

CARGO Handlers Ltd.

2nd Quarter Financial Statements

March 31, 2017

Cargo Handlers Limited

Statement of Financial Position

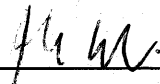
6 months ending March 31, 2017

	Unaudited Mar 2017 \$	Unaudited Mar 2016 \$	Audited Sept 2016
Non-Current Assets			
Property, plant & equipment	44,747,293	56,716,038	48,566,195
Related Companies	15,259,540	3,160,564	9,271,149
	60,006,833	59,876,602	57,837,344
Current Assets			
Receivables	99,106,505	77,764,475	79,367,349
Taxation recoverable	790,234	725,973	668,603
Cash	234,177,627	191,494,940	223,686,802
	334,074,365	269,985,387	303,722,754
Current Liabilities			
Payables	21,725,930	26,931,108	26,594,507
Income tax payable	7,039,262	-	11,425,502
Directors' current accounts	40,322	40,322	40,322
Borrowings	105,097	177,310	215,799
	28,910,611	27,148,739	38,276,130
Net Current Assets/(Liabilities)	305,163,754	242,836,648	265,446,624
	365,170,587	302,713,250	323,283,968
Shareholders' Equity			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	291,649,842	232,757,321	257,650,620
	334,997,647	276,105,126	300,998,425
Non-Current Liability			
Related Companies	27,880,673	25,128,665	19,993,277
Deferred tax liability	2,292,266	1,479,459	2,292,266
	30,172,939	26,608,124	22,285,543
	365,170,587	302,713,250	323,283,968

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



Andrew McCarthy



John Byles

Cargo Handlers Limited

Statement of Comprehensive Income

6 months ending March 31, 2017

	3 months to Mar 2017	3 months to Mar 2016	6 months to Mar 2017	6 months to Mar 2016
	\$	\$	\$	\$
Revenue	94,616,574	87,234,990	181,609,416	153,297,552
Other income	-	1,678,661	3,421,204	4,172,514
Administrative expenses	(5,343,846)	(3,427,452)	(9,882,905)	(6,708,963)
Other operating expenses	<u>(43,293,805)</u>	<u>(36,330,177)</u>	<u>(76,779,260)</u>	<u>(61,402,994)</u>
Operating Profit	45,978,922	49,156,022	98,368,455	89,358,109
Interest Income	588,685	425,156	1,317,617	1,174,578
Loss on Exchange	(1,661,891)	-	(1,661,891)	-
Finance costs	<u>(294,476)</u>	<u>(188,611)</u>	<u>(543,098)</u>	<u>(334,101)</u>
Profit before Taxation	44,611,239	49,392,567	97,481,083	90,198,586
Taxation	<u>(6,245,463)</u>	<u>(6,322,632)</u>	<u>(12,902,990)</u>	<u>(11,822,632)</u>
Net Profit, being Total Comprehensive Income for period March 31	<u>38,365,776</u>	<u>43,069,934</u>	<u>84,578,093</u>	<u>78,375,954</u>
Earnings Per Share (EPS)	0.10	0.11	0.23	0.21

Cargo Handlers Limited

Statement of Changes in Equity
6 months ending March 31, 2017

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
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	-	-	-	78,375,954	78,375,954
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(48,705,579)	(48,705,579)
Balance at 31 March 2016	37,465,830	43,175,494	172,311	232,757,321	276,105,126
Balance at 30 September 2016	37,465,830	43,175,494	172,311	257,650,620	300,998,425
Net profit, being total comprehensive income for the period	-	-	-	84,578,093	84,578,093
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(50,578,871)	(50,578,871)
Balance at 31 March 2017	37,465,830	43,175,494	172,311	291,649,842	334,997,647

