

# **CARGO** Handlers Ltd.

3<sup>nd</sup> Quarter

Financial Statements

June 2015


# Cargo Handlers Limited

Statement of Financial Position

9 months ending June 30, 2015

	Unaudited Jun 2015 \$	Unaudited Jun 2014 \$	Audited Sept 2014 \$
<b>Non-Current Assets</b>			
Property, plant & equipment	55,494,788	57,130,353	60,341,606
Related Companies	23,738,242	22,243,704	48,600,135
Investments	-	15,857,560	-
Deferred tax asset	-	233	-
<b>Current Assets</b>			
Receivables	58,114,534	47,960,048	42,979,777
Taxation recoverable	614,423	512,379	525,341
Cash	143,480,282	72,734,913	93,271,137
	<u>202,209,240</u>	<u>121,207,339</u>	<u>136,776,255</u>
<b>Current Liabilities</b>			
Payables	17,773,778	15,058,900	23,099,726
Directors' current accounts	288,959	334,055	2,771,005
Borrowings	44,135	-	28,664
	<u>18,106,873</u>	<u>15,392,955</u>	<u>25,899,395</u>
<b>Net Current Assets/(Liabilities)</b>	<u>184,102,367</u>	<u>105,814,384</u>	<u>110,876,860</u>
	<u>263,335,397</u>	<u>201,046,233</u>	<u>219,818,601</u>
<b>Shareholders' Equity</b>			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	216,777,949	157,698,428	156,672,900
	<u>260,125,754</u>	<u>201,046,233</u>	<u>200,020,705</u>
<b>Non-Current Liability</b>			
Deferred tax liability	889,643	-	889,643
Related Companies	2,320,000	-	18,908,253
	<u>263,335,397</u>	<u>201,046,233</u>	<u>219,818,601</u>

Approved by the Board of Directors and signed on its behalf by:

  
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 Jane Fray Director

  
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 Theresa Chin Director

## Cargo Handlers Limited

Statement of Comprehensive Income

9 months ending June 30, 2015

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	3 months to June 2015	3 months to June 2014	9 months to June 2015	9 months to June 2014
	\$	\$	\$	\$
<b>Revenue</b>	54,391,281	53,183,708	177,937,922	144,429,003
Other income	1,403,739	2,828,749	4,071,119	11,015,676
Administrative expenses	(3,809,284)	(2,023,054)	(11,034,383)	(9,184,398)
Other operating expenses	<u>(23,578,060)</u>	<u>(22,622,762)</u>	<u>(65,608,916)</u>	<u>(63,607,047)</u>
<b>Operating Profit</b>	28,407,676	31,366,641	105,365,742	82,653,233
Interest Income	867,146	482,941	2,936,495	1,548,134
Finance costs	<u>(114,045)</u>	<u>(258,142)</u>	<u>(555,057)</u>	<u>(944,400)</u>
<b>Profit before Taxation</b>	29,160,777	31,591,439	107,747,181	83,256,968
Taxation	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>
<b>Net Profit, being Total Comprehensive Income for period June 30</b>	<u>29,130,777</u>	<u>31,561,439</u>	<u>107,717,181</u>	<u>83,226,968</u>
<b>Earnings Per Share (EPS)</b>	<b>0.78</b>	<b>0.84</b>	<b>2.88</b>	<b>2.22</b>

## Cargo Handlers Limited

Statement of Changes in Equity  
9 months ending June 30, 2015

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	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
<b>Balance at 30 September 2013</b>	<b>37,465,830</b>	<b>43,175,494</b>	<b>172,311</b>	<b>93,516,313</b>	<b>136,864,118</b>
Net profit, being total comprehensive income for the period	-	-	-	83,226,968	83,226,968
<b>Transactions with owners:</b>	-	-	-	-	-
Dividends paid	-	-	-	(19,044,853)	(19,044,853)
<b>Balance at 30 June 2014</b>	<b>37,465,830</b>	<b>43,175,494</b>	<b>172,311</b>	<b>157,698,428</b>	<b>201,046,233</b>
<b>Balance at 30 September 2014</b>	<b>37,465,830</b>	<b>43,175,494</b>	<b>172,311</b>	<b>156,672,900</b>	<b>200,020,705</b>
Net profit, being total comprehensive income for the period	-	-	-	107,717,181	107,717,181
<b>Transactions with owners:</b>	-	-	-	-	-
Dividends paid	-	-	-	(47,612,132)	(47,612,132)
<b>Balance at 30 June 2015</b>	<b>37,465,830</b>	<b>43,175,494</b>	<b>172,311</b>	<b>216,777,949</b>	<b>260,125,754</b>

