

CARGO Handlers Ltd.

4th Quarter Financial Statements

September 30, 2022

Cargo Handlers Limited

Selected Notes to the Financial Statements
Period Ending 30 September 2022

Management Discussions and Analysis

Cargo Handlers Limited is pleased to share the results of our performance for Q4 ending September 30, 2022. The Company achieved revenues totaling \$118.67M, representing an increase of \$36.22M or 44% above the \$82.45M from the corresponding period in the prior year. The growth in revenue is being reinforced by increased levels of stevedoring activity as we continue to realize improvements in cargo through-put subsequent to the recent disruption to the global supply chain.

Operating expenses for this period amounted to \$52M which is \$11.5M or 28.4% above the results of the corresponding quarter and was consistent with the increases in our operational activities relative to the corresponding period last year. The resulting net profit before tax was \$91.98M which is \$43.38M or 89.25% above the \$48.6M realized for the corresponding quarter. The results this quarter yielded Earnings per Share (EPS) of \$0.20 which is \$0.09 above the \$0.11 realized for the corresponding period last year.

Having successfully navigated our way through the pandemic and the post-lockdown challenges in the shipping industry, and in consideration of our clientele, Cargo Handlers has not made any adjustments to our handling rates. We are mindful that the recovery of the global supply chain is still being impeded by geopolitical uncertainties, particularly as a consequence of the ongoing conflict between Russia and the Ukraine. We are nevertheless heartened by the improving cargo numbers that are being driven by activities within the country's construction industry as well as the tourism and hospitality sectors. We expect that this trend will continue through ensuing quarters.

The Company wishes to extend gratitude to our team members and their focus on providing logistics support during the peak season and to returning cruise vessels home porting in Montego Bay. Our responsiveness as a key logistics partner within our industry will be critical to maintaining the Port of Montego Bay's position as a leading homeport in the Caribbean.

Cargo Handlers Limited

Statement of Comprehensive Income

12 months ending September 30, 2022

	3 months to Sep 2022 \$	3 months to Sep 2021 \$	12 months to Sep 2022	12 months to Sep 2021
Revenue	118,670,139	82,450,917	472,339,890	337,311,642
Cost of sales	-	-	-	-
Gross profit	118,670,139	82,450,917	472,339,890	337,311,642
Exchange Gain/(Loss)	(812,813)	3,483,410	16,423,397	16,013,590
Other income	1,801,966	66,134	1,797,350	2,127,153
Administrative expenses	(6,357,327)	(5,975,784)	(27,275,318)	(23,730,609)
Other operating expenses	(52,038,439)	(40,503,452)	(196,162,626)	(154,196,879)
Operating Profit	61,263,526	39,521,224	267,122,694	177,524,897
Interest Income	12,112,021	943,048	14,185,243	2,237,508
Finance costs	(371,318)	(240,580)	(1,343,592)	(1,180,257)
Share of profit of associates	18,978,537	8,394,242	57,477,027	28,597,518
Profit before Taxation	91,982,767	48,617,935	337,441,372	207,179,667
Taxation	(16,299,622)	(6,719,139)	(69,977,946)	(47,577,518)
Net Profit, being Total Comprehensive Income for period	75,683,144	41,898,795	267,463,426	159,602,148
Earnings Per Share (EPS)	0.20	0.11	0.71	0.43

