

CARGO Handlers Ltd.

4th Quarter
Financial Statements

September 30, 2017

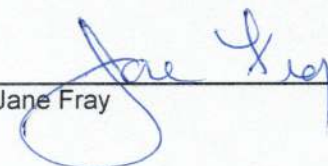
Cargo Handlers Limited

Statement of Financial Position

12 months ending September 30, 2017

	Unaudited Sep 2017 \$	Audited Sept 2016
Non-Current Assets		
Property, plant & equipment	62,706,303	48,566,195
Related Companies	23,477,022	9,271,149
	86,183,325	57,837,344
Current Assets		
Receivables	66,982,284	79,367,349
Taxation recoverable	668,603	668,603
Cash	252,483,659	223,686,802
	320,134,546	303,722,754
Current Liabilities		
Payables	23,337,895	26,594,507
Income tax payable	4,125,435	11,425,502
Directors' current accounts	-	40,322
Borrowings	80,340	215,799
	27,543,670	38,276,130
Net Current Assets/(Liabilities)	292,590,876	265,446,624
	378,774,201	323,283,968
Shareholders' Equity		
Share capital	43,175,494	43,175,494
Capital reserve	172,311	172,311
Retained earnings	307,057,314	257,650,620
	350,405,119	300,998,425
Non-Current Liability		
Related Companies	26,076,817	19,993,277
Deferred tax liability	2,292,266	2,292,266
	28,369,083	22,285,543
	378,774,201	323,283,968

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


Jane Fray


Theresa Chin

Cargo Handlers Limited

Statement of Comprehensive Income

12 months ending September 30, 2017

	3 months to Sep 2017 \$	3 months to Sep 2016 \$	Unaudited 12 months to Sep 2017 \$	Audited 12 months to Sep 2016 \$
Revenue	65,391,571	73,404,005	320,832,392	307,772,867
Gain on Exchange	130,110	-	2,364,460	-
Other income	-	3,845,215	3,421,204	14,304,964
Administrative expenses	(4,640,988)	(2,978,048)	(18,882,043)	(13,112,313)
Other operating expenses	<u>(31,764,641)</u>	<u>(39,768,293)</u>	<u>(143,949,906)</u>	<u>(132,031,302)</u>
Operating Profit	29,116,051	34,502,879	163,786,107	176,934,216
Interest Income	682,315	782,287	2,464,773	2,358,881
Loss on Exchange	-	-	(1,661,891)	-
Finance costs	<u>(331,009)</u>	<u>(161,806)</u>	<u>(1,330,600)</u>	<u>(691,029)</u>
Profit before Taxation	29,467,357	35,123,360	163,258,390	178,602,068
Taxation	<u>(4,201,518)</u>	<u>(5,595,735)</u>	<u>(22,060,412)</u>	<u>(24,753,945)</u>
Net Profit, being Total Comprehensive Income for period September 30	<u>25,265,839</u>	<u>29,527,625</u>	<u>141,197,978</u>	<u>153,848,123</u>
Earnings Per Share (EPS)	0.07	0.79	0.38	0.41

Cargo Handlers Limited

Statement of Changes in Equity

12 months ending September 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	-	-	-	153,848,123	153,848,123
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(99,284,449)	(99,284,449)
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	-	-	-	141,197,978	141,197,978
Transactions with owners:	-	-	-	-	-
Shares	337,192,470	-	-	-	-
Dividends paid	-	-	-	(91,791,284)	(91,791,284)
Balance at 30 September 2017	374,658,300	43,175,494	172,311	307,057,314	350,405,119

Cargo Handlers Limited

Statement of Cash Flows

12 months ending September 30, 2017

	Unaudited Sep 2017 \$	Audited Sep 2016 \$
Cash Flows from Operating Activities		
Net Profit	141,197,978	153,848,123
Items not affecting cash:		
Unrealised exchange (gain)/loss	(4,921,696)	(15,571,542)
Depreciation	8,104,131	7,580,050
Write off/adjustment of property, plant and equipment	157,413	4,361,736
Bad debt written off	2,336	82,055
Interest income	(2,464,773)	(2,358,881)
Interest expense	1,330,600	691,029
Taxation	22,060,412	24,753,945
	<u>165,466,401</u>	<u>173,386,515</u>
Changes in operating assets and liabilities:		
Receivables	13,352,572	(25,089,289)
Payables	(3,256,612)	11,922,668
Directors' current accounts	(40,322)	(248,637)
Cash (used in)/provided by operating activities	175,522,039	159,971,257
Tax withheld at source	(55,160)	(121,631)
Income tax paid	(29,305,320)	(12,394,005)
Net cash (used in)/provided by operating activities	<u>146,161,559</u>	<u>147,455,621</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(22,401,652)	(6,689,872)
Interest received	2,464,773	2,358,881
Cash provided by investing activities	<u>(19,936,879)</u>	<u>(4,330,991)</u>
Cash Flows from Financing Activities		
Related Companies	(8,122,333)	17,669,939
Interest paid	(1,330,600)	(691,029)
Bank overdraft	80,340	-
Dividends	(91,791,284)	(99,284,449)
Cash provided by financing activities	<u>(101,163,876)</u>	<u>(82,305,539)</u>
(Decrease)/Increase in net cash and cash equivalents	25,060,803	60,819,091
Effect of exchange rate on net cash and cash equivalents	3,951,853	12,082,136
Cash and cash equivalents at beginning of year	223,471,003	150,569,776
Cash and cash equivalents for period ending Sep 30	<u><u>252,483,659</u></u>	<u><u>223,471,003</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 30 September 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 September 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.

5. Earnings Per Share

There was an increase in authorized shares and a subsequent stock split effective October 21, 2016. As per IAS 33, the number of shares used to calculate the Earnings Per Share was 374,658,300 shares

Cargo Handlers Limited

Selected Notes to the Financial Statements
Period Ending 30 September 2017

Management Discussions and Analysis

We are pleased to share with you the results of our performance for the quarter ending September 30, 2017 wherein revenue amounting to \$66.2M was realized for the quarter and was 15.1% or \$11.83M below the corresponding quarter last year. This result was due to a combination of factors, particularly decreases this period in container thru-put and exchange gain when compared to the same period in 2016.

Subsequent to the completion of obligatory preventative maintenance works on select pieces of equipment the previous year, total expenses this period reflected a reduction of 13.1% or \$5.02M below the corresponding quarter in 2016. These results yielded \$33.07M in Net Profit before tax and Earnings per Share (EPS) of \$0.07 for the 3 month period, a result that was influenced by the October 2016 share split.

Our petroleum haulage division is poised for further growth with a new haulage agreement with New Fortress Energy (NFE North) that commenced in September 2017. Come next quarter, we should also begin to see signs of the recent infusion of additional haulage equipment positively impacting our Equipment Leasing revenue stream.

The first quarter of the new Fiscal Year will herald the start of 2017/18 Winter Tourist Season and with it, an upsurge in cruise vessel traffic. Cargo Handlers Stevedores' much anticipated Staff Retreat occurring in November will be a welcomed precursor to the upcoming season's intensity. The seasonal influx of the cruise homeport vessels will once more positively impact the activities within the Stevedoring Department over the ensuing months and we stand ready to provide our valued partners with the required logistics support.

TOP TEN (10) STOCKHOLDERS

As at 30 September 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	4,981,224	1.1966
Mayberry Investments Ltd. Pension Scheme	3,429,920	0.8240
Nigel O. Coke	2,899,956	0.6966
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