CARGO Handlers Ltd.

Annual Report
2014

Contents

CARGO HANDLERS LIMITED

ESTABLISHED 1981

REGISTERED OFFICE

14 Montego Freeport Shopping Centre
Montego Bay, Jamaica

BOARD OF DIRECTORS

Executive Chairman
Mr. Antony Hart

Directors
Ms. T. Chin
Mr. M. Hart
Mr. A. McCarthy
Mr. J. Byles

Director/ Secretary
Ms. J. Fray

Mentor
Mr. W. Craig

AUDITORS

PWC Chartered Accountants
10 Fairview Office Park, Montego Bay

BANKERS

The Bank of Nova Scotia Jamaica Ltd.
5-6 Sam Sharpe Square, Montego Bay

REGISTRAR and TRANSFER AGENT

Jamaica Central Security Depository
40 Harbour Street
Kingston

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Cargo Handlers Limited ("the Company") will be held at 2:00 p.m., on Wednesday 25th of March 2015 at Billy Craig Insurance Brokers Board Room, Fairview Business Park., Montego Bay for shareholders to consider and, if thought fit, pass the following resolutions:

1. To receive the audited financial statements for the financial year ended 30th September 2014.

2. To authorize the directors to appoint and agree the remuneration of the auditors for the coming financial year

3. To authorize the directors to agree the remuneration of the board members.

4. The following Directors of the Board, having resigned by rotation in accordance with the Company's Articles of Incorporation and being eligible, hereby offer themselves for re-election by the shareholders:
   (a) To re-appoint A. Mark Hart as a Director of the Company
   (b) To re-appoint Andrew McCarthy as a Director of the Company
   (c) To re-appoint John Byles as a Director of the Company

5. To declare the interim dividends paid in the year to be considered final

6. To authorize the directors to transact any other Business that may be properly transacted at an Annual General Meeting.

Dated: January 26, 2014
By Order of the Board
Jane Fray
Company Secretary

The following document accompanies this Notice of Annual General Meeting:
A form of proxy. A shareholder who is entitled to attend and vote at the Annual General Meeting of the Company may appoint one or more proxies to attend in his/her place. A proxy need not be a shareholder of the Company. All completed original proxy forms must be deposited to together with the power of attorney or other document appointing the proxy, at the registered office of the Company at least 48 hours before the Annual General Meeting.

CHAIRMAN'S STATEMENT

We are pleased to present our Annual Report for the year ending September 30, 2014 highlighting the results of Cargo Handlers Limited. The Company's performance for the year under review was buoyed by the various commercial activities taking place on the western end of the island. The hospitality and construction sectors have been significant drivers for our stevedoring operations involving containerized cargo and bulk cement imports.

The Company successfully integrated its new business venture with Bulk Liquid Carriers which contributed to the overall net profits of $131.71M for the period ending 30th September 2014. This strong result represents a 55% or $46.77M increase over the previous year and commendations are in order for our management and staff as their responsiveness to the various challenges faced throughout the year demonstrated their commitment to excellence.

Cargo Handlers continues to promote new areas of business such as exportation of aggregates as well as steel and lumber importation; these will be pursued in earnest during the course of the Financial Year 2014/15. The outlook for our shareholders is positive, as one will not have to venture far beyond the environs of Montego Freeport to recognize the vibrancy that continues to spur growth in Western Jamaica. We would like to thank our customers for their continued confidence in the services that we provide. Cargo Handlers Limited is most proud of its long tradition of support for several civic organizations within the community. Wishing you the very best for the year ahead.

Antony Hart
Chairman

Financial Highlights

	2014	2013	2012
Assets	$245,717,996	$186,635,550	$139,530,764
Liabilities	$44,807,648	$49,771,432	$24,322,041
Shareholders' Equity	$200,020,705	$136,864,118	$115,208,723
Profit Before Taxation	$131,718,057	$84,947,360	$64,559,904
Number of Stocks Units Issued	41,625,000	41,625,000	41,625,000
Earnings Per Stock Unit	$3.16	$2.27	$1.72

TOP TEN (10) STOCKHOLDERS

As at 30 September 2014

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.	Theresa Chin	525,826
6.	Mayberry Managed Clients Accounts	358,637
7.	Mayberry Investments Ltd. Pension Scheme	323,631
8.	Rosemarie McIver	276,119
9.	Nigel Coke	213,345
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	525,826

Senior Management Holdings

Theresa Chin	525,826
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.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Cargo Handlers Limited is responsible for good Corporate Governance. To this end, the Board is directly responsible for ensuring accountability, objectivity and transparency in the Company's activities, all of which are essential to the success of achieving increased shareholder confidence and maximization of shareholder value. In fulfilling its responsibility, the Board ensures compliance with the Company's policies and procedures; the rules of the Jamaica Stock Exchange Junior Market and the laws and regulations of the land.

Board Composition

As at September 30, 2014, a total of six members comprised the Company's Board: one Executive and five Non-Executive Directors. The members are experienced and qualified individuals with diverse skills and knowledge from varying professions. The expertise of the Board Members ensures that decisions are made in the best interest of the Company, resulting in improved Shareholders' Return.

