



**Knutsford Express Services Limited.**  
**Unaudited Financial Statements**  
**1st Quarter Ending August 31, 2015**

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**DIRECTOR'S REPORT**  
**FOR THE QUARTER ENDING 31st AUGUST 2015**

The Board of Directors of Knutsford Express Services Limited is pleased to present the company's unaudited financial statements for the first quarter ending August 31, 2015.

Revenues increased by 39% over the comparative period last year to \$143.2 million from \$103.3 million. This was due to growth in passenger travel. Expansion in our fleet has shown our total assets growing over the similar period last year by 49% from \$228.6 million to \$340.9 million.

Profit after taxation grew in the first quarter by \$18.6 million to \$35.7 million representing Earnings per Share of \$0.36.

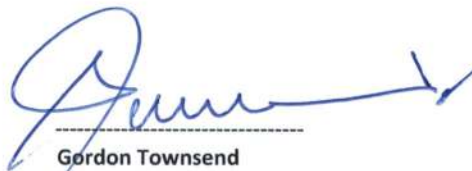
In response to customer desire, we expanded the number of departures on the Northcoast strategically to match demand while enjoying strong support from passengers on our Southcoast routes. Our customer's experience and operational efficiencies have benefitted from the introduction of our new coaches. Our customers can expect continued enhancements in this area as we continue our sustained investment in new state of the art rolling stock.

We have relocated our Ocho Rios operation to the Island Village Shopping Centre which has also created a more suitable hub ready to serve transit passengers connecting to Port Antonio, Annotto Bay and Port Maria.

The Board in keeping with the company's dividend policy is pleased to declare a dividend of \$0.15 per share to shareholders listed as at August 4, 2015.




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**Oliver Townsend**  
Director

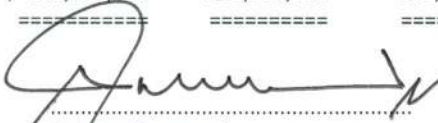


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**Gordon Townsend**  
Director

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2015**

	<u>(Unaudited)</u> August 31, 2015 J\$	<u>(Unaudited)</u> August 31, 2014 J\$	<u>(Audited)</u> May 31, 2015 J\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Goodwill	4,500,000	4,500,000	4,500,000
Property, Plant and Equipment	171,857,670	127,634,066	174,222,176
Related party-lease prepayment	4,750,000	4,875,000	4,750,000
Term deposit – restricted	2,460,391	2,376,423	2,439,183
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	183,568,061	139,385,489	185,911,359
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<b>Current Assets</b>			
Inventories	17,399,695	13,733,352	15,755,144
Other Assets	61,037,119	15,668,741	20,850,173
Short Term Investment	12,058,657	11,239,869	12,058,657
Cash & Bank Balances	66,870,575	48,523,268	45,408,631
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	157,366,046	89,165,230	94,072,605
	-----	-----	-----
<b>TOTAL ASSETS</b>	340,934,107	228,550,719	279,983,964
	=====	=====	=====
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	198,338,269	125,414,024	177,647,847
	-----	-----	-----
	250,143,366	177,219,121	229,452,944
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<b>Non-Current Liabilities</b>			
Notes Payable	32,439,965	13,953,514	7,415,168
Shareholders' Loans	452,840	452,840	452,840
Deferred Tax Liability	11,802,146	6,733,316	11,802,146
	-----	-----	-----
	44,694,951	21,139,670	19,670,154
	-----	-----	-----
<b>Current Liabilities</b>			
Accounts Payable and Accrued Charges	19,956,185	9,845,603	19,721,261
Current Portion of Notes Payable	11,139,605	16,488,680	11,139,605
Taxation Payable	-	3,857,645	-
Dividends Payable	15,000,000	-	-
	-----	-----	-----
	46,095,790	30,191,928	30,860,866
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<b>TOTAL EQUITY &amp; LIABILITIES</b>	\$ 340,934,107	228,550,719	279,983,964
	=====	=====	=====

  
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Oliver Townsend  
Director

  
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Gordon Townsend  
Director

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**THREE (3) MONTHS ENDING AUGUST 31, 2015**

	<u>3 Months Ended</u> <u>August 31, 2015</u> <u>J\$</u>	<u>3 Months ended</u> <u>August 31, 2014</u> <u>J\$</u>
<b>REVENUE</b>	143,234,494	103,352,811
Less:		
Administrative and General Expenses	103,699,066	84,454,285
	-----	-----
Operating Profit	39,535,428	18,898,526
Finance Income	38,677	518,492
Finance Cost	( 3,883,683)	( 2,311,045)
	-----	-----
Profit before Taxation	35,690,422	17,105,973
Taxation	-	-
	-----	-----
Net Profit being Total Comprehensive Income for the period	35,690,422	17,105,973
	=====	=====
Earnings per share (Note 4)	\$ 0.36	\$ 0.17
	=====	=====

