

CARGO Handlers Ltd.

1st Quarter Financial Statements

December 31, 2019

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 31 December 2019

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 30 September 2019 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, 2019

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

Statement of Comprehensive Income

3 months ending December 31, 2019

	3 months to Dec 2019	3 months to Dec 2018
	\$	\$
Revenue	87,108,509	104,866,869
Cost of sales	(1,704,448)	(3,301,382)
Gross profit	85,404,061	101,565,487
Exchange Gain/(Loss)	1,099,696	(23,693,799)
Other income	75,000	-
Administrative expenses	(6,471,241)	(9,795,326)
Other operating expenses	(38,743,594)	(39,883,602)
Operating Profit	41,363,922	28,192,761
Interest Income	271,684	-
Finance costs	(522,655)	(531,302)
Profit before Taxation	41,112,951	27,661,459
Taxation	(5,201,924)	(3,540,489)
Net Profit, being Total Comprehensive Income for period	35,911,028	24,120,970
Earnings Per Share (EPS)	0.10	0.06

Cargo Handlers Limited

Statement of Financial Position

3 months ending December 31, 2019

	Unaudited Dec 2019 \$	Unaudited Dec 2018 \$	Audited Sept 2019
Non-Current Assets			
Property, plant & equipment	61,096,222	74,502,403	64,404,375
Related Companies	24,149,938	42,612,874	12,832,557
	85,246,160	117,115,277	77,236,932
Current Assets			
Receivables	133,596,442	94,178,066	127,946,271
Taxation recoverable	668,603	668,603	668,603
Cash	335,690,230	321,145,751	339,369,664
	469,955,276	415,992,420	467,984,538
Current Liabilities			
Payables	15,383,957	20,917,873	26,854,031
Income tax payable	4,050,831	7,908,653	4,086,157
Borrowings	109,889	30,097	32,025
	19,544,677	28,856,623	30,972,213
Net Current Assets/(Liabilities)	450,410,599	387,135,797	437,012,325
	535,656,759	504,251,074	514,249,257
Shareholders' Equity			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	457,005,747	404,611,076	421,094,719
	500,353,552	447,958,881	464,442,524
Non-Current Liability			
Related Companies	29,921,921	50,487,421	44,425,447
Deferred tax liability	5,381,286	5,804,772	5,381,286
	35,303,207	56,292,193	49,806,733
	535,656,759	504,251,074	514,249,257

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


A. Mark Hart


Andrew McCarthy

Cargo Handlers Limited

Statement of Changes in Equity

3 months ending December 31, 2019

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 30 September 2018	37,465,830	43,175,494	172,311	380,152,865	423,500,670
Net profit, being total comprehensive income for the period	-	-	-	24,458,211	24,458,211
Transactions with owners:	-	-	-	-	-
Balance at 31 December 2018	37,465,830	43,175,494	172,311	404,611,076	447,958,881
Balance at 30 September 2019	37,465,830	43,175,494	172,311	421,094,719	464,442,524
Net profit, being total comprehensive income for the period	-	-	-	35,911,028	35,911,028
Transactions with owners:	-	-	-	-	-
Balance at 31 December 2019	37,465,830	43,175,494	172,311	457,005,747	500,353,552

Cargo Handlers Limited

Statement of Cash Flows

3 months ending December 31, 2019

	Dec 2019	Dec 2018
	\$	\$
Cash Flows from Operating Activities		
Net Profit	35,911,028	24,458,211
Items not affecting cash:		
Unrealised exchange (gain)/loss	9,764,258	18,802,066
Depreciation	3,308,152	3,391,936
Interest income	(271,684)	-
Interest expense	522,655	531,302
Taxation	5,201,924	3,540,489
	<u>54,436,332</u>	<u>50,724,004</u>
Changes in operating assets and liabilities:		
Receivables	(7,004,193)	(21,117,053)
Payables	(11,470,074)	(10,552,253)
Cash (used in)/provided by operating activities	35,962,066	19,054,697
Tax withheld at source	(5,302)	(5,464)
Income tax paid	(5,231,947)	(4,806,255)
Net cash (used in)/provided by operating activities	<u>30,724,816</u>	<u>14,242,979</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	-	(368,459)
Interest received	271,684	-
Cash provided by investing activities	<u>271,684</u>	<u>(368,459)</u>
Cash Flows from Financing Activities		
Related Companies	(25,820,907)	(26,921,145)
Interest paid	(522,655)	(531,302)
Cash provided by financing activities	<u>(26,343,563)</u>	<u>(27,452,447)</u>
(Decrease)/Increase in net cash and cash equivalents	4,652,938	(13,577,926)
Effect of exchange rate on net cash and cash equivalents	(8,410,236)	(15,728,190)
Cash and cash equivalents at beginning of year	339,337,639	350,421,770
Cash and cash equivalents for period ending Dec 31	<u><u>335,580,341</u></u>	<u><u>321,115,654</u></u>

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CARGO Handlers Ltd.

TOP TEN (10) STOCKHOLDERS

As at 31 December 2019

<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
Theresa Chin	7,600,220	1.8259
Mayberry Managed Clients Accounts	4,378,054	1.0518
Nigel O. Coke	3,706,086	0.8904
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

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
William Craig	Director	Connected party holding	337,930	0.0812
Andrew McCarthy	Director	Self	0.00	0.00
John Byles	Director	Self	0.00	0.00
		Key Member Holdings	224,544,960	53.94
		Connected Party Holdings	6,217,150	1.49
		Combined Holdings	230,762,110	55.43

Senior Managers

Theresa Chin	7,600,220
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