Board Sub-committees

There are two Sub-Committees: the Audit and Compliance Committee and the Compensation Committee. The Members were appointed by the full Board of Directors and any Board Member, may by invitation, attend sub-committee meetings.

The Audit and Compliance Committee

This Committee, chaired by Mr. Andrew McCarthy, has direct responsibility to assist the Board by overseeing the financial reporting and auditing process of the Company's activities. The Committee meets quarterly and continues to be guided by its established terms of reference to ensure:- good fiscal discipline - open and accurate financial reporting and - timely disclosures for the financial period under review.

During the quarterly meetings, the members of the Committee also analyze the quarterly interim financial statements and the annual audited financial statements in accordance with the rules of the Jamaica Stock Exchange Junior Market and International Financial Reporting Standards, and makes recommendations to the full Board of Directors for publication.

The Compensation Committee

This Committee has responsibility to advise the Board on all matters relating to the compensation of the Executive members of the Board. The Committee is chaired by the Mr. Antony Mark Hart and its terms of reference require that the Committee meets at least once per year to evaluate the performance of the Executive Director. For the financial year under review, the Committee met as mandated and made its recommendation to the full Board of Directors.

Below is a summary of the register in respect of the meetings for the financial year-ended September 30, 2014

	AGM	BOD	Audit Committee	Compensation Committee
# of Meetings	1	5	4	1
Antony Hart	1	4		1
Mark Hart		4		1
Jane Fray	1	5	4	1
Andrew McCarthy	1	5	4	
John Byles	1	4		
Theresa Chin	1	5	4	

Management Discussions and Analysis

Company Overview

Cargo Handlers Limited is a provider of stevedoring (cargo handling) services to vessels calling at the Port of Montego Bay and currently serves both cruise and cargo shipping interests. The Company also manages a fleet of petroleum tankers that transports to service stations around the island.

Business Review

The acquisition and management of oil tankers in January 2014 represents a major step in the diversification of Cargo Handlers Limited's activities and at the close of the Financial Year 2013/14, the income derived from this petroleum haulage operation represented 15.5% or $21.28M of Net Profit. A modest contribution though this may be, it is very encouraging as the growth potential of this sector is an exciting prospect.

The year ending September 30, 2014 recorded a total of one hundred and thirty-eight (138) stevedoring vessel activities or eight (8) additional vessel operations over that of the previous year; the increase in the number of activities resulted from additional cruise vessel activities performing turnaround operations and to a lesser extent, cement vessel activities. Containerized vessel activities remained relatively unchanged when compared to the preceding fiscal year.

Financial Performance

Total revenues for the Financial Year ending 30 September 2014 increased by 36.6% or $62.71M from the previous year's total of $171.31M to $234.02M; this improvement was attributed to increases in Stevedoring Income from vessel activities coupled with Lease and Management Fee incomes derived from Bulk Liquid Carriers Petroleum Transport Limited.

Total expenses increased by some 14.25% or $12.23M over the previous year as a consequence of increases in salaries and employee benefits; notably, there were no significant claims during the period 2013/14 compared to the approximately $4M that was incurred in the previous year.

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Independent Auditors' Report

To the Members of
Cargo Handlers Limited

Report on the Financial Statements
We have audited the accompanying financial statements of Cargo Handlers Limited, set out on pages 10 to 39, which comprise the statement of financial position as at 30 September 2014 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, Suite 10, Fairview Office Park, Alice Eldemire Drive, Box 180, Montego Bay, Jamaica
T: (876) 952 5065, F: (876) 952 1273, www.pwc.com/jm

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Cargo Handlers Limited as at 30 September 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

PricewaterhouseCoopers

Chartered Accountants

29 December 2014
Montego Bay, Jamaica

Cargo Handlers Limited

Statement of Comprehensive Income

Year ended 30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014	2013
		$	$
Revenue		220,390,796	157,488,556
Other income	6	13,638,209	13,831,260
Administrative expenses	7	(11,434,259)	(12,567,031)
Other operating expenses	7	(91,268,932)	(74,753,857)
Operating Profit		131,325,814	83,998,928
Interest income		2,444,272	2,210,177
Finance costs	9	(1,162,153)	(1,265,210)
Profit before Taxation		132,607,933	84,943,895
Taxation	10	(889,876)	3,465
Net Profit, being Total Comprehensive Income for the Year		131,718,057	84,947,360
EARNINGS PER STOCK UNIT	11	3.52	2.27

Cargo Handlers Limited

Statement of Financial Position

30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014	2013
		$	$
Non-Current Assets			
Property, plant and equipment	12	60,341,606	10,832,685
Related companies	13	48,600,135	25,111,092
Deferred tax asset	14	-	233
		108,941,741	35,944,010
Current Assets			
Receivables	15	42,979,777	19,208,244
Taxation recoverable		525,341	465,368
Cash	16	93,271,137	131,017,928
		136,776,255	150,691,540
Current Liabilities			
Payables	17	23,099,726	16,430,989
Directors' current accounts	13	2,771,005	3,400,150
Borrowings	18	28,664	19,763
		25,899,395	19,850,902
Net Current Assets		110,876,860	130,840,638
		219,818,601	166,784,648
Shareholders' Equity			
Share capital	19	43,175,494	43,175,494
Capital reserve	20	172,311	172,311
Retained earnings		156,672,900	93,516,313
		200,020,705	136,864,118
Non-Current Liabilities			
Related companies	13	18,908,253	29,920,530
Deferred tax liability	14	889,643	-
		19,797,896	29,920,530
		219,818,601	166,784,648

