 894,205,018 | 680,806,924 | 751,099,761 |
| | ----- | ----- | ----- |
| Non-Current Liabilities | | | |
| Non-current portion of lease liability | 122,557,036 | 130,769,253 | 122,557,036 |
| Notes payable | 18,168,299 | 23,617,736 | 27,593,319 |
| Bonds 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 |
| | ----- | ----- | ----- |
| | 493,241,038 | 503,105,107 | 502,666,058 |
| | ----- | ----- | ----- |
| Current Liabilities | | | |
| Accounts payable and accrued charges | 130,247,587 | 111,452,658 | 111,761,939 |
| Current portion of notes payable | 4,094,926 | 10,355,816 | 18,133,419 |
| Lease liability | 4,276,972 | 4,682,023 | 8,252,530 |
| Taxation payable | 31,325,380 | - | 13,135,022 |
| | ----- | ----- | ----- |
| | 169,944,865 | 126,490,497 | 151,282,910 |
| | ----- | ----- | ----- |
| TOTAL EQUITY & LIABILITIES | \$ 1,557,390,921 | 1,310,402,528 | 1,405,048,729 |
| | ===== | ===== | ===== |

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Oliver Townsend
Director

.....

Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
SIX (6) MONTHS ENDED NOVEMBER 30, 2022

| | <u>3 Months ended</u> <u>Nov 30, 2022</u> <u>J\$</u> | <u>3 Months ended</u> <u>Nov 30, 2021</u> <u>J\$</u> | <u>6 Months ended</u> <u>Nov 30, 2022</u> <u>J\$</u> | <u>6 Months ended</u> <u>Nov 30, 2021</u> <u>J\$</u> |
|--|--|--|--|--|
| REVENUE | 397,963,989 | 240,655,378 | 813,051,794 | 473,220,174 |
| Less: | | | | |
| Administrative and general expenses | 322,545,769 | 235,098,494 | 625,484,404 | 452,346,428 |
| Operating profit | 75,418,220 | 5,556,884 | 187,567,390 | 20,873,746 |
| Finance income | 1,395,258 | 1,185,136 | 1,474,980 | 2,727,404 |
| Finance cost | (12,448,075) | (4,613,227) | (27,746,755) | (10,350,571) |
| Profit before taxation | 64,365,403 | 2,128,793 | 161,295,615 | 13,430,847 |
| Taxation | 5,485,716 | - | 18,190,358 | - |
| Net Profit from continuing operations | 58,879,687 | 2,128,793 | 143,105,257 | 13,430,847 |
| Discontinued operations | | | | |
| Loss from discontinued operations | - | (2,950,419) | - | (5,051,234) |
| Net profit/(loss) for the period | 58,879,687 | (821,626) | 143,105,257 | 8,379,613 |
| Other comprehensive income: Items that may be classified to profit or loss: | | | | |
| Currency translation differences on foreign subsidiary | - | 587,210 | - | 6,638,877 |
| Total comprehensive income/(loss) for the period | \$ 58,879,687 | (234 416) | 143,105,257 | 15,018,490 |
| Earnings per share (Note 4) | \$ 0.12 | \$ (0.001) | \$ 0.29 | \$ 0.02 |

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
SIX (6) MONTHS ENDED NOVEMBER 30, 2022

| | <u>SHARE CAPITAL</u> J\$ | <u>ACCUMULATED SURPLUS</u> J\$ | <u>TOTAL</u> J\$ |
|--|---------------------------------|---------------------------------------|----------------------------------|
| <u>Six Months Ended November 30, 2022</u> | | | |
| Balance at 31 st May 2022 | 51,805,097 | 699,294,664 | 751,099,761 |
| Total comprehensive income for the period | - | 143,105,257 | 143,105,257 |
| Balance at 30 th November 2022 | ----- \$ 51,805,097 ===== | ----- \$ 842,399,921 ===== | ----- \$ 894,205,018 ===== |

Six Months Ended November 30, 2021

| | | | |
|---|---------------------------------|----------------------------------|----------------------------------|
| 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 ===== |

