

# CARGO Handlers Ltd.

## 4<sup>th</sup> Quarter Financial Statements

September 30, 2021

# Cargo Handlers Limited

Selected Notes to the Financial Statements  
Period Ending 30 September 2021

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## Management Discussions and Analysis

We are pleased to share the results of our performance for the quarter ending September 30, 2021 where Cargo Handlers Limited achieved revenues amounting to \$82.45M that represented an increase of 51.84% above the \$54.3M from the corresponding period in 2020. Income derived from our equipment leasing segment was up 39% to \$11.04M when compared to the corresponding 3-month period of the prior year, thereby serving to further bolster Cargo Handlers' total revenues.

Our performance continues to be positively influenced by the various construction projects currently taking place across Western Jamaica and in particular the bulk cargo being handled by us in support of this commercial sector. This growth is in addition to growing inflows of containerized cargo despite the bottlenecks presently affecting the global supply chain.

Operating expenses for the quarter were \$8.85M or 27.9% above the \$31.65M incurred during the corresponding period last year in line with the marked improvement in core activities and performance. CHL's resulting net profit before tax was \$48.6M, representing an increase of 113% above the \$22.8M realized for the corresponding quarter previous year. This positive result was supported by Cargo Handlers' share of profit of associated company. The results for the quarter to September 30, 2021 yielded Earnings per Share (EPS) of \$0.10 which was \$0.06 above the \$0.04 realized for the corresponding period last year.

The management and staff at Cargo Handlers Limited are committed to the task of serving the shipping, supply chain and logistics industries we operate within. With the challenges of 2020 still etched in our minds, we anticipate that supply chain challenges being experienced in 2021 will continue into the year ahead. Despite the immediate horizon, we are prepared for a full recovery, hence optimism abounds, and we are satisfied that our business model is resilient as we move forward.

# Cargo Handlers Limited

Statement of Comprehensive Income

12 months ending September 30, 2021

	3 months to Sep 2021 \$	3 months to Sep 2020 \$	12 months to Sep 2021	12 months to Sep 2020
<b>Revenue</b>	82,450,917	54,309,556	337,311,642	283,457,270
Cost of sales	-	-	-	(5,740,025)
<b>Gross profit</b>	82,450,917	54,309,556	337,311,642	277,717,245
Exchange Gain/(Loss)	3,483,410	5,729,891	16,013,590	25,123,043
Other income	66,134	-	2,127,153	75,000
Administrative expenses	(5,975,784)	(5,501,197)	(23,730,608)	(25,151,489)
Other operating expenses	(40,503,452)	(31,657,002)	(154,196,881)	(146,583,937)
<b>Operating Profit</b>	39,521,224	22,881,249	177,524,896	131,179,863
Interest Income	943,048	289,298	2,237,508	1,197,930
Finance costs	(240,580)	(335,566)	(1,180,257)	(1,829,162)
Share of profit of associates	8,394,242	-	28,597,518	-
<b>Profit before Taxation</b>	48,617,935	22,834,980	207,179,665	130,548,631
Taxation	(12,338,579)	(8,741,492)	(53,196,958)	(22,908,652)
<b>Net Profit, being Total Comprehensive Income for period</b>	36,279,355	14,093,488	153,982,707	107,639,979
<b>Earnings Per Share (EPS)</b>	<b>0.10</b>	<b>0.04</b>	<b>0.41</b>	<b>0.29</b>

# Cargo Handlers Limited


Statement of Financial Position

12 months ending September 30, 2021

	Unaudited Sep 2021 \$	Audited Sept 2020
<b>Non-Current Assets</b>		
Property, plant & equipment	138,162,261	163,629,973
Related Companies	29,301,766	10,150,885
Investment in Associate	133,747,855	-
	<u>301,211,882</u>	<u>173,780,858</u>
<b>Current Assets</b>		
Receivables	37,123,624	60,922,197
Taxation recoverable	668,603	668,603
Cash	351,727,951	336,145,811
	<u>389,520,178</u>	<u>397,736,611</u>
<b>Current Liabilities</b>		
Payables	32,852,312	23,540,466
Income tax payable	34,276,161	2,073,349
Borrowings	5,364	-
	<u>67,133,837</u>	<u>25,613,815</u>
<b>Net Current Assets/(Liabilities)</b>	<u>322,386,341</u>	<u>372,122,796</u>
	<u>623,598,223</u>	<u>545,903,654</u>
<b>Shareholders' Equity</b>		
Share capital	43,175,494	43,175,494
Capital reserve	172,311	172,311
Retained earnings	544,093,834	465,042,787
	<u>587,441,639</u>	<u>508,390,592</u>
<b>Non-Current Liability</b>		
Related Companies	25,252,475	26,608,953
Deferred tax liability	10,904,109	10,904,109
	<u>36,156,584</u>	<u>37,513,062</u>
	<u>623,598,223</u>	<u>545,903,654</u>

