



**Knutsford Express Services Limited.**  
**Unaudited Financial Statements**  
**3<sup>rd</sup> Quarter Ending February 2015**

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**DIRECTORS REPORT**  
**FOR THE QUARTER ENDING 28<sup>TH</sup> FEBRUARY 2015**

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 2015.

Revenues increased by 40% over the comparative period last year to \$126.5 million from \$90.6 million. This was due to growth in passenger travel. Total assets have also grown over the similar period last year by 27% from \$202.6 million to \$258.3 million.

Profit increased by \$10.2 million to \$19.1 million representing Earnings per Share of \$0.19 compared to \$0.09 in the comparative period last year. Earnings per Share for the year to date (9 months) has also increased from \$0.26 to \$0.49.

In appreciation to our valued customers, we were pleased to roll back all of our fares on January 11, 2014, in response to declining fuel prices.

During this quarter, we continued to add new routes with the establishment of our Gutters office in St. Elizabeth which will offer service to a growing passenger base that comes from South St. Elizabeth to include Junction, Southfield, and surroundings. We are also preparing for our new Northeast route which will continue along the northcoast to the Errol Flynn Marina in Port Antonio. This move is in response to the transportation needs of visitors to the tourism destinations located in the eastern part of the island as well as the growing domestic commuter traffic.



Oliver Townsend  
Director



Anthony Copeland  
Director

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT FEBRUARY 28, 2015**

	<u>(Unaudited)</u> Feb 28, 2015 J\$	<u>(Unaudited)</u> Feb 28, 2014 J\$	<u>(Audited)</u> May 31, 2014 J\$
<b>ASSETS</b>			
<b><u>Non-Current Assets</u></b>			
Intangible Assets	4,500,000	4,500,000	4,500,000
Property, Plant and Equipment	172,529,424	118,065,584	126,048,522
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	177,029,424	122,565,584	130,548,522
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<b><u>Current Assets</u></b>			
Inventories	16,450,467	15,386,157	13,883,587
Accounts & Other Receivables	4,262,859	9,361,326	870,624
Lease Deposit	4,875,000	5,000,000	4,875,000
Term Deposit-Restricted	2,397,313	2,333,646	2,363,464
Cash & Bank Balances	41,891,221	48,026,739	51,522,654
Short Term Investment	11,439,561	-	11,239,869
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	81,316,421	80,107,868	84,755,198
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<b>TOTAL ASSETS</b>	<b>\$ 258,345,845</b>	<b>202,673,452</b>	<b>215,303,720</b>
	=====	=====	=====
<b><u>Equity</u></b>			
Share Capital	51,805,097	51,805,097	51,805,097
Accumulated Surplus	156,835,888	84,258,550	108,308,051
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	208,640,985	136,063,647	160,113,148
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<b><u>Non-Current Liabilities</u></b>			
Notes Payable	6,038,069	21,865,402	17,897,379
Shareholders' Loan	452,840	452,840	452,840
Deferred Tax Liability	6,733,316	6,375,315	6,733,316
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	13,224,225	28,693,557	25,083,535
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<b><u>Current Liabilities</u></b>			
Accounts Payable and Accrued Charges	16,134,310	4,908,062	9,700,712
Current Portion of Notes Payable	16,488,680	16,488,680	16,488,680
Taxation payable	3,857,645	16,519,506	3,917,645
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	36,480,635	37,916,248	30,107,037
	-----	-----	-----
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>\$ 258,345,845</b>	<b>202,673,452</b>	<b>215,303,720</b>
	=====	=====	=====

.....  
 Oliver Townsend  
 Director

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 Anthony Copeland  
 Director

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**NINE (9) MONTHS ENDING FEBRUARY 28, 2015**

	<u>FEB 28, 2015</u> <u>3 Mths ended</u> <u>J\$</u>	<u>FEB 28, 2014</u> <u>3 Mths ended</u> <u>J\$</u>	<u>FEB 28, 2015</u> <u>9 Mths Ended</u> <u>J\$</u>	<u>FEB 28, 2014</u> <u>9 Mths YTD</u> <u>J\$</u>
<b>REVENUE</b>	126,537,540	90,621,426	333,456,380	227,108,376
Less:				
Administrative and General Expenses	105,661,458	79,096,257	279,695,972	191,554,206
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	20,876,082	11,525,169	53,760,408	35,554,170
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Operating Profit	20,876,082	11,525,169	53,760,408	40,254,170
Finance Income	222,803	220,239	1,083,238	553,719
Finance Cost	( 2,015,786)	( 1,810,467)	( 6,315,809)	( 7,486,773)
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Profit before Taxation	19,083,099	9,934,941	48,527,837	33,321,116
Taxation	-	1,011,129	-	7,077,904
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Net Profit being Total Comprehensive Income for the period	\$ 19,093,099	\$ 8,923,812	48,527,837	26,243,212
	=====	=====	=====	=====
Earnings per share (Note 5)	\$ 0.19	\$ 0.09	\$ 0.49	\$ 0.26
	=====	=====	=====	=====



