



Knutsford Express Services Limited.

Unaudited Financial Statements

2nd Quarter Ending November 30, 2016

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS REPORT
FOR THE QUARTER ENDING 30th NOVEMBER 2016

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, 2016.

We continue to grow our schedule in order to meet the needs of our growing passenger base and we have been rewarded with a significant increase in revenues of 38% in the period to \$176 Million from \$128.5 Million. Total assets have also grown over the similar period last year by 24% from \$376 Million to \$466 Million, reflecting our continued investment in new coaches.

Profit after taxation grew in the second quarter by 19% to 30 Million from \$25.3 Million representing earnings per share of \$0.30.

Our emphasis on safety and customer service remains high on our agenda with increased investment in training in these areas and we are humbled to have been recognized and awarded by two organizations for our contribution. The Young Entrepreneurs Association bestowed us with their "Most Innovative Business Award 2016" while at the Gleaner's Hospitality Jamaica awards ceremony, local and overseas travelers selected us as their "Best in Transportation" service provider from among the major transportation companies including the larger tourism north coast companies.

This has encouraged us to continue innovating to add value to our customer's experience.



Oliver Townsend
Director




Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2016

	<u>(Unaudited)</u> November 30, 2016 J\$	<u>(Unaudited)</u> November 30, 2015 J\$	<u>(Audited)</u> May31,2016 J\$
ASSETS			
<u>Non-Current Assets</u>			
Goodwill	4,500,000	4,500,000	4,500,000
Property, Plant and Equipment	350,635,871	243,568,160	293,930,590
Related party-lease prepayment	4,625,000	4,750,000	4,625,000
Term deposit – restricted	2,573,584	2,479,694	2,511,064
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	362,334,455	255,297,854	305,566,654
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<u>Current Assets</u>			
Inventories	24,483,105	20,517,950	22,264,022
Other Assets	9,695,338	25,331,199	26,986,352
Short Term Investment	19,287,155	12,058,657	43,287,156
Cash & Bank Balances	50,728,095	62,982,820	44,666,367
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	104,193,693	120,890,626	137,203,897
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TOTAL ASSETS	\$ 466,528,148	376,188,480	442,770,551
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<u>EQUITY & LIABILITIES</u>			
<u>Equity</u>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	326,556,701	223,655,712	284,487,917
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	378,361,798	275,460,809	336,293,014
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<u>Non-Current Liabilities</u>			
Notes Payable	28,497,935	44,085,554	39,045,734
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	18,120,223	11,802,146	18,120,223
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	47,070,998	56,340,540	57,618,797
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<u>Current Liabilities</u>			
Accounts Payable and Accrued Charges	20,555,791	18,692,726	28,319,179
Current Portion of Notes Payable	20,539,561	25,694,405	20,539,561
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	41,095,352	44,387,131	48,858,740
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TOTAL EQUITY & LIABILITIES	\$ 466,528,148	376,188,480	442,770,551
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Oliver Townsend
Director

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Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
SIX (6) MONTHS ENDING NOVEMBER 30, 2016

	<u>3 Months ended</u> <u>Nov 30, 2016</u> <u>J\$</u>	<u>3 Months ended</u> <u>Nov 30, 2015</u> <u>J\$</u>	<u>6 Months ended</u> <u>Nov 30, 2016</u> <u>J\$</u>	<u>6 Months YTD</u> <u>Nov 30, 2015</u> <u>J\$</u>
REVENUE	176,360,219	128,559,339	349,769,044	271,793,833
Less:				
Administrative and General Expenses	142,921,071	100,340,737	276,425,175	204,039,804
Operating Profit	33,439,148	28,218,602	73,343,869	67,754,029
Finance Income	760,645	261,573	890,440	4,104
Finance Cost	(4,139,812)	(3,162,732)	(8,165,525)	(6,750,268)
Net Profit being Total Comprehensive Income for the period	\$ 30,059,981	\$25,317,443	66,068,784	61,007,865
Earnings per share (Note 5)	\$ 0.30	\$ 0.25	\$ 0.66	\$ 0.61

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
SIX (6) MONTHS TO NOVEMBER 30, 2016

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<u>Six Months Ended November 30, 2016</u>			
Balance at 31 st May 2016	51,805,097	284,487,917	336,293,014
Net Profit, being total comprehensive Income for the period	-	66,068,784	66,068,784
Transaction with owners: Dividend Paid	-	(24,000,000)	(24,000,000)
Balance at 30 th November 2016	\$ 51,805,097 =====	\$ 326,556,701 =====	\$378,361,798 =====

Six Months Ended November 30, 2015

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	\$ 51,805,097 =====	\$ 223,655,712 =====	\$275,460,809 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX (6) MONTHS ENDED NOVEMBER 30, 2016

	<u>6 Months ended</u> <u>November 30, 2016</u> <u>J\$</u>	<u>6 Months ended</u> <u>November 30, 2015</u> <u>J\$</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Profit for the period	66,068,784	61,007,865
Items not affecting Cash Resources:		
Depreciation and Amortisation	26,072,182	15,855,953
	92,140,966	76,863,818
(Increase)/Decrease in Operating Assets		
Other Assets	41,351,015	(4,481,026)
Inventories	(2,219,083)	(4,762,806)
Increase/(Decrease) in operating Liabilities:		
Accounts Payable and Accrued charges	(7,763,388)	(998,535)
Dividends Paid	(24,000,000)	(15,000,000)
	99,509,510	51,621,451
Income Tax paid	(60,000)	(30,000)
Net Cash provided by operating activities	99,449,510	51,591,451
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of Property, Plant and Equipment	(82,777,463)	(85,201,937)
Term Deposit – Restricted	(62,520)	(40,511)
Net Cash used in Investing Activities	(82,839,983)	(85,242,448)
<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Proceeds from notes payable	-	60,000,000
Repayment of notes payable	(10,547,799)	(8,774,814)
Net Cash (Used in)/Provided by Financing Activities	(10,547,799)	51,225,186
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	6,061,728	17,574,189
OPENING CASH AND BANK BALANCES	44,666,367	45,408,631
CLOSING CASH AND BANK BALANCES	\$ 50,728,095 =====	62,982,820 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR SIX (6) MONTHS ENDED NOVEMBER 30, 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 2016.

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>30.11.2016</u>	<u>2nd Quarter</u> <u>30.11.2015</u>	<u>Six Months Ended</u> <u>30.11.2016</u>	<u>Six Months Ended</u> <u>30.11.2015</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, 2016

<u>SHAREHOLDERS</u>	<u>UNITS</u>
1. Oliver Townsend	33,526,664
2. Anthony Copeland	23,926,664
3. N.C.B Capital Markets Limited A/C 2231	18,768,502
4. Gordon Townsend	17,526,664
5. Advantage General Insurance Limited	1,221,000
6. JCSD Trustees Services Limited – Sigma Venture	1,200,000
7. MF & G Asset Management –NCB CM Unit Trust Scheme	906,983
8. Nigel Coke/Bobbette Coke	411,760
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 NOVEMBER 30, 2016

Director	Shareholdings	Connected Parties
Oliver Townsend	33,526,664	---
Anthony Copeland	23,926,664	---
Gordon Townsend	17,526,664	---
Wayne Wray	120,000	Christine Randle
Peter Pearson	35,000	Yvonne Pearson