Cargo Handlers Limited

Statement of Financial Position

3 months ending December 31, 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Dec 2010	Dec 2009	Audited Sept 2010
	$	$	$
Non-Current Assets			
Property, plant & equipment	11,725,562	12,266,702	11,878,722
Related Companies	19,484,414	13,618,299	6,941,090
Deferred tax asset	57,087	-	57,087
Current Assets			
Receivables	34,860,768	34,774,280	23,785,885
Taxation recoverable	134,411	160,777	123,051
Cash	23,205,310	6,666,744	7,036,691
	58,200,489	41,601,801	30,945,627
Current Liabilities			
Payables	14,390,156	9,993,902	16,953,764
Directors' current accounts	15,982,681	30,015,220	27,854,334
Taxation	339,643	753,873	937,800
	30,712,479	40,762,996	45,745,898
Net Current Liabilities	27,488,010	838,805	(14,800,271)
	58,755,072	26,723,806	4,076,628
Shareholders' Equity			
Share capital	53,549,330	100	100
Capital reserve	172,311	172,311	172,311
Retained earnings	5,033,431	26,342,587	3,904,217
	58,755,072	26,514,998	4,076,628
Non-Current Liability			
Deferred tax liability	-	208,808	-
	58,755,072	26,723,806	4,076,628

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

Jane Fray Director

Mark Hart Director

Cargo Handlers Limited

Statement of Comprehensive Income

3 months ending December 31, 2010

	3 months to Dec 2010 $	3 months to Dec 2009 $
Revenue	35,797,653	52,139,201
Other income	844,941	1,308,022
Administrative expenses	(5,492,041)	(2,546,302)
Other operating expenses	(29,385,035)	(49,093,609)
Operating Profit	1,765,518	1,807,313
Finance costs	(636,305)	(1,013,463)
Profit before Taxation	1,129,213	793,850
Taxation	-	-
Net Profit, being Total Comprehensive Income for period ending December 31	1,129,213	793,850

Cargo Handlers Limited

Statement of Changes in Equity

3 months ending December 31, 2010

	Share Capital $	Capital Reserve $	Retained Earnings $	Total $
Balance at 31 December 2009	100	172,311	3,242,587	3,414,998
Net profit, being total comprehensive income for period ending September 30, 2010	-	-	661,630	661,630
Balance at 30 September 2010	100	172,311	3,904,217	4,076,628
Net profit, being total comprehensive income for period ending December 31, 2010	53,549,230	-	1,129,213	54,678,443
Balance at 31 December 2010	53,549,330	172,311	5,033,430	58,755,071

Cargo Handlers Limited

Statement of Cash Flows

3 months ending December 31, 2010

	Dec 2010	Dec 2009
	$	$
Cash Flows from Operating Activities		
Net Profit	1,129,213	793,850
Items not affecting cash:		
Unrealised exchange (gain)/loss	54,198	(38,713)
Depreciation	153,160	191,453
Interest income	(668,450)	(1,127,061)
Interest expense	636,305	1,013,463
Changes in operating assets and liabilities:		
Receivables	(11,523,039)	(17,593,438)
Payables	(2,563,606)	(3,800,575)
Directors' current accounts	(11,871,653)	(10,209,924)
Cash (used in)/provided by operating activites	(24,653,872)	(30,770,945)
Income tax paid	(150,000)	-
Net cash (used in)/provided by operating activities	(24,803,872)	(30,770,945)
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	-	(3,070,464)
Interest received	602,891	1,088,343
Cash provided by investing activities	602,891	(1,982,121)
Cash Flows from Financing Activities		
Related Companies	(12,543,325)	15,313,886
Interest paid	(636,305)	(1,013,463)
Ordinary Shares	53,549,230	-
Cash provided by financing activities	40,369,600	14,300,423
(Decrease)/Increase in net cash and cash equivalents	16,168,619	(18,452,642)
Effect of exchange rate on net cash and cash equivalents		
Cash and cash equivalents at beginning of year	7,036,691	25,119,386
Cash and cash equivalents for period ending December 31	23,205,310	6,666,744

TOP TEN (10) STOCKHOLDERS

As at 31 December 2010

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	324,631
6.	Mayberry Investments Ltd. Pension Scheme	324,631
7.	Konrad Berry	324,631
8.	Rosemarie McIver	277,839
9.	Robert Chin	258,000
10.	Wakefield Farms	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:

Jane Fray	11,280,209
Antony Hart	11,013,042
Mark Hart	10,980,209
Theresa Chin	654,826
Gary Peart	34,202

* 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.

