



Tending the Vision
CULTIVATING THE FUTURE







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Form of Proxy

Values

Accuracy

Well Being:

Life balance & commitment

Excellence & Enthusiasm

Technical expertise & Teamwork:

We will use our experience and highly developed technical skills along with innovative approaches to analyse and propose options for our customers.

Respect

Integrity & Innovation:

We will not take short-cuts or practice any deceptive business strategies.

Problem Resolution:

We will assess, design, build and maintain solutions that solve our customers comfort, controls, or health issues.



Purpose

Improving
People's Lives

Vision

Excelling as the
leading experts on
Energy and Indoor
Environmental
Quality (IEQ)

Mission

To engineer solutions
and provide products
and services that
sustain healthy,
comfortable and
productive indoor
environments.




The Company and Our History

CAC 2000 Limited (CAC) is an engineering company that specializes in the distribution, installation and servicing of Energy Efficient Air Conditioning Systems. We are the succession of a number of businesses starting with Webster's Engineering in the late 1920's. In the mid-1960s, the ICD Group (formerly the Mechala Group) bought Conditionedair Corporation and merged it with another company to form Conditionedair and Associated Contractors, or "CAC" for short. CAC was later merged into the iconic "Homelectrix", which was a household name in Jamaica for many years. When Homelectrix was sold in the early 1990s, the management team purchased 49% of the newly formed Conditionedair and Associated Contractors. On July 24th, 2000, the Company was incorporated, and the remaining 51% was purchased on August 18th, 2000, and that is the genesis of the Company's name: "CAC 2000 Limited".

EXPANDED FOCUS

By virtue of the various iterations of the business, we have been the sole appointed representative for Carrier®, world leaders in air conditioning technology, in Jamaica since 1929. Although the Company is predominantly a Carrier® dealer, we have expanded our portfolio to offer other premium equipment brands such as LG® and CIAC® as well as both factory and generic parts. In recent years, our focus has expanded to include a range of solutions that are tailored to our clients' needs and support energy efficiency and greater control.

CAC sells, services and supports some of the most sophisticated air conditioning systems ever designed and completed in Jamaica and the Caribbean. Our technical and engineering expertise sets us apart from the competition and can be seen throughout Jamaica in the large projects that we have designed, managed and implemented.



On the strength of the qualifications and experience of our team, we are first and foremost an engineering company that specializes in applied air conditioning systems (chillers, cooling towers, pumps, air handling units and state of the art variable refrigeration flow (VRF) systems, to name a few) and pride ourselves on offering technical solutions and multiple options for our clients' needs. In addition to being one of the leading providers of commercial Air Conditioning (HVAC) systems and refrigeration and energy solutions in Jamaica, and maintaining a respectable share of the residential market, we are also one of the few Grade 1 contractors (and also a Grade 1 Mechanical Works and Grade 3 Electrical Works).

OUR ACCOLADES

Our expertise is reinforced by our accolades. CAC was awarded two golds during the 2017 staging of the Stevie® Awards, one of the world's most coveted prizes designed to honour the achievements and positive contributions of businesses worldwide. In 2018, the Business Excellence Forum & Awards, designed to honour "the best of the best" small businesses and business owners worldwide, recognized CAC as a finalist in four of the five categories we entered: CEO of the Year, Fastest Growing Company, Best Company Culture, and Best Import/Export Company.

In May 2016, CAC established the CAC 2000 Foundation aimed at assisting disadvantaged, disabled and at-risk youth secure employment through education, as we know that with a good education anything is possible. We have partnered with existing programs and entities such as Rise which caters to the inner-city youth and the Pacers Running Club to raise funds for Step Centre which caters to the disabled. We have also received funding from JSIF for our Skills Training Program for air conditioning repairs and servicing.

In June 2021 CAC entered into a joint venture formation with Tropical Battery Company Limited (Tropical Battery) launching ENRVATE Limited. ENRVATE is the product of a shared vision of both companies to make our Caribbean paradise a better place to live and work through focusing on real-time measurement, monitoring of energy consumption, and using the resulting data to identify, design and execute energy and water saving opportunities. ENRVATE plans to develop innovative financing solutions for qualified customers through the issuance of a Green Bond along with equity capital.

As a Company, we are committed to Jamaica, the future of its people and delivering comprehensive and innovative air-conditioning and energy saving solutions to the local market and the wider Caribbean region.





Improving People's Lives

Corporate Data

EXECUTIVE DIRECTORS:

Executive Chairman: Steven D. Marston
CEO/Company Secretary: Gia Abraham
Director Customer Experience:
Colin Roberts

NON-EXECUTIVE DIRECTORS:

Edward Alexander
M. Anthony Shaw
Simon Roberts
Katherine Francis
Patrick Smith

REGISTERED HEAD OFFICE:

CAC 2000 Limited
231 Marcus Garvey Drive
Kingston 11, Jamaica
Tel: 876-656-9200
Fax: 876-923-1785
Email: sales@cac2000ltd.com
Website: www.cacjamaica.com

ATTORNEY

Annaliesa E. Lindsay
Lindsay Law Chambers
21 Seaview Avenue
Kingston 6, Jamaica
Tel: 876-920-7428

AUDITORS

PricewaterhouseCoopers
Scotiabank Centre,
Duke Street,
Kingston, Jamaica
<http://www.pwc.com/jm>

BANKERS:

SCOTIABANK

Corporate Banking
Scotia Centre
Corner of Duke Street & Port Royal
Street
Kingston, Jamaica

NATIONAL COMMERCIAL BANK

Portmore Branch
13-14 West Trade Way
Portmore, St. Catherine
Jamaica

FIRST GLOBAL BANK

New Kingston Branch
28-48 Barbados Ave
Kingston 5



Dear Shareholders,

I am honoured to present this message on behalf of the Board of Directors of CAC 2000 Limited. This past year has been a testament to our resilience and strategic adaptation, as we navigated challenges and embraced opportunities to drive our company forward.

Financial Performance Overview

The financial year 2024 marked a significant recovery for CAC. Our audited financials indicate a net income of J\$22.26 million, driven by strategic talent management and third-party consultancy to optimize operational logistics and appropriately prioritise projects to maximize outputs. Revenue increased to J\$1.20 billion, with a gross profit of J\$425.66 million.

Strategic Initiatives and Operational Adjustments

We have undertaken several strategic initiatives to strengthen our position:

- **Cost Optimization:** Implemented rigorous cost-control measures, reducing operating expenses by J\$15.85 million.
- **Revenue Diversification:** Exploring new market segments locally and regionally and enhancing service offerings to meet evolving client needs.
- **Technological Integration:** Investing in advanced technologies to improve operational efficiency and deliver superior customer experiences.

Market Position and Competitive Landscape

CAC maintains a strong position in the Jamaican air conditioning industry. Our longstanding client relationships and commitment to quality service continue to

differentiate us in a competitive market. We are actively monitoring industry trends and adjusting our strategies to maintain and strengthen our market presence.

Governance and Compliance

We remain steadfast in our commitment to corporate governance and regulatory compliance. Our internal controls and risk management frameworks are continually assessed and enhanced to ensure transparency, accountability, and the safeguarding of shareholder interests.

Outlook and Future Prospects

Looking ahead, we are cautiously optimistic. The initiatives currently underway are designed to position CAC for sustainable growth and profitability. The seeds we planted are beginning to sprout, and we anticipate that our focus on cost efficiency, revenue diversification, and technological advancement will yield positive results in the coming fiscal years.

Appreciation

On behalf of the Board, I extend sincere gratitude to our dedicated employees, loyal customers, and valued shareholders for their unwavering support. Together, we will navigate the path ahead and continue to enhance the value of CAC 2000 Limited.

Yours faithfully,

Steven Marston

Chairman - CAC 2000 Limited

Tribute to Retired Director - Mr. Patrick Smith

MESSAGE FROM THE CHAIRMAN ON BEHALF OF THE BOARD

On behalf of the Board of Directors, I wish to extend our heartfelt gratitude to Mr. Patrick Smith, who retired from the Board this year after seven years of exemplary service.

Mr. Smith brought to the Board a wealth of experience and a truly global perspective that enriched our strategic discussions and decision-making. His deep expertise in marketing was instrumental in guiding the company's brand evolution and market positioning during a period of significant transformation and growth. Patrick consistently championed innovation and customer-centric thinking, helping us to better align our offerings with the needs of a dynamic and competitive marketplace.

Beyond his marketing acumen, Patrick made substantial contributions to the governance of the organization. He served with distinction on both the Audit Committee and the Remuneration Committee, where his integrity, diligence, and sound judgment were deeply valued. As Lead Independent Director, he provided steady and principled leadership, fostering a culture of transparency, accountability, and constructive dialogue.

Patrick's legacy is one of thoughtful leadership, strategic foresight, and unwavering commitment to the company's long-term success. His presence on the Board will be missed, but his impact will be felt for years to come.

On behalf of the entire Board, I thank Patrick for his outstanding service and wish him continued success in all his future endeavors.

MR. STEVEN MARSTON

Chairman of the Board





Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 2025 Annual General Meeting of CAC 2000 Limited ("the Company") will be held on Tuesday, 23 September 2025, at 3:00 p.m. at the registered office address, 231 Marcus Garvey Drive, Kingston 11 for the following purposes:

1. To consider the Company's Accounts and the Reports of the Directors and the Auditors for the year ended 31 October 2024, and (if thought fit) pass the following resolution:

Resolution #1: "That the Directors' Report, the Auditors Report and the Statements of Accounts of the Company for the year ended 31 October 2024 be approved".

2. To appoint Auditors and authorize the Directors to fix the remuneration of the Auditors. To consider and (if thought fit) pass the following resolution:

Resolution #2: "That PwC, Chartered Accountants, be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company".

3. The Directors, Mr. Colin Roberts, Ms. Gia Abraham, and Mr. Anthony Shaw shall retire from office and being eligible offered themselves for re-election.

Resolution #3: To approve the re-election of Directors recommended for appointment to the

Board of Directors of the Company. To consider and (if thought fit) pass the following resolutions:

- a. "That retiring Director Mr. Colin Roberts be and is hereby re-elected a Director of the Company".
- b. "That retiring Director Ms. Gia Abraham be and is hereby re-elected a Director of the Company".
- c. "That retiring Director Mr. Anthony Shaw be and is hereby re-elected a Director of the Company".

4. To transact any other special business.

BY ORDER OF THE BOARD OF DIRECTORS

Gia Abraham

Company Secretary

DATED THIS 7TH DAY OF APRIL 2025

Board of Directors



Steven Marston

Chairman and Executive Director

B.Sc. (Hons.) in Environmental Engineering, MSc. in Energy Management and Policy, Owner/President Management Program, HBS (2009) Executive Director and Chairman (appointed July 24, 2000)

Mr. Marston has worked in the air conditioning and energy business for over three decades. He began his career as an Alternative Energy Engineer at the Ministry of Mining and Energy, and later went on to hold a series of managerial positions. In 1985 he was appointed Lead Engineer at PCJ Engineering Limited, in 1990 he was Managing Director of Eneritech Limited, and finally he was appointed Managing Director at Conditionedair & Associated Contractors (then owned by the ICD Group) in 1993. Part of his employment deal involved an option to purchase 49% of the company which was exercised a few years later.

In 1996, Mr. Marston was appointed Vice-President of the Development and Construction Division of the Mechala Group (now the ICD Group). In 2000, he completed a management buy-out of the remaining 51% of the shares of the company (renamed CAC 2000) and became the Chairman, Chief Executive Officer and majority beneficial owner. Since then, he has led it steadfastly to become the successful company that it is today.

Mr. Marston is a Registered Professional Engineer (P.E.) in Jamaica and a Chartered Engineer (C.Eng.) in the United Kingdom. He is a proud member of the Jamaica Institution of Engineers (M.J.I.E), life member of the American Society for Heating Refrigeration and Air Conditioning Engineers (ASHRAE) and a Fellow of the Institution of Mechanical Engineers (F.I.MechE).