**KNUTSFORD EXPRESS SERVICES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**NINE (9) MONTHS TO FEBRUARY 28, 2015**

	<u>SHARE CAPITAL</u> <u>J\$</u>	<u>ACCUMULATED SURPLUS</u> <u>J\$</u>	<u>TOTAL</u> <u>J\$</u>
<b><u>Nine Months Ended February 28, 2015</u></b>			
Balance at 31 <sup>st</sup> May 2014	51,805,097	108,308,051	160,113,148
Net Profit, being total comprehensive Income for the period	-	48,527,837	48,527,837
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Balance at 28 <sup>th</sup> February 2015	\$ 51,805,097 =====	\$ 156,835,888 =====	\$ 208,640,985 =====

**Nine Months Ended February 28, 2014**

Balance at 31 <sup>st</sup> May 2013	1,000	84,015,338	84,016,338
Issue of Bonus shares	26,000,000	( 26,000,000)	-
Issue of additional shares	25,804,097	-	25,804,097
Net Profit being total comprehensive Income for the period	-	26,243,212	26,243,212
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Balance at 28 <sup>th</sup> February 2014	51,805,097 =====	84,258,550 =====	136,063,647 =====

**KNUTSFORD EXPRESS SERVICES LIMITED**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015**

	<u>9 Months ended</u> FEB 28, 2015 J\$	<u>9 Months ended</u> FEB 28, 2014 J\$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net Profit for the period	48,527,837	26,243,212
Items not affecting Cash Resources:		
Depreciation and Amortisation	17,548,009	13,836,960
Taxation Expenses	-	7,077,904
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	66,075,846	47,158,076
 (Increase)/Decrease in Operating Assets		
Accounts and Other Receivables	( 3,392,235)	14,621,749
Term Deposit-Restricted	( 33,849)	( 13,107)
Related Party Receivable	-	1,724,000
Inventories	( 2,566,880)	( 5,721,615)
Short Term Investment	( 199,692)	-
Increase in operating Liabilities:		
Accounts Payable and Accrued charges	6,433,598	1,334,824
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	66,316,788	59,103,927
 Income Tax paid	( 60,000)	( 256,619)
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Net Cash provided by operating activities	66,256,788	58,847,308
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<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of Property, Plant and Equipment	(64,028,910)	(54,066,197)
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	(64,038,910)	(54,066,197)
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<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Increase in share capital	-	25,804,097
Proceeds from notes payable	-	41,700,000
Repayment of notes payable	( 11,859,311)	(32,592,981)
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Net Cash (Used in)/Provided by Financing Activities	( 11,859,311)	34,911,116
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 NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	(9,631,433)	39,692,227
 OPENING CASH AND BANK BALANCES	51,522,654	8,334,512
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CLOSING CASH AND BANK BALANCES	\$ 41,891,221	48,026,739
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**KNUTSFORD EXPRESS SERVICES LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2015**

**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 2014.

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. TAXATION**

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on 14<sup>th</sup> January 2014. Consequently the company is entitled to a remission of the taxes for 5 years. Taxation has been calculated at 25% of taxable profit for the period June – December 2013 as the remission of taxes does not apply to that period.

**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>3<sup>rd</sup> Quarter</u> <u>28.02.2015</u>	<u>3<sup>rd</sup> Quarter</u> <u>28.02.2014</u>	<u>Nine Months Ended</u> <u>28.02.2015</u>	<u>Nine Months Ended</u> <u>28.02.2014</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 FEBRUARY 28, 2015

Shareholder	Units
1. Oliver Townsend	33,526,664
2. Anthony Copeland	23,926,664
3. Proven Investment Limited	20,000,002
4. Gordon Townsend	17,526,664
5. Donald Chin/Sonia Chin/Robert Chin/Bruce Chin	979,480
6. Lannaman & Morris (Shipping) Limited	974,899
7. Barbara M. Levy/Andre Levy	413,630
8. Tricia-Ann Bicarie/Garcia Bicarie	381,652
9. Melissa Cammock	300,000
10. David Chin/Joyce Chin	190,792
10. Paula Townsend	190,792
10. Courtney Watson	190,792

## SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES AS AT FEBRUARY 28, 2015

Director	Shareholdings	Connected Parties	Shareholdings
Oliver Townsend	33,526,664	---	
Anthony Copeland	23,926,664	---	
Proven Investment Limited	20,000,002	Johann Heaven	
Gordon Townsend	17,526,664	---	
Wayne Wray	100,000	Christine Randle	
Peter Pearson	35,000	Yvonne Pearson	