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX(6) MONTHS ENDED NOVEMBER 30, 2022

| | <u>6 Months ended</u> <u>November 30, 2022</u> | <u>6 Months ended</u> <u>November 30, 2021</u> |
|---|---|---|
| | <u>J\$</u> | <u>J\$</u> |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Net profit for the period | 143,105,257 | 8,379,613 |
| Items not affecting cash Resources: | | |
| Depreciation and amortisation | 60,542,392 | 65,825,873 |
| Depreciation on right-of-use asset | 4,349,113 | 6,959,347 |
| Taxation charge | 18,190,358 | - |
| Translation adjustment | - | 6,638,877 |
| | ----- | ----- |
| | 226,187,120 | 87,803,710 |
| (Increase)/Decrease in Operating Assets | | |
| Other assets | (69,216,894) | 3,500,550 |
| Inventories | (2,286,813) | (4,773,086) |
| Increase in operating Liabilities: | | |
| Accounts payable and accrued charges | 18,485,648 | 45,314,867 |
| | ----- | ----- |
| | 173,169,061 | 131,846,041 |
| Income tax paid | - | (615,007) |
| | ----- | ----- |
| Net cash provided by operating activities | 173,169,061 | 131,231,034 |
| | ----- | ----- |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Acquisition of property, plant and equipment | (25,271,369) | (158,363,195) |
| Transfer from property plant and equipment | 311,821,244 | - |
| Transfer to investment property | (311,821,244) | - |
| Acquisition of investment property | (15,949,677) | - |
| Placement of investment | (151,345,433) | 13,105,027 |
| Term deposit – restricted | - | 2,728,148 |
| | ----- | ----- |
| Net cash used in investing activities | (192,566,479) | (142,530,020) |
| | ----- | ----- |
| <u>CASH FLOW FORM FINANCING ACTIVITIES</u> | | |
| Lease liability | (3,975,558) | (6,411,537) |
| Proceeds from bond | - | 35,000,000 |
| Repayment of notes payable | (23,463,513) | (10,300,041) |
| | ----- | ----- |
| Net cash (used in)/provided by financing activities | (27,439,071) | 18,288,422 |
| | ----- | ----- |
| NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES | (46,836,489) | 6,989,436 |
| OPENING CASH AND BANK BALANCES | 105,769,624 | 58,876,308 |
| | ----- | ----- |
| CLOSING CASH AND BANK BALANCES | \$ 58,933,135 | 65,865,744 |
| | ===== | ===== |

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

| | <u>November 30, 2022</u> | | | |
|--|--|--|--|---------------------------------|
| | <u>Continuing Operations Jamaica</u> | <u>Discontinued Operations USA</u> | <u>Eliminated On Consolidation</u> | <u>Group Total</u> |
| Statement of Financial Position: | | | | |
| Assets | 1,816,124,176 ===== | - | (258,733,255) ===== | 1,557,390,921 ===== |
| Shareholders' equity | 894,217,018 | - | (12,000) | 894,205,018 |
| Liabilities | 921,907,158 | - | (258,721,255) | 663,185,903 |
| | ----- 1,816,124,176 ===== | ----- - | ----- (258,733,255) ===== | ----- 1,557,390,921 ===== |
| Statement of Comprehensive Income : | | | | |
| Revenue | 817,431,994 | - | (4,380,200) | 813,051,794 |
| Finance income | 1,474,980 | - | - | 1,474,980 |
| Administrative and general expenses | (629,864,604) | - | 4,380,200 | (610,184,404) |
| Finance costs | (27,746,755) | - | - | (27,746,755) |
| | ----- 161,295,615 | ----- - | ----- - | ----- 161,295,615 |
| Profit before taxation | 161,295,615 | - | - | 161,295,615 |
| Taxation | 18,190,358 | - | - | 18,190,358 |
| | ----- 143,105,257 ===== | ----- - | ----- - | ----- 143,105,257 ===== |
| Net profit from continuing operations | | | | |

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR SIX (6) MONTHS ENDED NOVEMBER 30, 2022

3. SEGMENT REPORTING CONT'D

| | <u>November 30, 2021</u> | | | |
|--|--------------------------|--|--|------------------------|
| | <u>Jamaica</u> | <u>Discounted Operations 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) |
| Finance costs | (10,126,806) | (43,497) | - | (10,170,303) |
| Profit before taxation | 13,430,847 | (5,051,234) | - | 8,379,613 |
| Taxation | - | - | - | - |
| Net profit/(loss) for the period | 13,430,847 ===== | (5,051,234) ===== | - ===== | 8,379,613 ===== |

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 30.11.2022</u> | <u>2nd Quarter 30.11.2021</u> | <u>Six Months Ended 30.11.2022</u> | <u>Six Months Ended 30.11.2021</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 NOVEMBER 30, 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 | 29,010,790 | 5.80 |
| 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 NOVEMBER 30, 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 |