



1st Quarter
Financial Statements

December 31, 2022

Cargo Handlers Limited

Period Ending 31 December 2022

Management Discussions and Analysis

We are pleased to share the results of our performance for the first quarter of FY2022/23 where Cargo Handlers Limited achieved revenues totaling \$132.69M, representing a 13.4% increase above the \$116.98M realized for the corresponding period in 2021. Operating expenses this period amounted to \$55.9M and was 20.5% or \$9.5M above the \$46.4M recorded for the corresponding quarter. CHL's share of profit of associates was \$18.95M for the 3-month period, contributing to a 13% increase in Net Profit before tax to \$94.17M. The results yielded earnings per share (EPS) of \$0.20 that represents a 17.6% improvement above the corresponding quarter in 2021.

CHL saw significant rebounding of baggage-handling revenue after the period of inactivity triggered by the global lockdown, a segment of our operations that directly supports cruise vessels' seasonal homeporting activities at the Port of Montego Bay. Stevedoring income this period was marginally up despite recording a small reduction in cement throughput relative to the corresponding period. Stevedoring represents the largest segment of CHL's operations contributing just over 84% of revenues for the 3-month period to December 2022. The continued increase in Montego Bay's domestic container throughput and homeporting activity is driving CHL's improved performance.

Cargo Handlers' outlook for the ensuing year is a positive one despite the challenges that global events continues to pose to Jamaica and its trading partners. Our team's ability to adjust to these challenges, means that Cargo Handlers as a company will continue to fulfill its obligation to meet the required service standards demanded by our clients.

On behalf of our Board, we take this opportunity to express gratitude to our team members and convey our sincere appreciation to all of our stakeholders for their continued confidence and support.

Cargo Handlers Limited

Statement of Comprehensive Income

3 months ending December 31, 2022

	3 months to Dec 2022	3 months to Dec 2021
	\$	\$
Revenue	134,340,265	116,989,818
Cost of sales	(1,648,258)	-
Gross profit	132,692,007	116,989,818
Exchange Gain/(Loss)	2,026,876	12,770,030
Other income	5,545,493	(4,616)
Administrative expenses	(8,793,018)	(6,181,883)
Other operating expenses	(55,943,976)	(46,406,443)
Operating Profit	75,527,383	77,166,906
Interest Income	156,709	1,127,209
Finance costs	(458,902)	(250,628)
Share of profit of associates	18,951,176	5,321,464
Profit before Taxation	94,176,366	83,364,951
Taxation	(18,893,864)	(19,571,913)
Net Profit, being Total Comprehensive Income for period	75,282,502	63,793,038
Earnings Per Share (EPS)	0.20	0.17

Cargo Handlers Limited

Statement of Financial Position

3 months ending December 31, 2022

	Unaudited Dec 2022 \$	Unaudited Dec 2021 \$	Audited Sept 2022
Non-Current Assets			
Property, plant & equipment	108,885,734	132,148,647	114,835,616
Related Companies	22,790,168	46,517,196	2,911,467
Investment in associate	210,176,058	139,069,319	191,224,882
	341,851,960	317,735,162	308,971,965
Current Assets			
Receivables	62,121,258	52,651,056	66,157,384
Taxation recoverable	269,039	272,392	267,251
Short-term deposits	426,274,663	262,500,000	426,214,140
Cash	115,503,523	108,605,494	82,478,233
	604,168,483	424,028,942	575,117,008
Current Liabilities			
Payables	22,557,205	19,250,085	27,136,243
Income tax payable	21,148,524	37,717,841	14,034,542
Borrowings	-	10,001	-
	43,705,730	56,977,926	41,170,786
Net Current Assets/(Liabilities)	560,462,753	367,051,015	533,946,222
	902,314,713	684,786,177	842,918,187
Shareholders' Equity			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	820,496,955	613,506,312	745,214,454
	863,844,760	656,854,117	788,562,259
Non-Current Liability			
Related Companies	27,565,843	17,027,951	43,451,819
Deferred tax liability	10,904,109	10,904,109	10,904,109
	38,469,952	27,932,060	54,355,928
	902,314,713	684,786,177	842,918,187

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

3 months ending December 31, 2022

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
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	-	-	-	63,793,038	63,793,038
Transactions with owners:	-	-	-	-	-
Balance at 31 December 2021	374,658,300	43,175,494	172,311	613,506,312	656,854,117
Balance at 30 September 2022	374,658,300	43,175,494	172,311	745,214,454	788,562,259
Net profit, being total comprehensive income for the period	-	-	-	75,282,502	75,282,502
Transactions with owners:	-	-	-	-	-
Balance at 31 December 2022	374,658,300	43,175,494	172,311	820,496,955	863,844,760

Cargo Handlers Limited

Statement of Cash Flows

3 months ending December 31, 2022

	Dec 2022 \$	Dec 2021 \$
Cash Flows from Operating Activities		
Net Profit	75,282,502	63,793,038
Items not affecting cash:		
Unrealised exchange (gain)/loss	114,340	(11,457,040)
Depreciation	5,622,875	5,708,998
Loss/(gain) on disposal of property, plant and equipment	(5,545,493)	4,616
Interest income	(156,709)	(1,127,209)
Share of profit of associate	(18,951,176)	(5,321,464)
Interest expense	458,902	250,628
Taxation	18,893,864	19,571,913
	<u>75,719,104</u>	<u>71,423,481</u>
Changes in operating assets and liabilities:		
Receivables	3,992,927	(14,149,995)
Payables	(4,579,037)	(13,602,227)
Cash (used in)/provided by operating activities	<u>75,132,994</u>	<u>43,671,259</u>
Tax withheld at source	(1,787)	(5,141)
Income tax paid	<u>(11,779,881)</u>	<u>(10,109,441)</u>
Net cash (used in)/provided by operating activities	<u>63,351,325</u>	<u>33,556,677</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(127,500)	-
Proceeds from sale/disposal of property, plant & equipment	6,000,000	300,000
Investment JMMB	-	(262,500,000)
Interest received	<u>156,709</u>	<u>1,127,209</u>
Cash provided by investing activities	<u>6,029,209</u>	<u>(261,072,791)</u>
Cash Flows from Financing Activities		
Related Companies	(35,764,677)	(25,439,954)
Interest paid	<u>(458,902)</u>	<u>(250,628)</u>
Cash provided by financing activities	<u>(36,223,579)</u>	<u>(25,690,582)</u>
(Decrease)/Increase in net cash and cash equivalents	33,156,955	(253,206,696)
Effect of exchange rate on net cash and cash equivalents	(131,665)	10,079,603
Cash and cash equivalents at beginning of year	<u>82,478,233</u>	<u>351,722,587</u>
Cash and cash equivalents for period ending Dec 31	<u><u>115,503,524</u></u>	<u><u>108,595,493</u></u>

CARGO Handlers Ltd.

TOP TEN (10) STOCKHOLDERS

As at 30 December 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	5,580,014	1.3405
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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Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 31 December 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, 2022

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>105,025,721</u>	<u>33,918,982</u>
	<u>\$210,176,059</u>	<u>\$139,069,319</u>