Approved by the Board of Directors on 29 December 2014 and signed on its behalf by:

Jane Fray — Director

Theresa Chin — Director

Cargo Handlers Limited

Statement of Changes in Equity

Year ended 30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Stock Units	Share Capital	Capital Reserve	Retained Earnings	Total
			$	$	$	$
Balance at 30 September 2012		37,465,830	43,175,494	172,311	71,860,918	115,208,723
Net profit, being total comprehensive income for the year		-	-	-	84,947,360	84,947,360
Transactions with owners:						
Dividends paid	21	-	-	-	(63,291,965)	(63,291,965)
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 year		-	-	-	131,718,057	131,718,057
Transactions with owners:						
Dividends paid	21	-	-	-	(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

Cargo Handlers Limited

Statement of Cash Flows

Year ended 30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	2014 $	2013 $
Cash Flows from Operating Activities		
Net profit	131,718,057	84,947,360
Items not affecting cash:		
Unrealised exchange gain	(9,944,737)	(13,218,081)
Depreciation	5,034,757	1,267,808
Write-off of property, plant and equipment	-	53,124
Interest income	(2,444,272)	(2,210,177)
Interest expense	1,162,153	1,265,210
Taxation	889,876	(3,465)
	126,415,834	72,101,779
Changes in operating assets and liabilities:		
Receivables	(21,253,647)	(4,970,179)
Recovery of bad debt	(700,000)	(511,572)
Payables	6,668,737	2,232,210
Directors' current accounts	(629,145)	2,905,165
Cash provided by operating activities	110,501,779	71,757,403
Tax withheld at source	(59,973)	(195,974)
Net cash provided by operating activities	110,441,806	71,561,429
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(54,543,678)	(220,260)
Interest received	2,444,272	2,210,177
Cash (used in)/provided by investing activities	(52,099,406)	1,989,917
Cash Flows from Financing Activities		
Dividends paid	(68,561,470)	(63,291,965)
Related companies	(34,501,320)	9,752,152
Interest paid	(1,162,153)	(1,265,210)
Cash used in financing activities	(104,224,943)	(54,805,023)
(Decrease)/increase in net cash and cash equivalents	(45,882,543)	18,746,323
Effect of exchange rate on cash and cash equivalents	8,126,851	13,218,081
Cash and cash equivalents at beginning of year	130,998,165	99,033,761
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 16)	93,242,473	130,998,165

1. Identification and Principal Activity

Cargo Handlers Limited (the Company) is incorporated and domiciled in Jamaica and has its registered office at Montego Freeport Shopping Centre, Montego Bay. The Company's principal activities are the provision of stevedoring services, equipment leasing and the provision of management services.

The Company is listed on the Junior Market of the Jamaica Stock Exchange.

2. Summary of 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 the International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC), 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

Standards, interpretations and amendments to existing standards effective during the year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Company has assessed the relevance of all such standards, interpretations and amendments and has adopted the following, which are relevant to its operations.

- **IFRS 7 (Amendment), 'Financial Instruments: Disclosures',** (effective for annual periods beginning on or after 1 January 2013). This amendment requires disclosures about the effects or potential effects of offsetting financial assets and financial liabilities and related arrangements on an entity's financial position. There was no significant impact from adoption of the new standard during the year

- **IFRS 13, 'Fair Value Measurement',** (effective for annual periods beginning on or after 1 January 2013). IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The requirements are similar to those in *IFRS 7, 'Financial instruments: Disclosures'*, but apply to all assets and liabilities measured at fair value, not just financial assets and liabilities. This standard is not expected to have any impact on the Company's financial statements.

2. Summary of Significant Accounting Policies (Continued)

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

Standards, interpretations and amendments to existing standards effective during the year (continued)

- **Annual Improvements 2011,** (effective for annual periods beginning on or after 1 January 2013). The IASB issued its Annual Improvements to IFRSs 2009 – 2011 Cycle in May 2012, which amended a number of standards. The amendment to *IAS 1, 'Presentation of Financial Statements'* clarifies that when additional comparative information is provided in the financial statements on a voluntary basis, this information must also be presented in the related notes for that additional information. As a consequence of the amendment to *IAS 16, 'Property, Plant and Equipment,'* servicing equipment is recognised as property, plant and equipment or as inventory depending on its expected useful life. The amendment to *IAS 32, 'Financial Instruments: Presentation'* clarifies that the tax effect of distributions to holders of an equity instrument and the transaction costs of an equity transaction must be accounted for in accordance with IAS 12. Pursuant to the amendment to *IAS 34, 'Interim Financial Reporting,'* information on segment assets and liabilities is only required to be disclosed if such information is regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. There was no significant impact from adoption of these new requirements during the year.

There are no other standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the Company.

Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company

- **Amendments to IAS 16, 'Property, Plant and Equipment' and IAS 38, 'Intangible Assets' - Clarification of Acceptable Methods of Depreciation and Amortisation**, (effective for the periods beginning on or after 1 January 2016). In these amendments, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The Company does not expect any impact from the adoption of the amendments on its financial statements as it does not use revenue-based depreciation or amortisation methods.

- **IAS 32 (Amendment) - Financial instruments: Presentation** (effective for annual periods beginning on or after 1 January 2014). This amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Company will apply the amendment from 1 January 2014 but it is not expected to have a significant impact on the financial statements.

2. Summary of Significant Accounting Policies (Continued)

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

Standards, interpretations and amendments to existing standards effective during the year (continued)

- **IAS 36 (Amendment) – Impairment of assets** (effective for annual periods beginning on or after 1 January 2014). The amendments to IAS 36 require disclosure of the recoverable amount of an individual asset (including goodwill) or a cash-generating unit and additional information about the fair value less costs of disposal for which an impairment loss has been recognised or reversed during the reporting period. The requirement to disclose the recoverable amount of each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite life intangible assets allocated to that unit is significant when compared to the total carrying amount of goodwill or indefinite life intangible assets has been removed. The future adoption of these amendments may result in additional disclosure relating to impairments or reversals of impairments.

- **IFRS 9, 'Financial Instruments',** (effective for annual periods beginning on or after 1 January 2018). In July 2014, the IASB issued IFRS 9 which is the comprehensive standard to replace *IAS 39 'Financial Instruments: Recognition and Measurement'*, and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

  Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).

  Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.

2. Summary of 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 (continued)

- **IFRS 9, 'Financial Instruments',** (effective for annual periods beginning on or after 1 January 2018). (continued)

  Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.

  Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.

  IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables. The classification and measurement of investments in debt securities is driven by the entity's business model for managing the financial assets and the contractual characteristics and will result in one of the following three classifications: amortised cost, fair value through OCI ('FVOCI') or fair value through profit or loss ('FVPL').

  Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

  The Company is currently examining the effect of this standard on its operations.

2. Summary of 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 (continued)

- **IFRS 15, 'Revenue from Contracts with Customers'**, (effective for the periods beginning on or after 1 January 2017). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed. The Company is currently assessing the impact of future adoption of the new standard on its financial statements.

- **IFRIC 21, 'Levies'**, (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 addresses the accounting for a liability to pay a levy recognised in accordance with *IAS 37, 'Provisions'*, and the liability to pay a levy whose timing and amount is certain. It excludes income taxes within the scope of *IAS 12, 'Income taxes'*. IFRIC 21 indicates that the obligating event that gives rise to a liability to pay a levy is the event identified by the legislation that triggers the obligation to pay the levy. It concludes that the fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern principle, does not create an obligation to pay a levy that will arise from operating in the future. Accordingly, a liability to pay a levy is recognised when the obligating event occurs. This might arise at a point in time or progressively over time. The interpretation also requires that an obligation to pay a levy triggered by a minimum threshold is recognised when the threshold is reached. The Company will apply this interpretation effective 1 October 2014. The Company has recognised a liability for asset-based taxes progressively during the year with full recognition at 30 September 2014 of amounts that will become due and payable in March 2015. Following adoption, the Company will defer recognition of the liability until 1 October 2014 which has been determined to be the trigger date under the Assets Tax (Specified Bodies) Act in Jamaica.

2. Summary of 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 (continued)

- **Annual Improvements 2012**, (effective for annual periods beginning on or after 1 July 2014, unless otherwise stated below). The improvements consist of changes to a number of standards, the following of which may be relevant to the Company's operations. IFRS 3 was amended to clarify that (i) an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, and (ii) all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit or loss. Amendments to IFRS 3 are effective for business combinations where the acquisition date is on or after 1 July 2014. IFRS 8 was amended to require (i) disclosure of the judgements made by management in aggregating operating segments, including a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics, and (ii) a reconciliation of segment assets to the entity's assets when segment assets are reported. The basis for conclusions on IFRS 13 was amended to clarify that deletion of certain paragraphs in IAS 39 upon publishing of IFRS 13 was not made with an intention to remove the ability to measure short-term receivables and payables at invoice amount where the impact of discounting is immaterial. IAS 16 and IAS 38 were amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. IAS 24 was amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'), and to require to disclose the amounts charged to the reporting entity by the management entity for services provided. The amendments to IFRS 3 do not have an impact on the company. The Company will apply the other standards effective 1 October 2014 but does not expect any significant impact from their adoption.

- **Annual Improvements 2013**, (effective for annual periods beginning on or after 1 July 2014). The improvements consist of changes to a number of standards, of which the following may be relevant to the Company's operations. The amendment of IFRS 13 clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including contracts to buy or sell non-financial items) that are within the scope of IAS 39 or IFRS 9. The Company will apply the standard effective 1 October 2014 but does not expect any significant impact from its adoption.

