

# **CARGO** Handlers Ltd.

## 1<sup>st</sup> Quarter Financial Statements

December 31, 2023

# **CARGO Handlers Ltd.**

Selected Notes to the Financial Statements  
Period Ending 31 December 2023

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## Management Discussions and Analysis

We are pleased to share the results of our performance for the first quarter of FY2023/24 where Cargo Handlers Limited achieved \$137.96 in total revenue. This represented a 4% increase above the \$132.69M realized for the corresponding period in the prior year. Included in this quarter was a \$7.9M exchange rate adjustment subsequent to the September 2023 year-end that along with increases in labour deployment pushed operating expenses to \$67.2M. This result was 20% or \$11.25M above the \$55.94M recorded for the corresponding quarter of the prior year. Profit before tax was \$80.32M and was 14.7% or \$13.85M below the corresponding quarter. CHL's share of profit of associates was \$16.59M for the 3-month period. The results yielded earnings per share (EPS) of \$0.17 and was \$0.03 below the result for the corresponding quarter in 2022.

Despite a reduction in container throughput this period, an increase in bulk cargo tonnage and the seasonal return of TUI and Aida Cruise Lines, performing weekly turnaround service in Montego Bay, positively affected Cargo Handlers' revenue outturn. The level of economic activity currently occurring across the island continues to stimulate demand for shipping and logistics services. Cargo Handlers Limited recognizes that if we are to continue capitalizing on this, we must be equally attractive and responsive to the needs of the consumers of these services, effectively satisfying our customers' expectations.

The industry within which we operate has repeatedly proven to be resilient and we have confidence in the synergies we have established with our partners over the years. Cargo Handlers Limited is maintaining a positive outlook while acknowledging that shipping interests will continue to experience a range of challenges in 2024, from climate shifts to geopolitical disruptions. Our company is in a good position financially and is prepared to meet these challenges. We are grateful for the guidance of our Board, and the continued support all our stakeholders.

# Cargo Handlers Limited

Statement of Comprehensive Income

3 months ending December 31, 2023

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	3 months to Dec 2023	3 months to Dec 2022
	\$	\$
<b>Revenue</b>	139,232,472	134,340,265
Direct costs	(1,271,693)	(1,648,258)
<b>Gross profit</b>	137,960,779	132,692,007
Other income	(3,153,509)	7,572,369
Administrative expenses	(7,881,195)	(8,793,018)
Other operating expenses	(67,197,545)	(55,943,976)
<b>Operating Profit</b>	59,728,532	75,527,383
Interest Income	5,028,721	156,709
Finance costs	(1,028,310)	(458,902)
Share of profit of associates	16,590,697	18,951,176
<b>Profit before Taxation</b>	80,319,640	94,176,366
Taxation	(15,957,992)	(18,893,864)
<b>Net Profit, being Total Comprehensive Income for period</b>	64,361,648	75,282,502
<b>Earnings Per Share (EPS)</b>	<b>0.17</b>	<b>0.20</b>

# Cargo Handlers Limited

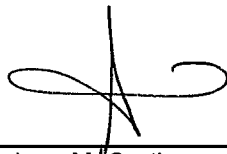
Statement of Financial Position

3 months ending December 31, 2023

	Unaudited Dec 2023 \$	Unaudited Dec 2022 \$	Audited Sept 2023
<b>Non-Current Assets</b>			
Property, plant & equipment	101,981,574	108,885,734	107,593,302
Related Companies	25,329,927	22,790,168	16,765,910
Investment in associate	312,312,674	210,176,058	295,721,977
	<u>439,624,175</u>	<u>341,851,960</u>	<u>420,081,189</u>
<b>Current Assets</b>			
Receivables	111,620,113	62,121,258	87,761,916
Taxation recoverable	31,723,164	269,039	29,463,470
Short-term deposits	443,719,473	426,274,663	445,987,882
Cash and cash equivalents	141,776,047	115,503,523	146,538,526
	<u>728,838,797</u>	<u>604,168,483</u>	<u>709,751,794</u>
<b>Current Liabilities</b>			
Payables	31,079,472	22,557,205	49,169,811
Income tax payable	-	21,148,525	-
Borrowings	1,964,314	-	1,169,460
	<u>33,043,786</u>	<u>43,705,730</u>	<u>50,339,271</u>
<b>Net Current Assets/(Liabilities)</b>	<u>695,795,011</u>	<u>560,462,753</u>	<u>659,412,523</u>
	<u>1,135,419,185</u>	<u>902,314,713</u>	<u>1,079,493,712</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	1,016,074,345	820,496,955	951,712,697
	<u>1,059,422,150</u>	<u>863,844,760</u>	<u>995,060,502</u>
<b>Non-Current Liability</b>			
Related Companies	52,976,226	27,565,844	61,273,613
Deferred tax liability	10,904,109	10,904,109	10,904,109
Borrowings	12,116,701	-	12,255,488
	<u>75,997,036</u>	<u>38,469,953</u>	<u>84,433,210</u>
	<u>1,135,419,186</u>	<u>902,314,713</u>	<u>1,079,493,712</u>

