



Knutsford Express Services Limited.
Unaudited Financial Statements
1st Quarter Ending August 31, 2018

KNUTSFORD EXPRESS SERVICES LIMITED
DIRECTORS' REPORT
FOR THE QUARTER ENDING AUGUST 31, 2018

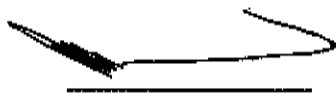
The Board of Directors of Knutsford Express Services Limited is pleased to present the company's unaudited financial statements for the first quarter ending August 31, 2018.

Revenues increased by 23.5% over the comparative period last year of \$237 million to \$293 million. This was due to strong customer demand for passenger travel. Total assets have also grown over the similar period last year by 28.7% from \$648 million to \$834 million. Contributing to the results for the quarter is our continuing improvement in accessibility and throughput times in our call centre operation.

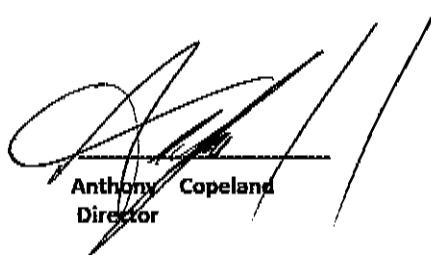
Net profit grew in the first quarter by 55% to \$88 million from \$56 million representing Earnings per Share of \$0.18 up from \$0.12 in the previous year.

Our digitization efforts with increased use of our apps and online booking platform have made us more accessible as we strive to continue satisfying our customers. We were able to increase the seats in our reservation centre facilitating more passenger travel. Both channels have served to boost earnings and profits in the first quarter.

Our subsidiary, KE Connect Limited, is being positioned to make a greater contribution to our future results with its customized offerings to the luxury and corporate markets.



Oliver Townsend
Director

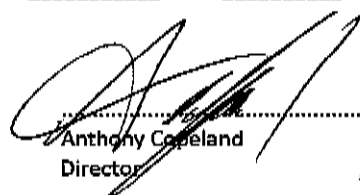


Anthony Copeland
Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2018

	<u>(Unaudited)</u> <u>August 31, 2018</u>	<u>(Unaudited)</u> <u>August 31, 2017</u>	<u>(Audited)</u> <u>May 31, 2018</u>
	<u>J\$</u>	<u>J\$</u>	<u>J\$</u>
ASSETS			
<u>Non-Current Assets</u>			
Goodwill	4,500,000	4,500,000	4,500,000
Property, Plant and Equipment	477,453,457	397,060,336	435,814,561
Related party-lease prepayment	4,375,000	4,500,000	4,375,000
Term deposit – restricted	2,620,442	2,571,637	2,608,735
	<u>488,948,899</u>	<u>408,631,973</u>	<u>447,298,296</u>
<u>Current Assets</u>			
Inventories	21,353,300	21,255,308	19,876,454
Other Assets	94,611,429	41,083,365	54,131,561
Short Term Investment	95,635,270	91,865,296	92,763,565
Cash & Bank Balances	133,862,971	85,461,352	137,951,557
	<u>345,462,970</u>	<u>239,665,321</u>	<u>304,723,137</u>
TOTAL ASSETS	\$ 834,411,869	648,297,294	752,021,433
EQUITY & LIABILITIES			
<u>Equity</u>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	662,416,460	487,405,599	574,415,331
	<u>714,221,557</u>	<u>539,210,696</u>	<u>626,220,428</u>
<u>Non-Current Liabilities</u>			
Notes Payable	39,926,843	34,277,954	47,629,483
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	14,280,683	12,056,347	14,280,683
	<u>54,660,366</u>	<u>46,787,141</u>	<u>62,363,006</u>
<u>Current Liabilities</u>			
Accounts Payable and Accrued Charges	34,290,363	41,759,896	32,198,416
Current Portion of Notes Payable	31,239,583	20,539,561	31,239,583
	<u>65,529,946</u>	<u>62,299,457</u>	<u>63,437,999</u>
TOTAL EQUITY & LIABILITIES	\$ 834,411,869	648,297,294	752,021,433

