



Knutsford Express Services Limited.

Unaudited Financial Statements

Nine (9) Months Ended February 28, 2023

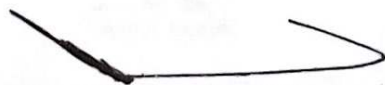
KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE QUARTER ENDED FEBRUARY 28, 2023

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, 2023.


Travel to Jamaica has rebounded since the Pandemic with greater arrival of visitors, both tourists and Jamaicans, living abroad. Our visitors find a convenient, reliable and safe mode of transportation in the Knutsford Express Services to travel across and around the island upon arrival. In addition, residents are increasingly finding our cost-effective service for passengers and packages. These growth trends have contributed to our revenue growth in the period under review as our revenue for the third quarter increased to 55.3% over the corresponding quarter of last year, growing from \$301.1 million to \$467.8 million. At the end of February 2023, we exceeded \$1 billion of revenue, recording \$1.28 billion for the nine months year-to-date up from \$774.4 million in the corresponding period last year. Demand remained strong in all areas of our core activities through our courier services and private charters through our subsidiary, KE Connect.

We take pride in the importance that our services provide in improving our customers' lives. Our daily schedule and wide opening hours help customers to travel as frequently as they desire and also to send packages to as many people in 19 different locations. Customers have responded and we are delighted that we can report \$68.2 million in net profit, an 84.6% increase over the \$37 million booked in the comparative third quarter of last year and \$211.3 million year-to-date, up from \$45.5 million in last year's comparative period.

Our real estate investment at Knutsford Express Drax Hall Business Centre has contributed to the growth of our total assets which grew by 23.7% during the period of review to \$1,631 million from \$1,319 million, supporting a 136.1% increase in current assets. Earnings per share improved to \$0.13 per share from \$0.08 per share.



Oliver Townsend
Director



Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FEBRUARY 28, 2023

	(Unaudited) February 28, 2023 J\$	(Unaudited) February 28, 2022 J\$	(Audited) May 31, 2022 J\$
ASSETS			
Non-Current Assets			
Goodwill	4,500,000	4,500,000	4,500,000
Property, plant and equipment	519,415,576	870,173,276	860,261,700
Right-of-use asset	122,207,566	130,843,658	129,442,327
Investment property	492,051,447	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
	1,161,353,703	1,119,966,349	1,179,000,056
Current Assets			
Inventories	25,590,159	17,319,841	16,554,357
Other assets	82,199,015	20,149,086	30,593,180
Taxation recoverable	-	676,845	-
Short term investments	274,665,537	88,531,223	73,131,512
Cash & bank balances	88,011,186	72,605,279	105,769,624
	470,465,897	199,282,274	226,048,673
TOTAL ASSETS	\$ 1,631,819,600	1,319,248,623	1,405,048,729
	=====	=====	=====
EQUITY & LIABILITIES			
Equity			
Share capital	51,805,097	51,805,097	51,805,097
Accumulated surplus	910,681,420	665,983,054	699,294,664
	962,486,517	717,788,151	751,099,761
Non-Current Liabilities			
Non-current portion of lease liability	122,557,036	130,769,253	122,557,036
Notes payable	317,118,072	23,617,736	27,593,319
Bonds payable	35,000,000	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
	492,190,811	503,105,107	502,666,058
Current Liabilities			
Accounts payable and accrued charges	136,757,123	91,003,207	111,761,939
Current portion of notes payable	4,094,926	5,054,251	18,133,419
Lease liability	1,793,225	2,297,907	8,252,530
Taxation payable	34,496,998	-	13,135,022
	177,142,272	98,355,365	151,282,910
TOTAL EQUITY & LIABILITIES	\$ 1,631,819,600	1,319,248,623	1,405,048,729
	=====	=====	=====

Oliver Townsend
Director

Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
NINE (9) MONTHS ENDED FEBRUARY 28, 2023

	<u>3 Months ended</u> <u>Feb 28, 2023</u> <u>I\$</u>	<u>3 Months ended</u> <u>Feb 28, 2022</u> <u>I\$</u>	<u>9 Months ended</u> <u>Feb 28, 2023</u> <u>I\$</u>	<u>9 Months YTD</u> <u>Feb 28, 2022</u> <u>I\$</u>
REVENUE	467,867,341	301,187,629	1,280,919,135	774,407,803
Less:				
Administrative and general expenses	377,461,414	256,721,071	1,002,945,818	709,110,996
Operating profit	90,405,927	44,466,558	277,973,317	65,296,807
Other income	-	997,968	-	997,968
Finance income	2,906,428	138,075	4,381,408	2,865,479
Finance cost	(19,165,194)	(6,778,962)	(46,911,949)	(16,905,768)
Profit before taxation	74,147,161	38,823,639	235,442,776	52,254,486
Taxation	5,865,662	-	24,056,020	-
Net Profit from continuing operations	68,281,499	38,823,639	211,386,756	52,254,486
Discontinued operations				
Loss from discontinued operations	-	(1,804,845)	-	(6,856,079)
Net profit for the period	68,281,499	37,018,794	211,386,756	45,398,407
Other comprehensive income:				
Items that may be classified to profit or loss:				
Currency translation differences on foreign subsidiary	-	(37,567)	-	6,601,310
Total comprehensive income for the period	\$ 68,281,499	36,981,227	211,386,756	51,999,717
Earnings per share (Note 4)	\$ 0.13	\$ 0.08	\$ 0.42	\$ 0.09

