

# **CARGO** Handlers Ltd.

## 3<sup>rd</sup> Quarter Financial Statements

June 30, 2021

# Cargo Handlers Limited

Selected Notes to the Financial Statements  
Period Ending 30 June 2021

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## Management Discussions and Analysis

Cargo Handlers Limited is pleased to share the results of our performance for the 3-month period ending June 30, 2021, with revenue amounting to \$106M, exceeding previous year Q3 by 180% or \$68.3M. The growth in revenue for the current period is due primarily to increased cement throughput as well as shipments relating to “special projects” currently taking place in western Jamaica. Moreover, when comparing the current Q3 revenue to the pre-pandemic corresponding Q3 period in 2019, there is a 33.3% or \$26.5M increase.

Operating expenses for the quarter were up 52.4% above the previous year corresponding period to \$46.5M and were proportional to the increased operational activities during the period. Investment income derived from our 30% interest in Buying House Cement amounted to \$13.9M and further improved net profit to \$75.4M before tax, \$65.6M above the corresponding prior year Q3. The result yielded earnings per share (EPS) of \$0.15 and was \$0.13 above Q3 2020.

The economic impact of the pandemic has eased over the past few months as commercial activities improve with the GOJ’s easing of restrictions. With vaccine availability and take-up increasing, economies are beginning to recover from the shock of the initial lockdown in early 2020. Recent media announcements about the major cruise lines resuming operations, will have a positive effect on revenue for the company and for Jamaica’s tourism industry as a whole.

We are aware of the role that Cargo Handlers Limited plays in the island’s supply chain and the need for us to be responsive to the challenges that our industry will continue to face as a result of the ongoing pandemic. With this in mind, we express our sincere appreciation to all our staff and stakeholders for their dedication and support as we play our part in the resumption of business and the restoration of the economy. We wish for everyone’s continued well being.

# Cargo Handlers Limited

Statement of Comprehensive Income  
9 months ending June 30, 2021

	3 months to Jun 2021	3 months to Jun 2020	9 months to Jun 2021	9 months to Jun 2020
	\$	\$		
<b>Revenue</b>	106,054,150	37,782,678	254,860,725	229,147,714
Cost of sales	-	-	-	(5,740,025)
<b>Gross profit</b>	106,054,150	37,782,678	254,860,725	223,407,689
Exchange Gain/(Loss)	6,205,884	8,820,901	12,530,180	18,285,052
Other income	-	-	2,061,019	75,000
Administrative expenses	(4,443,194)	(5,980,355)	(17,754,825)	(19,737,705)
Other operating expenses	(46,497,290)	(30,559,244)	(113,693,428)	(114,839,523)
<b>Operating Profit</b>	61,319,549	10,063,980	138,003,672	107,190,513
Interest Income	481,028	317,508	1,294,459	908,632
Finance costs	(362,170)	(581,020)	(939,677)	(1,493,596)
Share of profit of associates	13,956,347	-	20,203,276	-
<b>Profit before Taxation</b>	75,394,753	9,800,468	158,561,730	106,605,549
Taxation	(21,011,817)	(1,922,252)	(40,858,379)	(14,167,159)
<b>Net Profit, being Total Comprehensive Income for period</b>	54,382,937	7,878,216	117,703,351	92,438,390
<b>Earnings Per Share (EPS)</b>	<b>0.15</b>	<b>0.02</b>	<b>0.31</b>	<b>0.25</b>

# Cargo Handlers Limited

Statement of Financial Position

9 months ending June 30, 2021

	Unaudited Jun 2021 \$	Unaudited Jun 2020 \$	Audited Sept 2020
<b>Non-Current Assets</b>			
Property, plant & equipment	144,339,853	161,142,902	163,629,973
Related Companies	30,379,565	24,238,963	10,150,885
Investment in associates	125,353,614	-	-
	<u>300,073,032</u>	<u>185,381,865</u>	<u>173,780,858</u>
<b>Current Assets</b>			
Receivables	75,654,589	88,674,874	60,922,197
Taxation recoverable	668,603	668,603	668,603
Cash	295,964,479	299,727,690	336,145,811
	<u>372,287,671</u>	<u>389,071,167</u>	<u>397,736,611</u>
<b>Current Liabilities</b>			
Payables	23,026,787	15,332,472	23,540,466
Income tax payable	25,608,726	2,633,914	2,073,349
Borrowings	44,465	2,222,717	-
	<u>48,679,978</u>	<u>20,189,103</u>	<u>25,613,815</u>
<b>Net Current Assets/(Liabilities)</b>	<u>323,607,694</u>	<u>368,882,064</u>	<u>372,122,796</u>
	<u>623,680,726</u>	<u>554,263,929</u>	<u>545,903,654</u>
<b>Shareholders' Equity</b>			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	549,026,893	476,067,278	465,042,787
	<u>592,374,698</u>	<u>519,415,083</u>	<u>508,390,592</u>
<b>Non-Current Liability</b>			
Related Companies	20,401,919	29,467,560	26,608,953
Deferred tax liability	10,904,109	5,381,286	10,904,109
	<u>31,306,028</u>	<u>34,848,846</u>	<u>37,513,062</u>
	<u>623,680,726</u>	<u>554,263,929</u>	<u>545,903,654</u>

