



**Knutsford Express Services Limited.**

**Unaudited Financial Statements**

**3<sup>rd</sup> Quarter Ending February 29, 2016**

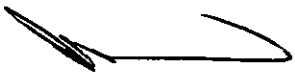
**KNUTSFORD EXPRESS SERVICES LIMITED**  
**DIRECTORS REPORT**  
**FOR THE QUARTER ENDING 29<sup>th</sup> February 2016**

The Board of Directors of Knutsford Express Services Limited is pleased to present the company's unaudited financial statements for the third quarter ending February 29, 2016.

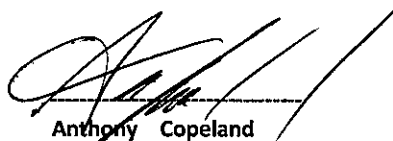
Revenues increased by 21% over the comparative period last year to \$153.1 million from \$126.5 million. This was due to continued growth in passenger travel and courier services. Continued fleet expansion has shown our total assets have grown over the similar period last year by 54% from \$258.3 million to \$398.1 million.

Profit after taxation grew in the third quarter by 44.8% from \$19.1 million to \$27.6 million representing Earnings per Share of \$0.28.

The introduction of our new state of the art coaches on the northcoast continues to bring customer delight. In addition, in January we commenced operations of a new company, KE Connect Limited, a wholly-owned subsidiary of Knutsford Express Services Limited. KE Connect Limited provides additional transportation options – shuttles and corporate car rentals to those customers (visitors to the island and corporate executives) requiring convenient connections to their next destination. The investment in KE Connect Limited is our response to the personalized commuting needs of our customers.



Oliver Townsend  
Director



Anthony Copeland  
Director

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT FEBRUARY 29, 2016**

	<u>(Unaudited)</u> February 29, 2016	<u>(Unaudited)</u> February 28, 2015	<u>(Audited)</u> May 31, 2015
	J\$	J\$	J\$
<b>ASSETS</b>			
<b><u>Non-Current Assets</u></b>			
Goodwill	4,500,000	4,500,000	4,500,000
Property, Plant and Equipment	237,442,104	172,529,424	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
	-----	-----	-----
	249,171,798	184,301,737	185,911,359
	-----	-----	-----
<b><u>Current Assets</u></b>			
Inventories	21,511,461	16,450,467	15,755,144
Other Assets	62,972,047	4,262,859	20,850,173
Short Term Investment	12,058,657	11,439,561	12,058,657
Cash & Bank Balances	52,389,177	41,891,221	45,408,631
	-----	-----	-----
	148,931,342	74,044,108	94,072,605
	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 398,103,140</b>	<b>258,345,845</b>	<b>279,983,964</b>
	=====	=====	=====
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b><u>Equity</u></b>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	251,296,860	156,835,888	177,647,847
	-----	-----	-----
	303,101,957	208,640,985	229,452,944
	-----	-----	-----
<b><u>Non-Current Liabilities</u></b>			
Notes Payable	38,303,232	6,038,069	7,415,168
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	11,802,146	6,733,316	11,802,146
	-----	-----	-----
	50,558,218	13,224,225	19,670,154
	-----	-----	-----
<b><u>Current Liabilities</u></b>			
Accounts Payable and Accrued Charges	18,748,560	16,134,310	19,721,261
Current Portion of Notes Payable	25,694,405	16,488,680	11,139,605
Taxation payable	-	3,857,645	-
	-----	-----	-----
	44,442,965	36,480,635	30,860,866
	-----	-----	-----
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>\$ 398,103,140</b>	<b>258,345,845</b>	<b>279,983,964</b>
	=====	=====	=====

.....  
Oliver Townsend  
Director

.....  
  
Anthony Copeland  
Director

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**NINE(9) MONTHS ENDING FEBRUARY 29,2016**

	<u>3 Months ended</u> <u>Feb 29, 2016</u> <u>J\$</u>	<u>3 Months ended</u> <u>Feb 28, 2015</u> <u>J\$</u>	<u>9 Months ended</u> <u>Feb 29, 2016</u> <u>J\$</u>	<u>9 Months YTD</u> <u>Feb 28, 2015</u> <u>J\$</u>
<b>REVENUE</b>	153,135,003	126,537,540	424,928,836	333,456,380
Less:				
Administrative and General Expenses	122,417,011	105,661,458	326,456,816	279,695,972
	-----	-----	-----	-----
Operating Profit	30,717,992	20,876,082	98,472,020	53,760,408
Finance Income	52,764	222,803	353,014	1,083,238
Finance Cost	( 3,129,607)	( 2,015,786)	( 10,176,021)	( 6,315,809)
	-----	-----	-----	-----
Net Profit being Total Comprehensive Income for the period	\$ 27,641,149	\$19,083,099	88,649,013	48,527,837
	=====	=====	=====	=====
Earnings per share (Note 5)	\$ 0.28	\$ 0.19	\$ 0.89	\$ 0.49
	=====	=====	=====	=====

