

CARGO Handlers Ltd.

4th Quarter

Financial Statements

September 2015

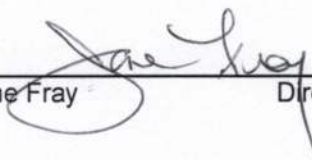
Cargo Handlers Limited


Statement of Financial Position

12 months ending September 30, 2015

	Unaudited Sept 2015 \$	Audited Sept 2014 \$
Non-Current Assets		
Property, plant & equipment	53,818,109	60,341,606
Related Companies	19,509,901	48,600,135
Deferred tax asset	-	-
	<u>73,328,010</u>	<u>108,941,741</u>
Current Assets		
Receivables	50,889,389	42,979,777
Taxation recoverable	668,603	525,341
Cash	151,035,320	93,271,137
	<u>202,593,312</u>	<u>136,776,255</u>
Current Liabilities		
Payables	14,671,839	23,099,726
Directors' current accounts	288,959	2,771,005
Borrowings	465,544	28,664
	<u>15,426,342</u>	<u>25,899,395</u>
Net Current Assets/(Liabilities)	<u>187,166,970</u>	<u>110,876,860</u>
	<u>260,494,980</u>	<u>219,818,601</u>
Shareholders' Equity		
Share capital	43,175,494	43,175,494
Capital reserve	172,311	172,311
Retained earnings	203,676,762	156,672,900
	<u>247,024,567</u>	<u>200,020,705</u>
Non-Current Liability		
Deferred tax liability	889,643	889,643
Related Companies	12,580,769	18,908,253
	<u>13,470,412</u>	<u>19,797,896</u>
	<u>260,494,980</u>	<u>219,818,601</u>

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


Jane Fray Director


Theresa Chin Director

Cargo Handlers Limited

Statement of Comprehensive Income

12 months ending September 30, 2015

	3 months to Sept 2015	3 months to Sept 2014	Unaudited 12 months to Sept 2015	Audited 12 months to Sept 2014
	\$	\$	\$	\$
Revenue	58,983,131	74,778,118	236,921,053	220,390,796
Other income	6,699,174	2,122,532	10,770,293	13,638,209
Administrative expenses	(4,631,028)	(7,041,456)	(15,749,809)	(11,434,259)
Other operating expenses	<u>(33,293,681)</u>	<u>(22,159,832)</u>	<u>(98,818,199)</u>	<u>(91,268,932)</u>
Operating Profit	27,757,596	47,699,362	133,123,338	131,325,814
Interest Income	1,155,546	896,138	4,092,041	2,444,272
Finance costs	<u>(85,652)</u>	<u>(217,753)</u>	<u>(640,709)</u>	<u>(1,162,153)</u>
Profit before Taxation	28,827,490	48,377,747	136,574,670	132,607,933
Taxation	<u>(30,000)</u>	<u>(30,000)</u>	<u>(60,000)</u>	<u>(889,876)</u>
Net Profit, being Total Comprehensive Income for period September 30	<u>28,797,490</u>	<u>48,347,747</u>	<u>136,514,670</u>	<u>131,718,057</u>
Earnings Per Share (EPS)	0.77	1.29	3.64	3.52

Cargo Handlers Limited

Statement of Changes in Equity

12 months ending September 30, 2015

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 30 September 2013	37,465,830	43,175,494	172,311	93,516,313	136,864,118
Net profit, being total comprehensive income for the period	-	-	-	131,718,057	131,718,057
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(68,561,470)	(68,561,470)
Balance at 30 September 2014	37,465,830	43,175,494	172,311	156,672,900	200,020,705
Net profit, being total comprehensive income for the period	-	-	-	136,514,670	136,514,670
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(89,510,808)	(89,510,808)
Balance at 30 September 2015	37,465,830	43,175,494	172,311	203,676,762	247,024,567

Cargo Handlers Limited

Statement of Cash Flows

12 months ending September 30, 2015

	Unaudited Sept 2015 \$	Audited Sept 2014 \$
Cash Flows from Operating Activities		
Net Profit	136,514,670	131,718,057
Items not affecting cash:		
Unrealised exchange (gain)/loss	(5,691,515)	(9,944,737)
Depreciation	6,726,979	5,034,757
Bad debts written off	44,023	-
Interest income	(4,092,041)	(2,444,272)
Interest expense	640,709	1,162,153
Taxation	-	889,876
	<u>134,142,825</u>	<u>126,415,834</u>
Changes in operating assets and liabilities:		
Receivables	(3,508,185)	(21,253,647)
Bad debts recovered	(700,000)	(700,000)
Payables	(8,496,601)	6,668,737
Directors' current accounts	(2,482,046)	(629,145)
Cash (used in)/provided by operating activities	118,955,993	110,501,779
Income tax paid/recoverable	(143,262)	(59,973)
Net cash (used in)/provided by operating activities	<u>118,812,731</u>	<u>110,441,806</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(203,482)	(54,543,678)
Interest received	4,092,041	2,444,272
Cash provided by investing activities	<u>3,888,559</u>	<u>(52,099,406)</u>
Cash Flows from Financing Activities		
Related Companies	19,086,014	(34,501,320)
Interest paid	(640,709)	(1,162,153)
Dividends	(89,510,808)	(68,561,470)
Cash provided by financing activities	<u>(71,065,503)</u>	<u>(104,224,943)</u>
(Decrease)/Increase in net cash and cash equivalents	51,635,788	(45,882,543)
Effect of exchange rate on net cash and cash equivalents	5,691,515	8,126,851
Cash and cash equivalents at beginning of year	<u>93,242,473</u>	<u>130,998,165</u>
Cash and cash equivalents for period ending Sept 30	<u><u>150,569,776</u></u>	<u><u>93,242,473</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 30 September 2015

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 September 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 September 30, 2015	Three Months ended September 30, 2014	Twelve Months ended September 30, 2015	Twelve Months ended September 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

Management Discussion and Analysis

Cargo Handlers Limited is pleased to present its Financial Report for the three months to September 30, 2015 wherein revenue for the period amounted to \$66.09M and was \$10.8M or 14.05% below the corresponding period last year. Total expense for this period amounted to \$37.88M and was up by \$8.67M or 29.7% above the corresponding period; this was as a consequence of expenses associated with a redundancy exercise of a particular category of workers as well as the refurbishment of our heavy lift forklift and the renovation of the stevedore wellness centre during the period under review. These results yielded net profit of \$29.25M which was \$19.1M or 39.5% below the \$48.34M that was realized for the corresponding three months to September 30, 2014.

It is projected that there will be a significant increase in the cruise vessels' home-port activities during the upcoming season beginning in December, wherein five (5) vessels will be using Montego Bay as their home-port base. This will positively impact revenues at least in the first quarter of the new calendar year as there were a total of three (3) home-port vessels calling Montego Bay last season. While we do not anticipate any major increase in cargo vessel traffic before the second half of next year, there already is evidence of the seasonal upsurge in containerized cargo thru-put.

Our prospects continue to be very encouraging and not just from the perspective of the stevedoring operations but also within our petroleum haulage operations wherein we are positioning ourselves to be more competitive on the most profitable routes and we are optimistic we will see the results of this in the short term.

TOP TEN (10) STOCKHOLDERS

As at 30 September 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	555,379
6.	Mayberry Investments Ltd. Pension Scheme	342,992
7.	Rosemarie McIver	276,119
8.	Nigel O. Coke	260,827
9.	Robert Chin	258,000
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.