



Knutsford Express Services Limited.

Unaudited Financial Statements

2nd Quarter Ending November 30, 2015

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS REPORT
FOR THE QUARTER ENDING 30th NOVEMBER 2015

The Board of Directors of Knutsford Express Services Limited is pleased to present the company's unaudited financial statements for the second quarter ending November 30, 2015.

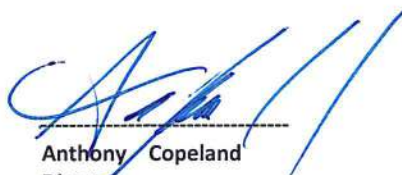
Revenues increased by 24.1% over the comparative period last year to \$128.6 million from \$103.6 million. This was due to continued growth in passenger travel. Continued fleet expansion has shown our total assets have grown over the similar period last year by 58.3% from \$237.7 million to \$376.2 million.

Profit after taxation grew in the second quarter by \$13 million to \$25.3 million representing Earnings per Share of \$0.25.

In accordance with our plans to keep raising the bar in service, comfort and safety to our customers, our fleet expansion program continues to introduce new state of the art coaches to our fleet. The new investment in these coaches has yielded immediate returns through their significant enhanced efficiencies. Our training efforts intensified in this period to ensure that we equip our team to keep improving in the areas of customer service and safety.



Oliver Townsend
Director



Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2015

	<u>(Unaudited)</u> <u>November 30, 2015</u>	<u>(Unaudited)</u> <u>November 30, 2014</u>	<u>(Audited)</u> <u>May31,2015</u>
	<u>J\$</u>	<u>J\$</u>	<u>J\$</u>
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Goodwill	4,500,000	4,500,000	4,500,000
Property, Plant and Equipment	243,568,160	142,234,515	174,222,176
Related party-lease prepayment	4,750,000	4,875,000	4,750,000
Term deposit – restricted	2,479,694	2,397,313	2,439,183
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	255,297,854	154,006,828	185,911,359
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<u>Current Assets</u>			
Inventories	20,517,950	12,845,677	15,755,144
Other Assets	25,331,199	35,197,238	20,850,173
Short Term Investment	12,058,657	11,439,561	12,058,657
Cash & Bank Balances	62,982,820	24,182,849	45,408,631
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	120,890,626	83,665,325	94,072,605
	-----	-----	-----
TOTAL ASSETS	\$ 376,188,480	237,672,153	279,983,964
	=====	=====	=====
<u>EQUITY & LIABILITIES</u>			
<u>Equity</u>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	223,655,712	137,752,788	177,647,847
	-----	-----	-----
	275,460,809	189,557,885	229,452,944
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<u>Non-Current Liabilities</u>			
Notes Payable	44,085,554	10,000,475	7,415,168
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	11,802,146	6,733,316	11,802,146
	-----	-----	-----
	56,340,540	17,186,631	19,670,154
	-----	-----	-----
<u>Current Liabilities</u>			
Accounts Payable and Accrued Charges	18,692,726	10,581,312	19,721,261
Current Portion of Notes Payable	25,694,405	16,488,680	11,139,605
Taxation payable	-	3,857,645	-
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	44,387,131	30,927,637	30,860,866
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TOTAL EQUITY & LIABILITIES	\$ 376,188,480	237,672,153	279,983,964
	=====	=====	=====

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Oliver Townsend
Director

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Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
SIX (6) MONTHS ENDING NOVEMBER 30, 2015

	<u>3 Months ended</u> <u>Nov 30, 2015</u> <u>J\$</u>	<u>3 Months ended</u> <u>Nov 30, 2014</u> <u>J\$</u>	<u>6 Months ended</u> <u>Nov 30, 2015</u> <u>J\$</u>	<u>6 Months YTD</u> <u>Nov 30, 2014</u> <u>J\$</u>
REVENUE	128,559,339	103,566,028	271,793,833	206,918,839
Less:				
Administrative and General Expenses	100,340,737	89,580,228	204,039,804	174,034,513
Operating Profit	28,218,602	13,985,800	67,754,029	32,884,326
Finance Income	261,573	341,943	300,250	860,433
Finance Cost	(3,162,732)	(1,988,976)	(7,046,414)	(4,300,022)
Net Profit being Total Comprehensive Income for the period	\$ 25,317,443	\$12,338,765	61,007,865	29,444,737
Earnings per share (Note 5)	\$ 0.25	\$ 0.12	\$ 0.61	\$ 0.29

KNUTSFORD EXPRESS SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
SIX (6) MONTHS TO NOVEMBER 30, 2015

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<u>Six Months Ended November 30, 2015</u>			
Balance at 31 st May 2015	51,805,097	177,647,847	229,452,944
Net Profit, being total comprehensive Income for the period	-	61,007,865	61,007,865
Transaction with owners: Dividend Paid	-	(15,000,000)	(15,000,000)
Balance at 30 th November 2015	<u>\$ 51,805,097</u>	<u>\$ 223,655,712</u>	<u>\$275,460,809</u>

Six Months Ended November 30, 2014

Balance at 31 st May 2014	51,805,097	108,308,051	160,113,148
Net Profit being total comprehensive Income for the period	-	29,444,737	29,444,737
Balance at 30 th November 2014	<u>\$ 51,805,097</u>	<u>\$ 137,752,788</u>	<u>\$189,557,886</u>

KNUTSFORD EXPRESS SERVICES LIMITED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX (6) MONTHS ENDED NOVEMBER 30, 2015

	<u>6 Months ended</u> <u>November 30, 2015</u> <u>J\$</u>	<u>6 Months ended</u> <u>November 30, 2014</u> <u>J\$</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Profit for the period	61,007,865	29,444,737
Items not affecting Cash Resources:		
Depreciation and Amortisation	15,855,953	10,952,895
Taxation Expenses	-	-
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	76,863,818	40,397,632
(Increase)/Decrease in Operating Assets		
Other Assets	(4,481,026)	(34,526,306)
Inventories	(4,762,806)	1,037,910
Increase/(Decrease) in operating Liabilities:		
Accounts Payable and Accrued charges	(998,535)	880,600
Dividends Paid	(15,000,000)	-
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	51,621,451	7,789,836
Income Tax paid	(30,000)	(60,000)
	-----	-----
Net Cash provided by operating activities	51,591,451	7,729,836
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<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of Property, Plant and Equipment	(85,201,937)	(27,138,888)
Term Deposit – Restricted	(40,511)	(33,849)
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	(85,242,448)	(27,172,737)
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<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Proceeds from notes payable	60,000,000	-
Repayment of notes payable	(8,774,814)	(7,896,904)
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Net Cash Provided/(Used in) by Financing Activities	51,225,186	(7,896,904)
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NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	17,574,189	(27,339,805)
OPENING CASH AND BANK BALANCES	45,408,631	51,522,654
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CLOSING CASH AND BANK BALANCES	\$ 62,982,820	24,182,849
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KNUTSFORD EXPRESS SERVICES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NOVEMBER 30, 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:

	<u>2nd Quarter</u> <u>30.11.2015</u>	<u>2nd Quarter</u> <u>31.11.2014</u>	<u>Six Months Ended</u> <u>30.11.2015</u>	<u>Six Months Ended</u> <u>30.11.2014</u>
Weighted Average number of Ordinary shares held during the period	100,000,003 =====	100,000,003 =====	100,000,003 =====	100,000,003 =====

Knutsford Express Services Limited

LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT NOVEMBER 30, 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. Paula Townsend	190,792
9. Courtney Watson	190,792
10. David Chin	182,578

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT NOVEMBER 30, 2015

Director	Shareholdings	Connected Parties
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