

CARGO Handlers Ltd.

4th Quarter Financial Statements

September 30, 2016

Cargo Handlers Limited

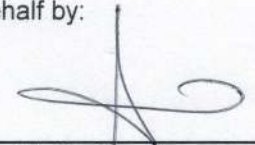
Statement of Financial Position

12 months ending September 30, 2016

	Unaudited Sep 2016 \$	Audited Sept 2015
Non-Current Assets		
Property, plant & equipment	48,566,195	53,818,109
Related Companies	9,399,306	19,528,581
	57,965,501	73,346,690
Current Assets		
Receivables	79,367,348	50,870,709
Taxation recoverable	790,234	668,603
Cash	223,686,802	151,035,320
	303,844,384	202,574,632
Current Liabilities		
Payables	38,750,471	14,671,839
Directors' current accounts	40,322	288,959
Borrowings	215,799	465,544
	39,006,592	15,426,342
Net Current Assets/(Liabilities)	264,837,792	187,148,290
	322,803,293	260,494,980
Shareholders' Equity		
Share capital	43,175,494	43,175,494
Capital reserve	172,311	172,311
Retained earnings	257,854,596	203,086,946
	301,202,401	246,434,751
Non-Current Liability		
Deferred tax liability	1,479,459	1,479,459
Related Companies	20,121,433	12,580,770
	21,600,892	14,060,229
	322,803,293	260,494,980

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


Jane Fray Director


Andrew McCarthy Director

Cargo Handlers Limited

Statement of Comprehensive Income

12 months ending September 30, 2016

	3 months to Sep 2016 \$	3 months to Sep 2015	Unaudited 12 months to Sep 2016 \$	Audited 12 months to Sep 2015 \$
Revenue	73,404,005	58,983,131	307,772,867	236,921,053
Other income	3,845,215	6,699,174	14,304,964	10,770,293
Administrative expenses	(2,978,048)	(4,631,028)	(13,112,313)	(11,528,083)
Other operating expenses	<u>(39,768,293)</u>	<u>(33,293,681)</u>	<u>(132,031,303)</u>	<u>(103,099,925)</u>
Operating Profit	34,502,879	27,757,596	176,934,215	133,063,338
Interest Income	782,287	1,155,546	2,358,881	4,092,041
Finance costs	<u>(161,806)</u>	<u>(85,652)</u>	<u>(691,029)</u>	<u>(640,709)</u>
Profit before Taxation	35,123,360	28,827,490	178,602,067	136,514,670
Taxation	<u>(5,595,735)</u>	<u>(30,000)</u>	<u>(24,549,969)</u>	<u>(589,816)</u>
Net Profit, being Total Comprehensive Income for period September 30	<u>29,527,625</u>	<u>28,797,490</u>	<u>154,052,099</u>	<u>135,924,854</u>
Earnings Per Share (EPS)	0.79	0.77	4.11	3.63

Cargo Handlers Limited

Statement of Changes in Equity

12 months ending September 30, 2016

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 30 September 2014	37,465,830	43,175,494	172,311	156,672,900	200,020,705
Net profit, being total comprehensive income for the period	-	-	-	135,924,854	135,924,854
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(89,510,808)	(89,510,808)
Balance at 30 September 2015	37,465,830	43,175,494	172,311	203,086,946	246,434,751
Net profit, being total comprehensive income for the period	-	-	-	154,052,099	154,052,099
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(99,284,450)	(99,284,450)
Balance at 30 September 2016	-	-	-	257,854,596	301,202,401