Gia Abraham

Chief Executive Officer and Executive Director

BSc. in Biology, C.Dir, M.Cl.D, Owner/President Management Program, HBS (2022) Executive Director (2000) and Appointed Chief Executive Officer

Ms. Abraham worked for over 10 years in the banking industry starting with Royal Bank of Canada in Toronto. In 1996, she decided to leave her post as a Personal Investment Banker and return to Jamaica where she joined the Canadian Imperial Bank of Commerce (CIBC) in the area of training and development. This entailed the roll out of the new processes and procedures developed to the branches island wide, in 1997 Ms. Abraham was seconded to a regional team located in Barbados to work on a new banking platform for regional implementation. In March of 2000, Ms. Abraham chose to leave the banking world and join her husband in a new venture called CAC 2000 Limited.

Ms. Abraham spearheaded the formation of CAC 2000 Foundation in May 2016, and presently holds the position of CEO. The Foundation is her pride and joy as she believes that Social Responsibility especially in the area of education and disability, is one of the key things all companies should be involved in as a means of Improving Peoples' Lives.

She was most recently appointed CEO in January 2021 (promoted from COO), just in time to lead the implementation of a new ERP system at CAC and completed the Harvard Business School's Owner/President Manager (OPM) programme on March 30, 2022.



Colin Roberts

Director – Customer Experience and Executive Director

B.Sc. (Hons.) in Electrical and Computer Engineering, MBA. [appointed July 24th, 2000]. Executive Director and Director - Customer Experience

Colin Roberts' career in engineering commenced in 1987 as Trainee and then District Engineer (Saint Catherine) at The Jamaica Public Service Company Limited.

In 1991, Mr. Roberts joined the Seprod Group of Companies in the capacity of Electrical Maintenance Engineer and Electrical Project Engineer. He later became the Maintenance Manager and Maintenance Director at LOJ Property Management Limited gaining substantial experience with design and maintenance of air conditioning and related systems in commercial buildings. In late 1993, he was invited to join Conditionedair & Associated Contractors (CAC) as a shareholder and its Technical Manager.

In 2000, Mr. Roberts joined Steven Marston in purchasing the remaining interest in CAC and forming CAC 2000 Ltd. and assumed the position of Chief Technical Officer and has recently become the Company's Director – Customer Experience.

Mr. Roberts manages the estimations and execution of many of the Company's projects. He has further honed these skills through the Key Executive Program at the Harvard Business School and Leadership Development course at Kellogg School of Management.

Edward Alexander

Non-Executive Director and Chairman of the Corporate Governance Committee

BSc. in Mechanical Engineering, MSc. in Energy Management and Policy [appointed October 3rd, 2012] Non-Executive Director

Edward (Teddy) Alexander is the founder and Executive Chairman of tTech Limited ("tTech"), Jamaica's first Managed IT Service Provider, and is regarded as a visionary in the field of Information Technology.

This very capable IT specialist and business executive established tTech in 2006 after an 18 year career with Grace-Kennedy Limited, where he served as a Director and the company's Chief Information Officer. His IT career spans more than three decades. During the 1980's he worked in the alternative energy field at the Ministry of Mining & Energy and the Petroleum Corporation of Jamaica before switching to the information technology field when he worked as a Management Consultant at KPMG Peat Marwick & Partners. In 1988 he joined Grace-Unisys as an Account Manager and it was here his passion for IT blossomed. He is a former President of the Jamaica Computer Society, and a member of the Board of Management at Jamaica College, his alma mater.

Mr. Alexander serves as the Chairman of the Corporate Governance Committee of the CAC 2000 Board.



Patrick Smith

Independent Director

M.B.A. Nova South Eastern

Patrick Smith has had broad general management experience having worked for more than 30 years within the Caribbean and Europe. He worked previously with the Port Authority of Jamaica, T. Geddes Grant Jamaica, and then joined The Carreras Group in 1988 where he was assigned the role of Export Manager at The Jamaica Biscuit Company, then a subsidiary of The Carreras Group. In 1995, Patrick was promoted to the role of General Manager of The Jamaica Biscuit Company and later he returned to Carreras Group Limited in 1999. Carreras was at the time an associated company of Rothmans but, following the international merger of Rothmans with British American Tobacco Plc, Patrick was appointed as The Corporate and Regulatory Manager in 2000, first for Jamaica and later in 2002 for the Caribbean. After three years he moved to Trinidad to work with another BAT subsidiary, Carisma Marketing Services as Managing Director. That lasted a year after which he was again promoted to the role of Business Unit Director [Caribbean]. As a result of that promotion he was appointed to the boards of Carreras [Jamaica], West Indian Tobacco [Trinidad], and Demerara Tobacco [Guyana]. In 2010, Patrick moved to Switzerland to work in BAT International as Global Account Manager - Dunhill Cigars.

Within his long career of general management he has served on the boards of Things Jamaican Limited, JAMPRO, EXIM Bank, and JEA. More recently he joined the board of CAC 2000 Limited in 2017 and was invited back to the Board of Carreras Limited as Chairman in late 2021. Mr. Smith is now retired. Mr. Smith previously served as the Chairman of the Remuneration Committee and sits on the Audit Committee of the CAC 2000 Board.



Katherine P. C. Francis

Independent Director

*B.A. English, M.A. European Languages & Literature, Juris Doctor, L.E.C.
Non-Executive Director*

Katherine P. C. Francis is currently the Senior Vice President - Legal Regulatory & Compliance at Supreme Ventures Services Limited. She has over a decade of experience in the regulatory and compliance field and is an Attorney-at-law with over 25 years at the bar. Prior to joining the Supreme Ventures family, she served in the positions of Senior Vice President-Safety Risk & Legal and Company Secretary at Jamaica Public Service Company Limited. She also worked at the Attorney General's Chambers and was an Associate at the law firm Clinton Hart & Co.

Ms. Francis is currently a member of the Disciplinary Committee of the General Legal Counsel and Former member of the Bar Counsel. She presently sits on the Board of CAC 2000 Limited and McKayla Financial Services Limited, a subsidiary of Supreme Ventures Limited.

Ms. Francis sits on the Remuneration and Governance Committees of the CAC 2000 Board.



M. Anthony Shaw

Independent Director and Chairman of Audit Committee

Bachelor of Commerce (Accounting & Management Information Systems), Chartered Accountant Non-Executive Director

A Chartered Accountant by training, he has nearly three decades of experience in executive management within the banking and financial services sector in Canada and Jamaica, where he has established a record of building strong relationships and finding solutions to assist customers.

In Barbados, he led The Nation Group of Companies, a media conglomerate; and the Signia Financial Group Ltd., a merchant bank. Mr. Shaw has also worked in senior management positions at RBC Royal Bank, responsible for seven Eastern Caribbean islands; and worked with KPMG in Jamaica and Canada.

Currently, he is Chairman of Asphalt Processors Inc. in Barbados; and has Jamaican Directorships in CAC 2000 Limited, GK Capital Management Limited, GK Investments Limited, and the Development Bank of Jamaica Limited.

A past student of Munro College and McGill University (with both graduate and undergraduate qualifications), Mr. Shaw is a Member of the Ontario Institute of Chartered Accountants and a Fellow of the Institute of Canadian Bankers.

He is the founder of the Integrity Group of Barbados (a voluntary apolitical and open group of citizens from diverse sectors of society) which acts as an advocate for issues on integrity and legislative governance in Barbados.

Mr. Shaw serves as the Chairman of the Audit Committee of the CAC 2000 Board.

Simon Roberts

Independent Director and Chairman of the Remuneration Committee

M.A.Sc. Management Sciences, B.A.Sc. Metallurgical and Materials Sciences Non-Executive Director

Simon Roberts is an engineering and business consultant, focusing in the areas of manufacturing improvements, logistics, compensation design and project management. He has previously worked at GraceKennedy for over 20 years in various capacities, including Head of Special Projects, Group Chief Information Officer, General Manager of three food manufacturing plants, and as CEO of H&L Ltd. He also led several new product and manufacturing process innovations, compensation design and implementations, major construction projects, and community development activities while at GraceKennedy. He also has over 15 years' experience in the steel industry in general management, engineering, metallurgy, customer service, quality assurance, process improvement, product development, and IT deployment.

He is Chairman of the Jamaica National Agency for Accreditation, Director of Recycling Partners of Jamaica, Director of CAC 2000 Ltd, Chairman of Jamaica Stroke Alliance, Director of Grace Co-Op Credit Union and Vice President of the deCarteret College Alumni Association. He is Honorary Director, former Vice President and Deputy President of the Jamaica Manufacturers and Exporters Association.

He holds a Bachelor of Applied Science (Metallurgical and Materials Sciences) from the University of Toronto and a Master of Applied Science (Management Sciences) from the University of Waterloo.

Mr. Roberts sits on the Audit, Remuneration and Governance Committees of the CAC 2000 Board.

The Board Report

BOARD OF DIRECTORS

CAC's Board of Directors is comprised of:

- Steven Marston, Executive Chairman
- Gia Abraham, Chief Executive Officer & Company Secretary
- Colin Roberts, Executive Director
- Edward Alexander, Non-Executive Director
- Patrick Smith, Independent Director*
- Katherine Francis, Independent Director**
- M. Anthony Shaw, Independent Director***
- Simon Roberts, Independent Director

The Board is chaired by Steven Marston (Executive Chairman) and given his majority shareholding and past CEO position; CAC has always maintained a Lead Independent Director position (definition of Independent is listed in our Board Charter). This was held by Patrick Smith up until his resignation during the financial year. The Board is currently in the process of identifying a suitable replacement for this role as part of CAC's commitment to upholding governance best practices.

BOARD COMMITTEES

We have three active committees each of which is Chaired by and is comprised of independent directors as follows:

The Audit Committee (meetings held 4 times/year)

- M. Anthony Shaw (Chairman, Independent Non-Executive)
- Patrick Smith (Independent Non-Executive)
- Simon Roberts (Independent Non-Executive)
- Gia Abraham (Executive)

The Remuneration Committee (meetings held 2 times/year)

- Simon Roberts (Chairman, Independent Non-Executive)
- Katherine Francis (Independent Non-Executive)
- Patrick Smith (Independent Non-Executive)
- Gia Abraham (Executive)

The Governance Committee (meetings held 2 times/year)

- Edward Alexander (Chairman, Non-Executive)
- Simon Roberts (Independent Non-Executive)
- Katherine Francis (Independent Non-Executive)
- Gia Abraham (Executive)

Each year the Company Secretary posts a schedule that involves a minimum of six (6) meetings for directors:

- Quarterly meetings – Board and committees
- Annual General Meeting
- Strategy and budget presentation (1-2 meetings); and
- Selected members of the Executive team plus external parties, e.g., Auditors, are invited to the various meetings and copied on all minutes

ATTENDANCE REPORT

The last Annual General Meeting was conducted on September 26th, 2024, on the CAC compound and was attended by all directors (some remote) and previous minutes were circulated inclusive of the shareholder questions that were posed.

