

CARGO Handlers Ltd.

2nd Quarter Financial Statements

March 31, 2018

Cargo Handlers Limited

Statement of Financial Position

6 months ending March 31, 2018

	Unaudited Mar 2018 \$	Unaudited Mar 2017 \$	Audited Sept 2017
Non-Current Assets			
Property, plant & equipment	63,925,866	44,747,293	62,706,303
Related Companies	11,394,609	15,259,540	23,477,022
	75,320,475	60,006,833	86,183,325
Current Assets			
Receivables	76,465,726	99,106,505	66,982,284
Taxation recoverable	668,603	790,234	668,603
Cash	317,596,525	234,177,627	252,483,659
	394,730,854	334,074,365	320,134,546
Current Liabilities			
Payables	19,297,385	21,725,930	23,337,895
Income tax payable	6,847,827	7,039,262	3,905,200
Directors' current accounts	-	40,322	-
Borrowings	5,583,662	105,097	80,340
	31,728,874	28,910,611	27,323,435
Net Current Assets/(Liabilities)	<u>363,001,980</u>	<u>305,163,754</u>	<u>292,811,111</u>
	<u>438,322,455</u>	<u>365,170,587</u>	<u>378,994,436</u>
Shareholders' Equity			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	349,611,139	291,649,842	306,714,308
	392,958,944	334,997,647	350,062,113
Non-Current Liability			
Related Companies	42,508,004	27,880,673	26,076,817
Deferred tax liability	2,855,506	2,292,266	2,855,506
	45,363,510	30,172,939	28,932,323
	<u>438,322,455</u>	<u>365,170,587</u>	<u>378,994,436</u>

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


A. Mark Hart


Andrew McCarthy

Cargo Handlers Limited

Statement of Comprehensive Income

6 months ending March 31, 2018

	3 months to Mar 2018	3 months to Mar 2017	6 months to Mar 2018	6 months to Mar 2017
	\$	\$	\$	\$
Revenue	101,388,983	94,616,574	187,958,236	181,609,416
Exchange gain	1,768,511	-	2,312,297	3,421,204
Administrative expenses	(7,067,242)	(5,343,846)	(12,465,599)	(9,882,905)
Other operating expenses	<u>(44,367,926)</u>	<u>(43,293,805)</u>	<u>(80,116,358)</u>	<u>(76,779,260)</u>
Operating Profit	51,722,325	45,978,922	97,688,576	98,368,455
Interest Income	388,537	588,685	858,530	1,317,617
Loss on exchange	-	(1,661,891)	-	(1,661,891)
Finance costs	<u>(560,551)</u>	<u>(294,476)</u>	<u>(896,589)</u>	<u>(543,098)</u>
Profit before Taxation	51,550,312	44,611,239	97,650,517	97,481,083
Taxation	<u>(5,905,124)</u>	<u>(6,245,463)</u>	<u>(11,667,981)</u>	<u>(12,902,990)</u>
Net Profit, being Total Comprehensive Income for period	<u>45,645,188</u>	<u>38,365,776</u>	<u>85,982,536</u>	<u>84,578,093</u>
Earnings Per Share (EPS)	0.12	0.10	0.23	0.23

Cargo Handlers Limited

Statement of Changes in Equity

6 months ending March 31, 2018

	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	-	-	-	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
Balance at 30 September 2017	374,658,300	43,175,494	172,311	306,714,308	350,062,113
Net profit, being total comprehensive income for the period	-	-	-	85,982,536	85,982,536
Transactions with owners:					
Dividends paid	-	-	-	(43,085,705)	(43,085,705)
Balance at 31 March 2018	374,658,300	43,175,494	172,311	349,611,139	392,958,944

