



Knutsford Express Services Limited.

Unaudited Financial Statements

1st Quarter Ending August 31, 2017

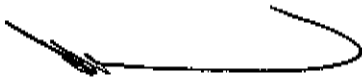
KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE QUARTER ENDING AUGUST 31, 2017

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, 2017.

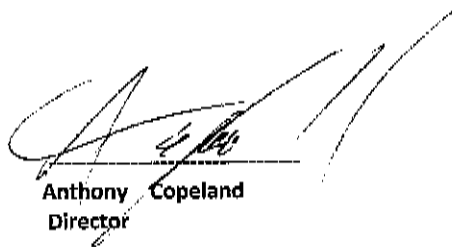
Revenues increased by 37% over the comparative period last year to \$237 million from \$172 million. This was due to strong customer demand for passenger travel and our courier service. Total assets have also grown over the similar period last year by 40% from \$462 million to \$648 million. Contributing to the results for the quarter is our continuing improvement in accessibility and throughput times in our call centre operation.

On May 22, 2017, at an extraordinary general meeting of the company, stockholders of Knutsford Express Services Limited approved a five for one stock split effective June 2, 2017. Our stock price increased effectively by 188% year from \$26.11 per share (pre-stock split) on August 31, 2016 to \$14.47 per share (post-stock split) a year later.

Net profit grew in the first quarter by 57% from \$36 million to \$56 million representing Earnings per Share of \$0.12 up from \$0.07 in the previous year.



Oliver Townsend
Director




Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2017

	(Unaudited) August 31, 2017 J\$	(Unaudited) August 31, 2016 J\$	(Audited) May 31, 2017 J\$
ASSETS			
<u>Non-Current Assets</u>			
Goodwill	4,500,000	4,500,000	4,500,000
Property, Plant and Equipment	397,060,336	288,033,671	345,147,482
Related party-lease prepayment	4,500,000	4,625,000	4,500,000
Term deposit – restricted	2,571,637	2,573,584	2,559,433
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	408,631,973	299,732,255	356,706,915
	-----	-----	-----
<u>Current Assets</u>			
Inventories	21,255,308	23,413,817	17,618,201
Other Assets	41,083,365	55,512,029	56,562,277
Short Term Investment	91,865,296	43,287,156	91,865,296
Cash & Bank Balances	85,461,352	39,984,526	64,664,605
	-----	-----	-----
	239,665,321	162,197,528	230,710,379
	-----	-----	-----
TOTAL ASSETS	\$ 648,297,294	461,929,783	587,417,294
	=====	=====	=====
<u>EQUITY & LIABILITIES</u>			
<u>Equity</u>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	487,405,599	320,496,719	430,828,198
	-----	-----	-----
	539,210,696	372,301,816	482,633,295
	-----	-----	-----
<u>Non-Current Liabilities</u>			
Notes Payable	34,277,954	33,812,269	39,629,108
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	12,056,347	18,120,223	12,056,347
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	46,787,141	52,385,332	52,138,295
	-----	-----	-----
<u>Current Liabilities</u>			
Accounts Payable and Accrued Charges	41,759,896	16,703,074	30,888,507
Current Portion of Notes Payable	20,539,561	20,539,561	21,757,197
	-----	-----	-----
	62,299,457	37,242,635	52,645,704
	-----	-----	-----
TOTAL EQUITY & LIABILITIES	\$ 648,297,294	461,929,783	587,417,294
	=====	=====	=====

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Oliver Townsend
Director

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Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
THREE (3) MONTHS ENDING AUGUST 31, 2017

	<u>3 Months Ended</u> <u>August 31, 2017</u> <u>J\$</u>	<u>3 Months ended</u> <u>August 31, 2016</u> <u>J\$</u>
REVENUE	237,282,884	173,408,824
Less:		
Administrative and General Expenses	175,814,454	133,504,103
	-----	-----
Operating Profit	61,468,430	39,904,721
Finance Income	178,009	129,794
Finance Cost	(5,069,038)	(4,025,713)
	-----	-----
Profit before Taxation	56,577,401	36,008,802
Taxation	-	-
	-----	-----
Net Profit being Total Comprehensive Income for the period	56,577,401	36,008,802
	=====	=====
Earnings per share (Note 5)	\$ 0.12	\$ 0.07
	=====	=====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
THREE (3) MONTHS TO AUGUST 31, 2017