BOARD MEETING ATTENDANCE

Board of Directors	Virtual Meeting 21 Dec 2023	Virtual Meeting 14 Mar 2024	Virtual Meeting 06 Jun 2024	Virtual Meeting 12 Sep 2024
Steven Marston, Executive Chairman	√	√	√	√
Colin Roberts, Executive Director	√	√	√	√
Edward Alexander, Non-Executive Director	√	√	√	√
Gia Abraham, Chief Executive Officer, Company Secretary	√	√	√	√
Patrick Smith, Lead Independent Director *	√	Resigned	n/a	n/a
Anthony Shaw, Independent Director	√	√	√	√
Katherine Francis, Independent Director	√	√	√	√
Simon Roberts, Independent Director	√	√	√	√

AUDIT COMMITTEE

Members	Virtual Meeting 14 Dec 2023	Virtual Special Meeting 21 Dec 2023	Virtual Meeting 12 Mar 2024	Virtual Meeting 31 Mar 2024	Virtual Meeting 03 Sep 2024
Anthony Shaw, Independent Director, Chairman***	✓	✓	✓	✓	✓
Gia Abraham, Chief Executive Officer, Company Secretary	✓	✓	✓	✓	✓
Patrick Smith, Lead Independent Director*	✓	✓	Resigned	n/a	n/a
Simon Roberts, Independent Director	✓	✓	✓	✓	✓
Katherine Francis**	-	-	-	✓	✓
Invitee					
Steven Marston, Executive Chairman	✓	✓	✓	✓	✓
Colin Roberts, Director	✓	✓	✓	Apology	Apology
Edward Alexander, Non-Executive Director	✓	✓	✓	Apology	✓
Katherine Francis, Independent Director**	n/a	n/a	✓	n/a	n/a

REMUNERATION COMMITTEE

Members	Virtual Meeting 21 Dec 2023	Virtual Meeting 06 June 2024
Simon Roberts, Independent Director, Chairman, Remuneration Committee Chairman	✓	✓
Patrick Smith, Independent Director*	✓	Resigned
Gia Abraham, Chief Executive Officer, Company Secretary	✓	✓
Katherine Francis, Independent Director**	n/a	✓
Anthony Shaw, Independent Director***	-	✓
Invitee		
Steven Marston, Executive Chairman	✓	✓

CORPORATE GOVERNANCE COMMITTEE

Members	Virtual Meeting 14 Mar 2024	Virtual Meeting 21 Sep 2024
Edward Alexander, Non-Executive Director, Corporate Governance Committee Chairman	✓	✓
Katherine Francis, Independent Director**	✓	✓
Simon Roberts, Independent Director	✓	✓
Colin Roberts, Director	✓	✓
Invitee		
Steven Marston, Executive Chairman	✓	✓
Gia Abraham, Chief Executive Officer, Company Secretary	✓	✓

* Patrick Smith resigned 1 March 2024

** Katherine Francis was appointed to the Audit Committee on 1 March 2024 and she resigned from Board and Committee on 31 December 2024

*** Anthony Shaw was appointed to the Remuneration Committee on 1 March 2024.

ANNUAL GENERAL MEETING

Members of the Board	Hybrid Meeting - 26 Sep 2024
Steven Marston, Executive Chairman	in attendance
Colin Roberts, Executive Director	in attendance
Gia Abraham, Chief Executive Officer, Company Secretary	in attendance
Anthony Shaw, Independent Director	in attendance online
Katherine Francis, Independent Director	in attendance online
Simon Roberts, Independent Director	in attendance online
Edward Alexander, Non-Executive Director	in attendance online

DIRECTORS' COMPENSATION

The payment for directors comprises a retainer of JMD\$550,000 per annum plus an adder of JMD\$50,000 for Committee Chairman responsibility. This compensation was last reviewed in 2021 and we expect to review it periodically.

BOARD EVALUATION, NEEDS ASSESSMENT, NOMINATION AND REMUNERATION POLICY

Every two years we engage an independent person to conduct a Board survey (self and peer) and this report (graded for ALL, Non-Executive and Executive) is used by the Board to identify areas for improvements along with a board expertise review and skills assessment. Once we identify a skills gap, we commence the nomination and selection process and, once completed, new Directors are engaged using a contract letter that outlines the terms of their contract, term limit and orientation activities. Our development plan includes:

- Directors Duties and Responsibilities
- Director courses (individual) – JSE (Jamaica Stock Exchange), CGTI etc.
- Executive training – HBS etc.

Our last review was conducted in 2024 and we were happy to observe significant improvements and will continue with these bi-annual surveys while upgrading the scope each time.

POLICIES

At the onset we aimed for compliance with the NACD (National Association of Corporate Directors) guidelines. However, since the release of the PSOJ (Private Sector Organization of Jamaica) Governance Code, we have amended our policies and charters to reflect these guidelines (2021 version). Our charters and policies are all accessible on the [CACjamaica.com](https://www.cacjamaica.com) website and include:

- Board Charter
- Corporate Governance Charter
- Audit Charter
- Remuneration Charter
- Risk Policy
- CSG/Environmental policy
- Dividend Policy
- Code of Ethics
- Whistleblower policy
- Classification of Director
- Nomination and orientation of directors
- Disaster plan
- Articles of Association



Steven Marston

Executive Chairman



Shareholders' Interests

Top 10 Shareholders As at October 31, 2024

Primary Account Holder	Joint Holder(s)	Volume	Percentage
CAC CARIBBEAN LIMITED		67,462,522	52.2835%
MR COLIN ROBERTS		27,355,291	21.2004%
MR DONALD LOUIS WILLIAMS		6,180,000	4.7895%
VM WEALTH EQUITY FUND		5,726,136	4.4378%
PAM - POOLED EQUITY FUND		3,334,203	2.5840%
HOWARD MARTIN CHIN		2,802,932	2.1723%
MR. PETER NICHOLAS ANTHONY FORDE	PATRICIA FORDE	1,232,961	0.9555%
CHRISTINE G. WONG		1,143,988	0.8866%
SAGICOR SELECT FUND LIMITED - ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION		1,035,021	0.8021%
JAMAICA CREDIT UNION PENSION FUND LIMITED		843,463	0.6537%

Total Issued Capital:	129,032,258
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Total Units Owned by Top 10 Shareholders:	117,116,517
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Total Percentage Owned by Top 10 Shareholders:	90.7653%
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Executive Holdings for CAC 2000 Limited As at October 31, 2024

Name	Position	Primary Holder Joint Holder	Relationship	Volume	%
COLIN ROBERTS	Senior Manager	COLIN ROBERTS	Self	27,355,291	21.20035
			Senior Manager's Holdings:	27,355,291	21.20035
			Connected Party Holdings:	-	-
			Combined Holdings:	27,355,291	21.20035
GIA ABRAHAM	Senior Manager	GIA TONETTE ABRAHAM	Self	248,623	0.19268
		GIA ABRAHAM	Self	300,001	0.23250
		CAC CARIBBEAN LIMITED	Connected	67,462,522	52.28345
			Senior Manager's Holdings:	548,624	0.42518
			Connected Party Holdings:	67,462,522	52.28345
			Combined Holdings:	68,011,146	52.70864
STEVEN MARSTON		CAC CARIBBEAN LIMITED	Connected	67,462,522	52.28345
		GIA TONETTE ABRAHAM	Connected	248,623	0.19268
		GIA ABRAHAM	Connected	300,001	0.23250
			Senior Manager's Holdings:	-	-
			Connected Party Holdings:	68,011,146	52.70864
			Combined Holdings:	68,011,146	52.70864
Issued Shares:				129,032,258.00	

Directors Holdings for CAC 2000 Limited As at October 31, 2024

Name	Position	Primary Holder Joint Holder	Relationship	Volume	%
ANTHONY SHAW	Director	ANTHONY SHAW	Self	-	-
			Director's Holdings:	-	-
			Connected Party Holdings:	-	-
			Combined Holdings:	-	-
COLIN ROBERTS	Director	COLIN ROBERTS	Self	27,355,291	21.20035
			Director's Holdings:	27,355,291	21.20035
			Connected Party Holdings:	-	-
			Combined Holdings:	27,355,291	21.20035

Directors Holdings for CAC 2000 Limited (Cont.) As at October 31, 2024

Name	Position	Primary Holder Joint Holder	Relationship	Volume	%
EDWARD CHARLES ALEXANDER	Director	EDWARD CHARLES ALEXANDER	Self	54,286	0.04207
		CHARMAINE DAWN ALEXANDER	Connected	-	-
		RENEE MOY ALEXANDER	Connected	-	-
		JORDANNE MOY ALEXANDER	Connected		
	-	-			
	Director's Holdings:			54,286	0.04207
	Connected Party Holdings:			-	-
Combined Holdings:			54,286	0.04207	
GIA ABRAHAM	Director	GIA ABRAHAM	Self	300,001	0.23250
		GIA TONETTE ABRAHAM	Self	248,623	0.19268
		CAC CARIBBEAN LIMITED	Connected	67,462,522	52.28345
		STEVEN MARSTON	Connected	-	-
	Director's Holdings:			548,624	0.42518
	Connected Party Holdings:			67,462,522	52.28345
	Combined Holdings:			68,011,146	52.70864
KATHERINE FRANCIS	Director	KATHERINE FRANCIS	Self	-	-
			Director's Holdings:	-	-
			Connected Party Holdings:	-	-
			Combined Holdings:	-	-
PATRICK SMITH	Director	PATRICK SMITH	Self	-	-
			Director's Holdings:	-	-
			Connected Party Holdings:	-	-
			Combined Holdings:	-	-
SIMON ROBERTS	Director	SIMON ROBERTS	Self	-	-
			Director's Holdings:	-	-
			Connected Party Holdings:	-	-
			Combined Holdings:	-	-
STEVEN MARSTON	Director	STEVEN MARSTON	Self	-	-
		CAC CARIBBEAN LIMITED	Connected	67,462,522	52.28345
		GIA TONETTE ABRAHAM	Connected	248,623	0.19268
		GIA ABRAHAM	Connected	300,001	0.23250
	Director's Holdings:			-	-
	Connected Party Holdings:			68,011,146	52.70864
	Combined Holdings:			68,011,146	52.70864
Issued Shares:			129,032,258.00		

Management Discussion and Analysis

The year 2024 marked a period of significant transformation and strategic realignment for CAC 2000 Limited (“CAC”). Amid evolving market dynamics and economic challenges, the Company maintained a commitment to delivering high-quality HVAC solutions, focusing on energy efficiency, customer satisfaction, and operational excellence. Building on our history of innovation and resilience, the efforts initiated in the year prior have begun to yield tangible results, setting the stage for continued expansion and profitability.



FINANCIAL PERFORMANCE

For the fiscal year ended October 31, 2024, CAC demonstrated a strong financial recovery. Revenue surged by 46%, reaching J\$1.2 billion, the highest level since 2018. This growth was fuelled by increased project volume following a prolonged post-pandemic lull and resultant shift in consumer priorities, improved operational efficiencies, and expansion into complementary service lines. The results signal a pivotal shift in CAC's financial trajectory and reinforces the value for shareholders. Our operational efficiency measures have also contributed to stronger margins and profitability.

- **Gross Profit:** J\$425.66 million, up from J\$275.84 million in 2023, reflecting better cost management and improved pricing strategies.
- **Net Profit:** J\$22.26 million, reversing the previous year's loss of J\$98.23 million, demonstrating a successful turnaround strategy.
- **Total Assets:** Increased to J\$1.36 billion from J\$1.32 billion in 2023, positioning the Company for further growth and investment.
- **Cash & Bank Deposits:** J\$59.9 million, ensuring financial stability and flexibility.
- **Earnings per Share (EPS):** J\$0.17, compared to a loss per share of J\$0.76 in 2023, signalling stronger returns for shareholders.

These improvements reflect the success of operational efficiencies, cost optimization strategies, and a strong focus on revenue diversification. CAC has not only rebounded from losses in the prior year but has also laid the groundwork for sustainable, long-term growth for years to come.

MARKET & INDUSTRY ANALYSIS

Economic & Sector Trends

The Jamaican economy showed resilience in 2024 despite global supply chain disruptions and inflationary pressures. This was evidenced by the revived demand for HVAC installations and maintenance services within the construction and real estate sectors. Additionally, the push for sustainable and energy-efficient solutions led to increased interest in CAC's innovative product offerings.

STRATEGIC INITIATIVES & FUTURE BUSINESS DEVELOPMENT

Key Growth Strategies

- 1. Expansion into Smart HVAC Systems:** Introducing advanced remote monitoring and automation for energy efficiency, which is expected to increase market penetration.
- 2. Energy Preservation Solutions:** Aimed at reducing carbon footprint and aligning with global sustainability trends, creating new revenue opportunities.
- 3. E-Commerce & Digital Transformation:** Strengthening online presence, including service booking and product sales, to enhance customer engagement and drive sales growth.
- 4. Geographical Expansion:** Exploring opportunities in new Caribbean markets to diversify revenue streams and mitigate risks associated with domestic economic fluctuations.
- 5. Training & Workforce Development:** Investing in technical skills to enhance service quality and innovation, ensuring long-term competitiveness.