Cargo Handlers Limited

Statement of Cash Flows

6 months ending March 31, 2017

	Mar 2017	Mar 2016
	\$	\$
Cash Flows from Operating Activities		
Net Profit	84,578,093	78,375,954
Items not affecting cash:		
Unrealised exchange (gain)/loss	(2,295,792)	(1,679,536)
Depreciation	3,661,490	3,791,942
Bad debt written off	2,336	75,055
Interest income	(1,317,617)	(1,174,578)
Interest expense	543,098	334,101
Taxation	12,902,990	-
	<u>98,074,597</u>	<u>79,722,937</u>
Changes in operating assets and liabilities:		
Receivables	(19,212,714)	(26,507,255)
Payables	(4,868,577)	12,259,269
Directors' current accounts	-	(248,637)
Cash (used in)/provided by operating activities	73,993,306	65,226,315
Tax withheld at source	(45,420)	-
Income tax paid	(17,365,439)	(57,370)
Net cash (used in)/provided by operating activities	<u>56,582,446</u>	<u>65,168,945</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	157,413	(6,689,872)
Interest received	1,317,617	1,174,578
Cash provided by investing activities	<u>1,475,030</u>	<u>(5,515,294)</u>
Cash Flows from Financing Activities		
Related Companies	1,899,006	28,915,912
Interest paid	(543,098)	(334,101)
Bank overdraft	105,097	177,310
Dividends	(50,578,871)	(48,705,579)
Cash provided by financing activities	<u>(49,117,866)</u>	<u>(19,946,458)</u>
(Decrease)/Increase in net cash and cash equivalents	8,939,610	39,707,193
Effect of exchange rate on net cash and cash equivalents	1,767,014	1,217,971
Cash and cash equivalents at beginning of year	<u>223,471,003</u>	<u>150,569,776</u>
Cash and cash equivalents for period ending Mar 31	<u><u>234,177,627</u></u>	<u><u>191,494,940</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 31 March 2017

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 March 31, 2017 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, 2016.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment 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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in Note 4.

3. Taxation

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

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

4. Critical Accounting Judgments and key Sources of Estimation Uncertainty

Estimates and judgments 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 judgments which it believes would have a significant impact on the amounts recognized 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.

Cargo Handlers Limited

Selected Notes to the Financial Statements
Period Ending 31 March 2017

Management Discussions and Analysis

We are grateful for the opportunity to address you for the first time this New Year and trust that it has been met with optimism for our collective growth and prosperity as a country.

We are pleased to share with you the results of our performance for the quarter ending March 31, 2017 where despite an 8.4% increase in revenue, profit of \$38.36M was realized for the period and was down \$4.7M over the corresponding quarter last year. This was against the background of a provision being made for increased salaries pending the new labour agreement as well as expenses in relation to exchange rate losses.

The foregoing result yielded Earnings per Share (EPS) of \$0.10 for the 3 month period and was down from \$0.12 the corresponding quarter last year; a more positive result was however maintained from the perspective of the year-to-date results which reflected a 9.5% increase in share value over the corresponding period.

The groundwork that has been laid for Cargo Handlers' diversification strategy has begun to show signs of coming to fruition. We have already begun to take receipt of additional haulage equipment with a view to reducing the age of our existing fleet; improved efficiency measures implemented across the related departments have encouraged a renewed focus on further growing our haulage business.

Our stevedores were commended by TUI on the successful conclusion of their cruise ship home-port season in Montego Bay and we are extremely grateful for the stevedores continued dedication to the Company. Cargo Handlers is happy to continue our support of community development initiatives and projects from within areas which our staff members and their families reside and thus, will positively impact their health and welfare.

TOP TEN (10) STOCKHOLDERS

As at 31 March 2017

<u>NAME</u>	<u>UNITS</u>	<u>PERCENTAGE</u>
North Star Investment Ltd	113,242,640	27.2055
Jane Fray	112,911,980	27.1261
Mark Hart	98,920,782	23.7647
Cargo Handlers Trust	41,591,700	9.9920
Antony M. Hart	10,991,198	2.64
Mayberry Managed Clients Accounts	5,190,769	1.2470
Mayberry Investments Ltd. Pension Scheme	3,429,920	0.8240
Nigel O. Coke	2,893,702	0.6951
Rosemarie McIver	2,761,190	0.6633
Robert Chin	2,580,000	0.6198

DIRECTORS AND CONNECTED PARTIES REPORT

<u>NAME</u>	<u>POSITION</u>	<u>RELATIONSHIP</u>	<u>UNITS</u>	<u>PERCENTAGE</u>
Mark Hart	Chairman	Self	98,920,782	23.7647
Jane Fray	Director	Self	112,911,980	27.1261
Anthony Hart	Director	Connected party holding	113,242,640	27.20
Theresa Chin	Director	Connected party holding	5,879,220	1.4115
Andrew McCarthy	Director	Self	0.00	0.00
John Byles	Director	Self	0.00	0.00
		Key Member Holdings	211,832,762	50.89
		Connected Party Holdings	119,121,860	28.6115
		Combined Holdings	330,954,622	79.5023

Senior Managers

Theresa Chin	760,022
Christopher Hurge	40,000