

**CARGO** Handlers Ltd.

2<sup>nd</sup> Quarter  
Financial Statements

March 31, 2023

# CARGO Handlers Ltd.

Selected Notes to the Financial Statements  
Period Ending 31 March 2023

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## Management Discussions and Analysis

We are pleased to share the results of our performance for the second quarter ending March 31, 2023 where we achieved revenues totaling \$152.66M, this being 38.7% above the \$110.08M, that was realized for the corresponding 3-month period in 2022.

Operating and administrative expenses for the quarter increased by 24.5% or \$13.58M relative to the corresponding quarter last year and was in line with increased operational activities during the period. Cargo Handlers' share of profit of associates for the 3-month period was \$11.7M. Resulting net profit of \$103.24M before tax represented an improvement of 56.6% or \$37.3M above the result of the corresponding period last year and yielded earnings per share (EPS) of \$0.20 for the quarter.

Homeporting cruise vessels registered twice as many calls into Montego Bay over the 3-month period relative to last year, another indication of the industry's gradual return to pre-pandemic levels of activity. Cargo Handlers' Baggage Handling and Equipment Rental segments realized increases in revenue consequently, and we are confident there will be further development in the ensuing seasons as the Lines build up their presence regionally. Revenue generated from our stevedoring operations increased by 22% when compared to the corresponding quarter in 2022 and is a direct result of improving domestic cargo throughput. A heightened sense of business and consumer confidence is generating commercial interest across multiple industries that will continue to demand our services and require our logistics input.

Despite the uncertainties that the Russia/Ukraine conflict may present globally, increased external demand is fueling a general strengthening of economic activity locally; this is quite evident inside Jamaica's mining and hospitality sectors. There exist opportunities where the island's large-scale exportation of aggregates is concerned, and the public wharves may have a role to play in this regard if the country is to capitalize on current demand.

A total of sixty-five (65) Cargo Handlers' stevedores participated in an intense refresher safety training over the course of two weekends; this took place at the beginning of the calendar year as we seek to ensure that our personnel keeps pace with the industry's best practices. Our stevedores continue to display the responsiveness that is required of them within a demanding and dynamic environment, and we are extremely grateful to them. We take this opportunity to recognize all our stakeholders and thank them for their support. Cargo Handlers Limited is proud to continue its association with the charitable causes of the West Haven Children's Home, Women's Inc., CUMI and the Montego Bay Marine Park Trust, in their efforts to protect the most vulnerable within Western Jamaica.

# Cargo Handlers Limited

Statement of Comprehensive Income

6 months ending March 31, 2023

	3 months to Mar 2023	3 months to Mar 2022	6 months to Mar 2023	6 months to Mar 2022
	\$	\$		
<b>Revenue</b>	153,599,308	110,083,436	287,939,573	227,073,254
Cost of sales	(931,623)	-	(2,579,881)	-
<b>Gross profit</b>	152,667,685	110,083,436	285,359,692	227,073,254
Exchange Gain/(Loss)	529,363	3,409,773	2,556,239	16,179,803
Other income	1,944,448	-	7,489,941	(4,616)
Administrative expenses	(9,123,617)	(8,472,626)	(19,264,024)	(14,654,509)
Other operating expenses	(59,708,346)	(46,778,612)	(114,304,934)	(93,185,055)
<b>Operating Profit</b>	86,309,532	58,241,972	161,836,915	135,408,877
Interest Income	5,636,901	583,566	5,793,610	1,710,775
Finance costs	(458,860)	(239,901)	(917,762)	(490,529)
Share of profit of associates	11,753,561	7,347,676	30,704,738	12,669,140
<b>Profit before Taxation</b>	103,241,134	65,933,312	197,417,500	149,298,263
Taxation	(27,616,089)	(15,839,489)	(46,509,953)	(35,411,401)
<b>Net Profit, being Total Comprehensive Income for period</b>	75,625,045	50,093,823	150,907,547	113,886,862
<b>Earnings Per Share (EPS)</b>	<b>0.20</b>	<b>0.13</b>	<b>0.40</b>	<b>0.30</b>

# Cargo Handlers Limited

Statement of Financial Position

6 months ending March 31, 2023

	Unaudited Mar 2023 \$	Unaudited Mar 2022 \$	Audited Sept 2022
<b>Non-Current Assets</b>			
Property, plant & equipment	104,853,405	126,439,648	114,835,616
Related Companies	6,581,665	20,199,080	2,911,467
Investment in associate	221,929,620	146,416,995	191,224,882
	333,364,690	293,055,723	308,971,965
<b>Current Assets</b>			
Receivables	81,302,507	63,958,086	66,157,384
Taxation recoverable	271,137	275,621	267,251
Short-term deposits	431,547,777	262,500,000	426,214,140
Cash	149,720,366	139,473,734	82,478,233
	662,841,787	466,207,441	575,117,008
<b>Current Liabilities</b>			
Payables	25,320,926	17,655,213	27,136,243
Income tax payable	15,714,490	24,744,076	14,034,543
Borrowings	-	-	-
	41,035,416	42,399,288	41,170,786
<b>Net Current Assets/(Liabilities)</b>	<u>621,806,371</u>	<u>423,808,153</u>	<u>533,946,222</u>
	<u>955,171,061</u>	<u>716,863,876</u>	<u>842,918,187</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	838,049,963	618,641,140	745,214,454
	881,397,768	661,988,945	788,562,259
<b>Non-Current Liability</b>			
Related Companies	62,869,184	43,970,822	43,451,819
Deferred tax liability	10,904,109	10,904,109	10,904,109
	73,773,293	54,874,931	54,355,928
	<u>955,171,061</u>	<u>716,863,876</u>	<u>842,918,187</u>