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<u>Three Months Ended August 31, 2017</u>			
Balance at 31 st May 2017	51,805,097	430,828,198	482,633,295
Net Profit, being total comprehensive Income for the period	-	56,577,401	56,577,401
	-----	-----	-----
Balance at 31 st August 2017	\$ 51,805,097 =====	\$ 487,405,599 =====	\$ 539,210,696 =====
<u>Three Months Ended August 31, 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	-	36,008,802	36,008,802
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Balance at 31 st August 2016	\$ 51,805,097 =====	\$ 320,496,719 =====	\$ 372,301,816 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED AUGUST 31, 2017

	<u>3 Months ended</u> <u>August 31, 2017</u> <u>J\$</u>	<u>3 Months ended</u> <u>August 31, 2016</u> <u>J\$</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Profit for the period	56,577,401	36,008,802
Items not affecting Cash Resources:		
Depreciation and Amortisation	16,591,889	12,546,515
	-----	-----
	73,169,290	48,555,317
(Increase)/Decrease in Operating Assets		
Other Assets	15,598,912	(28,465,677)
Inventories	(3,637,107)	(1,149,795)
Increase/(Decrease) in operating Liabilities:		
Accounts Payable and Accrued charges	10,871,389	(11,616,105)
	-----	-----
	96,002,484	7,323,740
Income Tax paid	(120,000)	(60,000)
	-----	-----
Net Cash provided by operating activities	95,882,484	7,263,740
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<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of Property, Plant and Equipment	(68,504,743)	(6,649,596)
Term Deposit – Restricted	(12,204)	(62,520)
	-----	-----
	(68,516,947)	(6,712,116)
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<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Proceeds from notes payable	-	-
Repayment of notes payable	(6,568,790)	(5,233,465)
	-----	-----
Net Cash Used In Financing Activities	(6,568,790)	(5,233,465)
	-----	-----
NET INCREASE/(DECREASE)IN CASH AND BANK BALANCES	20,796,747	(4,681,841)
OPENING CASH AND BANK BALANCES	64,664,605	44,666,367
	-----	-----
CLOSING CASH AND BANK BALANCES	\$ 85,461,352	\$ 39,984,526
	=====	=====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
AUGUST 31, 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 2017.

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. STOCK SPLIT

On May 22, 2017 at an extraordinary general meeting of the company, the shareholders approved the subdivision of each ordinary share into five ordinary shares with effect from June 2, 2017. To facilitate this subdivision of shares, the maximum number of shares that the company is authorised to issue was increased from 100,005,000 to 500,025,000. As a result of the stock split, all prior period stock data presented in the interim results have been adjusted to reflect the subdivision.

5. 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>1st Quarter</u> <u>31.8.2017</u>	<u>1st Quarter</u> <u>31.08.2016</u>
Weighted Average number of Ordinary shares held during the period	500,000,015 =====	500,000,015 =====

Knutsford Express Services Limited

LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT AUGUST 31, 2017

Shareholder	Units
1. Oliver Townsend	167,663,320
2. Anthony Copeland	119,633,320
3. N.C.B. Capital Markets Limited A/C 2231	93,643,995
4. Gordon Townsend	87,232,590
5. Sagicor Pooled Equity Fund	6,000,000
6. Advantage General Insurance Limited	5,105,532
7. MF&G Asset Management – NCB CM Unit Trust Scheme 906,983 (JMD Caribbean Equity Portfolio)	4,534,915
8. Nigel Coke/Bobbette Coke/Bobbette Graham-Coke	2,692,555
9. Barbara M. Levy/Andre Levy	1,907,705
10. Paula Townsend	953,960

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT AUGUST 31, 2017

Director	Shareholdings	Connected Parties	Shareholdings
Oliver Townsend	167,633,320	Paula Townsend	953,960
Anthony Copeland	119,633,320	---	
Gordon Townsend	87,232,590	---	
Wayne Wray/Christine Randle	600,000	---	
Peter Pearson/Yvonne Pearson	185,000	---	