

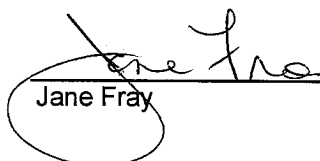
Cargo Handlers Limited

Statement of Financial Position

3 months ending December 31, 2012

	Dec 2012 \$	Dec 2011 \$	Audited Sept 2012 \$
Non-Current Assets			
Property, plant & equipment	11,808,317	13,586,102	11,933,357
Related Companies	15,299,540	35,077,422	14,567,759
Current Assets			
Receivables	24,571,507	23,152,804	13,726,493
Taxation recoverable	344,833	156,986	269,394
Cash	103,206,747	30,157,109	99,033,761
	128,123,088	53,466,898	113,029,648
Current Liabilities			
Payables	12,933,832	18,115,118	14,198,779
Directors' current accounts	845,035	7,564,953	494,985
Borrowings	-	-	-
	13,778,866	25,680,071	14,693,764
Net Current Assets/(Liabilities)	114,344,221	27,786,827	98,335,884
	141,452,078	76,450,350	124,837,000
Shareholders' Equity			
Share capital	47,334,664	47,334,664	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	93,941,871	28,937,005	71,860,918
	141,448,846	76,443,980	115,208,723
Non-Current Liability			
Deferred tax liability	3,232	6,370	3,232
Related Companies	-	-	9,625,045
	141,452,078	76,450,350	124,837,000

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

3 months ending December 31, 2012

	3 months to Dec 2012	3 months to Dec 2011
	\$	\$
Revenue	40,648,437	32,786,477
Other income	1,008,631	307,688
Administrative expenses	(2,354,663)	(1,901,714)
Other operating expenses	<u>(17,842,953)</u>	<u>(18,219,497)</u>
Operating Profit	21,459,453	12,972,954
Interest Income	809,133	826,627
Finance costs	<u>(187,632)</u>	<u>(236,204)</u>
Profit before Taxation	22,080,953	13,563,377
Taxation	<u>-</u>	<u>-</u>
Net Profit, being Total Comprehensive Income for period December 2012	<u><u>22,080,953</u></u>	<u><u>13,563,377</u></u>
 Earnings Per Share (EPS)	 0.53	 0.33

Cargo Handlers Limited

Statement of Changes in Equity

3 months ending December 31, 2012

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 30 September 2011	37,465,830	43,175,494	172,311	43,334,470	86,682,275
Treasury shares Re: Employee Trust Fund	4,159,170	4,159,170	-	-	-
Dividend Income net of Bank Charges Re: Employee Trust		-	-	(1,321,130)	-
Net profit, being total comprehensive income for period ending December 31, 2011		-	-	(13,076,335)	(13,076,335)
Balance at 31 December 2011	41,625,000	47,334,664	172,311	28,937,005	73,605,940
Balance at 30 September 2012	41,625,000	43,175,494	172,311	71,860,918	115,208,723
Treasury shares Re: Employee Trust Fund		4,159,170	-	-	4,159,170
Net profit, being total comprehensive income for the quarter	-	-	-	22,080,953	22,080,953
Transactions with owners:	-	-	-	-	-
Dividends paid					-
Balance at 31 December 2012	41,625,000	47,334,664	172,311	93,941,871	141,448,846

Cargo Handlers Limited

Statement of Cash Flows

3 months ending December 31, 2012

	Dec 2012 \$	Dec 2011 \$
Cash Flows from Operating Activities		
Net Profit	22,080,953	13,563,377
Items not affecting cash:		
Unrealised exchange (gain)/loss	(1,008,631)	(307,688)
Depreciation	316,799	319,099
Loss/(gain) on disposal of property, plant and equipment	-	-
Write-off of property, plant and equipment	-	-
Interest income	(809,133)	(826,627)
Interest expense	187,632	236,204
Taxation	-	-
Provision for bad debts, net of recovery		
Purchase of ordinary shares	-	
Changes in operating assets and liabilities:		
Receivables	(10,845,014)	(2,527,359)
Payables	(1,309,264)	(3,466,702)
Directors' current accounts	350,050	4,193,419
Cash (used in)/provided by operating activities	8,963,392	11,183,723
Income tax paid/recoverable	(75,439)	(24,934)
Net cash (used in)/provided by operating activities	8,887,952	11,158,790
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(191,759)	-
Proceeds from sale of property, plant & equipment	-	-
Interest received	809,133	826,627
Cash provided by investing activities	617,373	826,627
Cash Flows from Financing Activities		
Related Companies	(10,312,508)	1,002,729
Interest paid	(187,632)	(236,204)
Ordinary Shares	-	-
Dividends	-	(26,639,712)
Cash provided by financing activities	(10,500,140)	(25,873,187)
(Decrease)/Increase in net cash and cash equivalents	(994,814)	(13,887,770)
Effect of exchange rate on net cash and cash equivalents	1,008,631	307,688
Cash and cash equivalents at beginning of year	103,192,931	43,737,191
Cash and cash equivalents for period ending December 31	103,206,747	30,157,109