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

  
A. Mark Hart

  
Jane Fray

## Cargo Handlers Limited

Statement of Changes in Equity

6 months ending March 31, 2023

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	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
<b>Balance at 30 September 2021</b>	<b>374,658,300</b>	<b>43,175,494</b>	<b>172,311</b>	<b>549,713,274</b>	<b>593,061,079</b>
Net profit, being total comprehensive income for the period	-	-	-	113,886,862	113,886,862
<b>Transactions with owners:</b>	-	-	-	-	-
Dividends paid	-	-	-	(44,958,996)	(44,958,996)
<b>Balance at 31 March 2022</b>	<b>374,658,300</b>	<b>43,175,494</b>	<b>172,311</b>	<b>618,641,140</b>	<b>661,988,945</b>
<b>Balance at 30 September 2022</b>	<b>374,658,300</b>	<b>43,175,494</b>	<b>172,311</b>	<b>745,214,454</b>	<b>788,562,259</b>
Net profit, being total comprehensive income for the period	-	-	-	150,907,547	150,907,547
<b>Transactions with owners:</b>	-	-	-	-	-
Dividends paid	-	-	-	(58,072,037)	(58,072,037)
<b>Balance at 31 March 2023</b>	<b>374,658,300</b>	<b>43,175,494</b>	<b>172,311</b>	<b>838,049,963</b>	<b>881,397,768</b>

# Cargo Handlers Limited

Statement of Cash Flows

6 months ending March 31, 2023

	Mar 2023	Mar 2022
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Net Profit	150,907,547	113,886,862
Items not affecting cash:		
Unrealised exchange (gain)/loss	1,298,652	(19,991,223)
Depreciation	11,238,522	11,417,996
Write off of fixed assets	-	-
Loss/(gain) on disposal of property, plant and equipment	(7,418,064)	4,616
Interest income	(5,793,610)	(1,710,775)
Share of profit of associate	(30,704,738)	(12,669,140)
Interest expense	917,762	490,529
Taxation	46,509,953	35,411,401
	<u>166,956,024</u>	<u>126,840,267</u>
Changes in operating assets and liabilities:		
Receivables	(15,632,392)	(24,202,206)
Payables	(1,815,317)	(15,197,099)
Cash (used in)/provided by operating activities	149,508,315	87,440,962
Tax withheld at source	(3,885)	(8,370)
Income tax paid	(44,830,006)	(38,922,695)
Net cash (used in)/provided by operating activities	<u>104,674,424</u>	<u>48,509,896</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant & equipment	(1,838,248)	-
Proceeds from sale/disposal of property, plant & equipment	8,000,000	300,000
Investments in associate	-	-
Short-term deposits	(5,333,637)	(262,500,000)
Interest received	5,793,610	1,710,775
Cash provided by investing activities	<u>6,621,725</u>	<u>(260,489,225)</u>
<b>Cash Flows from Financing Activities</b>		
Related Companies	15,747,167	27,821,034
Interest paid	(917,762)	(490,529)
Dividends	(58,072,037)	(44,958,996)
Cash provided by financing activities	<u>(43,242,632)</u>	<u>(17,628,492)</u>
(Decrease)/Increase in net cash and cash equivalents	68,053,517	(229,607,820)
Effect of exchange rate on net cash and cash equivalents	(811,383)	17,358,967
Cash and cash equivalents at beginning of year	82,478,233	351,722,587
<b>Cash and cash equivalents for period ending Mar 31</b>	<u><u>149,720,366</u></u>	<u><u>139,473,734</u></u>

# Cargo Handlers Limited

## Selected Notes to the Financial Statements Period Ending 31 March 2023

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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 31 March 2023 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 March 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

	2023	2022
Buying House Cement Limited		
Unquoted shares – at cost	\$105,150,338	\$105,150,338
Share of profits	<u>116,779,282</u>	<u>41,266,657</u>
	<u>\$221,929,620</u>	<u>\$146,416,995</u>

# CARGO Handlers Ltd.

## TOP TEN (10) STOCKHOLDERS

As at 31 March 2023

<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	5,607,985	1.3473
Jamaica Money Market Brokers ltd	3,940,410	0.9466
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	1.4124
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	6,548,260
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