These initiatives not only strengthen CAC's market position but also set the foundation for long-term shareholder value creation by improving revenue stability and operational resilience.

LOGISTICAL CHALLENGES IN 2024

Throughout the year, the Company faced significant logistical challenges due to global supply chain disruptions, increased freight costs, and delays in equipment procurement. These factors impacted project timelines and inventory management, requiring the Company to implement strategic sourcing adjustments, establish a dedicated logistical oversight team and strengthen supplier relationships. To mitigate these challenges, CAC adopted more agile procurement strategies, expanded supplier networks, and leveraged local sourcing alternatives where possible. These adjustments have not only improved supply chain reliability but have also positioned the Company to better navigate potential future disruptions.

RISK MANAGEMENT & MITIGATION STRATEGIES

CAC has a proactive approach to risk management, addressing key areas such as:

- **Economic & Inflationary Risks:** Pricing strategies and operational efficiencies to mitigate cost pressures.
- **Supply Chain Disruptions:** Strengthening supplier relationships and diversifying procurement sources to ensure business continuity.
- **Regulatory Compliance:** Ensuring adherence to evolving industry standards and environmental regulations to maintain competitive advantage.
- **Cybersecurity & Data Protection:** Enhancing IT infrastructure to safeguard customer and company data, reinforcing trust and reliability.

CELEBRATING SUCCESSES

CAC demonstrated a strong return to form, achieving key financial and strategic milestones that reflect disciplined execution, market responsiveness, and a clear vision for long-term growth. The Company strengthened its leadership position in the HVAC and clean energy sectors while investing in expansion, innovation, and community development.

1. Execution of Large-Scale Government Retrofit Project

In a landmark win, we commenced the HVAC and solar energy retrofit of 22 government facilities, including 16 hospitals, under an EU-funded contract. This initiative will drive long-term cost savings and energy efficiency across Jamaica's health sector, reinforcing CAC's capabilities in turnkey, sustainable infrastructure solutions. The project is on track for completion by late 2025 and is expected to be a model for future public-private clean energy collaborations.

2. Delivery of Hilton Rose Hall Tri-Generation Project

Via EnRvate Ltd., a joint venture with Tropical Battery Company, CAC successfully delivered a tri-generation project at Hilton Rose Hall. Integrating solar energy, waste heat recovery, and natural gas-powered generation, the system significantly reduces carbon emissions and energy costs. This achievement positions CAC as a premier provider of innovative energy solutions in the regional hospitality sector.

3. Retail Market Expansion in Western Jamaica

Responding to growing regional demand, CAC launched a new retail outlet in Montego Bay, expanding its reach beyond the Kingston metropolitan area. The store offers air conditioning units, air quality systems, and solar solutions, serving both residential and commercial clients. This expansion supports CAC's strategic aim to grow transactional revenues and currently represents an estimated 25% share of the local retail air conditioning sales market.

4. Restructuring to Drive Efficiencies

Amongst other strategic recruitments prioritised during the year, the Company strengthened its executive leadership team with the appointment of Michael Murray as Financial Controller. A seasoned finance professional, Michael brings over 15 years of experience in financial reporting, budgeting, risk management, and regulatory compliance in both the private and public sectors. His industry insight bring added depth to the Company's financial oversight functions and since his appointment he has led initiatives to streamline reporting processes and improve internal control systems. This and other recruitments have already begun to yield improvements in operational efficiency and financial planning, positioning CAC to better navigate market complexities and support its long-term growth strategy. CAC also pursued talent recruitment through the Tourism Enhancement Fund, investing in the next generation of engineering professionals.

5. Social Investment and Workforce Development

Through our Foundation, we made meaningful contributions to workforce readiness and youth development:

- Graduated 15 students through the T-STTEP HVAC training program, a partnership with USAID and FHI360.
- Piloted a HEART NTA internship program for seven (7) vocational trainees specializing in clean energy systems.

These efforts not only address Jamaica's skilled labour gap but also align with CAC's long-term ESG commitments.

OUTLOOK FOR 2025 AND BEYOND

CAC's performance over the past year reflects a disciplined strategy rooted in resilience, innovation, and impact. The seeds planted last year have begun to sprout and with momentum from strong financial results, strategic partnerships, and a growing project pipeline, the Company is well positioned for sustainable growth. As we look ahead, we remain committed to:

- **Strengthening market presence** through enhanced customer engagement and service excellence.
- **Energy Preservation Solutions:** Aimed at reducing carbon footprint and aligning with global sustainability trends, creating new revenue opportunities.
- **Expanding adoption of smart and green HVAC technologies,** positioning the Company as an industry leader in sustainability.
- **Enhancing profitability and cash flow,** ensuring stronger returns for investors and financial stability for long-term growth.
- **Delivering greater value to shareholders** by leveraging our competitive strengths and strategic initiatives to drive sustained performance.

With a strong financial foundation, innovative product offerings, and a proactive approach to market challenges, CAC is well positioned to capitalize on emerging trends and achieve even greater success in the years to come. Investors and stakeholders can look forward to continued growth as we remain dedicated to engineering solutions to enhance comfort and improve people's lives.

Five-Year Financial Review

	2024	2023	2022	2021	2020
BALANCE SHEET (\$'000)					
Non-current Assets	77,432	105,331	102,417	108,120	30,081
Current Assets	1,284,023	1,219,177	1,166,716	1,323,497	1,081,536
Non-current Liabilities	310,961	310,914	71,426	267,821	204,829
Current Liabilities	685,661	671,019	753,676	735,649	518,444
Shareholder's Equity	364,833	342,575	444,031	428,147	388,344

	2024	2023	2022	2021	2020
PROFIT & LOSS (\$'000)					
Revenue	1,202,877	823,043	1,110,818	1,045,993	1,258,508
Yearly Change %	46.15%	-25.91%	6.20%	-16.89%	12.35%
Gross Profit	425,658	275,840	430,985	447,786	423,856
Yearly Change %	54.31%	-36.00%	-3.75%	5.65%	22.99%
Profit before Tax	25,241	(112,505)	21,222	42,739	32,537
Yearly Change %	122.44%	-630.13%	-50.35%	31.36%	197.41%

Percentage change not applicable as prior year reflected a loss.

	2024	2023	2022	2021	2020
IMPORTANT RATIOS					
PROFITABILITY : Company and manager performance					
Return on Capital Employed	46%	48%	11%	11%	10%
Return on Equity	6%	-29%	5%	10%	8%
Return on Total Asset	2%	-7%	2%	3%	3%
Gross Profit Margin	35%	34%	39%	43%	34%
Earnings Per Share	0.17	-0.76	0.16	0.31	0.25
Inventory Days	226	409	311	284	148
Debtor Days	209	209	167	267	200
Creditor Days	51	89	58	74	75

FINANCIAL : Structure and stability of the company

Current ratio	1.87	1.82	1.55	1.80	2.09
Liquidity Ratio(Acid test)	1.17	0.90	0.78	1.17	1.44
Debt to Capital Employed	73%	74%	14%	38%	35%
Debt to Equity ratio	0.85	0.91	0.16	0.63	0.53



*Audited Financial
Statements*



CAC 2000 Limited

**Financial Statements
31 October 2024**

CAC 2000 Limited

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31 October 2024

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Independent auditor's report

To the Shareholders of CAC 2000 Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of CAC 2000 Limited (the Company) as at 31 October 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 October 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in stockholders' net equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581, www.pwc.com/jm

B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Expected credit loss (ECL) in relation to trade receivables</p> <p><i>Refer to notes 2(f), 2(h), and 9 to the financial statements for disclosures of related accounting policies, judgements and estimates.</i></p> <p>As at 31 October 2024, trade receivables account for \$688 million or 51% of total assets of the Company. Management identified a total associated ECL of \$49.4 million in respect of this balance.</p> <p>In determining the ECL, management applies the simplified approach as permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using the lifetime ECL.</p> <p>As a practical expedient, a provision matrix is utilised in determining the lifetime ECL for these receivables. The lifetime ECL is determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.</p> <p>We focused on this area due to the estimation uncertainty in assessing credit risk.</p>	<p>Our approach to addressing the matter involved the following procedures, amongst others:</p> <ul style="list-style-type: none"> • Updated our understanding of the methodology and assumptions used by management in the determination of the ECL provision matrix. • Tested, on a sample basis, historical data used in the provision matrix to calculate the historical rates of default by agreeing the data to prior year audited results. • Reperformed the calculation of days past due on a sample basis. • Recalculated the ECL by applying the expected credit loss rates of default to the aged receivable balance. • Tested subsequent payments for a sample of large customers where expected credit losses had been recognised. • Evaluated the reasonableness of management's judgement pertaining to the impact of forward-looking information on the ECL.



Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Paul Williams.

A blue ink signature of a PricewaterhouseCoopers representative, written in a cursive style.

Chartered Accountants
Kingston, Jamaica
February 28, 2025

CAC 2000 Limited


Statement of Financial Position

As at 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)


	Note	2024 \$	2023 \$
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,517,582	19,109,528
Intangible assets	5	307,818	1,644,004
Right-of-use assets	6	36,205,820	57,910,405
Deferred tax asset	7	20,400,360	21,667,172
Investment in joint venture	25	5,000,000	5,000,000
		<u>77,431,580</u>	<u>105,331,109</u>
Current assets			
Tax recoverable		13,649,103	13,249,152
Inventories	8	480,943,857	613,400,834
Due from related parties	15	20,394,157	20,411,931
Trade and other receivables	9	702,811,435	492,087,563
Investments		6,316,440	4,089,267
Cash and bank deposits	10	59,907,872	75,938,133
		<u>1,284,022,864</u>	<u>1,219,176,880</u>
Total assets		<u><u>1,361,454,444</u></u>	<u><u>1,324,507,989</u></u>
EQUITY AND LIABILITIES			
Stockholders' net equity			
Share capital	11	129,189,757	129,189,757
Capital redemption reserve	12	56,070,657	56,070,657
Retained earnings		179,572,110	157,314,383
		<u>364,832,524</u>	<u>342,574,797</u>
Non-current liabilities			
Borrowings	13	290,214,830	258,873,849
Lease liabilities	14	20,745,692	52,040,356
		<u>310,960,522</u>	<u>310,914,205</u>
Current liabilities			
Borrowings	13	151,724,493	76,943,744
Lease liabilities	14	27,305,657	19,836,705
Due to related parties	15	48,854,711	28,999,475
Trade and other payables	16	456,060,361	545,239,063
Tax payable		1,716,176	-
		<u>685,661,398</u>	<u>671,018,987</u>
Total equity and liabilities		<u><u>1,361,454,444</u></u>	<u><u>1,324,507,989</u></u>

Approved for issue by the Board of Directors on February 28, 2025 and signed on its behalf by:

Signed by:

 6D6B91BBE49540F...

Michael Anthony Shaw

Chairman

DocuSigned by:

 9B380EADD42E4D6...

