



**Knutsford Express Services Limited.**

**Unaudited Financial Statements**

**3<sup>rd</sup> Quarter Ending February 28, 2017**

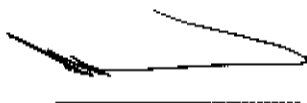
**KNUTSFORD EXPRESS SERVICES LIMITED**  
**DIRECTORS REPORT**  
**FOR THE QUARTER ENDING 28<sup>th</sup> FEBRUARY 2017**

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 28, 2017.

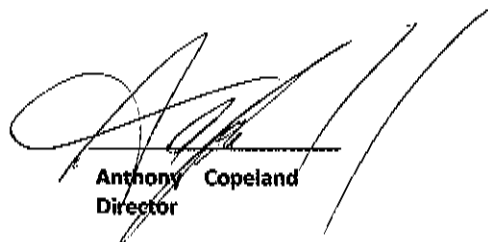
Our continued focus on fleet expansion and modernization with high specification coaches has allowed us to adequately tool our company to satisfy our passenger's needs for comfort and safety while controlling our operating costs. This strategy has prepared us to better handle increasing customer demand generally as illustrated by a year to date growth in revenue of 32% from \$425 Million to \$552 Million.

In this quarter total assets grew to \$532.8 Million from \$393 Million registering a 34% increase. In this period, pursuant with our policy of fleet renewal we recorded a gain of \$8.5 Million from the sale of 2 older coaches. Profit after taxation grew by \$26 Million to \$53.7 Million representing earnings per share of \$0.54 to \$0.28 in the comparative quarter.

The development of our Sangster International Airport terminal is well underway and we look forward to it improving on customer experience and convenience.



**Oliver Townsend**  
Director

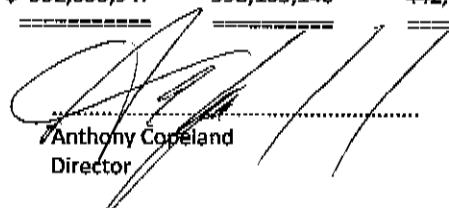


**Anthony Copeland**  
Director

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT FEBRUARY 28, 2017**

	<u>(Unaudited)</u> February 28, 2017	<u>(Unaudited)</u> February 29, 2016	<u>(Audited)</u> May31, 2016
	<u>J\$</u>	<u>J\$</u>	<u>J\$</u>
<b>ASSETS</b>			
<b><u>Non-Current Assets</u></b>			
Goodwill	4,500,000	4,500,000	4,500,000
Property, Plant and Equipment	341,138,071	237,442,104	293,930,590
Related party-lease prepayment	4,625,000	4,750,000	4,625,000
Term deposit – restricted	2,547,420	2,479,694	2,511,064
	<u>352,810,491</u>	<u>249,171,798</u>	<u>305,566,654</u>
<b><u>Current Assets</u></b>			
Inventories	21,198,883	21,511,461	22,264,022
Other Assets	35,859,202	62,972,047	26,986,352
Short Term Investment	20,259,613	12,058,657	43,287,156
Cash & Bank Balances	102,705,758	52,389,177	44,666,367
	<u>180,023,456</u>	<u>148,931,342</u>	<u>137,203,897</u>
<b>TOTAL ASSETS</b>	<u><u>532,833,947</u></u>	<u><u>398,103,140</u></u>	<u><u>442,770,551</u></u>
<b>EQUITY &amp; LIABILITIES</b>			
<b><u>Equity</u></b>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	380,298,369	251,296,860	284,487,917
	<u>432,103,466</u>	<u>303,101,957</u>	<u>336,293,014</u>
<b><u>Non-Current Liabilities</u></b>			
Notes Payable	47,162,554	38,303,232	39,045,734
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	18,120,223	11,802,146	18,120,223
	<u>65,735,617</u>	<u>50,558,218</u>	<u>57,618,797</u>
<b><u>Current Liabilities</u></b>			
Accounts Payable and Accrued Charges	14,455,303	18,748,560	28,319,179
Current Portion of Notes Payable	20,539,561	25,694,405	20,539,561
	<u>34,994,864</u>	<u>44,442,965</u>	<u>48,858,740</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u><u>\$ 532,833,947</u></u>	<u><u>398,103,140</u></u>	<u><u>442,770,551</u></u>

.....  
Oliver Townsend  
Director

  
.....  
Anthony Copeland  
Director

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**NINE (9) MONTHS ENDING FEBRUARY 28, 2017**

