



Knutsford Express Services Limited.

Unaudited Financial Statements

3rd Quarter Ending February 28, 2018

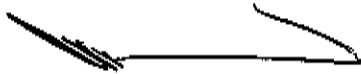
KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS REPORT
FOR THE QUARTER ENDING FEBRUARY 28, 2018

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, 2018.

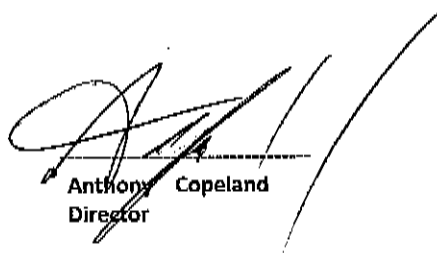
Our revenues in the third quarter increased by 14% to \$231.7 Million, we believe the increase was somewhat tempered by the establishment of the state of the emergency in St. James. Net profit after taxation amounted to \$37.3 Million, declining by 31%, this as a result of higher fuel, salary and toll costs. However, year to date net profit after tax increased by to \$128.3 Million from \$119.8 Million.

Our continued investment in coaches grew total assets by 24% from \$532.8 Million to \$661.8 Million.

We are proud to have won the National Commercial Bank's Nation Builder Award. Also, in this quarter we officially opened our Sangster International Airport Depot with its new and expanded facilities. The feedback from our customers flying into Montego Bay has been tremendous and we expect continued passenger growth as a result of this initiative.



Oliver Townsend
Director



Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FEBRUARY 28, 2018

	<u>(Unaudited)</u> February 28, 2018	<u>(Unaudited)</u> February 28, 2017	<u>(Audited)</u> May31, 2017
	J\$	J\$	J\$
ASSETS			
<u>Non-Current Assets</u>			
Goodwill	4,500,000	4,500,000	4,500,000
Property, Plant and Equipment	415,937,538	341,138,071	345,147,482
Related party-lease prepayment	4,500,000	4,625,000	4,500,000
Term deposit – restricted	2,596,490	2,547,420	2,559,433
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	427,534,028	352,810,491	356,706,915
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<u>Current Assets</u>			
Inventories	19,121,656	21,198,883	17,618,201
Other Assets	42,458,998	35,859,202	56,562,277
Short Term Investment	92,240,381	20,259,613	91,865,296
Cash & Bank Balances	80,439,132	102,705,758	64,664,605
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	234,260,167	180,023,456	230,710,379
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TOTAL ASSETS	\$ 661,794,195	532,833,947	587,417,294
	=====	=====	=====
EQUITY & LIABILITIES			
<u>Equity</u>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	525,138,597	380,298,369	430,828,198
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	576,943,694	432,103,466	482,633,295
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<u>Non-Current Liabilities</u>			
Notes Payable	24,273,911	47,162,554	39,045,734
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	12,056,347	18,120,223	18,120,223
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	36,783,098	65,735,617	52,138,295
	-----	-----	-----
<u>Current Liabilities</u>			
Accounts Payable and Accrued Charges	27,527,842	14,455,303	30,888,507
Current Portion of Notes Payable	20,539,561	20,539,561	21,757,197
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	48,067,403	34,994,864	52,645,704
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TOTAL EQUITY & LIABILITIES	\$ 661,794,195	532,833,947	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)
NINE (9) MONTHS ENDED FEBRUARY 28, 2018

	<u>3 Months ended</u> <u>Feb 28, 2018</u> <u>J\$</u>	<u>3 Months ended</u> <u>Feb 28, 2017</u> <u>J\$</u>	<u>9 Months ended</u> <u>Feb 28, 2018</u> <u>J\$</u>	<u>9 Months YTD</u> <u>Feb 28, 2017</u> <u>J\$</u>
REVENUE	231,707,378	202,902,945	677,131,417	552,671,989
Less:				
Administrative and General Expenses	190,635,912	152,818,250	535,180,017	429,243,425
Operating Profit	41,071,466	50,084,695	141,951,400	123,428,564
Other Income	1,500,000	8,531,807	1,500,000	8,531,807
Finance Income	633,482	392,464	1,534,190	1,282,904
Finance Cost	(5,872,374)	(5,267,298)	(16,675,191)	(13,432,823)
Net Profit being Total Comprehensive Income for the period	\$ 37,332,574	\$53,741,668	128,310,399	119,810,452
Earnings per share (Note 5)	\$ 0.07	\$ 0.11	\$ 0.26	\$ 0.24