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 Oliver Townsend
 Director

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 Anthony Capeland
 Director

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
THREE (3) MONTHS ENDING AUGUST 31, 2018

	<u>3 Months Ended</u> <u>August 31, 2018</u> J\$	<u>3 Months Ended</u> <u>August 31, 2017</u> J\$
REVENUE	292,929,999	237,282,884
Less:		
Administrative and General Expenses	204,009,406	175,814,454
Operating Profit	88,920,593	61,468,430
Finance income	5,626,080	178,009
Finance Cost	(6,545,544)	(5,069,038)
Profit before Taxation	88,001,129	56,577,401
Taxation	-	-
Net Profit being Total Comprehensive Income for the period	88,001,129	56,577,401
Earnings per share (Note 5)	\$ 0.18	\$.12

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
THREE (3) MONTHS TO AUGUST 31, 2018

	<u>SHARE CAPITAL J\$</u>	<u>ACCUMULATED SURPLUS J\$</u>	<u>TOTAL J\$</u>
<u>Three Months Ended August 31, 2018</u>			
Balance at May 31, 2018	51,805,097	574,415,331	626,220,428
Net Profit, being total comprehensive Income for the period	-	88,001,129	88,001,129
	-----	-----	-----
Balance at August 31, 2018	\$ 51,805,097	\$ 662,416,460	\$ 714,221,557
	=====	=====	=====

Three Months Ended August 31, 2017

Balance at May 31, 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
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Balance at August 31, 2017	\$ 51,805,097	\$ 487,405,599	\$ 539,210,696
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KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THREE (3) MONTHS ENDED AUGUST 31, 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 May 31, 2018.

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. 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>31.8.2018</u>	<u>1st Quarter</u> <u>31.08.2017</u>
Weighted Average number of Ordinary shares held during the period	500,000,015 =====	500,000,015 =====

KNUTSFORD EXPRESS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED AUGUST 31, 2018

	<u>3 Months ended</u> <u>August 31, 2018</u> <u>I\$</u>	<u>3 Months ended</u> <u>August 31, 2017</u> <u>I\$</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Profit for the period	88,001,129	56,577,401
Items not affecting Cash Resources:		
Depreciation and Amortisation	19,595,197	16,591,889
	<u>107,596,326</u>	<u>73,169,290</u>
(Increase)/Decrease in Operating Assets		
Other Assets	(43,284,973)	15,598,912
Inventories	(1,476,846)	(3,637,107)
Increase in operating Liabilities:		
Accounts Payable and Accrued charges	2,091,947	10,871,389
	<u>64,926,454</u>	<u>96,002,484</u>
Income Tax paid	(66,600)	(120,000)
Net Cash provided by operating activities	<u>64,859,854</u>	<u>95,882,484</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of Property, Plant and Equipment	(61,234,093)	(68,504,743)
Term Deposit – Restricted	(11,707)	(12,204)
	<u>(61,245,800)</u>	<u>(68,516,947)</u>
<u>CASH FLOW FORM FINANCING ACTIVITIES</u>		
Repayment of notes payable	(7,702,640)	(6,568,790)
Net Cash Used in Financing Activities	<u>(7,702,640)</u>	<u>(6,568,790)</u>
NET(DECREASE)/ INCREASE IN CASH AND BANK BALANCES	(4,088,586)	20,796,747
OPENING CASH AND BANK BALANCES	137,951,557	64,664,605
CLOSING CASH AND BANK BALANCES	<u>\$ 133,862,971</u>	<u>85,461,352</u>

Knutsford Express Services Limited

LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT AUGUST 31, 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 Ltd. A/C 2231	51,433,980
5. SJIML A/C 3119	17,391,304
6. SJLIC For Scotiabridge Retirement Scheme	12,986,000
7. JCSD Trustee Services Ltd. A/C #76579-02	7,128,000
8. Sagicor Pooled Equity Fund	6,000,000
9. Advantage General Insurance Limited	4,837,099
10. MF&G Asset Management – NCB CM Unit Trust Scheme (JMD Caribbean Equity Portfolio)	4,534,915

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT AUGUST 31, 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	220,000	---	