2. Summary of 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 (continued)

- ***Annual Improvements 2014***, (effective for annual periods beginning on or after 1 January 2016). The amendments impact the following standards. IFRS 5 was amended to clarify that change in the manner of disposal (reclassification from "held for sale" to "held for distribution" or vice versa) does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. The amendment to IFRS 7 adds guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement, for the purposes of disclosures required by IFRS 7. The amendment also clarifies that the offsetting disclosures of IFRS 7 are not specifically required for all interim periods, unless required by IAS 34. The amendment to IAS 19 clarifies that for post-employment benefit obligations, the decisions regarding discount rate, existence of deep market in high-quality corporate bonds, or which government bonds to use as a basis, should be based on the currency that the liabilities are denominated in, and not the country where they arise. IAS 34 will require a cross reference from the interim financial statements to the location of "information disclosed elsewhere in the interim financial report". The amendments to IFRS 5 do not have an impact on the Company. The Company is currently assessing the impact of future adoption of the other amendments on its financial statements.

(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, leasing and management 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.

Management fees

Income from management fees are recognised in the accounting period in which the services are rendered by reference to contractually agreed amounts.

Interest income

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

(d) Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Company is a lessor under an operating lease in which equipment leased to a third party is included in property, plant and equipment on the statement of financial position. Lease income is recognised in the income statement over the term of the lease in a manner which reflects the contractual amounts applicable to each reporting period.

2. Summary of Significant Accounting Policies (Continued)

(e) 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. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be reliably measured. 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%
Trailers and forklift	10%
Furniture, equipment and golf carts	10% - 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.

(f) 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.

2. Summary of Significant Accounting Policies (Continued)

(g) 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. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. 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.

(h) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

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) Current and deferred income tax

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.

2. Summary of Significant Accounting Policies (Continued)

(j) Current and deferred income tax (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.

Current and deferred tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

(k) Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

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.

Current and deferred tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

(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

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.

2. Summary of Significant Accounting Policies (Continued)

(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 related party balances, receivables and cash and cash equivalents.

Financial liabilities

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

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

(o) 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.

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.

(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 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.

(q) Dividends

Dividends are recorded as a deduction from equity in the period in which they are approved. Dividends for the year that are declared after the year-end date are dealt with in a subsequent events note.

(r) 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 who make strategic decisions. The operating segments identified are disclosed in Note 22.

3. Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including currency risk and interest rate risk). These activities require the analysis, evaluation, control and/or acceptance of some degree of risk or combination of risks. The Company's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company periodically reviews its risk management policies and systems to reflect changes in market conditions which might affect its activities.

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Credit risk

The Company takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Company by failing to discharge their contractual obligations. Credit risk is an important risk for the Company's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Company's receivables from customers and banking activities. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties.

Credit review process

Management performs ongoing analyses of the ability of customers and other counterparties to meet repayment obligations.

(i) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each customer is analysed individually for creditworthiness prior to it offering them a credit facility. The Company has procedures in place to restrict customer credit if the customer has exceeded its credit limit. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company on a cash basis.

(ii) Cash

Cash is maintained at high credit quality financial institutions. Accordingly, management does not expect any counterparty to fail to meet their obligations.

Maximum exposure to credit risk

For items on the statement of financial position, the exposures are based on net carrying amounts as reported in the statement of financial position.

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Exposure to credit risk for trade and other receivables by customer sector

The following table summarises the Company's credit exposure for trade and other receivables at their carrying amounts, as categorised by the customer sector:

	2014	2013
	$	$
Stevedoring	24,242,656	16,801,148
Lumber yard	1,300,000	6,072,293
Leasing	7,059,900	-
Management fees	8,912,250	-
Other receivables	2,615,390	2,260,611
	44,130,196	25,134,052
Less: Impairment provision	(1,300,000)	(6,072,293)
	42,830,196	19,061,759

Ageing analysis of trade and other receivables that are past due but not impaired

Trade receivables that are less than 30 days past due are not considered impaired. As of 30 September trade receivables of $16,424,688 (2013 - $10,957,379) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade and other receivables was as follows:

	2014	2013
	$	$
31 – 60 days	6,110,020	5,315,530
61 – 90 days	1,675,306	4,013,395
Over 90 days	8,639,362	1,628,454
	16,424,688	10,957,379

The ageing of impaired receivables was as follows:

	2014	2013
	$	$
Over 90 days	1,300,000	6,072,293

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Movement analysis of provision for impairment of trade and other receivables

The movement on the provision for impairment of trade and other receivables was as follows:

	2014	2013
	$	$
At 1 October	6,072,293	6,583,865
Receivables written off during the year	(4,072,293)	-
Recovery of impaired receivables	(700,000)	(511,572)
At 30 September	1,300,000	6,072,293

The creation and release of provisions for impaired receivables have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The Company's liquidity management process includes:

(i) Monitoring future cash flows and liquidity regularly. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required.

(ii) Maintaining a portfolio of bank balances that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Maintaining committed lines of credit.

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities

The maturity profile of the Company's financial liabilities at year end based on contractual undiscounted payments was as follows:

	Within 1 Month $	1 to 3 Months $	3 to 12 Months $	1 to 5 Years $	Over 5 Years $	Total $
			2014			
Payables	20,104,247	-	-	-	-	20,104,247
Directors' current accounts	2,771,005	-	-	-	-	2,771,005
Related companies	1,134,495	-	-	18,908,253		20,042,748
	24,009,747	-	-	18,908,253	-	42,918,000
			2013			
Payables	15,191,804	-	-	-	-	15,191,804
Directors' current accounts	3,400,150	-	-	-	-	3,400,150
Related companies	1,795,364	-	-	29,922,726	-	31,718,090
	20,387,318	-	-	29,922,726	-	50,310,044

(c) Market risk

The Company takes on exposure to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly arises from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Board of Directors. Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risk or the manner in which it manages and measures the risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Company manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. At 30 September, the Company's net foreign exchange exposure in respect of cash and cash equivalents amounted to $66,062,123 (2013 - $113,528,769).