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
NINE (9) MONTHS TO FEBRUARY 28, 2018

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<u>Nine Months Ended February 28, 2018</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	-	128,310,399	128,310,399
Transaction with owners: Dividend Paid	-	(34,000,000)	(34,000,000)
Balance at 28 th February 2018	<u>\$ 51,805,097</u>	<u>\$ 525,138,597</u>	<u>\$576,943,694</u>

Nine Months Ended February 28, 2017

Balance at 31 st 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 th February 2017	<u>\$ 51,805,097</u>	<u>\$ 380,298,369</u>	<u>\$432,103,466</u>

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE (9) MONTHS ENDED FEBRUARY 28, 2018

	<u>9 Months ended</u> <u>February 28, 2018</u>	<u>9 Months ended</u> <u>February 28, 2017</u>
	J\$	J\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Profit for the period	128,310,399	119,810,452
Items not affecting Cash Resources:		
Depreciation and Amortisation	51,706,733	39,327,523
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	180,017,132	159,137,975
(Increase)/Decrease in Operating Assets		
Other Assets	13,886,144	14,214,693
Inventories	(1,503,455)	1,065,139
Increase/(Decrease) in operating Liabilities:		
Accounts Payable and Accrued charges	(3,360,665)	(13,863,876)
Dividends Paid	(34,000,000)	(24,000,000)
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	155,039,156	136,553,931
Income Tax paid	(157,950)	(60,000)
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Net Cash provided by operating activities	154,881,206	136,493,931
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<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of Property, Plant and Equipment	(122,496,789)	(86,535,004)
Term Deposit – Restricted	(37,057)	(36,356)
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Net Cash used in Investing Activities	(122,533,846)	(86,571,360)
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<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Proceeds from notes payable	-	25,000,000
Repayment of notes payable	(16,572,833)	(16,883,180)
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Net Cash (Used in)/Provided by Financing Activities	(16,572,833)	8,116,820
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NET INCREASE/IN CASH AND BANK BALANCES	15,774,527	58,039,391
OPENING CASH AND BANK BALANCES	64,664,605	44,666,367
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CLOSING CASH AND BANK BALANCES	\$ 80,439,132	102,705,758
	=====	=====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR NINE (9) MONTHS ENDED FEBRUARY 28, 2018

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 authorized to issue was increased from 100,005,000 to 500,025,000.

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>3rd Quarter</u> <u>28.02.2018</u>	<u>3rd Quarter</u> <u>28.02.2017</u>	<u>Nine Months Ended</u> <u>28.02.2018</u>	<u>Nine Months Ended</u> <u>28.02.2017</u>
Weighted Average number of Ordinary shares held during the period	500,000,015 =====	500,000,015 =====	500,000,015 =====	500,000,015 =====

Knutsford Express Services Limited

LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT FEBRUARY 28, 2018

Shareholder	Units
1. Oliver Townsend	167,651,720
2. Anthony Copeland	119,633,320
3. Gordon Townsend	87,232,590
4. N.C.B. Capital Markets X Trading A/C	73,690,854
5. SJLIC For Scotiabridge Retirement Scheme	12,986,000
6. Sagicor Pooled Equity Fund	6,000,000
7. Advantage General Insurance Limited	5,105,532
8. MF&G Asset Management – NCB CM Unit Trust Scheme (JMD Caribbean Equity Portfolio)	4,534,915
9. JCSD Trustee Services Ltd. A/C #76579-02	3,928,000
10. Nigel Coke/Bobbette Coke/Bobbette Graham-Coke	2,693,352

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT FEBRUARY 28, 2018

Director	Shareholdings	Connected Parties	Shareholdings
Oliver Townsend	167,633,320		
Oliver Townsend/Paula Townsend	10,000		
Yohann Townsend/Oliver Townsend	8,400		
		Paula Townsend	953,960
Anthony Copeland	119,633,320	—	
Gordon Townsend	87,232,590	—	
Wayne Wray	100,000		
Wayne Wray/Christine Randle	500,000	—	
Peter Pearson/Yvonne Pearson	200,000	—	