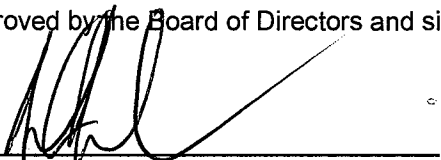
Cargo Handlers Limited

Statement of Financial Position

12 months ending September 30, 2022

	Unaudited Sep 2022 \$	Audited Sept 2021
Non-Current Assets		
Property, plant & equipment	114,835,615	138,162,262
Related Companies	2,911,467	29,301,766
Investment in Associate	191,224,882	133,747,855
Investment JMMB	426,214,140	-
	735,186,104	301,211,883
Current Assets		
Receivables	66,157,384	37,123,624
Taxation recoverable	267,251	237,318
Cash	82,478,233	351,727,951
	148,902,868	389,088,893
Current Liabilities		
Payables	27,136,243	32,852,312
Income tax payable	35,736,870	28,225,437
Borrowings	-	5,364
	62,873,113	61,083,113
Net Current Assets/(Liabilities)	86,029,755	328,005,780
	<u>821,215,858</u>	<u>629,217,663</u>
Shareholders' Equity		
Share capital	43,175,494	43,175,494
Capital reserve	172,311	172,311
Retained earnings	723,512,126	549,713,274
	766,859,931	593,061,079
Non-Current Liability		
Related Companies	43,451,819	25,252,475
Deferred tax liability	10,904,109	10,904,109
	54,355,928	36,156,584
	<u>821,215,858</u>	<u>629,217,663</u>

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


Mark Hart


William Craig

Cargo Handlers Limited

Statement of Changes in Equity

12 months ending September 30, 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	465,042,787	508,390,592
Net profit, being total comprehensive income for the period	-	-	-	159,602,147	159,602,147
Transactions with owners:		-	-	-	-
Dividends paid	-	-	-	(74,931,660)	(74,931,660)
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	-	-	-	267,463,426	267,463,426
Transactions with owners:		-	-	-	-
Shares	-	-	-	-	-
Dividends paid	-	-	-	(93,664,575)	(93,664,575)
Balance at 30 September 2022	374,658,300	43,175,494	172,311	723,512,126	766,859,931

Cargo Handlers Limited

Statement of Cash Flows

12 months ending September 30, 2022

	Unaudited Sep 2022 \$	Audited Sep 2021 \$
Cash Flows from Operating Activities		
Net Profit	267,463,426	159,602,147
Items not affecting cash:		
Unrealised exchange (gain)/loss	(8,623,243)	6,291,439
Depreciation	22,823,996	23,357,654
Write off of property, plant and equipment	-	2,843,703
Loss/(gain) on disposal of property, plant and equipment	(1,797,350)	(2,127,153)
Interest income	(14,185,243)	(2,237,508)
Share of profits of associate	(57,477,027)	(28,597,518)
Interest expense	1,343,592	1,180,257
Taxation	69,977,946	47,577,518
	<u>279,526,098</u>	<u>207,890,540</u>
Changes in operating assets and liabilities:		
Receivables	(26,666,473)	23,073,194
Payables	(5,716,069)	9,171,846
Cash (used in)/provided by operating activities	247,143,555	240,135,580
Tax withheld at source	(13,983)	(29,933)
Income tax paid	(62,482,462)	(20,964,213)
Net cash (used in)/provided by operating activities	<u>184,647,111</u>	<u>219,141,434</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	-	(2,606,494)
Proceeds from sale/disposal of property, plant & equipment	2,300,000	4,000,000
Investments in associate	-	(105,150,337)
Investments JMMB	(426,214,140)	-
Interest received	14,185,243	2,237,508
Cash provided by investing activities	<u>(409,728,897)</u>	<u>(101,519,323)</u>
Cash Flows from Financing Activities		
Related Companies	43,589,643	(20,507,358)
Interest paid	(1,343,592)	(1,180,257)
Dividends	(93,664,575)	(74,931,660)
Cash provided by financing activities	<u>(51,418,524)</u>	<u>(96,619,275)</u>
(Decrease)/Increase in net cash and cash equivalents	(276,500,311)	21,002,836
Effect of exchange rate on net cash and cash equivalents	7,255,957	(5,426,060)
Cash and cash equivalents at beginning of year	351,722,587	336,145,811
Cash and cash equivalents for period ending September 30	<u><u>82,478,233</u></u>	<u><u>351,722,587</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 30 September 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 30 September 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	86,074,544	28,597,518
	<u>\$191,224,882</u>	<u>\$133,747,855</u>

CARGO Handlers Ltd.

TOP TEN (10) STOCKHOLDERS

As at 30 September 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	5,560,669	1.3359
Mayberry Investments Ltd. Pension Scheme	3,429,920	0.8240
Jamaica Money Market Brokers ltd	3,300,000	0.7928
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	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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