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
NINE (9) MONTHS ENDED FEBRUARY 28, 2023

	<u>SHARE CAPITAL</u> <u>J\$</u>	<u>ACCUMULATED SURPLUS</u> <u>J\$</u>	<u>TOTAL</u> <u>J\$</u>
<u>Nine Months Ended February 28, 2023</u>			
Balance at 31 st May 2022	51,805,097	699,294,664	751,099,761
Total comprehensive income for the period	-	211,386,756	211,386,756
Balance at 28 th February 2023	<u>\$ 51,805,097</u> =====	<u>\$ 910,681,420</u> =====	<u>\$ 962,486,517</u> =====

Nine Months Ended February 28, 2022

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	<u>\$ 51,805,097</u> =====	<u>\$ 665,983,054</u> =====	<u>\$ 717,788,151</u> =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE (9) MONTHS ENDED FEBRUARY 28, 2023

	<u>9 Months ended</u> <u>February 28, 2023</u>	<u>9 Months ended</u> <u>February 28, 2022</u>
	<u>J\$</u>	<u>J\$</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net profit for the period	211,386,756	45,398,407
Items not affecting cash Resources:		
Depreciation and amortisation	85,005,836	97,975,955
Depreciation on right-of-use asset	7,234,761	9,725,102
Taxation charge	24,056,020	-
Translation adjustment	-	6,601,310
	<u>327,683,373</u>	<u>159,700,774</u>
(Increase)/Decrease in Operating Assets		
Other assets	(51,605,835)	1,991,233
Inventories	(9,035,802)	(700,282)
Increase in operating Liabilities:		
Accounts payable and accrued charges	24,995,184	24,865,416
	<u>292,036,920</u>	<u>185,857,141</u>
Income tax paid	(2,694,044)	(619,800)
	<u>289,342,876</u>	<u>185,237,341</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of property, plant and equipment	(49,939,710)	(197,944,287)
Transfer from property plant and equipment	311,821,244	-
Transfer to investment property	(311,821,244)	-
Acquisition of investment property	(24,654,534)	-
(Placement)/encashment of investments	(201,534,025)	13,105,027
Term deposit – restricted	-	2,728,148
	<u>(276,128,269)</u>	<u>(182,111,112)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Lease liability	(6,459,305)	(8,795,653)
Proceeds from bond	-	35,000,000
Proceeds from notes payable	300,000,000	-
Bonds Repaid	(300,000,000)	-
Repayment of notes payable	(24,513,740)	(15,601,605)
	<u>(30,973,045)</u>	<u>10,602,742</u>
Net cash (used in)/provided by financing activities		
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	(17,758,438)	13,728,971
OPENING CASH AND BANK BALANCES	105,769,624	58,876,308
CLOSING CASH AND BANK BALANCES	<u>\$ 88,011,186</u>	<u>72,605,279</u>

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR NINE (9) MONTHS ENDED FEBRUARY 28, 2023

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.

February 28, 2023

	Continuing Operations Jamaica	Discontinued Operations USA	Eliminated On Consolidation	Group Total
Statement of Financial Position:				
Assets	1,836,560,448	-	(204,740,848)	1,631,819,600
	=====	=====	=====	=====
Shareholders' equity	962,498,517	-	(12,000)	962,486,517
Liabilities	874,061,931	-	(204,728,848)	669,333,083
	1,836,560,448	-	(204,740,848)	1,631,819,600
	=====	=====	=====	=====
Statement of Comprehensive Income:				
Revenue	1,287,503,873	-	(6,584,738)	1,280,919,135
Finance income	4,381,408	-	-	4,381,408
Administrative and general expenses	(1,009,530,556)	-	6,584,738	(1,002,945,818)
Finance costs	(46,911,949)	-	-	(46,911,949)
	235,442,776	-	-	235,442,776
Profit before taxation	235,442,776	-	-	235,442,776
Taxation	24,056,020	-	-	24,056,020
	211,386,756	-	-	211,386,756
Net profit from continuing operations	211,386,756	-	-	211,386,756
	=====	=====	=====	=====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE (9) MONTHS ENDED FEBRUARY 28, 2023

3. SEGMENT REPORTING (CONT'D)

February 28, 2022

	<u>Continuing Operations Jamaica</u>	<u>Discontinued Operations USA</u>	<u>Eliminated On Consolidation</u>	<u>Group Total</u>
Statement of Financial Position:				
Assets	1,512,222,434	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)
Finance cost	(16,905,768)	(95,155)	-	(17,000,923)
	=====	=====	=====	=====
Profit before taxation	52,254,486	(6,856,079)	-	45,398,407
Taxation	-	-	-	-
	=====	=====	=====	=====
Net profit from continuing operations	52,254,486	(6,856,079)	-	45,398,407
	=====	=====	=====	=====

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 28.02.2023</u>	<u>3rd Quarter 28.02.2022</u>	<u>Nine Months Ended 28.02.2023</u>	<u>Nine Months Ended 28.02.2022</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, 2023

Ten Largest Shareholders	No. of Stock Units	% Holding
1. Oliver Townsend	167,664,620	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	27,233,718	5.45
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 FEBRUARY 28, 2023

Name	Personal	Connected Party
Oliver Townsend	167,664,620	953,960
Anthony Copeland	119,633,320	NIL
Gordon Townsend	87,232,590	NIL
Wayne Wray	600,000	NIL
Peter Pearson	245,000	NIL