Steven Marston

Director

CAC 2000 Limited

Statement of Comprehensive Income

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$	2023 \$
Revenue	17	1,202,877,394	823,043,076
Cost of sales		<u>(777,219,698)</u>	<u>(547,203,181)</u>
Gross Profit		425,657,696	275,839,895
Other income	21	3,459,548	(580,130)
Distribution expenses		(18,296,847)	(16,723,507)
Administrative expenses		<u>(333,831,360)</u>	<u>(319,553,510)</u>
Operating Profit/(loss)		76,989,037	(61,017,252)
Foreign exchange gain /(loss)		3,939,729	(1,487,767)
Interest income		10,231	247,170
Finance costs	22	<u>(55,698,282)</u>	<u>(50,246,961)</u>
Profit/(loss) before Taxation		<u>25,240,715</u>	<u>(112,504,810)</u>
Taxation	23	<u>(2,982,988)</u>	<u>14,274,204</u>
Net Profit/(Loss), being Total Comprehensive Income for the Year		<u>22,257,727</u>	<u>(98,230,606)</u>
Earnings per stock unit attributable to owners of the parent during the year			
Basic and fully diluted	24	<u>0.17</u>	<u>(0.76)</u>

CAC 2000 Limited

Statement of Changes in Stockholders' Net Equity

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital \$	Capital Redemption Reserve \$	Retained Earnings \$	Total \$
Balance at 1 November 2022	129,189,757	56,070,657	258,770,796	444,031,210
Net loss, being total comprehensive income for the year	-	-	(98,230,606)	(98,230,606)
Transaction with owners - Dividend paid	-	-	(3,225,807)	(3,225,807)
Balances at 31 October 2023	129,189,757	56,070,657	157,314,383	342,574,797
Net profit, being total comprehensive income for the year	-	-	22,257,727	22,257,727
Balance at 31 October 2024	129,189,757	56,070,657	179,572,110	364,832,524

CAC 2000 Limited**Statement of Cash Flows****Year ended 31 October 2024**

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$	2023 \$
Cash Flows from Operating Activities			
Net profit/(loss)		22,257,727	(98,230,606)
Adjustments for:			
Taxation	23	2,982,988	(14,274,204)
Amortisation- intangible assets	5	1,336,186	2,119,513
Depreciation – property, plant & equipment	4	5,579,322	2,332,868
Depreciation – right of use assets	6	21,481,637	17,937,458
(Gain)/loss on disposal of property, plant & equipment		(1,924,640)	704,196
Unrealised gain on financial assets at fair value through profit and loss		(117,535)	(189,835)
Movement in expected credit loss	9	(4,049,999)	18,167,284
Net foreign exchange losses		89,069	1,029,179
Finance costs	22	51,956,161	47,918,485
Interest income		(10,231)	(247,170)
		<u>99,580,685</u>	<u>(22,732,832)</u>
Changes in operating assets and liabilities:			
Inventories		132,456,977	(34,967,442)
Trade and other receivables		(206,648,916)	(29,451,534)
Trade and other payables		(95,106,284)	188,014,568
Due from related parties		<u>17,774</u>	<u>(1,875,321)</u>
Cash (used in) /provided by operations		(69,699,764)	98,987,439
Tax paid		<u>(399,951)</u>	<u>(2,256,633)</u>
Net cash (used in)/provided by operating activities		<u>(70,099,715)</u>	<u>96,730,806</u>
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	4	(1,987,376)	(281,938)
Proceeds from disposal of property, plant and equipment		1,924,640	3,060,000
Investment in securities	-	(2,109,638)	59,912
Interest received		<u>10,231</u>	<u>247,170</u>
Net cash (used in) /provided by investing activities		<u>(2,162,143)</u>	<u>3,085,144</u>
Net cash flows (used in)/provided by operating and investing activities brought forward to page 5		<u>(72,261,858)</u>	<u>99,815,950</u>

CAC 2000 Limited**Statement of Cash Flows (Continued)****Year ended 31 October 2024**

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$	2023 \$
Net cash flows (used in)/provided by operating and investing activities brought forward from page 4		<u>(72,261,858)</u>	<u>99,815,950</u>
Cash Flows from Financing Activities			
Repayment of bank loans		(197,437,244)	(462,111,415)
Proceeds from bank loans		303,558,974	434,000,000
Lease liabilities		(23,602,764)	(15,542,186)
Interest paid		(47,422,668)	(47,918,485)
Dividends paid to non-controlling interests in subsidiaries		-	(3,225,806)
Related parties, net		<u>19,855,236</u>	<u>(3,345,199)</u>
Net cash provided by/(used in) financing activities		<u>54,951,534</u>	<u>(98,143,091)</u>
Net (decrease)/increase in cash and cash equivalents		(17,310,324)	1,672,859
Effects of exchange rate changes on cash and cash equivalents		<u>1,280,063</u>	<u>(365,809)</u>
Cash and cash equivalents at beginning of year		<u>75,938,133</u>	<u>74,631,083</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	<u><u>59,907,872</u></u>	<u><u>75,938,133</u></u>

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

CAC 2000 Limited (the Company) is incorporated and domiciled in Jamaica. On January 7, 2016, the Company's ordinary shares were listed on the Jamaica Junior Stock Exchange through an Initial Public Offering (Note 9). The ultimate parent company is Caribbean Air Conditioning Company Limited, a company incorporated and domiciled in St. Lucia. The principal activities of the Company are the sale of air conditioning equipment and installation and maintenance of such systems. The Company's registered office is 231 Marcus Garvey Drive, Kingston 11.

2. Material Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless stated otherwise.

(a) Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

IFRS Accounting Standards

IAS Standards

Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards, interpretations and amendments to published accounting standards effective in the current financial year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial period. The Company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following are relevant to its operations:

Amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. There was no significant impact on the operations of the Company.

Amendment to IAS 12 – deferred tax relates to assets and liabilities arising from a single transaction. (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. There was no significant impact on the operations of the Company.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published accounting standards effective in the current financial year (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not yet effective and which the Company will adopt in future financial years. The Company has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after 1 January 2024). Amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The Company is currently assessing the impact of this amendment.

Amendment to IAS 16- Leases on sales and leaseback (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The Company is currently assessing the impact of this amendment.

Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Company is currently assessing the impact of this amendment.

IFRS 18, 'Presentation and Disclosure in Financial Statements (effective for annual periods beginning or after 1 January 2027). This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

The Company is currently assessing the impact of this amendment.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(b) Property, plant and equipment

Property, plant and equipment are measured at historical cost or deemed cost, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is computed on a straight-line basis at annual rates estimated to write down the property, plant and equipment to their estimated residual values at the end of their expected useful lives, as follows:

Leasehold improvements	Over the term of the lease
Plant machinery	10 years
Tools and equipment	5 years
Furniture, fixtures & equipment	10 years
Computers and related equipment	3 years
Motor vehicles	5 years

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(c) Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(d) Intangible assets

Intangible assets Intangible assets acquired separately are measured on initial recognition at cost and carried at cost less any accumulated amortisation and accumulated impairment losses. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(e) Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

(f) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets

For the purpose of these financial statements, financial assets have been determined to include cash and deposits, investments, amounts due from related parties and trade, and other receivables.

Classification

The Company considers the following measurement categories in classifying its financial assets:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the business model used for managing the financial assets and the contractual terms of each cash flows. The Company's assets measured at fair value, gains and losses will be recorded in profit or loss.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(f) Financial instruments (continued)

Measurement

Debt instruments

Measurement financial instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. The Company considers three measurement categories when classifying its financial instruments.

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent sole payments of principal and interest, are measured at amortised cost. Interest income from financial assets is included in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on financial asset that is measured at FVPL is recognised in profit or loss in the period in which it arises.

Impairment

The Company assesses impairment on a forward-looking basis for the expected credit losses (ECL) associated with its financial assets classified at amortised cost.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using the lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECL for these receivables.

The lifetime ECL is determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

Financial liabilities

Similarly, financial liabilities include accounts payable, loans and borrowings and amounts due to related parties. They are initially measured at fair value, net of transaction cost, and are subsequently measured at amortised cost using the effective interest method.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. The cost of finished goods and work-in-progress comprises raw and packaging materials, direct labour, other direct costs and a proportion of related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Accounts receivable

Trade and other receivables are measured at amortised cost, less expected credit loss.

CAC 2000 Limited

Notes to the Financial Statements

For the year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(i) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

(a) A person or a close member of that person’s family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity or its parent is provided with key management personnel services by the management entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and other short-term investments with maturities ranging between one and three months from the reporting date, and which are readily convertible to known amounts of cash without significant change in value.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(k) Share capital

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets.

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

In the case of its preference share capital, it is classified as:

- equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary; in such a case, dividends thereon are recognised as distributions within equity;
- liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary; in such case, dividends thereon are recognised as interest in profit or loss.

The Company's redeemable preference shares are classified as financial liabilities as they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends are recognised as interest expense in profit or loss as a component of net finance costs/income as accrued.

(l) Borrowing costs

Banks and other loans are recognised initially at cost. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowing on an effective interest basis.

(m) Leases

The Company leases various buildings/warehouses. Rental contracts are typically made for fixed periods of 12 months to 2 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the group under residual value guarantees

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(m) Leases (continued)

- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company uses that rate as a starting point to determine the incremental borrowing rate.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

There are no variable lease payments included in lease agreements.

Extension and termination options are included in a number of leases. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(n) Accounts payable

Trade and other payables are measured at amortised cost.

(o) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted, or subsequently enacted at the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

(p) Employee benefits

(i) Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave for services rendered by employees up to the end of the reporting period.

(ii) Defined contribution plans

Obligation for contributions to defined contribution plans is expensed as the related services are provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(q) Joint venture

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and joint venture is eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

(r) Revenue recognition

Installation contracts

IFRS 15 requires a consistent revenue recognition method for contracts and performance obligations with similar characteristics. The Company has chosen to use percentage to completion method, using the cost incurred to date as portion of the total estimated full costs of completing the contract, applied to the total expected contract revenue. This measurement basis is fairly consistent with the basis of measurement in prior year. The Company believes this measurement basis better reflects the pattern of transfer of control to the customer.

Contract price includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent it is probable that they will result in revenue and can be measured reliably. Under IFRS 15, claims and variations will be included in the contract accounting when they are approved. At 31 October 2023, there were no claims that do not meet the criteria for recognition.

A promise to deliver equipment and to install them can be treated as two distinct performance obligations for revenue recognition. The Company is committed to treating, as a single performance obligation, promises to deliver equipment and install them if the Company provides a significant service of integrating the good or service into a complete product for which the customer has contracted. An entity recognizes revenue when (or as) it satisfies a performance obligation by transferring a good or service to a customer. An entity "transfers" a good or service to a customer when the customer obtains control of that good or service. Control may be transferred either at a point in time or over time. The delivery of equipment will qualify for revenue recognition at a point in time, and work done to install the equipment will be recognised at the different stages of completion to achieve the performance obligation.

CAC 2000 Limited

Notes to the Financial Statements

For the year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(r) Revenue recognition (Continued)

Sale of equipment and service contracts

Revenue from sale of equipment and the provision of services (excluding services provided under installation contracts) is recognized when a promised good and/or service is transferred to the customer. Under IFRS 15, for certain contracts that permit the customer to return an item, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses, or a reasonable estimate can be made. Revenue from sale of equipment and provision of services rendered are recognized at a point in time.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for discounts, rebates and other similar allowances.

(s) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

The Company has three reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, to different customer base, and are managed separately because they require different resources and marketing strategies.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The primary reportable segments are:

- (i) Engineering – Sale and installation of industrial equipment
- (ii) Residential, Light and Commercial (RLC) – Sale of smaller turnkey equipment
- (iii) Service – After sale service and maintenance

The Company's operations are primarily carried out in Jamaica

Transactions between business segments have been eliminated.

(t) Net finance cost

Net finance cost comprises interest payable on long-term loan, calculated using the effective interest rate method, interest income on funds invested and foreign exchange gains and losses recognised in profit or loss.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of the income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(u) Foreign currencies

Transactions in foreign currencies are converted at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling at the dates that the values were determined.

(v) Dividends

Dividends are recognised in the period in which they are declared.

(w) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(x) Determination of profit and loss

Profit is determined as the difference between the revenues from the goods and services rendered and the costs and other charges incurred during the year. Profits on transactions are taken in the year in which they are realised. A transaction is realised at the moment of delivery. Losses are taken in the year in which they are realised or determinable.

(y) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and the income and expense for the year then ended. Actual amounts could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for assessing whether a significant increase in credit risk has occurred;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar assets for the purposes of measuring ECL.

(ii) Net realisable value of inventories

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

(iii) Revenue recognised from installation contracts

Revenues from installation contracts are determined on the cost-plus basis with reference to the stage of completion. Estimates of the total costs of the contract is made at the initial stage of the contract and is reassessed on an ongoing basis. The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. Therefore, the effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate. The changed estimates are used in the determination of the amount of revenue and expenses recognised in the statement of profit or loss and other comprehensive income in the period in which the change is made and in subsequent periods.