Cargo Handlers Limited

Statement of Cash Flows

12 months ending September 30, 2016

	Unaudited Sep 2016 \$	Audited Sep 2015 \$
Cash Flows from Operating Activities		
Net Profit	154,052,099	135,924,854
Items not affecting cash:		
Unrealised exchange (gain)/loss	(2,038,631)	(6,507,152)
Depreciation	7,580,050	6,726,979
Loss/(gain) on disposal of property, plant and equipment	(51,989)	-
Bad debt written off	82,055	44,023
Interest income	(2,358,881)	(4,092,041)
Interest expense	691,029	640,709
Taxation	-	589,816
	<u>157,955,731</u>	<u>133,327,188</u>
Changes in operating assets and liabilities:		
Receivables	(28,496,639)	(6,464,269)
Payables	24,078,633	(8,427,887)
Directors' current accounts	<u>(248,637)</u>	<u>(2,482,046)</u>
Cash (used in)/provided by operating activities	153,289,089	115,952,986
Income tax paid/recoverable	<u>(121,631)</u>	<u>(143,262)</u>
Net cash (used in)/provided by operating activities	<u>153,167,458</u>	<u>115,809,724</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(2,276,147)	(203,482)
Interest received	<u>2,358,881</u>	<u>4,092,041</u>
Cash provided by investing activities	<u>82,734</u>	<u>3,888,559</u>
Cash Flows from Financing Activities		
Related Companies	17,669,939	22,744,072
Interest paid	(691,029)	(640,709)
Dividends	<u>(99,284,450)</u>	<u>(89,510,808)</u>
Cash provided by financing activities	<u>(82,305,540)</u>	<u>(67,407,445)</u>
(Decrease)/Increase in net cash and cash equivalents	70,944,652	52,290,839
Effect of exchange rate on net cash and cash equivalents	1,956,576	5,036,465
Cash and cash equivalents at beginning of year	<u>150,569,776</u>	<u>93,242,473</u>
Cash and cash equivalents for period ending September 30	<u><u>223,471,004</u></u>	<u><u>150,569,776</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 30 September 2016

1. Identification and Principal Activity

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

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

2. Basis of preparation

The interim financial statements for the period September 30, 2016 have been prepared in accordance with and in compliance with financial reporting standards. These interim financial statements were presented in accordance with IAS 34 "Interim Financial Reports", and follows the same accounting policies and method of computation that were used in the annual audit financial statements September 30, 2015

3. Taxation

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

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

4. Earnings per stock unit

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

	Three months ended September 30, 2016	Three Months ended September 30, 2015	Twelve Months ended September 30, 2016	Twelve Months ended September 30, 2015
Issued ordinary shares at beginning of period	37,465,830	37,465,830	37,465,830	37,465,830
Effect of shares issued during the period				
Weighted average number of ordinary shares held during the period	37,465,830	37,465,830	37,465,830	37,465,830

Cargo Handlers Limited

Selected Notes to the Financial Statements
Period Ending 30 September 2016

Management Discussions and Analysis

Cargo Handlers Limited is pleased to present its Management's Discussion and Analysis (MD&A) for the Quarter ending September 30, 2016. Fairly strong results were delivered for the period with income of \$73.4M which was \$14.42M or 24.4% above the \$58.9M that was realized for the corresponding period last year. Earnings per share were \$0.79 as compared to \$0.77 in the corresponding quarter in 2015. All our financial objectives were met as well as continued consistent dividend payments to shareholders, with \$2.65 per share for fiscal 2015/16.

For the Company overall, growth in revenue continued to outpace expense this period; total expenses for the quarter amounted to \$42.74M and were up \$4.82M or 12.7% over the corresponding period. This being the first year of Cargo Handlers expensing corporate taxes after joining the Jamaica Junior Stock Exchange, the resulting Net Profit after taxation this period was \$29.5M and was marginally above the \$28.8M recorded for the corresponding quarter last year. Our core business remains buoyant and the projection for the ensuing year is encouraging as a consequence of increased projections in both cruise and cargo vessel calls.

Our success over the past 34 years has been built on a solid foundation of integrity and accountability with a strong commitment to our community. We will continue to do the things that benefit our customers, our shareholders, and our staff. This focus is driven by the Board of Directors, and extends to each and everyone at Cargo Handlers. We have a deep-rooted history of executing well against our strategies and will continue to be selective in our business acquisitions.

TOP TEN (10) STOCKHOLDERS

As at 30 September 2016

NAME

1.	North Star Investment Ltd	11,324,264
2.	Jane Fray	11,291,198
3.	Mark Hart	10,991,198
4.	Cargo Handlers Trust	4,159,170
5.	Mayberry Managed Clients Accounts	555,379
6.	Mayberry Investments Ltd. Pension Scheme	342,992
7.	Rosemarie McIver	276,119
8.	Nigel O. Coke	260,827
9.	Robert Chin	258,000
10.	Apcx Pharmacy	195,551

Directors' and Senior Officers' Interests

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

Directors Holdings

Antony Hart ¹	-
Jane Fray	11,291,198
Mark Hart	10,991,198
Theresa Chin	760,022

Senior Management Holdings

Theresa Chin	760,022
Christopher Hurge	40,000

¹ *Interests in North Star Investments Ltd.* 11,324,264

* 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.