# Cargo Handlers Limited

Statement of Cash Flows

9 months ending June 30, 2015

	Jun 2015	Jun 2014
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Net Profit	107,717,181	83,226,968
Items not affecting cash:		
Unrealised exchange (gain)/loss	(3,350,555)	(9,848,522)
Depreciation	5,050,300	1,752,332
Interest income	(2,936,495)	(1,548,134)
Interest expense	555,057	944,400
Changes in operating assets and liabilities:		
Receivables	(11,389,307)	(28,751,804)
Payables	(5,500,395)	(1,372,086)
Directors' current accounts	(2,482,046)	(3,066,095)
Cash (used in)/provided by operating activities	87,663,739	41,337,058
Income tax paid/recoverable	(89,082)	(47,011)
Net cash (used in)/provided by operating activities	87,574,657	41,290,047
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant & equipment	(203,482)	(48,050,000)
Investments	-	(15,857,560)
Interest received	2,936,495	1,548,134
Cash provided by investing activities	2,733,013	(62,359,426)
<b>Cash Flows from Financing Activities</b>		
Related Companies	4,702,638	(27,053,142)
Interest paid	(555,057)	(944,400)
Bank Overdraft	44,135	-
Dividends	(47,612,132)	(19,044,853)
Cash provided by financing activities	(43,420,415)	(47,042,395)
(Decrease)/Increase in net cash and cash equivalents	46,887,254	(68,111,774)
Effect of exchange rate on net cash and cash equivalents	3,350,555	9,848,522
Cash and cash equivalents at beginning of year	93,242,473	130,998,165
<b>Cash and cash equivalents for period ending June 30</b>	143,480,282	72,734,913

# Cargo Handlers Limited

## Selected Notes to the Financial Statements Period Ending 30 June 2015

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### 1. Identification and Principal Activity

The Company is incorporated and domiciled in Jamaica and has its registered office at Montego Freeport Shopping Centre, Montego Bay. The Company's principal activity is the provision of stevedoring services.

The Company is a publicly listed company having its listing on the Junior Market of the Jamaica Stock Exchange.

### 2. Basis of preparation

The interim financial statements for the period June 30, 2015 have been prepared in accordance with and in compliance with financial reporting standards. These interim financial statements were presented in accordance with IAS 34 "Interim Financial Reports", and follows the same accounting policies and method of computation that were used in the annual audit financial statements September 30, 2014

### 3. Taxation

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 28, 2010. Consequently, the company is entitled to a remission of taxes for 10 years in the proportions set out below, provided the share remain listed for at least 15 years.

Years 1 to 5	100%
Years 6 to 10	50%

### 4. Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue for the period. The weighted average number of shares for the period was calculated as follows:

	Three months ended June 30, 2015	Three Months ended June 30, 2014	Nine Months ended June 30, 2015	Nine Months ended June 30, 2014
Issued ordinary shares at beginning of period	37,465,830	37,465,830	37,465,830	37,465,830
Effect of shares issued during the period				
Weighted average number of ordinary shares held during the period	37,465,830	37,465,830	37,465,830	37,465,830

# Cargo Handlers Limited

Selected Notes to the Financial Statements  
Period Ending 30 June 2015

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## Management Discussions and Analysis

Cargo Handlers Limited is pleased to present its Financial Report for the nine months ending June 30, 2015 wherein revenue for the period amounted to \$177.93M and was \$33.51M or 23.2% above the corresponding period last year. Total expense for this period amounted to \$76.56M and was up by \$3.7M or 5% over the corresponding period; these results yielded net profit of \$107.8M which was \$24.57M or 29.5% greater than the \$83.2M that was realized for the corresponding nine months to June 30, 2014.

The period under review saw the seasonal upsurge in cruise ship traffic coming to an end during the month of April; the anticipated impact on revenues from this occurrence was however offset by improved performances within the cement and containerized cargo vessel operations and thus, an overall increase in stevedoring activities was reflected this period when compared to the corresponding period last year.

The foregoing speaks to the significance of Montego Bay's evolving commercial landscape to Cargo Handlers' stevedoring and petroleum haulage operations but the fact is that there exists shipping growth potential to be derived from other sectors of the economy. Additionally, with renewed focus on Montego Bay as a home-port destination for cruise vessels, the projection for cruise vessel arrivals for the 2015/2016 Winter Season is very encouraging.

With our current service offering, Cargo Handlers Limited is well positioned to tap into these opportunities; we will continue to reinvest in our staff through various retraining programs and welfare initiatives in order to ensure continued competitiveness.

## TOP TEN (10) STOCKHOLDERS

As at 30 June 2015

NAME

1.	Antony Hart	11,324,264
2.	Jane Fray	11,291,198
3.	Mark Hart	10,991,198
4.	Cargo Handlers Trust	4,159,170
5.	Mayberry Managed Clients Accounts	564,609
6.	Mayberry Investments Ltd. Pension Scheme	323,631
7.	Rosemarie McIver	276,119
8.	Robert Chin	258,000
9.	Nigel O. Coke	241,199
10.	Apcx Pharmacy	195,551

### Directors' and Senior Officers' Interests

The interests of the Directors and Senior Officers, holding office at the end of the quarter, along with their connected persons\*, in the ordinary stock units of the Company were as follows:

#### Directors Holdings

Antony Hart	11,324,264
Jane Fray	11,291,198
Mark Hart	10,991,198
Theresa Chin	654,826

#### Senior Management Holdings

Theresa Chin	654,826
Christopher Hurge	40,000

\* Persons deemed to be connected with a director/senior manager are:

- A. The director's/senior manager's husband or wife.
- B. The director's/senior manager's minor children (these include step-children) and dependents, and their spouses.
- C. The director's /senior manager's partners.
- D. Bodies corporate of which the director/senior manager and or persons connected with him together have control.