



4th Quarter
Financial Statements

September 30, 2018

Cargo Handlers Limited

Selected Notes to the Financial Statements
Period Ending 30 September 2018

Management Discussions and Analysis

We are pleased to share the results of our performance for the fourth quarter ending September 30, 2018 wherein revenue amounting to \$96.9M was recorded and was 46.7% or \$30.61M above the corresponding quarter last year. This result was primarily due to an increase in exchange gain in addition to increased stevedoring and equipment rental income this period.

Containerized cargo volume was similar this quarter when compared to the corresponding period in 2017. This was however offset by an increase in bulk cargo thru-put, in particular cement, which is anticipated to trend similarly into the new calendar year as the local construction sector continues to perform well.

The Company's operating costs for the 3-month period amounted to \$46M which went up by \$14.24M above the corresponding quarter in 2017. This increase in operating costs was due to the additional stevedoring activities relating to the cement shipments. Ensuing net profit increased by 53.6% to \$45.2M before tax and yielded earnings per share (EPS) of \$0.10 for the quarter when compared to the corresponding three months in 2017.

The intensity of both cruise and cargo shipping interests in Montego Bay will become more pronounced over the next quarter and the usual upsurge in vessel traffic will present opportunities and challenges normal to our industry at that time of the year. We are buoyed by the commitment of our management team and dedicated staff and are confident we will meet the demands of our stakeholders who utilize the logistics services at the Port of Montego Bay.

Cargo Handlers Limited

Statement of Financial Position

12 months ending September 30, 2018

	Unaudited Sep 2018 \$	Audited Sept 2017
Non-Current Assets		
Property, plant & equipment	77,525,880	62,706,303
Related Companies	7,281,114	23,477,022
	84,806,994	86,183,325
Current Assets		
Receivables	76,134,889	66,982,284
Taxation recoverable	668,603	668,603
Cash	351,761,985	252,483,659
	428,565,477	320,134,546
Current Liabilities		
Payables	31,470,127	23,337,895
Income tax payable	10,827,973	3,905,200
Borrowings	1,340,215	80,340
	43,638,315	27,323,435
Net Current Assets/(Liabilities)	384,927,162	292,811,111
	469,734,156	378,994,436
Shareholders' Equity		
Share capital	43,175,494	43,175,494
Capital reserve	172,311	172,311
Retained earnings	381,454,040	306,714,308
	424,801,845	350,062,113
Non-Current Liability		
Related Companies	42,076,805	26,076,817
Deferred tax liability	2,855,506	2,855,506
	44,932,311	28,932,323
	469,734,156	378,994,436

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


A. Mark Hart


Andrew McCarthy

Cargo Handlers Limited

Statement of Comprehensive Income

12 months ending September 30, 2018

	3 months to Sep 2018	3 months to Sep 2017	Unaudited 12 months to Sep 2018	Audited 12 months to Sep 2017
	\$	\$	\$	\$
Revenue	75,628,291	65,391,571	355,738,173	320,832,392
Exchange gain	20,503,967	130,110	24,100,975	-
Other Income	-	-	-	4,123,773
Administrative expenses	(4,796,185)	(4,640,988)	(21,851,021)	(18,882,043)
Other operating expenses	<u>(46,010,774)</u>	<u>(31,764,641)</u>	<u>(165,624,428)</u>	<u>(143,949,906)</u>
Operating Profit	45,325,298	29,116,051	192,363,699	162,124,216
Interest Income	278,531	682,315	1,249,160	2,464,773
Finance costs	<u>(351,466)</u>	<u>(331,009)</u>	<u>(1,750,015)</u>	<u>(1,330,600)</u>
Profit before Taxation	45,252,363	29,467,357	191,862,844	163,258,389
Taxation	<u>(6,503,975)</u>	<u>(4,201,518)</u>	<u>(25,331,828)</u>	<u>(22,403,418)</u>
Net Profit, being Total Comprehensive Income for period	<u>38,748,389</u>	<u>25,265,839</u>	<u>166,531,016</u>	<u>140,854,971</u>
Earnings Per Share (EPS)	0.10	0.07	0.44	0.38

Cargo Handlers Limited

Statement of Changes in Equity

12 months ending September 30, 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	-	-	-	140,854,971	140,854,971
Transactions with owners:					
Shares issued	337,192,470	-	-	-	-
Dividends paid	-	-	-	(91,791,283)	(91,791,283)
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	-	-	-	166,531,016	166,531,016
Transactions with owners:					
Dividends paid	-	-	-	(91,791,284)	(91,791,284)
Balance at 30 September 2018	374,658,300	43,175,494	172,311	381,454,040	424,801,846

Cargo Handlers Limited

Statement of Cash Flows

12 months ending September 30, 2018

	Sep 2018 \$	Sep 2017 \$
Cash Flows from Operating Activities		
Net Profit	166,531,016	140,854,971
Items not affecting cash:		
Unrealised exchange (gain)/loss	(12,613,734)	(1,905,590)
Depreciation	11,273,099	8,104,131
Bad debt written off	12,000	2,336
Interest income	(1,249,160)	(2,464,773)
Interest expense	1,750,015	1,330,600
Taxation	25,331,828	22,403,418
	<u>191,035,064</u>	<u>168,325,093</u>
Changes in operating assets and liabilities:		
Receivables	(7,253,901)	12,915,646
Payables	8,132,231	(3,256,612)
Directors' current accounts	-	(40,322)
Cash (used in)/provided by operating activities	<u>191,913,394</u>	<u>177,943,805</u>
Tax withheld at source	(25,090)	(55,160)
Income tax paid	<u>(18,383,964)</u>	<u>(29,305,319)</u>
Net cash (used in)/provided by operating activities	<u>173,504,340</u>	<u>148,583,326</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(26,092,676)	(22,401,652)
Interest received	1,249,160	2,464,773
Cash provided by investing activities	<u>(24,843,516)</u>	<u>(19,936,879)</u>
Cash Flows from Financing Activities		
Related Companies	32,195,896	(8,122,333)
Interest paid	(1,750,015)	(1,330,600)
Dividends	<u>(91,791,284)</u>	<u>(91,791,283)</u>
Cash provided by financing activities	<u>(61,345,403)</u>	<u>(101,244,216)</u>
(Decrease)/Increase in net cash and cash equivalents	87,315,421	27,402,231
Effect of exchange rate on net cash and cash equivalents	10,703,030	1,530,085
Cash and cash equivalents at beginning of year	<u>252,403,319</u>	<u>223,471,003</u>
Cash and cash equivalents for period ending Sep 30	<u>350,421,770</u>	<u>252,403,319</u>

Cargo Handlers Limited

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



TOP TEN (10) STOCKHOLDERS

As at 30 September 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	4,864,311	1.1686
Nigel O. Coke	3,525,465	0.8470
Mayberry Investments Ltd. Pension Scheme	3,429,920	0.8240
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