When the outcome of the contract cannot be estimated reliably, no profit is recognised. However, even though the outcome of the contract cannot be estimated reliably, it may be probable that total contract costs will exceed total contract revenues. In such cases, any expected excess of total contract costs over total contract revenue for the contract is recognised as an expense immediately.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from those assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

4. Property, Plant and Equipment

	Leasehold Improvements	Plant Machinery, Tools & Equipment	Furniture, Fixtures & Equipment	Computers & Related Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
At Cost -						
1 November 2022	23,955,566	17,039,260	6,222,818	33,383,403	66,510,773	147,111,820
Additions	-	93,996	187,942	-	-	281,938
Disposals	-	-	-	-	(3,764,196)	(3,764,196)
31 October 2023	23,955,566	17,133,256	6,410,760	33,383,403	62,746,577	143,629,562
Additions	-	530,000	258,783	1,198,593	-	1,987,376
Disposals	-	-	-	-	(21,091,152)	(21,091,152)
31 October 2024	23,955,566	17,663,256	6,669,543	34,581,996	41,655,425	124,525,786
Accumulated Depreciation -						
1 November 2022	23,955,566	8,881,940	3,949,402	33,127,916	52,272,342	122,187,166
Charge for the year	-	1,538,766	264,879	213,973	315,250	2,332,868
Relieved on disposal	-	-	-	-	-	-
31 October 2023	23,955,566	10,420,706	4,214,281	33,341,889	52,587,592	124,520,034
Charge for the year	-	1,586,681	460,595	406,206	3,125,840	5,579,322
Relieved on disposal	-	-	-	-	(21,091,152)	(21,091,152)
31 October 2024	23,955,566	12,007,387	4,674,876	33,748,095	34,622,280	109,008,204
Net Book Values -	-					
31 October 2023	-	6,712,550	2,196,479	41,514	10,158,985	19,109,528
31 October 2024	-	5,655,869	1,994,667	833,901	7,033,145	15,517,582

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

5. Intangible Assets

	Software \$
At Cost-	
31 October 2023	6,359,173
31 October 2024	<u>6,359,173</u>
Amortisation -	
31 October 2023	4,715,169
Additions	1,336,186
31 October 2024	<u>6,051,355</u>
Net Book Values -	
31 October 2023	1,644,004
31 October 2024	<u><u>307,818</u></u>

Intangible assets relate to the purchase and installation of a cloud-based ERP computer software during the year.

6. Right-of-use Assets

	Building \$
Cost -	
31 October 2023	104,309,319
Remeasurement	<u>(418,027)</u>
31 October 2024	<u>103,891,292</u>
Accumulated Depreciation -	
1 November 2023	46,398,914
Remeasurement	(195,079)
Depreciation Charge	<u>(21,481,637)</u>
31 October 2024	<u>67,685,472</u>
Net Book Values -	
31 October 2023	<u>57,910,405</u>
31 October 2024	<u><u>36,205,820</u></u>

Right-of-use assets relates to rental of building/warehouse and related leasehold improvements.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

7. Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using an applicable tax rate of 12.5%. The movement on the deferred tax account is as follows:

	2024	2023
	\$	\$
Asset as at 1 November 2023 and 2022	21,667,172	7,392,968
(Charged)/credited to the statement of comprehensive	(1,266,812)	14,274,204
Asset as at 31 October 2024 and 2023	<u>20,400,360</u>	<u>21,667,172</u>

Deferred income tax assets and liabilities are attributable to the following items –

	2024	2023
	\$	\$
Deferred tax assets		
Unrealised foreign exchange losses	19,352	149,137
Property, plant and equipment	3,461,382	3,689,057
Lease liabilities	6,006,418	1,745,832
IFRS 9 ECL provision	506,250	-
Statutory loss	13,372,929	15,089,105
Other	<u>1,601,720</u>	<u>3,264,953</u>
	<u>24,968,051</u>	<u>23,938,084</u>
Deferred tax liabilities		
Intangibles	(38,477)	-
Right of Use	(4,525,728)	-
Trade Receivables	(3,486)	-
IFRS 9 ECL provision	<u>-</u>	<u>(2,270,912)</u>
	<u>(4,567,691)</u>	<u>(2,270,912)</u>
Net deferred tax assets	<u>20,400,360</u>	<u>21,667,172</u>

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

7. Deferred taxation (continued)

The deferred tax (charged)/credited to the statement of comprehensive income comprises the following temporary differences:

	2024 \$	2023 \$
Unrealised foreign exchange losses	(24,488)	(217,257)
Property, plant and equipment	(227,675)	(858,962)
Lease liabilities	(265,141)	299,409
IFRS 9 ECL provision	2,777,162	(3,315,062)
Statutory loss	(1,716,176)	15,089,105
Other	(1,810,494)	3,276,971
	<u>(1,266,812)</u>	<u>14,274,204</u>

The amounts shown in the balance sheet include the following:

	2024 \$	2023 \$
Deferred tax assets to be recovered after more than 12 months	<u>9,884,147</u>	<u>10,869,777</u>

8. Inventories

	2024 \$	2023 \$
Merchandise/equipment	49,139,390	103,133,794
Work-in-progress	172,008,400	293,549,612
Service supplies/parts	126,240,969	145,044,759
Goods in transit	<u>148,310,060</u>	<u>86,427,631</u>
	495,698,819	628,155,796
Provision for obsolescence	<u>(14,754,962)</u>	<u>(14,754,962)</u>
	<u>480,943,857</u>	<u>613,400,834</u>

The cost of inventories recognised as cost of sales during the year was \$729,703,024 (2023 - \$531,615,469).

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

9. Trade and Other Receivables

	2024	2023
	\$	\$
Trade receivables	688,276,972	470,881,496
Less: expected credit loss	<u>(49,400,435)</u>	<u>(45,350,435)</u>
	638,876,537	425,531,061
Other receivables	49,816,873	52,718,551
Prepayments	<u>14,118,025</u>	<u>13,837,951</u>
	<u><u>702,811,435</u></u>	<u><u>492,087,563</u></u>

During 2015, the Company entered into a joint arrangement with an independent third party, Inica Ingenieria de Instalaciones S.A.L (INICA), a company registered in the Dominican Republic with registered office at the INICA Business Building, Santo Domingo, to carry out infrastructure improvements and renovations of The Braco Hotel in Jamaica; and to share the profits 50:50. Included in trade receivables is \$39,606,496 (2023 - \$39,606,496) in relation to this venture.

Contract assets

Included in trade receivables are contract assets totaling \$Nil (2023 - \$nil). The Company distinguishes contract assets based on whether receipt of the consideration is conditional on something other than passage of time. Contract assets primarily relate to transactions where the Company satisfies a performance obligation to transfer equipment that is part of an installation contract with the customer, but the right to payment for the equipment or the service is dependent on the agreement with the customer and services that were rendered but not yet billed to the customer at year end. The contract assets are transferred to trade receivable when the right becomes unconditional, i.e. when only the passage of time is required before payment of consideration is due.

Ageing of trade receivables at the reporting date was:

	2024	
	Expected	
	Credit	
	Loss	
	Rate	Expected
		Credit Loss
	Gross	
	Carrying	
	Amount	
	\$	\$
0-30 days	202,071,568	4,708,034
31-60 days	115,189,771	3,699,710
61-180 days	70,688,672	10,951,598
More than 180 days	<u>300,326,961</u>	<u>30,041,093</u>
	<u><u>688,276,972</u></u>	<u><u>49,400,435</u></u>

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

9. Trade and Other Receivables (Continued)

Ageing of trade receivables (continued)

		2023	
	Gross Carrying Amount	Expected Credit Loss Rate	Expected Credit Loss
	\$		\$
0-30 days	95,286,982	4%	4,167,529
31-60 days	24,213,601	10%	2,425,419
61-180 days	11,979,852	26%	3,135,286
More than 180 days	339,401,061	10%	35,622,202
	<u>470,881,496</u>		<u>45,350,436</u>

Movement in expected credit loss

	2024	2023
	\$	\$
Opening loss allowance as at 1 November	45,350,436	63,517,720
Increase/(Decrease) in expected credit loss recognised in income statement	<u>4,049,999</u>	<u>(18,167,284)</u>
Closing loss allowance as at 31 October	<u>49,400,435</u>	<u>45,350,436</u>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

10. Cash and Bank Deposits

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances with original maturity dates not exceeding 90 days.

	2024	2023
	\$	\$
Cash on hand and in bank	31,865,568	43,611,230
Deposits	<u>28,042,304</u>	<u>32,326,903</u>
	<u><u>59,907,872</u></u>	<u><u>75,938,133</u></u>

Cash and cash equivalents are denominated in the following currencies:

	2024	2023
	\$	\$
Jamaican dollars	20,367,511	47,916,170
US dollars	38,497,770	27,035,204
Other	<u>1,042,591</u>	<u>986,759</u>
	<u><u>59,907,872</u></u>	<u><u>75,938,133</u></u>

The weighted average effective interest rates on cash and short-term bank deposits are as follows -

	2024	2023
	%	%
Cash at bank		
- J\$	0.04	0.01-0.95
- US\$	0	0.01-0.05
Short-term deposits		
- J\$	0	1.15-1.80
- US\$	0	0-1.10
- GBP	<u>0.1</u>	<u>0.19</u>

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

11. Share Capital

	2024 No.	2023 No.
Authorised in shares -		
Ordinary units of no-par value	200,000,000	200,000,000
Fixed and variable rate cumulative redeemable preference shares	<u>350,000,000</u>	<u>350,000,000</u>
	2024 \$	2023 \$
Issued and fully paid as stock units -		
129,032,258 ordinary units (2023 - 129,032,258)	138,773,634	138,773,634
Less: Share issue costs	<u>(9,583,877)</u>	<u>(9,583,877)</u>
	129,189,757	129,189,757
125,000,000 fixed and variable rate cumulative redeemable preference shares (2023 - 125,000,000)	<u>250,000,000</u>	<u>250,000,000</u>
	379,189,757	379,189,757
Less: Redeemable preference shares classified as liability (Note 13)	<u>(250,000,000)</u>	<u>(250,000,000)</u>
	<u>129,189,757</u>	<u>129,189,757</u>

12. Capital Redemption Reserve

This represents the value of the cumulative redeemable preference shares redeemed from retained earnings.

13. Borrowings

	2024 \$	2023 \$
(i) Redeemable preference shares	250,000,000	250,000,000
(ii) Bank of Nova Scotia Jamaica Limited	8,397,656	13,901,429
(iii) Bank of Nova Scotia Jamaica Limited	60,000,000	71,916,164
(iv) Bank of Nova Scotia Jamaica Limited	85,000,000	-
(v) Shareholder Loans	<u>38,541,667</u>	<u>-</u>
	<u>441,939,323</u>	<u>335,817,593</u>
Current portion of borrowings	151,724,493	76,943,744
Non-current portion of borrowings	<u>290,214,830</u>	<u>258,873,849</u>
	<u>441,939,323</u>	<u>335,817,593</u>

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

13. Borrowings (Continued)

(i) Redeemable preference shares

	\$
Balance at 1 November 2017	148,037,000
Redemption of preference shares	<u>(148,037,000)</u>
	-
Proceeds from issue of redeemable preference shares	<u>250,000,000</u>
Balance at 31 October 2024	<u><u>250,000,000</u></u>

In 2021, the Company redeemed the preference shares previously held. A portion of the proceeds from the new preference shares issued was used to fund the redemption of the shares, the balance of \$56,070,657 was transferred from retained earnings to capital redemption reserves.

In 2023, \$350,000,000 fixed and variable rate redeemable preference shares were re-authorized with an issue price of \$2 per share. Of this 125,000,000 (2023 - 125,000,000) issued shares are fully paid. Redeemable preference shares do not carry the right to vote or rank equally with other shares with regard to the Company's residual assets, except that holders of redeemable preference shares participate only to the extent of the face value of the shares.