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

The following table indicates the effect on profit arising from changes in foreign currency rates, primarily with respect to the US dollar. There is no direct impact on equity resulting from changes in the foreign currency rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for depreciation or appreciation of the Jamaican dollar against the US dollar, which represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity was primarily as a result of foreign exchange gains and losses on translation of US dollar-denominated bank balances.

		2014	2013
		$	$
Effect on profit –			
Depreciation	10% (2013 – 10%)	6,606,212	11,352,877
Appreciation	1% (2013 – 1%)	(660,621)	(1,135,288)

Interest rate risk
Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest rate risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

The Company's interest rate risk arises from its related party and bank balances.

The Company manages interest rate risk by maintaining fixed rate instruments. It also manages the maturities of interest bearing financial assets and interest bearing financial liabilities. At 30 September 2014 and 2013 the Company had no significant exposure to interest rate risk.

(d) Capital management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company met the capital requirement of at least $50,000,000 for listing on the Junior Market of the Jamaica Stock Exchange. There was no other externally imposed capital requirement.

There were no changes to the Company's approach to capital management during the year, and this is monitored by the Board of Directors.

4. Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Market price is used to determine fair value where an active market exists, as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a number of financial assets and liabilities held and issued by the Company. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the statement of financial position date.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and the timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) The carrying amounts, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities are cash, receivables, payables and current borrowings.

(ii) The fair value of the directors' current accounts and related party balances cannot be reasonably determined as these instruments were granted under special terms and are not likely to be traded in a fair market exchange.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates and judgements used in preparing the financial statements of the Company are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results.

In the process of applying the Company's accounting policies, management has arrived at no judgements which it believes would have a significant impact on the amounts recognised in these financial statements. Also, management has derived no estimates for inclusion in these financial statements which it believes have a significant risk of causing a material adjustment to the carrying amounts of these assets and liabilities within the next financial year.

6. Other Income

	2014 $	2013 $
Foreign exchange gains	12,559,242	13,319,688
Bad debt recovery	700,000	511,572
Miscellaneous	378,967	-
	13,638,209	13,831,260

(expressed in Jamaican dollars unless otherwise indicated)

7. Expenses by Nature

Total direct, administration and other operating expenses:

	2014	2013
	$	$
Accounting fees	1,845,360	2,400,386
Advertising and promotion	2,761,514	25,413
Asset tax	100,000	100,000
Auditors' remuneration	2,100,000	1,700,000
Bad debts	-	29,595
Depreciation	5,034,757	1,267,808
Directors' emoluments -		
Directors' fees	1,260,000	635,000
Management fees	4,200,000	4,200,000
Donations	1,035,731	2,062,005
Insurance	119,560	118,759
Legal and professional fees	3,331,413	79,330
Loss on exchange	934,541	586,080
Minimum Business Tax	60,000	-
Other	1,130,481	1,427,603
Payment for damaged cargo	28,427	4,002,212
Registration fees	441,962	667,746
Repairs and maintenance	1,007,817	1,403,516
Staff costs (Note 8)	75,744,083	65,773,601
Utililties	1,567,545	841,834
	102,703,191	87,320,888

8. Staff Costs

	2014	2013
	$	$
Salaries and wages	60,144,770	54,168,208
Statutory contributions	6,260,732	5,565,664
Other	9,338,581	6,039,729
	75,744,083	65,773,601

9. Finance Costs

	2014	2013
	$	$
Interest expense	1,162,153	1,265,210

(expressed in Jamaican dollars unless otherwise indicated)

10. Taxation

Taxation is based on the profit for the year adjusted for tax purposes and represents income tax charged at 25%:

	2014	2013
	$	$
Current tax	-	-
Deferred tax (Note 14)	889,876	(3,465)
	889,876	(3,465)

Reconciliation of applicable tax charge to effective tax charge:

	2014	2013
	$	$
Profit before tax	132,607,933	84,943,895
Tax calculated at 25%	33,151,983	21,235,974
Adjusted for the effects of:		
Income not subject to tax	(10,963)	(47,585)
Expenses not deductible for tax purposes	508,650	343,254
Remission of taxes	(31,956,600)	(21,621,064)
Net effect of other charges and allowances	(803,194)	85,956
Taxation	889,876	(3,465)

Remission of income tax:
In December 2010 the Company's shares were listed on the Junior Market of the Jamaica Stock Exchange. Consequently, the Company is entitled to a remission of income tax for ten (10) years in the proportions set out below, provided the shares remain listed for at least 15 years.

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

The financial statements have been prepared on the basis that the Company will have the full benefit of the tax remissions. Subject to agreement with the Minister of Finance and Planning, the income tax payable for which remission will be sought is $31,956,600 (2013 - $21,621,064).