	<u>3 Months ended</u> <u>Feb 28, 2017</u> <u>J\$</u>	<u>3 Months ended</u> <u>Feb 29, 2016</u> <u>J\$</u>	<u>9 Months ended</u> <u>Feb 28, 2017</u> <u>J\$</u>	<u>9 Months ended</u> <u>Feb 29, 2016</u> <u>J\$</u>
<b>REVENUE</b>	202,902,945	153,135,003	552,671,989	424,928,836
Less:				
Administrative and General Expenses	152,818,250	122,417,011	429,243,425	326,456,816
Operating Profit	50,084,695	30,717,992	123,428,564	98,472,020
Other Income	8,531,807	-	8,531,807	-
Finance Income	392,464	52,764	1,282,904	353,014
Finance Cost	( 5,267,298)	( 3,129,607)	( 13,432,823)	( 10,176,021)
Net Profit being Total Comprehensive Income for the period	<u>\$ 53,741,668</u>	<u>\$27,641,149</u>	<u>119,810,452</u>	<u>88,649,013</u>
Earnings per share (Note 5)	<u>\$ 0.54</u>	<u>\$ 0.28</u>	<u>\$ 1.20</u>	<u>\$ 0.89</u>

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**NINE (9) MONTHS TO FEBRUARY 28, 2017**

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<b><u>Nine Months Ended February 28, 2017</u></b>			
Balance at 31 <sup>st</sup> May 2016	51,805,097	284,487,917	336,293,014
Net Profit, being total comprehensive Income for the period	-	119,810,452	119,810,452
Transaction with owners: Dividend Paid	-	(24,000,000)	(24,000,000)
Balance at 28 <sup>th</sup> February 2017	<u>\$ 51,805,097</u>	<u>\$ 380,298,369</u>	<u>\$432,103,466</u>

**Nine Months Ended February 29, 2016**

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>

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE (9) MONTHS ENDED FEBRUARY 28, 2017**

	<u>9 Months ended</u> <u>February 28, 2017</u>	<u>9 Months ended</u> <u>February 29, 2016</u>
	<u>J\$</u>	<u>J\$</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net Profit for the period	119,810,452	88,649,013
Items not affecting Cash Resources:		
Depreciation and Amortisation	39,327,523	25,516,743
	<u>159,137,975</u>	<u>114,165,756</u>
(Increase)/Decrease in Operating Assets		
Other Assets	14,214,693	( 42,091,874)
Inventories	( 1,065,139 )	( 5,756,317)
Decrease in operating Liabilities:		
Accounts Payable and Accrued charges	( 13,863,876)	( 972,701)
Dividends Paid	(24,000,000)	(15,000,000)
	<u>136,553,931</u>	<u>50,344,864</u>
Income Tax paid	( 60,000)	( 30,000)
Net Cash provided by operating activities	<u>136,493,931</u>	<u>50,314,864</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of Property, Plant and Equipment	(86,535,004)	(88,736,671)
Term Deposit – Restricted	( 36,356)	( 40,511)
Net Cash used in Investing Activities	<u>( 86,571,360)</u>	<u>( 88,777,182)</u>
<b><u>CASH FLOW FORM FINANCING ACTIVITIES</u></b>		
Proceeds from notes payable	25,000,000	60,000,000
Repayment of notes payable	(16,883,180)	( 14,557,136)
Net Cash Provided by Financing Activities	<u>8,116,820</u>	<u>45,442,864</u>
NET INCREASE IN CASH AND BANK BALANCES	58,039,391	6,980,546
OPENING CASH AND BANK BALANCES	<u>44,666,367</u>	<u>45,408,631</u>
CLOSING CASH AND BANK BALANCES	<u>\$ 102,705,758</u>	<u>52,389,177</u>

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR NINE (9) MONTHS ENDED FEBRUARY 28, 2017**

**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 reviewed 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>3<sup>RD</sup> Quarter</u></b> <b><u>28.02.2017</u></b>	<b><u>3<sup>RD</sup> Quarter</u></b> <b><u>29.02.2016</u></b>	<b><u>Nine Months Ended</u></b> <b><u>28.02.2017</u></b>	<b><u>Nine Months Ended</u></b> <b><u>29.02.2016</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 28, 2017

Shareholder	Units
1. Oliver Townsend	33,526,664
2. Anthony Copeland	23,926,664
3. N.C.B. Capital Markets Limited A/C 2231	18,768,502
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 (JMD Caribbean Equity Portfolio)	906,983
8. Nigel Coke/Bobbette Coke	510,551
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 28, 2017

Director	Shareholdings	Connected Parties	Shareholdings
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	