



2nd Quarter
Financial Statements

March 31, 2022

Cargo Handlers Limited

Selected Notes to the Financial Statements
Period Ending 31 March 2022

Management Discussions and Analysis

We are pleased to share the results of our performance for the second quarter ending March 31, 2022 where revenue totalling \$110.08M was achieved, this being \$43M above the \$67.1M that was realized for the corresponding 3-month period in 2021.

Operating and administrative expenses for the quarter amounted to \$58.24M and was 49.5% or \$19.29M above the corresponding quarter's result in the prior year and was in keeping with the comparative increase in activities. Net profit before tax was \$65.93M and represented a 45% or \$20.51M increase above the corresponding three months last year. Cargo Handlers' share of profit of associates this quarter amounted to \$7.34M and further improved resulting earnings per share (EPS) to \$0.13 for the quarter.

Our performance this quarter continues to be positively influenced by steady inflows of bulk cement in support of the country's rapidly increasing construction sector; this is in addition to increased containerized cargo volumes comparable to where we were prior to 2020. We have also begun to see the return of cruise vessel traffic into the island after more than 18 months of dormancy and have since provided our services to the first home-porting Cruise Line since March 2020.

With restrictions relating to COVID-19 now relenting, the associated supply and demand shock to global trade is showing signs of improvement. We however recognize the negative consequences that the war in Ukraine could still have on the global supply chain and as such, will cautiously seek to capitalize on the opportunities that will serve to further diversify our current portfolio of activities.

We are extremely grateful for the support of our staff and all our stakeholders and for their continued confidence in Cargo Handlers Limited. We are very humbled to be able to maintain our longstanding support of some of Montego Bay's charitable causes as well as our association with the Montego Bay Marine Park Trust in their efforts in protecting the City's marine environment.

Cargo Handlers Limited

Statement of Comprehensive Income

6 months ending March 31, 2022

	3 months to Mar 2022 \$	3 months to Mar 2021 \$	6 months to Mar 2022	6 months to Mar 2021
Revenue	110,083,436	67,094,906	227,073,254	148,806,575
Cost of sales	-	-	-	-
Gross profit	110,083,436	67,094,906	227,073,254	148,806,575
Exchange Gain/(Loss)	3,409,773	5,728,529	16,179,803	6,324,297
Other income	-	1,887,452	(4,616)	2,061,019
Administrative expenses	(8,472,626)	(7,124,227)	(14,654,509)	(13,311,631)
Other operating expenses	(46,778,612)	(28,635,495)	(93,185,055)	(67,196,138)
Operating Profit	58,241,972	38,951,164	135,408,877	76,684,123
Interest Income	583,566	487,312	1,710,775	813,431
Finance costs	(239,901)	(263,366)	(490,529)	(577,506)
Share of profit of associates	7,347,676	6,246,930	12,669,140	6,246,930
Profit before Taxation	65,933,312	45,422,040	149,298,263	83,166,977
Taxation	(15,839,489)	(9,959,569)	(35,411,401)	(19,846,562)
Net Profit, being Total Comprehensive Income for period	50,093,823	35,462,470	113,886,862	63,320,415
Earnings Per Share (EPS)	0.13	0.09	0.30	0.17

Cargo Handlers Limited


Statement of Financial Position

6 months ending March 31, 2022

	Unaudited Mar 2022 \$	Unaudited Mar 2021 \$	Audited Sept 2021
Non-Current Assets			
Property, plant & equipment	126,439,648	150,141,781	138,162,262
Related Companies	20,199,080	20,901,581	29,301,766
Investment in associate	146,416,995	111,397,268	133,747,855
Investment JMMB	262,500,000	-	-
	555,555,723	282,440,630	301,211,883
Current Assets			
Receivables	63,958,086	60,190,142	37,123,624
Taxation recoverable	275,621	668,603	237,318
Cash	139,473,734	261,497,305	351,727,951
	203,707,441	322,356,050	389,088,893
Current Liabilities			
Payables	17,655,213	18,472,699	32,852,312
Income tax payable	24,744,076	9,855,382	28,225,437
Borrowings	-	151,724	5,364
	42,399,288	28,479,805	61,083,113
Net Current Assets/(Liabilities)	161,308,153	293,876,245	328,005,780
	716,863,876	576,316,875	629,217,663
Shareholders' Equity			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	618,641,140	494,643,956	549,713,274
	661,988,945	537,991,761	593,061,079
Non-Current Liability			
Related Companies	43,970,822	27,421,006	25,252,475
Deferred tax liability	10,904,109	10,904,109	10,904,109
	54,874,931	38,325,115	36,156,584
	716,863,876	576,316,875	629,217,663