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

  
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Mark Hart

  
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John G Byles

## Cargo Handlers Limited

Statement of Changes in Equity

12 months ending September 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>374,658,300</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	-	-	-	107,639,979	107,639,979
<b>Transactions with owners:</b>		-	-	-	-
Dividends paid	-	-	-	(63,691,911)	(63,691,911)
<b>Balance at 30 September 2020</b>	<b>374,658,300</b>	<b>43,175,494</b>	<b>172,311</b>	<b>465,042,787</b>	<b>508,390,592</b>
Net profit, being total comprehensive income for the period	-	-	-	153,982,707	153,982,707
<b>Transactions with owners:</b>		-	-	-	-
Shares	-	-	-	-	-
Dividends paid	-	-	-	(74,931,660)	(74,931,660)
<b>Balance at 30 September 2021</b>	<b>374,658,300</b>	<b>43,175,494</b>	<b>172,311</b>	<b>544,093,834</b>	<b>587,441,639</b>

# Cargo Handlers Limited

Statement of Cash Flows

12 months ending September 30, 2021

	Unaudited Sep 2021 \$	Audited Sep 2020 \$
<b>Cash Flows from Operating Activities</b>		
Net Profit	153,982,707	107,639,978
Items not affecting cash:		
Unrealised exchange (gain)/loss	(10,429,298)	(21,586,670)
Depreciation	23,357,654	18,157,023
Write off of property, plant and equipment	2,843,703	-
Loss/(gain) on disposal of property, plant and equipment	(2,127,153)	-
Interest income	(2,237,508)	(1,197,930)
Interest expense	1,180,257	1,829,162
Taxation	53,196,958	22,908,652
	<u>219,767,321</u>	<u>127,750,215</u>
Changes in operating assets and liabilities:		
Receivables	24,615,147	69,544,129
Payables	9,311,846	(3,291,175)
Cash (used in)/provided by operating activities	253,694,313	194,003,169
Tax withheld at source	401,354	(22,390)
Income tax paid	(21,395,499)	(19,398,635)
Net cash (used in)/provided by operating activities	<u>232,700,168</u>	<u>174,582,144</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant & equipment	(2,606,494)	(117,382,621)
Proceeds from sale/disposal of property, plant & equipment	4,000,000	-
Investments	(133,747,855)	-
Interest received	2,237,508	1,197,930
Cash provided by investing activities	<u>(130,116,840)</u>	<u>(116,184,691)</u>
<b>Cash Flows from Financing Activities</b>		
Related Companies	(20,507,358)	(15,134,823)
Interest paid	(1,180,257)	(1,829,162)
Dividends	(74,931,660)	(63,691,911)
Cash provided by financing activities	<u>(96,619,275)</u>	<u>(80,655,896)</u>
(Decrease)/Increase in net cash and cash equivalents	5,964,053	(22,258,444)
Effect of exchange rate on net cash and cash equivalents	9,612,723	19,066,615
Cash and cash equivalents at beginning of year	336,145,811	339,337,639
<b>Cash and cash equivalents for period ending September 30</b>	<u><u>351,722,587</u></u>	<u><u>336,145,811</u></u>

# Cargo Handlers Limited

## Selected Notes to the Financial Statements Period Ending 30 September 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 September 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	28,597,518	-
	<u>\$133,747,855</u>	<u>-</u>

# CARGO Handlers Ltd.

## TOP TEN (10) STOCKHOLDERS

As at 30 September 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	4,157,900	0.9989
Mayberry Managed Clients Accounts	3,969,676	0.9537
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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