The redeemable preference shares are mandatorily redeemable at par on March 16, 2026 and the Company is obliged to pay holders of redeemable preference shares dividends of 13% percent per annum until maturity. Dividend is paid quarterly.

- (ii) The loans represent amounts issued by Bank of Nova Scotia Jamaica Limited to facilitate the purchase of motor vehicles for employees. The loans are secured by charges over the motor vehicles purchased and comprehensive insurance endorsed in favour of the bank on the motor vehicles. The loans are repayable in monthly installments. Interest rates on the loans are fixed at 6.95% and 7.99% per annum.
- (iii) This represents amounts borrowed against operating line of credit issued by Bank of Nova Scotia Jamaica Limited. The loans are repayable after six months and attracts an interest rate of 9 – 9.5% per annum. The loan is secured by term deposits held with other financial institutions totaling \$26.8 million (2023 - \$43mil).
- (iv) This Term loan represents converted Bank of Nova Scotia Revolving loans of \$90 Million. The term loan is repayable in 36 monthly installments of principal and interest. Interest rate on the loan is fixed at 9.50% per annum. The contract includes financial debt covenants as disclosed in note 27(d). The loan is repayable on demand as two out of the three covenants were not met. The financial institution was approached for a waiver of breach of covenant as at October 31, 2024. A waiver letter was received as at February 24, 2025 which indicated that the financial institution will not demand the loan due to the default in debt covenants.
- (v) Two loans were issued by the major shareholders of company during the year with total principal of \$40,000,000. Both loans are repayable in monthly installments of principal and interest. They bear interest at 7.39% and 11.5% per annum and have 60 and 120 month tenors respectively. Both loans are unsecured.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

13. Borrowings (Continued)

Movement in Liabilities from Financing Activities

	Lease Liabilities \$	Loan Liabilities \$	Redeemable Preference Shares \$	Total \$
Net debt as at 1 November 2022	72,908,102	163,929,009	200,000,000	436,837,111
Acquisition	14,511,145	184,000,000	250,000,000	448,511,145
Repayment	(15,542,186)	(262,111,416)	(200,000,000)	(477,653,602)
Interest charged	10,876,091	9,511,169	27,531,225	47,918,485
Interest paid	(10,876,091)	(9,511,169)	(27,531,225)	(47,918,485)
Net debt as at 31 October 2023	71,877,061	85,817,593	250,000,000	407,694,654
Net debt as at 1 November 2023	71,877,061	85,817,593	250,000,000	407,694,654
Acquisition	-	303,558,974	-	303,558,974
Repayment	(23,825,712)	(197,437,244)	-	(221,262,956)
Interest charged	2,034,406	13,503,947	36,417,808	51,956,161
Interest Accrued	-	(526,644)	(4,006,849)	(4,533,493)
Interest paid	(2,034,406)	(12,977,303)	(32,410,959)	(47,422,668)
Net debt as at 31 October 2024	48,051,349	191,939,323	250,000,000	489,990,672

14. Lease Liabilities

The Company entered into lease agreements for the rental of buildings/warehouses. Obligations under these agreements are as follows:

	2024 \$	2023 \$
Minimum lease payments under finance lease		
Not later than 1 year	31,075,041	29,195,891
Later than 1 year and not later than 5 years	22,084,124	53,160,423
	53,159,165	82,356,314
Future interest payments	(5,107,816)	(10,479,253)
Present value of finance lease obligations	48,051,349	71,877,061

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

14. Lease Liabilities (Continued)

The present value of the lease obligations is as follows:

	2024	2023
	\$	\$
Current	27,305,657	19,836,705
Non-current	20,745,692	52,040,356
	<u>48,051,349</u>	<u>71,877,061</u>

Lease liabilities for motor vehicles are effectively secured as the rights to the leased assets revert to the lessor in the event of default (Note 4).

The statement of comprehensive income includes the following amounts in relation to leases:

	2024	2023
	\$	\$
Interest expense (included in finance cost)	2,034,406	10,876,091
Expense relating to short-term leases (included in administrative expenses)	<u>2,814,950</u>	<u>2,685,959</u>

There are no low value lease asset or variable lease payments included in lease liability.

15. Related Party Transactions and Balances

(a) Year end balances arising from transactions with related parties:

	2024	2023
	\$	\$
Amounts due from related parties -		
Cool Airco Limited	7,111,011	7,111,011
CAC Foundation	6,796,821	6,796,821
ENRVATE	<u>6,486,325</u>	<u>6,504,099</u>
	<u>20,394,157</u>	<u>20,411,931</u>
Amounts due to related parties -		
Cool Airco Limited	14,762,520	25,969,235
CAC Foundation	3,000,000	3,000,000
ENRVATE	30,240	30,240
Directors	<u>31,061,951</u>	<u>-</u>
	<u>48,854,711</u>	<u>28,999,475</u>
Net liabilities	<u>(28,460,554)</u>	<u>(8,587,544)</u>

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

15. Related Party Transactions and Balances (Continued)

- (b) During the period, the Company had the following significant transactions with related parties in the normal course of business:

	2024	2023
	\$	\$
Shareholders – Loan Interest and Fees	(1,034,556)	-
Purchases - Cool Airco Limited	(476,382)	(8,236,899)
Administrative fees paid - Cool Airco Limited	<u>(4,933,470)</u>	<u>(16,195,907)</u>

- (c) Key management personnel compensation is as follows:

	2024	2023
	\$	\$
Salaries	40,025,544	39,836,802
Statutory contributions	3,878,633	13,843,764
Pension	<u>180,000</u>	<u>555,000</u>
	<u>44,084,177</u>	<u>54,235,566</u>
Directors' emoluments-		
Fees	<u>1,700,000</u>	<u>2,262,500</u>

16. Trade and Other Payables

	2024	2023
	\$	\$
Trade payable	108,250,517	132,916,807
Customer deposits	105,381,446	248,427,796
Statutory contributions	4,489,461	4,539,034
Accruals	98,209,955	64,306,323
Other	<u>139,728,982</u>	<u>95,049,103</u>
	<u>456,060,361</u>	<u>545,239,063</u>

17. Revenue

The Company derives revenue from the transfer of services (over time) and equipment (point in time). Gross operating revenue includes the invoiced value of goods, installation and service and amounts recognised under construction contracts. Refer to Note 26 outlining revenue by segments.

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

18. Expenses by Nature

Total distribution and administration expenses

	2024	2023
	\$	\$
Directors fees	4,050,000	3,982,813
Staff costs (Note 17)	186,877,553	190,904,760
Audit fees	4,277,456	5,342,544
Expected credit loss, net	4,050,000	(18,167,284)
Amortisation-intangible asset (Note 5)	1,336,186	2,119,513
Depreciation – property, plant & equipment (Note 4)	5,579,322	2,332,868
Depreciation – right-of-use assets (Note 6)	21,481,637	17,937,458
Legal and professional fees	30,707,494	30,711,048
Promotion, advertising and entertainment	1,540,295	2,060,713
Repairs and maintenance of property, plant and equipment	8,388,256	21,791,544
Insurance	22,927,719	21,186,685
Occupancy, utilities and communication	13,484,870	13,606,616
Local and foreign travel	4,175,951	3,615,128
Office supplies and computer	22,359,528	9,839,448
Security service	8,438,217	5,723,178
Dues and subscriptions	2,487,631	4,070,353
Donations	1,000	25,000
Other	9,965,092	19,194,632
	<u>352,128,207</u>	<u>336,277,017</u>

Audit fees for the year ended October 31, 2024, totalled \$6,800,000 (2023: \$6,476,250). Other fees paid to the auditor (and related network firms) for non-assurance services totalled \$0.00 (2023:605,000).

CAC 2000 Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

19. Staff Costs

	2024 \$	2023 \$
Administrative expenses -		
Salaries and wages	147,421,445	148,220,501
Statutory contributions	15,927,688	19,553,934
Pension	698,026	950,345
Other	7,094,093	15,789,769
	<u>171,141,252</u>	<u>184,514,549</u>
Selling and distribution -		
Salaries and wages	9,808,933	1,367,807
Commission	3,251,675	4,063,027
Statutory contributions	1,673,177	-
Pension	86,808	-
Other	915,708	959,377
	<u>15,736,301</u>	<u>6,390,211</u>
	<u>186,877,553</u>	<u>190,904,760</u>
Directors remuneration (Note 15)	44,084,177	54,235,566
Staff costs	<u>142,793,376</u>	<u>136,669,194</u>
	<u>186,877,553</u>	<u>190,904,760</u>

20. Retirement Scheme

The Company participates in a contributory retirement scheme for employees who have satisfied certain minimum requirements. The scheme is accounted for as a defined contribution plan in the financial statements, that is, pension contributions are expensed as and when they fall due. The scheme is administered by The Scotia Jamaica Life Insurance Company Limited, a company domiciled in Jamaica.

The Company's contributions to the scheme for the year aggregated to \$784,834 (2023 - \$950,345).

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

21. Other Income

	2024	2023
	\$	\$
Gain /(loss) on disposal of property, plant and equipment	1,924,640	(704,195)
Other income	960,321	40,680
Investment income	460,325	83,385
Gain on remeasurement of lease	144,263	-
	<u>3,459,548</u>	<u>(580,130)</u>

22. Finance Costs

	2024	2023
	\$	\$
Interest on -		
Bank loans	12,118,679	20,480,751
Finance lease	2,034,406	10,876,091
Insurance Premium Finance	1,385,268	491,343
Interest on redeemable preference share	36,417,808	16,561,644
Other	3,742,121	1,837,132
	<u>55,698,282</u>	<u>50,246,961</u>

CAC 2000 Limited

Notes to the Financial Statements

Year ended 31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

23. Taxation

Taxation is based on net profit for the year adjusted for taxation purposes and represents income tax charged at 25%. The Company's shares were listed on the Junior Market of the Jamaica Stock exchange, effective January 7, 2016. Consequently, the Company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least fifteen (15) years:

Years 1 to 5	100%
Years 5 to 10	50%

The financial statements have been prepared on the basis that the Company will have the full benefit of the tax remissions.

Income Tax Expense	2024	2023
Current tax	\$	\$
Current tax on profits for the year	1,716,176	-
Total current tax expense	<u>1,716,176</u>	<u>-</u>
Deferred income tax		
Decrease/(increase) in deferred tax assets	1,266,812	-
(Decrease)/increase in deferred tax liabilities	<u>-</u>	<u>(14,274,204)</u>
Total deferred tax expense/(benefit)	<u>1,266,812</u>	<u>(14,274,204)</u>
Income tax expense	<u>2,982,988</u>	<u>(14,274,204)</u>

The tax on profit differs from the theoretical amount that would arise using the basic statutory rate of 25% as follows:

	2024	2023
	\$	\$
Profit/(loss) before taxation	<u>25,240,715</u>	<u>(112,504,810)</u>
Tax calculated at a rate of 25%	6,310,179	(28,126,203)
Effect of:		
Effect of excess depreciation over capital allowances	(1,730,691)	7,378,113
Expenses disallowed	733,327	7,567,340
Income and other gains not subject to tax	(584,726)	(298,273)
Other Adjustments	<u>(28,936)</u>	<u>(795,181)</u>
	4,699,153	(14,274,204)
Adjustment for the effect of tax remission	<u>(1,716,165)</u>	<u>-</u>
	<u>2,982,988</u>	<u>(14,274,204)</u>

Subject to agreement with Tax Administration Jamaica, the Company has tax losses carried forward of \$106,983,432 (2023 – \$120,712,842)

CAC 2000 Limited

Notes to the Financial Statements

31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

24. Earnings per Stock Unit

Earnings per ordinary stock unit, is calculated by dividing the profit/(loss) attributable to shareholders by the weighted average number of stock units in issue during the year.