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


A. Mark Hart


William Craig

Cargo Handlers Limited

Statement of Changes in Equity
6 months ending March 31, 2022

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 30 September 2020	374,658,300	43,175,494	172,311	465,042,788	508,390,593
Net profit, being total comprehensive income for the period	-	-	-	63,320,415	63,320,415
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(33,719,247)	(33,719,247)
Balance at 31 March 2021	374,658,300	43,175,494	172,311	494,643,956	537,991,761
Balance at 30 September 2021	374,658,300	43,175,494	172,311	549,713,274	593,061,079
Net profit, being total comprehensive income for the period	-	-	-	113,886,862	113,886,862
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(44,958,996)	(44,958,996)
Balance at 31 March 2022	374,658,300	43,175,494	172,311	618,641,140	661,988,945

Cargo Handlers Limited

Statement of Cash Flows

6 months ending March 31, 2022

	Mar 2022 \$	Mar 2021 \$
Cash Flows from Operating Activities		
Net Profit	113,886,862	63,320,415
Items not affecting cash:		
Unrealised exchange (gain)/loss	(19,991,223)	(4,764,739)
Depreciation	11,417,996	11,693,875
Write off of fixed assets	-	2,843,703
Loss/(gain) on disposal of property, plant and equipment	4,616	(2,078,103)
Interest income	(1,710,775)	(813,431)
Share of profit of associate	(12,669,140)	(6,246,930)
Interest expense	490,529	577,506
Taxation	35,411,401	19,846,563
	<u>126,840,267</u>	<u>84,378,859</u>
Changes in operating assets and liabilities:		
Receivables	(24,202,206)	1,289,372
Payables	(15,197,099)	(5,067,767)
Cash (used in)/provided by operating activities	<u>87,440,962</u>	<u>80,600,464</u>
Tax withheld at source	(8,370)	417,731
Income tax paid	<u>(38,922,695)</u>	<u>(12,482,259)</u>
Net cash (used in)/provided by operating activities	<u>48,509,896</u>	<u>68,535,937</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	-	(2,471,285)
Proceeds from sale/disposal of property, plant & equipment	300,000	3,500,000
Investments in associate	-	(105,150,338)
Investment JMMB	(262,500,000)	-
Interest received	1,710,775	813,431
Cash provided by investing activities	<u>(260,489,225)</u>	<u>(103,308,192)</u>
Cash Flows from Financing Activities		
Related Companies	27,821,034	(9,938,643)
Interest paid	(490,529)	(577,506)
Dividends	(44,958,996)	(33,719,247)
Cash provided by financing activities	<u>(17,628,492)</u>	<u>(44,235,396)</u>
(Decrease)/Increase in net cash and cash equivalents	(229,607,820)	(79,007,652)
Effect of exchange rate on net cash and cash equivalents	17,358,967	4,207,422
Cash and cash equivalents at beginning of year	<u>351,722,587</u>	<u>336,145,811</u>
Cash and cash equivalents for period ending Mar 31	<u><u>139,473,734</u></u>	<u><u>261,345,581</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 31 March 2022

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 31 March 2022 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, 2021

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

	2022	2021
Buying House Cement Limited		
Unquoted shares – at cost	\$105,150,338	\$105,150,338
Share of profits	<u>41,266,657</u>	<u>6,246,930</u>
	<u>\$146,416,995</u>	<u>\$111,397,268</u>



TOP TEN (10) STOCKHOLDERS

As at 30 March 2022

<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	6,548,260	1.5732
Nigel O. Coke	5,262,602	1.2643
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
JMMB Securities Ltd. House Account # 2	1,750,000	0.4204

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	6,548,260	1.5732
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	6,548,260
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