



Knutsford Express Services Limited.

Unaudited Financial Statements

Six (6) Months Ended November 30, 2023

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE QUARTER ENDED NOVEMBER 30, 2023

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, 2023.

This second quarter in review has shown a strong demand for our core services. Revenue for the quarter grew by 18.9% to \$473 million from \$398 million in the comparative prior period. This was underpinned by more passengers travelling on all of our routes, contributing to the increase in our revenue over the six months by 18.7% to \$965 million from \$813 million in the comparative period. Our ongoing investment in coaches will allow us to continue growing and square up to meeting the supply of seat expectations by our customers. The continued deployment of kiosks in our depots to meet the needs of our growing customer base that desire a seamless digital experience in the booking and check-in phases of travel bodes well for the future.

Solid support for our courier services reflects the continued benefits accrued to our many customers in having their packages moved seven days per week. This area of our business has our continued attention with renewed focus on the local buildout of more convenient courier locations and processes. Contributions in rental income from our Drax Hall Business Centre and our café have combined to increase our results in terms of revenue and profits with net profit in this quarter growing by 21.7% from \$58.9 million to \$71.7 million in the prior year corresponding quarter. Earnings for six months ending November 30, 2023 grew to \$0.32 per share.

As we continued to invest in coaches and deploy additional resources, our total assets grew by 17.7% to \$1,834 million at November 30, 2023 from \$1,557 million at November 30, 2022. Our plan of investing in our coaches and stations, of adding capacity, convenience, enhanced customer experience and gains in operational efficiency and productivity is well underway that should allow us to record sustainable growth.



Oliver Townsend
Director



Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2023

	(Unaudited) November 30, 2023	(Unaudited) November 30, 2022	(Audited) May 31, 2023
	J\$	J\$	J\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Goodwill	4,500,000	4,500,000	4,500,000
Property, plant and equipment	604,926,928	517,188,061	523,947,233
Right-of-use asset	134,722,804	125,093,214	139,973,770
Investment properties	529,541,239	485,369,208	499,580,428
Related party-lease prepayment	3,750,000	3,875,000	3,750,000
Investments	-	19,304,114	-
	-----	-----	-----
	1,277,440,971	1,155,329,597	1,171,751,431
	-----	-----	-----
<u>Current Assets</u>			
Inventories	38,608,553	18,841,170	28,943,125
Other assets	148,695,061	99,810,074	115,387,035
Short term investments	313,515,688	224,476,945	349,156,244
Cash & bank balances	55,440,833	58,933,135	87,369,805
	-----	-----	-----
	556,260,135	402,061,324	580,856,209
	-----	-----	-----
TOTAL ASSETS	\$ 1,833,701,106	1,557,390,921	1,752,607,640
	=====	=====	=====
<u>EQUITY & LIABILITIES</u>			
<u>Equity</u>			
Share capital	51,805,097	51,805,097	51,805,097
Accumulated surplus	1,096,512,802	842,399,921	1,003,657,542
	-----	-----	-----
	1,148,317,899	894,205,018	1,055,462,639
	-----	-----	-----
<u>Non-Current Liabilities</u>			
Non-current portion of lease liability	129,623,329	122,557,036	134,473,752
Notes payable	274,439,130	18,168,299	293,448,744
Bonds payable	-	335,000,000	35,000,000
Shareholders' loan	452,840	452,840	452,840
Deferred tax liability	16,631,902	17,062,863	16,631,902
	-----	-----	-----
	421,147,201	493,241,038	480,007,238
	-----	-----	-----
<u>Current Liabilities</u>			
Accounts payable and accrued charges	186,172,086	130,247,587	148,744,279
Current portion of notes payable	18,649,589	4,094,926	18,649,589
Lease liability	8,756,400	4,276,972	8,756,400
Taxation payable	50,657,931	31,325,380	40,987,495
	-----	-----	-----
	264,236,006	169,944,865	217,137,763
	-----	-----	-----
TOTAL EQUITY & LIABILITIES	\$ 1,833,701,106	1,557,390,921	1,752,607,640
	=====	=====	=====



 Oliver Townsend
 Director



 Anthony Copeland
 Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
SIX (6) MONTHS ENDED NOVEMBER 30, 2023

	<u>3 Months ended</u> <u>Nov 30, 2023</u> <u>J\$</u>	<u>3 Months ended</u> <u>Nov 30, 2022</u> <u>J\$</u>	<u>6 Months ended</u> <u>Nov 30, 2023</u> <u>J\$</u>	<u>6 Months ended</u> <u>Nov 30, 2022</u> <u>J\$</u>
REVENUE	473,298,273	397,963,989	965,089,173	813,051,794
Less:				
Administrative and general expenses	387,203,408	322,545,769	767,546,537	625,484,404
Operating profit	86,094,865	75,418,220	197,542,636	187,567,390
Finance income	6,675,913	1,395,258	10,094,314	1,474,980
Finance cost	(14,514,906)	(12,448,075)	(30,800,082)	(27,746,755)
Profit before taxation	78,255,872	64,365,403	176,836,868	161,295,615
Taxation	6,581,520	5,485,716	18,981,608	18,190,358
Net profit being total comprehensive income for the period	71,674,352	58,879,687	157,855,260	143,105,257
Earnings per share (Note 4)	\$ 0.14	\$ 0.12	\$ 0.32	\$ 0.29

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
SIX (6) MONTHS ENDED NOVEMBER 30, 2023