	2024	2023
Net profit/(loss) attributable to shareholders (\$)	22,257,727	(98,230,606)
Weighted average number ordinary stock units in issue	129,032,258	129,032,258
Basic and diluted earnings per stock unit (\$)	<u>0.17</u>	<u>(0.76)</u>

25. Investment in Joint Ventures

Set out below are the associates and joint ventures of the group as at 31 October 2023 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of Entity	Place of business/ country of incorporation	% of ownership interest		Nature of relationship	Measure -ment method	Quoted fair value		Carrying amount	
		2024	2023			2024	2023	2024	2023
		%	%			\$	\$	\$	\$
EnRvate Limited	Jamaica	50	50	Joint Venture	Equity Method	5,000,000	5,000,000	5,000,000	5,000,000
Total equity-accounted investments									5,000,000

- 1) EnRvate Limited was formed to design and sell energy solutions systems and services throughout the Caribbean region.

A commitment of \$5,000,000 was made to provide funding for joint venture's capital commitments.

The joint venture has not commenced operation to date and as such has not incurred and income or expenditure.

The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not CAC 2000 Limited's share of those amounts.

CAC 2000 Limited

Notes to the Financial Statements

31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

25. Investment in Joint Ventures (continued)

Summarised statement of financial position

	2023 and 2024 \$
Current assets	
Cash and cash equivalents	5,000,000
Total current assets	5,000,000
Total assets	5,000,000
Current liabilities	
Financial liabilities (excluding trade payables)	
Other current liabilities	-
Total non-current liabilities	-
Total liabilities	-
Net assets/liabilities	5,000,000

CAC 2000 Limited

Notes to the Financial Statements

31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

26. Segment Financial Information

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before taxation, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within the related industries.

2024				
	Engineering	Residential Light and Commercial	Service	Total
	\$	\$	\$	\$
External segment revenues	836,753,490	106,992,357	259,131,547	1,202,877,394
Segment gross profit	274,253,654	46,180,431	105,223,611	425,657,696
Timing of revenue recognition				
At a point in time	220,158,405	31,706,370	259,131,547	510,996,322
Over time	616,595,085	75,285,987	-	691,881,072
	836,753,490	106,992,357	259,131,547	1,202,877,394

2023				
	Engineering	Residential Light and Commercial	Service	Total
	\$	\$	\$	\$
External segment revenues	548,541,200	88,591,697	185,910,179	823,043,076
Segment gross profit	52,945,571	91,019,814	131,874,510	275,839,895
Timing of revenue recognition				
At a point in time	253,008,887	66,447,808	185,910,179	505,366,874
Overtime	295,532,313	22,143,889	-	317,676,202
	548,541,200	88,591,697	185,910,179	823,043,076

CAC 2000 Limited

Notes to the Financial Statements

31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management

The Company's financial risk management policies are directed by the Board of Directors, assisted by the management. The Company's activities expose it to credit related risks, liquidity risks and market risks that include foreign currency risks and interest rate risks.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The board of directors has monitoring oversight of the risk management policies.

Derivative financial instruments are not presently used to reduce exposure to fluctuation in interest and foreign exchange rates.

Annual budgeting and the continuing monitoring of the operations of the Company against the budgets allow the Board and the management to achieve its objectives and to manage relevant financial risks that could be faced by the Company.

(a) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Market risks mainly arise from changes in foreign currencies and interest rates. Market risk exposures are measured using sensitivity analysis.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The main foreign currency risks of the Company are denominated in United States dollars (US\$), which is the principal intervening currency for the Company; however, there are other transactions denominated in Great Britain Pound (GBP).

The Company manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities are kept at an acceptable level by monitoring the currency positions. The Company further manages the risk by maximizing foreign currency earnings and holding in foreign currency balances.

The table below summarized the currencies in which the Company's financial assets and liabilities are denominated at 31 October:

	2024		2023	
	US\$	GBP	US\$	GBP
Cash and deposits	38,497,770	1,042,592	27,035,204	986,759
Trade and other receivables			-	-
Due (to)/from related parties	(39,612,248)		(18,858,224)	-
Trade and other payables	<u>(50,576,774)</u>		<u>(130,162,285)</u>	-
Net exposure	<u>(51,691,252)</u>	<u>1,042,592</u>	<u>(121,985,305)</u>	<u>986,759</u>

CAC 2000 Limited

Notes to the Financial Statements

31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity analysis:

Average exchange rates for the US dollar, in terms of Jamaica dollars, were as follows:

	US\$	GBP
At October 31, 2024	159.11	206.15
At October 31, 2023	156.08	189.01

Foreign currency sensitivity

The following tables indicate the currencies to which the Company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 4% devaluation and 1% revaluation (2023 – 4% devaluation, 1% revaluation) of the respective foreign currencies. The sensitivity of the profit was as a result of foreign exchange gains/losses on translation of US dollar-denominated deposits, amounts due to/from related parties, receivables and payables. The percentage change in the currency rate will impact each financial asset/liability included in the sensitivity analysis differently. Consequently, individual sensitivity analyses were performed. The effect on profit before taxation shown below is the total of the individual sensitivities done for each of the assets/liabilities.

	Change in Currency Rate 2024 %	Effect on Profit before Tax 2024 \$'000	Change in Currency Rate 2023 %	Effect on Profit before Tax 2023 \$'000
Currency:				
USD	1%	516,913	1%	1,219,853
USD	-4%	(2,067,650)	-4%	(4,879,412)
GBP	1%	(10,426)	1%	9,868
GBP	-4%	41,704	-4%	(39,470)

The foreign currency sensitivities have varied due to the relative changes in the level of trade payables and related party balances held in foreign currency compared to that held for cash and bank deposits.

CAC 2000 Limited

Notes to the Financial Statements

31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the potential that the value of a financial instrument will fluctuate due to changes in market interest rates. Financial instruments subject to fixed interest rates are exposed to fair value interest rate risk while those subject to floating interest rates are exposed to cash flow interest rate risk.

The Company manages its interest rate risk by matching, where possible, the duration and profile of assets and liabilities to minimise the impact of mismatches between the value of assets and liabilities from interest rate movements.

Interests bearing financial assets are primarily represented by deposits, which have been contracted at fixed and floating interest rates for the duration of the term.

Financial liabilities subject to interest include primarily third party and related party loans which are contracted at fixed rates of interest.

The nature of the Company's exposures to interest rate risk and its objectives, policies and processes for managing interest rate risk have not changed significantly from the prior period.

At the reporting date, the interest profile of the Company's interest-bearing financial instruments was:

	Carrying Amount	
	2024	2023
	\$	\$
Fixed rate instruments		
Financial assets	28,042,304	32,326,903
Financial liabilities	(239,990,672)	(157,694,655)
	<u>(211,948,368)</u>	<u>(125,367,752)</u>
Variable rate instrument		
Financial liability	(250,000,000)	(250,000,000)
	<u>(461,948,368)</u>	<u>(375,367,752)</u>

CAC 2000 Limited

Notes to the Financial Statements

31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis for fixed rate instruments

The Company's fixed rate financial instruments are not carried at fair value. Therefore, a change in interest rate would not affect the profit for the year.

Cash flow sensitivity analysis for variable rate instruments

Interest rate sensitivity has been determined based on the exposure to interest rates for the Company's short-term deposits, party loans at the end of reporting period as these are substantially the interest sensitive instruments impacting financial results.

A change of 100 (2023 - 25) basis points in interest rates at the reporting date would have (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

	2024		2023	
	Effect on Profit before Tax		Effect on Profit before Tax	
	25bp Increase	100bp Decrease	50bp Increase	25bp decrease
Cash flow sensitivity	625,000	(2,500,000)	1,250,000	(625,000)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk exposure arises principally from cash and deposits, short-term investment, and trade and other receivables.

In relation to bank accounts and short-term deposits, the Company has a policy to deal with credit worthy counterparty to minimize credit risk exposures. The credit risk on cash and cash equivalents is limited as the Company minimises this risk by seeking to limit its obligations to substantial recognised financial institutions. In respect of trade receivables, the risk is minimised by discontinuing the services and also by making adequate provisions for uncollectible amounts.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The Company addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances. The average credit period extended by the Company is 30 days. No interest is charged on trade and other receivables. The Company has provided for receivables over 180 days after due assessment and as considered necessary, because historical experience is such that receivables that are past due beyond this period are generally difficult to collect.

Impairment of financial assets

The main type of financial asset subject to expected credit loss model is trade receivables. Refer to Note 7 for details of credit exposure for trade receivable.

CAC 2000 Limited

Notes to the Financial Statements

31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(b) Credit risk (continued)

The maximum credit exposure is represented by the carrying amount of the financial assets on the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and other liquid assets and maintaining the availability of funding through an adequate amount of committed credit facilities.

Liquidity risk management process

Ultimate responsibility for liquidity risk management rests with the board of directors and management. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's contractual maturity for its non-derivative financial liabilities, including interest payments and excluding the impact of off-setting agreements.

	2024				
	Carrying amount	Contractual cash flows	0 - 12 Months	1 – 2 years	2 – 5 years
	\$	\$	\$	\$	\$
Trade and other payables	334,290,969	334,290,969	334,290,969	-	-
Due to related parties	48,854,711	48,854,711	48,854,711	-	-
Borrowings	441,939,323	502,870,536	140,769,975	305,966,547	56,134,014
Lease liabilities	48,051,349	53,159,165	31,075,041	22,084,124	-
	<u>873,136,352</u>	<u>939,175,381</u>	<u>554,990,696</u>	<u>328,050,671</u>	<u>56,134,014</u>

CAC 2000 Limited

Notes to the Financial Statements

31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

	2023				
	Carrying amount	Contractual cash flows	0 - 12 Months	1 – 2 years	2 – 5 years
	\$	\$	\$	\$	\$
Trade and other payables	460,973,020	460,973,020	460,973,020	-	-
Due to related parties	28,999,475	28,999,475	28,999,475	-	-
Borrowings	335,817,593	428,678,749	112,737,439	42,717,026	273,224,284
Lease liabilities	71,877,061	83,122,743	25,974,572	53,015,941	4,132,230
	897,667,149	1,001,773,987	628,684,506	95,732,967	277,356,514

(d) Capital risk management

The capital structure of the Company consists of equity attributable to the equity holders comprising issued capital and retained earnings.

The Company's objectives when managing its capital structure, which is a broader concept than the equity on the face of the statement of financial position are:

- i) To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for stakeholders;
- ii) Maintain a strong capital base to support the business development; and
- iii) To comply with capital requirements as stipulated by loan covenants.

The Company is exposed to externally imposed capital requirements as a result of loans issued by specific financial institutions as follows:

	Required	Actual 2024	Actual 2023
Minimum ratio of EBITDA to interest expense plus the current portion of long-term debt	1.5x	(0.67)x	1.18x
Maximum debt to EBITDA ratio	2.5x	10.23x	(4.48)x
Drawings under the operating line not exceed the aggregated of 75% of trade receivables plus 50% of net inventory, assessed semi annually	Less	Less	Less

The Company's overall strategy remains unchanged from 2023.

CAC 2000 Limited

Notes to the Financial Statements

31 October 2024

(expressed in Jamaican dollars unless otherwise indicated)

28. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of the fair value of a financial instrument. Where market prices are not available for some of the financial assets and liabilities of the Company, the fair values in the financial statements have been presented using various estimation techniques based on market conditions existing at the end of the reporting period. Generally, judgment is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Company would realise in a current market exchange.

The following method and assumption have been used in determining the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and deposits, trade and other receivables, trade and other payables and related party balances maturing within one year is assumed to approximate their fair value because of the short-term maturity of these instruments.
- (b) Investments classified at fair value through profit and loss are measured at fair value by reference to quoted market prices.
- (c) The fair value of bank loans is assumed to approximate their carrying amounts as interest rates are contractually adjusted by issuer with movement in underlying bank base rates.



I/We _____
of _____
being a member/members of the above named Company, hereby appoint

of _____
or failing him _____
of _____ as my/our proxy to vote
for me and on my behalf at the 2025 Annual General Meeting of CAC 2000 Limited to be held on
23 September 2025 at 3:00 p.m. and any adjournment thereof.

Signed this _____ day of _____ 2025

Signature _____ (Signature of primary shareholder)

Name: _____ (Name of primary shareholder)

Signature _____ (Signature of secondary shareholder)

Name: _____ (Name of secondary shareholder)

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