Cargo Handlers Limited

Notes to the Financial Statements Period Ending 31 December 2012

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. The Company's shares were listed in December 2010.

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 to 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 the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. 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 higher 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 standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Company has adopted the following new and amended IFRS as of 1 October 2010.

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 adoption of this amendment does not have an impact on these financial statements.

IFRS 2 (Amendments), 'Group cash-settled and share-based payment transactions'. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRS 2 - Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address classification of Group arrangements that were not covered by that interpretation. The adoption of this amendment does not have any impact on these financial statements.

IASB Annual Improvements 2010. In May 2010, the IASB published amendments to six standards and one interpretation resulting from its Annual Improvements Project. The effective date for most amendments is annual periods beginning on or after 1 July 2010.

The Company adopted these amendments as of 1 October 2010. Their adoption did not have a significant impact on the financial statements.

Cargo Handlers Limited

Notes to the Financial Statements Period Ending 31 December 2012

2. Significant Accounting Policies (Continued)

(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 2011, but the Company has not early adopted them.

IAS 24 (Revised) - Related party disclosure (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's financial statements.

IFRS 7 (Amendment) Financial instruments - Disclosures (effective 1 January 2011). The amendment clarifies the disclosure requirement by emphasising the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. Amendments were made to qualitative and credit risk disclosures. The adoption of this amendment will result in changes in the presentation of credit risk disclosures. The Company will apply the changes in IFRS 7 (Amendment) from 1 October 2011. It is not expected to have a material impact on the Company's financial statements.

IFRS 9 - Financial Instruments part 1: Classification and measurement (effective for annual periods beginning on or after 1 January 2013). Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.

All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.

Entities with financial liabilities designated as fair value through profit or loss recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

While adoption of IFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted for financial assets without adopting the requirements for financial liabilities. The Company is currently examining the effect of this standard on its operations.

Cargo Handlers Limited

Notes to the Financial Statements Period Ending 31 December 2012

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 and baggage handling 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.

Property, plant and equipment are periodically reviewed for impairment. 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-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Cargo Handlers Limited

Notes to the Financial Statements Period Ending 31 December 2012

2. Significant Accounting Policies (Continued)

(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) 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.

(h) 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.

(i) Income taxes

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

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.

Cargo Handlers Limited

Notes to the Financial Statements Period Ending 31 December 2012

2. Significant Accounting Policies (Continued)

(l) Income taxes (continued)

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.

U) Payables

Payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

(k) 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.

(l) Employee benefits

Equity compensation benefits

The Company granted equity compensation to certain employees and key management. The fair value of the employee services received in exchange for the grant of the equity compensation is recognised as an expense.

Annual leave entitlements

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 date.

(m) 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 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.

(n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Cargo Handlers Limited

Notes to the Financial Statements

Period Ending 31 December 2012

2. Significant Accounting Policies (Continued)

(n) Share capital (continued)

Where the Company's employee trust purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's owners until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's owners.

(o) 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 party 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.

(p) Dividends

Dividends are recorded as a deduction from equity in the period in which they are declared.

(q) 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; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

The CODM has been identified as the Board of Directors, in particular the executive members, who make strategic decisions. Based on the internal management reports presented to and reviewed by the CODM, the entire operations of the Company are considered as one operating segment.

TOP TEN (10) STOCKHOLDERS

As at 31 December 2012

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	526,316
6.	Konrad Berry	324,631
7.	Mayberry Investments Ltd. Pension Scheme	323,631
8.	Rosemarie McIver	276,119
9.	Robert Chin	258,000
10.	Mayberry West Indies Limited	200,000

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.