(expressed in Jamaican dollars unless otherwise indicated)

11. Earnings per Stock Unit

The calculation of the earnings per stock unit is based on the profit after taxation and the weighted average number of stock units in issue during the year.

	2014 $	2013 $
Net profit attributable to stockholders	131,718,057	84,947,360
Weighted average number of stock units in issue	37,465,830	37,465,830
Earnings per stock unit ($)	3.52	2.27

12. Property, Plant and Equipment

	2014					
	Buildings $	**Trailers & Forklift** $	**Furniture, Equipment & Golf Carts** $	**Motor Vehicle** $	**Operating Assets** $	**Total** $
Cost -						
1 October 2013	2,318,815	-	7,314,396	3,366,000	4,353,304	17,352,515
Additions	-	54,543,678	-	-	-	54,543,678
30 September 2014	2,318,815	54,543,678	7,314,396	3,366,000	4,353,304	71,896,193
Depreciation -						
1 October 2013	473,425	-	4,475,605	1,570,800	-	6,519,830
Charge for the year	57,971	3,766,092	537,494	673,200	-	5,034,757
30 September 2014	531,396	3,766,092	5,013,099	2,244,000	-	11,554,587
Net book value -						
30 September 2014	1,787,419	50,777,586	2,301,297	1,122,000	4,353,304	60,341,606

(expressed in Jamaican dollars unless otherwise indicated)

12. Property, Plant and Equipment (Continued)

	2013				
	Building	Furniture, Equipment & Golf Carts	Motor Vehicle	Operating Assets	Total
	$	$	$	$	$
Cost -					
1 October 2012	2,318,815	7,299,700	3,366,000	4,207,306	17,191,821
Additions	-	28,500	-	191,760	220,260
Write-offs	-	(13,804)	-	(45,762)	(59,566)
30 September 2013	2,318,815	7,314,396	3,366,000	4,353,304	17,352,515
Depreciation -					
1 October 2012	415,455	3,945,409	897,600	-	5,258,464
Charge for the year	57,970	536,638	673,200	-	1,267,808
On write-offs	-	(6,442)	-	-	(6,442)
30 September 2013	473,425	4,475,605	1,570,800	-	6,519,830
Net book value -					
30 September 2013	1,845,390	2,838,791	1,795,200	4,353,304	10,832,685

(expressed in Jamaican dollars unless otherwise indicated)

13. Related Party Transactions and Balances

(a) Net advances (paid)/received during the year

	2014	2013
	$	$
AMD Limited	(11,582,422)	(5,005,777)
Advisors Limited	12,891,643	(13,233,041)
Good Hope (Holdings) Limited	(4,954,469)	(1,506,680)
Good Hope Limited	(513,531)	(295,504)
Hart Investments Limited	701,127	(3,840,086)
Bilton Limited	2,096,400	(5,539,316)
Appleton Hall Limited	(9,999,537)	2,961,941
Saffack Limited	(3,911,236)	(861,480)
Port Handlers Limited	(2,733,850)	(898,925)
Samuel Hart & Son Limited	5,570,317	(3,152,731)
Sportswear Producers Limited	(41,103)	532,781
Freeport Investments Limited	(105)	-
	(12,476,766)	(30,838,818)

(b) Key management compensation

	2014	2013
	$	$
Salaries and other short-term employee benefits	3,437,346	2,418,528
Statutory contributions	1,281,084	875,843
	4,718,430	3,294,371

Directors' emoluments -		
Directors' fees	1,260,000	635,000
Management remuneration	4,718,430	3,294,371
Management fees	4,200,000	4,200,000

(c) Transactions in the normal course of business

	2014	2013
	$	$
Professional services rendered by a related party	1,845,360	1,845,360
Interest earned on balances due from related parties	2,169,819	1,426,283
Interest paid on balances due to related parties	1,149,332	1,201,016
Lease income earned from a related party	13,635,000	-
Management fees earned from a related party	8,912,250	-

(expressed in Jamaican dollars unless otherwise indicated)

13. Related Party Transactions and Balances (Continued)

(d) Year end balances arising from transactions with related companies

	2014 $	2013 $
Non-current		
Due from:		
AMD Limited	18,986,297	7,403,875
Appleton Hall Limited	13,703,935	3,704,398
Hart Investments Limited	4,168,890	4,870,017
Samuel Hart & Son Limited	-	6,077,912
Good Hope (Holdings) Limited	8,009,359	3,054,890
Port Handlers Limited	3,731,654	-
	48,600,135	25,111,092

	2014 $	2013 $
Due to:		
Port Handlers Limited	-	997,804
Advisors Limited	4,346,083	17,237,726
Bilton Limited	6,993,600	9,090,000
Saffack Limited	5,191,236	1,280,000
Good Hope Limited	1,738,531	1,225,000
Sportswear Producers Limited	131,103	90,000
Samuel Hart & Son Limited	507,595	-
Freeport Investments Limited	105	-
	18,908,253	29,920,530

	2014 $	2013 $
Current		
Due from (Note 15):		
Bulk Liquid Carriers Petroleum Transport Limited	15,972,150	-

The Company is related to the above companies by having similar ownership and/or management control. With the exception of the amounts included in current receivables, balances due to and/or from these companies have no set repayment terms and are not due for payment within the next twelve months.

