

CARGO Handlers Ltd.

1st Quarter Financial Statements

December 31, 2017

Cargo Handlers Limited

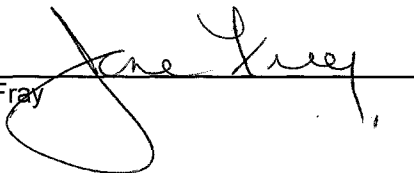
Statement of Financial Position

3 months ending December 31, 2017

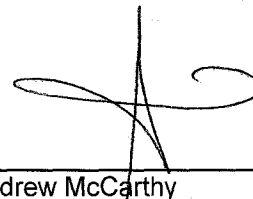
	Unaudited Dec 2017 \$	Unaudited Dec 2016 \$	Audited Sept 2017
Non-Current Assets			
Property, plant & equipment	60,357,841	46,577,379	62,706,303
Related Companies	28,861,883	29,933,877	23,477,022
	89,219,724	76,511,256	86,183,325
Current Assets			
Receivables	81,384,396	85,514,431	66,982,284
Taxation recoverable	668,603	790,234	668,603
Cash	272,450,556	231,662,657	252,483,659
	354,503,555	317,967,321	320,134,546
Current Liabilities			
Payables	16,516,134	12,392,157	23,337,895
Income tax payable	5,757,849	14,058,588	3,905,200
Directors' current accounts	-	40,322	-
Borrowings	907,161	336,408	80,340
	23,181,145	26,827,475	27,323,435
Net Current Assets/(Liabilities)	331,322,410	291,139,846	292,811,111
	420,542,134	367,651,102	378,994,436
Shareholders' Equity			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	347,051,656	303,862,937	306,714,308
	390,399,461	347,210,742	350,062,113
Non-Current Liability			
Related Companies	27,287,166	18,148,095	26,076,817
Deferred tax liability	2,855,506	2,292,266	2,855,506
	30,142,672	20,440,361	28,932,323
	420,542,134	367,651,102	378,994,436

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

Jane Fray



Andrew McCarthy



Cargo Handlers Limited

Statement of Comprehensive Income

3 months ending December 31, 2017

	3 months to Dec 2017	3 months to Dec 2016
	\$	\$
Revenue	86,569,253	86,992,842
Other income	543,786	3,421,204
Administrative expenses	(5,398,357)	(4,505,933)
Other operating expenses	(35,748,432)	(33,518,580)
Operating Profit	45,966,250	52,389,533
Interest Income	469,993	728,933
Finance costs	(336,038)	(248,621)
Profit before Taxation	46,100,206	52,869,844
Taxation	(5,762,858)	(6,657,527)
Net Profit, being Total Comprehensive Income for period	40,337,348	46,212,317
Earnings Per Share (EPS)	0.11	0.12

Cargo Handlers Limited

Statement of Changes in Equity

3 months ending December 31, 2017

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
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	-	-	-	46,212,317	46,212,317
Transactions with owners:	-	-	-	-	-
Shares issued	337,192,470	-	-	-	-
Balance at 31 December 2016	374,658,300	43,175,494	172,311	303,862,937	347,210,742
Balance at 30 September 2017	37,465,830	43,175,494	172,311	306,714,308	350,062,113
Net profit, being total comprehensive income for the period	-	-	-	40,337,348	40,337,348
Transactions with owners:	-	-	-	-	-
Shares issued	337,192,470	-	-	-	-
Balance at 31 December 2017	374,658,300	43,175,494	172,311	347,051,656	390,399,461

Cargo Handlers Limited

Statement of Cash Flows

3 months ending December 31, 2017

	Dec 2017	Dec 2016
	\$	\$
Cash Flows from Operating Activities		
Net Profit	40,337,348	46,212,317
Items not affecting cash:		
Unrealised exchange (gain)/loss	9,518,197	(1,770,634)
Depreciation	2,390,513	1,831,403
Bad debt written off	12,000	2,336
Interest income	(469,993)	(728,933)
Interest expense	336,038	248,621
Taxation	5,762,858	6,657,527
	<u>57,886,960</u>	<u>52,452,638</u>
Changes in operating assets and liabilities:		
Receivables	(15,978,957)	(5,740,421)
Payables	(6,821,761)	(14,202,351)
Cash (used in)/provided by operating activities	35,086,242	32,509,866
Tax withheld at source	(5,009)	(34,737)
Income tax paid	(3,905,199)	(4,111,335)
Net cash (used in)/provided by operating activities	<u>31,176,034</u>	<u>28,363,794</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(42,050)	157,413
Interest received	469,993	728,933
Cash provided by investing activities	<u>427,943</u>	<u>886,346</u>
Cash Flows from Financing Activities		
Related Companies	(4,174,512)	(22,507,910)
Interest paid	(336,038)	(248,621)
Cash provided by financing activities	<u>(4,510,550)</u>	<u>(22,756,531)</u>
(Decrease)/Increase in net cash and cash equivalents	27,093,428	6,493,609
Effect of exchange rate on net cash and cash equivalents	(7,953,352)	1,361,637
Cash and cash equivalents at beginning of year	252,403,319	223,471,003
Cash and cash equivalents for period ending Dec 31	<u><u>271,543,395</u></u>	<u><u>231,326,249</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 31 December 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, equipment leasing and the provision of management services

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

2. Basis of preparation

The interim financial statements for the period December 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, 2017.

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 374,658,310 shares

Cargo Handlers Limited

Selected Notes to the Financial Statements
Period Ending 31 December 2017

Management Discussions and Analysis

We are pleased to present the results of Cargo Handlers' performance for the first quarter of the new financial year ended December 31, 2017 wherein revenue amounting to \$86.6M was recorded and was similar to the corresponding quarter last year.

Increased cruise vessel arrivals this period positively impacted our operations through additional baggage handling activities that was however offset by a reduction in the number of containers handled over the busy festive season in comparison to the comparative period in 2016.

The overall net profit for the period reflected a \$5.9M reduction when compared to the corresponding quarter's outcome. This change was due to a relatively stable exchange rate over the previous year as well as an increase in wages impacting the cost of baggage handling services. The foregoing results equated to earnings per share (EPS) of \$0.11 for the three month period compared to \$0.12 for the corresponding quarter of the previous year.

We eagerly look forward to the prospects of the New Year and sincerely express our gratitude to our team members for their dedication and wish for all our stakeholders a healthy and prosperous 2018!

CARGO Handlers Ltd.

TOP TEN (10) STOCKHOLDERS

As at 30 December 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
Antony Mark Hart	109,911,980	26.4052
Cargo Handlers Trust	41,591,700	9.9920
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 H. S. Chin	2,580,000	0.6198
Theresa Chin	1,721,000	0.4134

DIRECTORS AND CONNECTED PARTIES REPORT

<u>NAME</u>	<u>POSITION</u>	<u>RELATIONSHIP</u>	<u>UNITS</u>	<u>PERCENTAGE</u>
Mary Jane Fray	Director	Self	112,911,980	27.1261
Mark Hart	Chairman	Self	109,911,980	26.4052
Theresa Chin	Director	Self	1,721,000	.4134
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
William Craig	Director	Self	0.00	0.00

Key Member Holdings	224,544,960	53.94
Connected Party Holdings	5,879,220	1.41
Combined Holdings	230,424,180	55.35

Senior Managers

Theresa Chin	7,600,220
Christopher Hurge	400,000