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

  
A. Mark Hart

  
Andrew McCarthy

## Cargo Handlers Limited

Statement of Changes in Equity

3 months ending December 31, 2023

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	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
<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	-	-	-	75,282,502	75,282,502
<b>Transactions with owners:</b>	-	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>374,658,300</b>	<b>43,175,494</b>	<b>172,311</b>	<b>820,496,956</b>	<b>863,844,761</b>
<b>Balance at 30 September 2023</b>	<b>374,658,300</b>	<b>43,175,494</b>	<b>172,311</b>	<b>951,712,697</b>	<b>995,060,502</b>
Net profit, being total comprehensive income for the period	-	-	-	64,361,648	64,361,648
<b>Transactions with owners:</b>	-	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>374,658,300</b>	<b>43,175,494</b>	<b>172,311</b>	<b>1,016,074,345</b>	<b>1,059,422,150</b>

# Cargo Handlers Limited

Statement of Cash Flows

3 months ending December 31, 2023

	Dec 2023	Dec 2022
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Net Profit	64,361,648	75,282,502
Items not affecting cash:		
Unrealised exchange (gain)/loss	2,399,488	114,340
Depreciation	5,611,729	5,622,875
Provision for bad debts	1,673,976	-
Loss/(gain) on disposal of property, plant and equipment	-	(5,545,493)
Interest income	(5,028,721)	(156,709)
Share of profit of associate	(16,590,697)	(18,951,176)
Interest expense	1,028,310	458,902
Taxation	15,957,992	18,893,864
	<u>69,413,725</u>	<u>75,719,104</u>
Changes in operating assets and liabilities:		
Receivables	(26,280,993)	3,992,927
Payables	(18,090,339)	(4,579,037)
Cash (used in)/provided by operating activities	25,042,393	75,132,994
Tax withheld at source	(927,096)	(1,787)
Income tax paid	(17,290,591)	(11,779,881)
Net cash (used in)/provided by operating activities	<u>6,824,706</u>	<u>63,351,325</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant & equipment	-	(127,500)
Proceeds from sale/disposal of property, plant and equipment	-	6,000,000
Short-term deposits	2,268,409	-
Interest received	5,028,721	156,709
Cash provided by investing activities	<u>7,297,130</u>	<u>6,029,209</u>
<b>Cash Flows from Financing Activities</b>		
Related Companies	(16,861,403)	(35,764,677)
Repayment of borrowings	(654,124)	-
Interest paid	(1,028,310)	(458,902)
Cash provided by financing activities	<u>(18,543,837)</u>	<u>(36,223,579)</u>
(Decrease)/Increase in net cash and cash equivalents	(4,422,001)	33,156,955
Effect of exchange rate on net cash and cash equivalents	(1,650,668)	(131,665)
Cash and cash equivalents at beginning of year	146,538,526	82,478,233
<b>Cash and cash equivalents for period ending Dec 31</b>	<u><u>140,465,857</u></u>	<u><u>115,503,523</u></u>

# CARGO Handlers Ltd.

Selected Notes to the Financial Statements  
Period Ending 31 December 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 December 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, 2023

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. 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.

## 4. Investment in Associates

	2023	2022
Buying House Cement Limited		
Unquoted shares – at cost	\$105,150,338	\$105,150,338
Share of profits	<u>207,162,336</u>	<u>105,025,721</u>
	<u>\$312,312,674</u>	<u>\$210,176,059</u>

## 5. Borrowings

In February 2023, the Company obtained a loan from JMMB for J\$14,700,000 to purchase a motor vehicle. The loan is over 10 years and is repayable in 120 monthly payments of J\$172,686.44. Interest is payable at the fixed rate of 7% per annum. The loan is secured by the motor vehicle and assignment of insurance over it.

**TOP TEN (10) STOCKHOLDERS**

As at 31 December 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	5,632,686	1.3532
Jamaica Money Market Brokers ltd	3,959,993	0.9513
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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