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<u>Six Months Ended November 30, 2023</u>			
Balance at May 31, 2023	51,805,097	1,003,657,542	1,055,462,639
Total comprehensive income for the period	-	157,855,260	157,855,260
Transaction with owners:			
Dividends paid	-	(65,000,000)	(65,000,000)
Balance at November 30, 2023	----- \$ 51,805,097 =====	----- \$ 1,096,512,802 =====	----- \$ 1,148,317,899 =====

Six Months Ended November 30, 2022

Balance at May 31, 2022	51,805,097	699,294,664	751,099,761
Total comprehensive income for the period	-	143,105,257	143,105,257
Balance at November 30, 2022	----- \$ 51,805,097 =====	----- \$ 842,399,921 =====	----- \$ 894,205,018 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX (6) MONTHS ENDED NOVEMBER 30, 2023

	<u>6 Months ended</u> <u>November 30, 2023</u>	<u>6 Months ended</u> <u>November 30, 2022</u>
	<u>I\$</u>	<u>I\$</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net profit for the period	157,855,260	143,105,257
Items not affecting cash Resources:		
Depreciation and amortisation	57,793,462	60,542,392
Depreciation on right-of-use asset	5,250,966	4,349,113
Taxation charge	18,981,608	18,190,358
	-----	-----
	239,881,296	226,187,120
Increase in Operating Assets		
Other assets	(33,308,026)	(69,216,894)
Inventories	(9,665,428)	(2,286,813)
Increase in Operating Liabilities:		
Accounts payable and accrued charges	37,427,807	18,485,648
	-----	-----
	234,335,649	173,169,061
Income tax paid	(9,311,172)	-
	-----	-----
Net cash provided by operating activities	225,024,477	173,169,061
	-----	-----
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of property, plant and equipment	(134,636,228)	(25,271,369)
Transfer from property plant and equipment	-	311,821,244
Transfer to investment property	-	(311,821,244)
Acquisition of investment property	(34,097,740)	(15,949,677)
Redemption/(placement) of investment	35,640,556	(151,345,433)
	-----	-----
Net cash used in investing activities	(133,093,412)	(192,566,479)
	-----	-----
<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Lease liability	(4,850,423)	(3,975,558)
Repayment of bond	(35,000,000)	-
Dividends paid	(65,000,000)	-
Repayment of notes payable	(19,009,614)	(23,463,513)
	-----	-----
Net cash used in financing activities	(123,860,037)	(27,439,071)
	-----	-----
NET DECREASE IN CASH AND BANK BALANCES	(31,928,972)	(46,836,489)
OPENING CASH AND BANK BALANCES	87,369,805	105,769,624
	-----	-----
CLOSING CASH AND BANK BALANCES	\$ 55,440,833	58,933,135
	=====	=====

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

2. BASIS OF PREPARATION

The financial statements have been prepared in conformity with International Accounting Standards (IAS 34) “Interim Financial Reporting” 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, 2023

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 operating segments. 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, 2023

	<u>Transportation & Courier</u>	<u>Investment Properties</u>	<u>Eliminated on Consolidation</u>	<u>Group Total</u>
Statement of Financial Position:				
Assets	1,600,649,556 =====	529,541,239 =====	(296,489,689) =====	1,833,701,106 =====
Shareholders’ equity	1,073,654,894	74,680,105	(17,100)	1,148,317,899
Liabilities	526,994,662 -----	454,861,134 -----	(296,472,589) -----	685,383,207 -----
	1,600,649,556 =====	529,541,239 =====	(296,489,689) =====	1,833,701,106 =====
Statement of Comprehensive Income:				
Revenue	915,524,415	56,054,858	(6,490,100)	965,089,173
Finance income	10,094,314	-	-	10,094,314
Administrative and general expenses	(750,239,909)	(23,796,728)	6,490,100	(767,546,537)
Finance costs	(30,800,082) -----	- -----	- -----	(30,800,082) -----
Profit before taxation	144,578,738 =====	32,258,130 =====	- =====	176,836,868 =====
Taxation charge	- -----	- -----	- -----	(18,981,608) -----
Net profit for the period	- =====	- =====	- =====	157,855,260 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR SIX (6) MONTHS ENDED NOVEMBER 30, 2023

3. SEGMENT REPORTING (CONT'D)

November 30, 2022

	Transportation & Courier	Investment Properties	Eliminated on Consolidation	Group Total
Statement of Financial Position:				
Assets	1,336,989,181 =====	485,369,208 =====	(264,967,468) =====	1,557,390,921 =====
Shareholders' equity	872,172,465	22,049,653	(17,100)	894,205,018
Liabilities	464,816,716 -----	463,319,555 -----	(264,950,368) -----	663,185,903 -----
	1,336,989,181 =====	485,369,208 =====	(264,967,468) =====	1,557,390,921 =====
Statement of Comprehensive Income:				
Revenue	787,015,308	30,416,686	(4,380,200)	813,051,794
Finance income	1,474,980	-	-	1,474,980
Administrative and general expenses	(625,329,534)	(4,535,070)	4,380,200	(625,484,404)
Finance costs	(23,909,692)	(3,837,063)	-	(27,746,755)
	-----	-----	-----	-----
Profit before taxation	139,251,062 =====	22,044,553 =====	- -----	161,295,615 -----
Taxation charge	- -----	- -----	- -----	(18,190,358) -----
Net profit for the period	- =====	- =====	- =====	143,105,257 =====

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:

	2nd Quarter 30.11.2023	2nd Quarter 30.11.2022	Six Months Ended 30.11.2023	Six Months Ended 30.11.2022
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, 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	28,647,819	5.73
5. SJIML A/C 3119	16,941,028	3.39
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, 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