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**NINE (9) MONTHS TO FEBRUARY 29, 2016**

	<u>SHARE CAPITAL</u> <u>J\$</u>	<u>ACCUMULATED SURPLUS</u> <u>J\$</u>	<u>TOTAL</u> <u>J\$</u>
<b><u>Nine Months Ended February 29, 2016</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	-	88,649,013	88,649,013
Transaction with owners: Dividend Paid	-	(15,000,000)	(15,000,000)
Balance at 29 <sup>th</sup> February 2016	<u>\$ 51,805,097</u> =====	<u>\$ 251,296,860</u> =====	<u>\$303,101,957</u> =====

**Nine Months Ended February 28, 2015**

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	-	48,527,837	48,527,837
Balance at 29 <sup>th</sup> February 2015	<u>\$ 51,805,097</u> =====	<u>\$ 156,835,888</u> =====	<u>\$208,640,985</u> =====

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE(9) MONTHS ENDED FEBRUARY 29, 2016**

	<u>9 Months ended</u> <u>February 29, 2016</u>	<u>9 Months ended</u> <u>February 28, 2015</u>
	J\$	J\$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net Profit for the period	88,649,013	48,527,837
Items not affecting Cash Resources:		
Depreciation and Amortisation	25,516,743	17,548,009
Taxation Expenses	-	-
	-----	-----
	114,165,756	66,075,846
(Increase)/Decrease in Operating Assets		
Other Assets	( 42,091,874)	( 3,591,927)
Inventories	( 5,756,317)	( 2,566,880)
Increase/(Decrease) in operating Liabilities:		
Accounts Payable and Accrued charges	( 972,701)	6,433,598
Dividends Paid	(15,000,000)	-
	-----	-----
	50,344,864	66,350,637
Income Tax paid	( 30,000)	( 60,000)
	-----	-----
Net Cash provided by operating activities	50,314,864	66,290,637
	-----	-----
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of Property, Plant and Equipment	(88,736,671)	(64,028,910)
Term Deposit – Restricted	( 40,511)	( 33,849)
	-----	-----
	( 88,777,182)	( 64,062,759)
	-----	-----
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Proceeds from notes payable	60,000,000	-
Repayment of notes payable	(14,557,136)	( 11,859,311)
	-----	-----
Net Cash Provided/(Used in) by Financing Activities	45,442,864	( 11,859,311)
	-----	-----
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	6,980,546	( 9,631,433 )
OPENING CASH AND BANK BALANCES	45,408,631	51,522,654
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CLOSING CASH AND BANK BALANCES	\$ 52,389,177	41,891,221
	=====	=====

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FEBRUARY 29, 2016**

**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>3<sup>rd</sup> Quarter <u>29.02.2016</u></b>	<b>3<sup>rd</sup> Quarter <u>28.02.2015</u></b>	<b>Nine Months Ended <u>29.02.2016</u></b>	<b>Nine Months Ended <u>28.02.2015</u></b>
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 FEBRUARY 29, 2016

Shareholder	Units
1. Oliver Townsend	33,526,664
2. Anthony Copeland	23,926,664
3. N.C.B. Capital Markets Limited A/C 2231	18,779,002
4. Gordon Townsend	17,526,664
5. Advantage General Insurance Limited	1,221,000
6. JCSD Trustees Services Limited-Sigma Venture	1,148,194
7. MF&G Asset Mang. Ltd-NCBCM Unit Trust Scheme-(JMD CA. Equity Portfolio)	906,983
8. Tricia-Ann Bicarie/Garcia Bicarie	381,652
9. Barbara M. Levy/Andre Levy	381,541
10. Paula Townsend	190,792
10. Courtney Watson	190,792

## SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT FEBRUARY 29, 2016

Director	Shareholdings	Connected Parties	Shareholdings
Oliver Townsend	33,526,664	---	
Anthony Copeland	23,926,664	---	
Gordon Townsend	17,526,664	---	
Wayne Wray	100,000	Christine Randle	
Peter Pearson	35,000	Yvonne Pearson	