The weighted average effective interest rate on transfers between related party bank accounts for working capital purposes is 6% (2013 – 6%).

(e) Directors' current accounts

The directors' balances are unsecured, interest free and have no set repayment terms.

(expressed in Jamaican dollars unless otherwise indicated)

14. Deferred Taxation

Deferred income taxes are calculated in full on all temporary differences under the liability method using a principal tax rate of 25%.

The movement on the deferred taxation account is as follows:

	2014	2013
	$	$
Asset/(liability) at beginning of year	233	(3,232)
(Charged)/credited during the year (Note10)	(889,876)	3,465
(Liability)/asset at end of year	(889,643)	233

The deferred income tax (liability)/asset of $889,643 (2013 - $233) is due to temporary differences on property, plant and equipment.

The deferred tax (charged)/credited in the statement of comprehensive income comprises temporary differences on property, plant and equipment of $889,876 (2013 - $3,465).

The amounts shown in the statement of financial position represent a deferred tax liability which is expected to be settled after more than 12 months.

15. Receivables

	2014	2013
	$	$
Trade	25,543,156	22,873,941
Less: Impairment provision	(1,300,000)	(6,072,293)
	24,243,156	16,801,648
Related parties (Note 13)	15,972,150	-
Other receivables and prepayments	2,764,471	2,406,596
	42,979,777	19,208,244

16. Cash and Cash Equivalents

	2014	2013
	$	$
Cash at bank and in hand	93,271,137	131,017,928

The weighted average effective interest rate for cash is 1.77% (2013 – 0.25%).

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	2014	2013
	$	$
Cash and bank balances	93,271,137	131,017,928
Bank overdraft (Note 18)	(28,664)	(19,763)
	93,242,473	130,998,165

(expressed in Jamaican dollars unless otherwise indicated)

17. Payables

	2014	2013
	$	$
Trade	4,264,653	1,100,745
Accruals	15,531,916	13,458,799
Other	3,303,157	1,871,445
	23,099,726	16,430,989

18. Borrowings

	2014	2013
	$	$
Bank overdraft (Note 16)	28,664	19,763

The bank overdraft at 30 September 2014 and 2013 represented cheques which were drawn and not presented to the bank at year end.

The Company has credit facilities of $15,000,000 with The Bank of Nova Scotia Jamaica Limited. Interest is charged at a rate of 17.25% when overdrawn, and the facility is secured by unlimited guarantees of Bilton Limited and the Company's executive directors.

19. Share Capital

	2014	2013
	$	$
The total authorised number of ordinary shares is 46,620,000.		
Issued and fully paid -		
41,625,000	47,334,664	47,334,664
4,159,170 treasury shares	(4,159,170)	(4,159,170)
	43,175,494	43,175,494

The Company's share capital is reflected without a par value.

20. Capital Reserve

	2014	2013
	$	$
Realised gains on sale of property, plant and equipment	172,311	172,311

(expressed in Jamaican dollars unless otherwise indicated)

21. Dividends

By resolutions dated 4 February 2014 and 12 August 2014, the Board of Directors approved the payment of interim dividends in the amounts of $0.50 and $1.30 per share respectively. In the prior year, resolutions dated 19 December 2012 and 17 February 2013 resulted in the approval of interim dividend payments of $0.68 and $1.00 per share respectively.

22. Segment Information

The Company is organised into the following business segments:

(a) Stevedoring – This incorporates the provision of stevedoring and baggage handling services to companies.

(b) Leasing – The Company earns lease income from the leasing of trailers.

(c) Management services – This incorporates fees charged for managing and operating a related company.

	2014			
	Stevedoring	Leasing	Management Services	Total
	$	$	$	$
Revenue	199,105,796	13,635,000	7,650,000	220,390,796
Other income	13,638,209	-	-	13,638,209
Interest income	2,444,272	-	-	2,444,272
Depreciation	(1,268,665)	(3,766,092)	-	(5,034,757)
Other expenses	(97,668,434)	-	-	(97,668,434)
Finance costs	(1,162,153)	-	-	(1,162,153)
Profit before taxation	115,089,025	9,868,908	7,650,000	132,607,933
Taxation	2,954	(892,830)	-	(889,876)
Net profit	115,091,979	8,976,078	7,650,000	131,718,057
Segment assets	178,968,260	57,837,486	8,912,250	245,717,996
Segment liabilities	44,807,648	889,643	-	45,697,291

During the year ended 30 September 2014, the Company earned income from stevedoring activities, leasing and management services. All revenue is earned externally from customers located in Jamaica. The Company's major customers are Seaboard Freight & Shipping Jamaica Limited, Lannaman & Morris (Shipping) Limited and Bulk Liquid Carriers Petroleum Transport Limited.

During the year ended 30 September 2013, based on reports reviewed by the Board of Directors, management had determined that the Company had one reportable segment. Revenue was earned from stevedoring and baggage handling operations (Note 2(c)). Baggage handling accounted for less than 10% of revenue and net profit and as such did not meet the criteria to be reported as a separate segment.