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.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

(b) Changes in accounting policies and disclosures

Accounting pronouncements effective in the current year affecting presentation and disclosure

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Company's accounting policies were impacted by the adoption of the following new and amended IFRS as of 1 October 2009.

IFRS 7 (Amendment) Financial instruments – Disclosures (effective 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on the statement of financial position and statement of comprehensive income.

IAS 1 (Revised) - Presentation of financial statements (effective 1 January 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. The Company has applied IAS 1 (Revised) from 1 October 2009, and has elected to present solely a statement of comprehensive income. As the change in

2. Significant Accounting Policies (Continued)

accounting policy only impacts presentation aspects, there is no impact on opening retained earnings.

IAS 36 (Amendment), Impairment of assets (effective from 1 January 2009). The main objective of this amendment is to ensure that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculations are made. The adoption of this amendment has no material effect on the Company's financial statements.

(b) Changes in accounting policies and disclosures (Continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company
The following standards, interpretations and amendments to published standards are mandatory for the Company's accounting periods beginning on or after 1 October 2010, but the Company has not early adopted them.

IAS 1 (Amendment), Presentation of financial statements (effective 1 January 2010). The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Company will apply IAS 1 (amendment) from 1 October 2010. It is not expected to have a material impact on the Company's financial statements.

IAS 24 (Revised - Related party disclosures) (effective from 1 January 2011). The revised standard simplifies the definition of a related party. It clarifies its intended meaning and eliminates inconsistencies from the definition. The revision provides a partial exemption from the disclosure requirements for government-related entities. The Company will apply the changes in IAS 24 (Revised) from 1 October 2011. It is not expected to have a material impact on the Company financial statements.

IFRS 9, Financial instruments (effective for annual periods beginning on or after 1 January 2013).
IFRS 9 addresses classification and measurement of financial assets and is available for early adoption immediately. IFRS 9 replaces the multiple classification and measurement models in IAS 39 'Financial instruments: Recognition and Measurement' with a single model that has only two classification categories: amortised cost and fair value. IFRS 9 represents the first milestone in the IASB's planned replacement of IAS 39. Management is currently considering the implications of the standard, the impact on the Company and the timing of its adoption by the Company

2. Significant Accounting Policies (Continued)

(c) Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of General Consumption Tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow to the entity and when the specific criteria have been met for each of the Company's activities as described below:

Sales of services

Sales of stevedoring services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction, assessed on the basis of the actual service provided.

Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method.

(d) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on the straight line basis at rates which are expected to write off the carrying value of the assets over their expected useful lives. The rates used are:

Buildings	2½%
Furniture, equipment, trailers and forklifts	10%
Golf carts	20%
Motor vehicle	20%

No depreciation is charged on operating assets. All replacements are charged to the statement of comprehensive income.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in operating profit.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the entity. Major renovations are depreciated over the remaining useful life of the related asset.

(e) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-

2. Significant Accounting Policies (Continued)

financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value, such cost being determined on the first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

(h) Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the statement of comprehensive income.

(i) Cash and cash equivalents

Cash is carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, net of bank overdraft. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

(j) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

2. Significant Accounting Policies (Continued)

Current tax charges are based on the taxable profit for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Company's liability for current tax is calculated at tax rates applicable at the statement of financial position date.

Deferred income tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred income tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income, in which case deferred income tax is also dealt with in other comprehensive income.

(k) Payables
Payables are initially recognised at fair value and subsequently stated at amortised cost.

(l) Provisions
Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(m) Employee benefits
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for these entitlements as a result of services rendered by employees up to the statement of financial position.

(n) Financial instruments
A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets
The Company's financial assets comprise subsidiary and related party balances, receivables and cash and cash equivalents.

Financial liabilities
The Company's financial liabilities comprise payables, borrowings, directors' current accounts and related party balances.

The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2. Significant Accounting Policies (Continued)

(o) Share capital
Shares are classified as equity when there is no obligation to transfer cash or other assets.

(p) Related party transactions and balances
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other in making financial and operating decisions. Related party transactions and balances are recognised and disclosed for the following:

(i) Enterprises and individuals owning directly or indirectly an interest in the voting power of the Company that gives them significant influence over the Company's affairs and close members of the families of these individuals.

(ii) Key management personnel, that is those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors and officers and close members of the families of these individuals.