

CARGO Handlers Ltd.

3rd Quarter Financial Statements

June 30, 2017

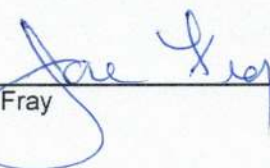
Cargo Handlers Limited

Statement of Financial Position


9 months ending June 30, 2017

	Unaudited Jun 2017 \$	Unaudited Jun 2016 \$	Audited Sept 2016
Non-Current Assets			
Property, plant & equipment	56,176,682	54,709,784	48,566,195
Related Companies	49,150,025	30,239,048	9,271,149
	105,326,707	84,948,832	57,837,344
Current Assets			
Receivables	80,450,984	74,763,970	79,367,349
Taxation recoverable	790,234	752,481	668,603
Cash	236,724,417	198,416,708	223,686,802
	317,965,635	273,933,159	303,722,754
Current Liabilities			
Payables	18,101,590	13,233,664	26,594,507
Income tax payable	6,021,568	10,617,686	11,425,502
Directors' current accounts	-	40,322	40,322
Borrowings	802,679	68,615	215,799
	24,925,837	23,960,287	38,276,130
Net Current Assets/(Liabilities)	<u>293,039,798</u>	<u>249,972,873</u>	<u>265,446,624</u>
	<u>398,366,505</u>	<u>334,921,705</u>	<u>323,283,968</u>
Shareholders' Equity			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	323,003,888	278,905,841	257,650,620
	366,351,693	322,253,646	300,998,425
Non-Current Liability			
Related Companies	29,722,546	1,479,459	19,993,277
Deferred tax liability	2,292,266	11,188,599	2,292,266
	32,014,812	12,668,059	22,285,543
	<u>398,366,505</u>	<u>334,921,705</u>	<u>323,283,968</u>

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



 Jane Fray



 Theresa Chin

Cargo Handlers Limited

Statement of Comprehensive Income

9 months ending June 30, 2017

	3 months to Jun 2017	3 months to Jun 2016	9 months to Jun 2017	9 months to Jun 2016
	\$	\$	\$	\$
Revenue	73,831,406	81,071,310	255,440,821	234,368,862
Gain on Exchange	2,234,350	-	2,234,350	-
Other income	-	6,287,235	3,421,204	10,459,749
Administrative expenses	(4,391,275)	(3,485,302)	(14,274,180)	(10,134,265)
Other operating expenses	<u>(35,372,878)</u>	<u>(30,800,016)</u>	<u>(112,152,139)</u>	<u>(92,263,011)</u>
Operating Profit	36,301,603	53,073,227	134,670,057	142,431,335
Interest Income	464,840	402,016	1,782,458	1,576,595
Loss on Exchange	-	-	(1,661,891)	-
Finance costs	<u>(456,493)</u>	<u>(195,122)</u>	<u>(999,591)</u>	<u>(529,223)</u>
Profit before Taxation	36,309,950	53,280,121	133,791,033	143,478,707
Taxation	<u>(4,955,904)</u>	<u>(7,131,602)</u>	<u>(17,858,894)</u>	<u>(18,954,234)</u>
Net Profit, being Total Comprehensive Income for period June 30	<u>31,354,046</u>	<u>46,148,519</u>	<u>115,932,139</u>	<u>124,524,474</u>
Earnings Per Share (EPS)	0.08	0.12	0.31	0.33

Cargo Handlers Limited

Statement of Changes in Equity
9 months ending June 30, 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	-	-	-	124,524,474	124,524,474
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(48,705,579)	(48,705,579)
Balance at 30 June 2016	37,465,830	43,175,494	172,311	278,905,841	322,253,646
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	-	-	-	115,932,139	115,932,139
Transactions with owners:	-	-	-	-	-
Shares	337,192,470	-	-	-	-
Dividends paid	-	-	-	(50,578,871)	(50,578,871)
Balance at 30 June 2017	374,658,300	43,175,494	172,311	323,003,888	366,351,693

Cargo Handlers Limited

Statement of Cash Flows

9 months ending June 30, 2017

	Jun 2017	Jun 2016
	\$	\$
Cash Flows from Operating Activities		
Net Profit	115,932,139	124,524,474
Items not affecting cash:		
Unrealised exchange (gain)/loss	(2,129,930)	(9,216,521)
Depreciation	5,716,130	5,798,195
Bad debt written off	2,336	75,055
Interest income	(1,782,458)	(1,576,594)
Interest expense	999,591	529,223
Taxation	17,858,894	-
	<u>136,596,702</u>	<u>120,133,831</u>
Changes in operating assets and liabilities:		
Receivables	(657,376)	(22,076,280)
Payables	(8,492,917)	9,263,389
Directors' current accounts	(40,322)	(248,637)
Cash (used in)/provided by operating activities	127,406,086	107,072,304
Tax withheld at source	(49,080)	(83,878)
Income tax paid	(23,335,380)	(83,878)
Net cash (used in)/provided by operating activities	<u>104,021,626</u>	<u>106,904,548</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(13,326,617)	(6,689,871)
Interest received	1,782,458	1,576,594
Cash provided by investing activities	<u>(11,544,159)</u>	<u>(5,113,277)</u>
Cash Flows from Financing Activities		
Related Companies	(30,149,607)	(12,102,638)
Interest paid	(999,591)	(529,223)
Bank overdraft	802,679	68,615
Dividends	(50,578,871)	(48,705,579)
Cash provided by financing activities	<u>(80,925,389)</u>	<u>(61,268,825)</u>
(Decrease)/Increase in net cash and cash equivalents	11,552,079	40,522,446
Effect of exchange rate on net cash and cash equivalents	1,701,335	7,324,486
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 Jun 30	<u><u>236,724,417</u></u>	<u><u>198,416,708</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 30 June 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 June 30, 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 30 June 2017

Management Discussions and Analysis

We are pleased to share with you the results of our performance for the quarter ending June 30, 2017 wherein revenue amounting to \$76.53M was realized for the period and was 6% or \$4.9M below the corresponding quarter in 2016. This result was due in part to the absence of any project cargo thru-put this period as well as a reduction in Exchange Gain.

We experienced some inefficiency this period as a result of adjustments in some vessels' scheduling that negatively impacted total expenses which was up \$7M above the corresponding quarter last year; administration charges and salary related expenses accounted for the majority of this total. The foregoing result yielded \$36.3M in Net Profit before tax and Earnings per Share (EPS) of \$0.08 for the 3 month period.

Despite the seasonal decline in vessel calls and its negative impact on revenues this period, we are encouraged by the significant increase in the number of cruise vessel visits when compared to last year's results. Against the background of competition from Falmouth and Ocho Rios, this is a welcomed development that highlights Montego Bay's importance in marketing Western Jamaica as both an emerging commercial and desirable recreational destination. It is CHL's intention to capitalize on this dynamic by seeking out opportunities that will continue to enhance the Port of Montego Bay's profile and complement CHL's existing revenue streams.

Our petroleum haulage division will, in the ensuing quarter, begin to introduce newly acquired equipment that will give us the capacity to comfortably service additional business; our management team is to be commended for their responsiveness to market trends in keeping with CHL's strategic vision.

TOP TEN (10) STOCKHOLDERS

As at 30 June 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	2,896,881	0.6959
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