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

Jane Fray

William Craig

## Cargo Handlers Limited

Statement of Changes in Equity  
9 months ending June 30, 2021

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	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
<b>Balance at 30 September 2019</b>	<b>37,465,830</b>	<b>43,175,494</b>	<b>172,311</b>	<b>421,094,719</b>	<b>464,442,524</b>
Net profit, being total comprehensive income for the period	-	-	-	92,438,390	92,438,390
<b>Transactions with owners:</b>	-	-	-	-	-
Dividends paid	-	-	-	(37,465,830)	(37,465,830)
<b>Balance at 30 June 2020</b>	<b>37,465,830</b>	<b>43,175,494</b>	<b>172,311</b>	<b>476,067,278</b>	<b>519,415,083</b>
<b>Balance at 30 September 2020</b>	<b>37,465,830</b>	<b>43,175,494</b>	<b>172,311</b>	<b>465,042,788</b>	<b>508,390,593</b>
Net profit, being total comprehensive income for the period	-	-	-	117,703,351	117,703,351
<b>Transactions with owners:</b>	-	-	-	-	-
Dividends paid	-	-	-	(33,719,247)	(33,719,247)
<b>Balance at 30 June 2021</b>	<b>37,465,830</b>	<b>43,175,494</b>	<b>172,311</b>	<b>549,026,892</b>	<b>592,374,697</b>

# Cargo Handlers Limited

Statement of Cash Flows

9 months ending June 30, 2021

	Jun 2021	Jun 2020
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Net Profit	117,703,351	92,438,390
Items not affecting cash:		
Unrealised exchange (gain)/loss	(9,230,345)	(745,371,062)
Depreciation	17,488,328	11,994,158
Write off of fixed assets	2,843,703	-
Loss/(gain) on disposal of property, plant and equipment	(2,061,019)	-
Interest income	(1,294,459)	(908,632)
Interest expense	939,677	1,493,596
Taxation	40,858,379	14,167,159
	<u>167,247,615</u>	<u>(626,186,391)</u>
Changes in operating assets and liabilities:		
Receivables	(13,557,600)	41,237,640
Payables	(513,679)	(11,521,559)
Cash (used in)/provided by operating activities	153,176,335	(596,470,309)
Tax withheld at source	409,258	(17,279)
Income tax paid	(17,732,260)	(15,602,123)
Net cash (used in)/provided by operating activities	<u>135,853,334</u>	<u>(612,089,711)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant & equipment	(2,480,892)	(108,732,686)
Proceeds from sale/disposal of property, plant & equipment	3,500,000	-
Investments	(125,353,613)	-
Interest received	1,294,459	908,632
Cash provided by investing activities	<u>(123,040,047)</u>	<u>(107,824,054)</u>
<b>Cash Flows from Financing Activities</b>		
Related Companies	(26,435,713)	(26,364,292)
Interest paid	(939,677)	(1,493,596)
Dividends	(33,719,247)	(37,465,830)
Cash provided by financing activities	<u>(61,094,637)</u>	<u>(65,323,718)</u>
(Decrease)/Increase in net cash and cash equivalents	(48,281,350)	(785,237,483)
Effect of exchange rate on net cash and cash equivalents	8,055,552	743,404,818
Cash and cash equivalents at beginning of year	<u>336,145,811</u>	<u>339,337,639</u>
<b>Cash and cash equivalents for period ending Jun 30</b>	<u><u>295,920,014</u></u>	<u><u>297,504,974</u></u>

# Cargo Handlers Limited

## Selected Notes to the Financial Statements Period Ending 30 June 2021

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### 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 June 2021 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, 2020

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. Investment in Associates

	2021	2020
Buying House Cement Limited		
Unquoted shares – at cost	\$105,150,338	-
Share of profits	<u>20,203,276</u>	<u>-</u>
	<u>\$125,353,614</u>	<u>-</u>

# CARGO Handlers Ltd.

## TOP TEN (10) STOCKHOLDERS

As at 30 June 2021

<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
Nigel O. Coke	4,152,900	0.9977
Mayberry Managed Clients Accounts	4,129,369	0.9920
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

<b>Key Member Holdings</b>	<b>224,544,960</b>	<b>53.94</b>
<b>Connected Party Holdings</b>	<b>6,217,150</b>	<b>1.49</b>
<b>Combined Holdings</b>	<b>230,762,110</b>	<b>55.43</b>

### Senior Managers

Theresa Chin	7,600,220
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