Cargo Handlers Limited

Statement of Cash Flows

6 months ending March 31, 2018

	Mar 2018	Mar 2017
	\$	\$
Cash Flows from Operating Activities		
Net Profit	85,982,536	84,578,093
Items not affecting cash:		
Unrealised exchange (gain)/loss	9,950,617	(2,295,792)
Depreciation	4,984,534	3,661,490
Bad debt written off	12,000	2,336
Interest income	(858,530)	(1,317,617)
Interest expense	896,589	543,098
Taxation	11,667,981	12,902,990
	<u>112,635,727</u>	<u>98,074,597</u>
Changes in operating assets and liabilities:		
Receivables	(11,060,157)	(19,212,714)
Payables	(4,040,510)	(4,868,577)
Cash (used in)/provided by operating activities	97,535,059	73,993,306
Tax withheld at source	(13,898)	(45,420)
Income tax paid	(8,711,455)	(17,365,439)
Net cash (used in)/provided by operating activities	<u>88,809,707</u>	<u>56,582,446</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(6,204,097)	157,413
Interest received	858,530	1,317,617
Cash provided by investing activities	<u>(5,345,567)</u>	<u>1,475,030</u>
Cash Flows from Financing Activities		
Related Companies	28,513,601	1,899,006
Interest paid	(896,589)	(543,098)
Dividends	(43,085,705)	(50,578,871)
Cash provided by financing activities	<u>(15,468,693)</u>	<u>(49,222,963)</u>
(Decrease)/Increase in net cash and cash equivalents	67,995,447	8,834,513
Effect of exchange rate on net cash and cash equivalents	(8,385,902)	1,767,014
Cash and cash equivalents at beginning of year	252,403,319	223,471,003
Cash and cash equivalents for period ending Mar 31	<u><u>312,012,864</u></u>	<u><u>234,072,530</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 31 March 2018

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 March 31, 2018 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.

Cargo Handlers Limited

Selected Notes to the Financial Statements
Period Ending 31 March 2018

Management Discussions and Analysis

We are pleased to present the results of our performance for the second quarter to March 31, 2018 in which revenue amounting to \$101.38M was achieved and was \$6.77M above the corresponding quarter. This increase was driven mainly by our stevedoring activities wherein a total of 119 vessel operations were realized for the three month period that yielded a 14% increase in containerized cargo handled over the three month period in 2017.

Overall net profit for the three months ending March 31, 2018 reflected a 19% increase to \$45.64M when compared to the corresponding quarter last year. This result equated to earnings per share (EPS) of \$0.12 for the three month period and was up 17% when compared to the corresponding quarter of the previous year.

Projects being undertaken by the GOJ, aimed at improving the berthing facilities at the Port of Montego Bay, will positively impact our operations when completed at the end of this calendar year. This construction of a new berth and the extension of an existing one will provide additional space and increased efficiencies for the vessels calling at the facility.

We have realized record numbers of cruise vessel visits the past two seasons and the trend demonstrates further improvement in this regard. The spinoffs include increased cargo and passenger thru-put which will benefit the western region as well as Cargo Handlers' stakeholders. CUMI, Women's Inc., West Haven Children's Home, were once again deserving beneficiaries of our benevolence in addition to the Rose Hall Academy all from within the parish of St. James

We are actively continuing our pursuit of additional opportunities in business for further investment that will complement our existing portfolio. Cargo Handlers Limited wishes to convey its sincere appreciation to all its stakeholders for their continued confidence and support.

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.

CARGO Handlers Ltd.

TOP TEN (10) STOCKHOLDERS

As at 31 March 2018

<u>NAME</u>	<u>UNITS</u>	<u>PERCENTAGE</u>
North Star Investment Ltd	113,242,640	27.2054
Jane Fray	112,911,980	27.1260
Antony Mark Hart	109,911,980	26.4053
Cargo Handlers Trust	41,591,700	9.9920
Mayberry Managed Clients Accounts	4,979,184	1.1962
Mayberry Investments Ltd. Pension Scheme	3,429,920	0.8240
Nigel O. Coke	2,900,623	0.6968
Rosemarie McIver	2,761,190	0.6633
Robert H. S. Chin	2,580,000	0.6198
Conrad H. P Chin	2,009,220	0.4827

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	0.4134
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