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**THREE (3) MONTHS TO AUGUST 31, 2015**

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<b><u>Three Months Ended August 31, 2015</u></b>			
Balance at 31 <sup>st</sup> May 2015	51,805,097	177,647,847	229,452,944
Net Profit, being total comprehensive Income for the period	-	35,690,422	35,690,422
<b>Transaction with owners:</b>			
Dividends Declared	-	( 15,000,000)	( 15,000,000)
Balance at 31 <sup>st</sup> August 2015	\$ 51,805,097 =====	\$ 198,338,269 =====	\$250,143,366 =====

<b><u>Three Months Ended August 31, 2014</u></b>			
Balance at 31 <sup>st</sup> May 2014	51,805,097	108,308,051	160,113,148
Net Profit being total comprehensive Income for the period	-	17,105,973	17,105,973
Balance at 31 <sup>st</sup> August 2014	\$ 51,805,097 =====	\$ 125,414,024 =====	\$177,219,121 =====

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2015**

	<b><u>3 Months ended</u></b> <b><u>August 31, 2015</u></b> <b><u>J\$</u></b>	<b><u>3 Months ended</u></b> <b><u>August 31, 2014</u></b> <b><u>J\$</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net Profit for the period	35,690,422	17,105,973
Items not affecting Cash Resources:		
Depreciation and Amortisation	7,546,482	5,429,668
Taxation Expenses	-	-
	-----	-----
	43,236,904	22,535,641
 (Increase)/Decrease in Operating Assets		
Other Assets	(40,156,946)	(14,798,117)
Inventories	( 1,644,551)	150,235
Increase in operating Liabilities:		
Accounts Payable and Accrued charges	234,924	144,891
	-----	-----
	1,670,331	8,032,650
 Income Tax paid	( 30,000)	( 60,000)
	-----	-----
Net Cash provided by operating activities	1,640,331	7,972,650
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<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of Property, Plant and Equipment	( 5,181,976)	(7,015,211)
Term Deposit – Restricted	( 21,208)	( 12,959)
	-----	-----
	( 5,203,184)	(7,028,170)
	-----	-----
<b><u>CASH FLOW FORM FINANCING ACTIVITIES</u></b>		
Proceeds from notes payable	29,000,000	-
Repayment of notes payable	( 3,975,203)	( 3,943,866)
	-----	-----
Net Cash (Used in)/Provided by Financing Activities	25,024,797	( 3,943,866)
	-----	-----
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES	21,461,944	( 2,999,386)
 OPENING CASH AND BANK BALANCES	45,408,631	51,522,654
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CLOSING CASH AND BANK BALANCES	\$ 66,870,575	48,523,268
	=====	=====

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**AUGUST 31, 2015**

**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 10 Harbour Circle, Montego Bay, St. James, and was listed on the Jamaica Junior Stock Exchange in January 2014.

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 31 May 2015.

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican Dollars.

**3. SEGMENT REPORTING**

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results are received regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performances.

Based on the nature of the company's business activities, management has determined that disclosure of segment information is not applicable as the company is operating in one segment.

**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:

	<b><u>1st Quarter</u></b> <b><u>31.8.2015</u></b>	<b><u>1st Quarter</u></b> <b><u>31.08.2014</u></b>
Weighted Average number of Ordinary shares held during the period	100,000,003 =====	100,000,003 =====

# Knutsford Express Services Limited

## LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT AUGUST 31, 2015

Shareholder	Units
1. Oliver Townsend	33,526,664
2. Anthony Copeland	23,926,664
3. Proven Investment Limited	20,000,002
4. Gordon Townsend	17,526,664
5. Lannaman & Morris (Shipping) Limited	974,899
6. Donald Chin/Sonia Chin/Robert Chin/Bruce Chin	972,884
7. Tricia-Ann Bicarie/Garcia Bicarie	381,652
8. Barbara M. Levy/Andre Levy	381,541
9. Melissa Cammock	300,000
10. Paula Townsend	190,792
10. Courtney Watson	190,792

## SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT AUGUST 31, 2015

Director	Shareholdings	Connected Parties	Shareholdings
Oliver Townsend	33,526,664	---	
Anthony Copeland	23,926,664	---	
Johann Heaven	20,000,002	Proven Investment Limited	
Gordon Townsend	17,526,664	---	
Wayne Wray	100,000	Christine Randle	
Peter Pearson	35,000	Yvonne Pearson	