



## **CAC 2000 LTD.**

**INTERIM FINANCIAL REPORT  
FOR SIX MONTHS ENDED  
30-Apr-17**



## **Report to Stockholders: 6 months ended April 30<sup>th</sup>, 2017**

The Board of Directors is pleased to present the unaudited results for the Company for the 2<sup>nd</sup> quarter ended April 30<sup>th</sup>, 2017.

For the period, revenue of \$567,514,366 reflected a 18% increase over the same period in 2016 (\$481,319,582) and the gross profit increased by 12% to \$203,326,862 from \$181,968,958. In comparing the year to date performance, the 2017 revenues and gross profit include \$210,353 and \$42,070 respectively for the closed Braco joint venture project vs. \$109,247,944 and \$21,849,589 in 2016. Adjusting for this we conclude that organic revenue and gross profit grew by 52% and 27% respectively.

The increase in selling and distribution expenses, from \$14,084,958 to \$18,713,364, is due to increased sales commissions, advertising and warranty expenses. The more significant increases in administration expenses, from \$113,857,725 to \$128,154,582, continues to be from increased employee costs (salaries, bonuses, commissions, training), and consultancy services for risk review, coaching, and implementing new Human Resource and Customer Relationship Management systems. Finance costs also increased, from \$3,812,992 to \$7,147,013, as cash was reduced by the lawsuit payout and interest income was also reduced.

Other income was \$2,115,167 vs. \$119,337 last year due to tax credits being booked.

The net impact of the above was our profit before taxation being slightly higher than last year (\$51,426,801 vs \$50,332,620) and profit after taxation increasing by 7% from \$48,474,247 to \$51,648,612.

On the balance sheet, we had a slight increase in assets (motor vehicle leases restated as per IFRS) and trade and other receivables went up by 45% (\$114,941,357) due to increased billing and the slow processing of the Braco project final payments. Inventory reduced by \$56,696,786 and cash reduced by \$78,218,579 as we continue to try and recover from the payments of US\$372,100 and J\$7,646,034 for the lawsuit damages in December (see Note 6). Trade payables fell slightly also. At this point we have managed to recover most of the shareholders' equity value that was lost because of the lawsuit damages.

We are on track to achieve our major goals for the year, i.e. to continue growing sales and profits, build back cash reserves, settle lawsuit interest payments, complete Risk Assessment study by PricewaterhouseCoopers, and to implement our new cloud based customer relationship management system.

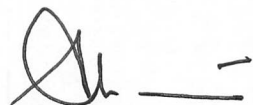
A handwritten signature in black ink, appearing to read 'Steven Marston'.

Steven Marston  
Chairman and CEO

**CAC 2000 LIMITED**UNAUDITED STATEMENT OF FINANCIAL POSITION  
SECOND QUARTER ENDED APRIL 30, 2017

	NOTES	Unaudited Apr 2017 \$	Unaudited Apr 2016 \$	Audited (12 months ended) Oct 2016 \$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant & Equipment	4	50,119,400	47,029,505	51,702,954
Deferred Tax Asset		0	154,534	0
Long-term receivable		952,237	2,770,163	1,573,611
		<u>51,071,637</u>	<u>49,954,202</u>	<u>53,276,565</u>
<b>CURRENT ASSETS</b>				
Income Tax Recoverable		2,697,978	513,353	1,935,494
Inventories		256,892,316	313,589,102	280,302,421
Trade and Other Receivables		372,367,103	257,425,746	356,656,286
Due from Related Party		0	10,804,632	1,664,849
Cash and Cash Equivalents		110,021,503	188,240,082	157,874,554
		<u>741,978,900</u>	<u>770,572,914</u>	<u>798,433,604</u>
<b>TOTAL ASSETS</b>		<b>793,050,537</b>	<b>820,527,116</b>	<b>851,710,169</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Share Holders' Equity</b>				
Ordinary Share Capital (Issued & fully paid)	5	138,773,634	138,773,634	138,773,634
Share Issue Costs		(9,583,877)	(9,583,877)	(9,583,877)
Retained Earnings		193,167,268	204,632,773	182,697,289
Current Year Profit/(Loss)		51,648,612	48,474,247	10,469,979
<b>Total Shareholders' Equity</b>		<u>374,005,637</u>	<u>382,296,777</u>	<u>322,357,025</u>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings		152,986,881	154,848,195	153,917,254
Obligation under finance lease		5,445,647		6,735,311
Deferred Tax Liability		0		0
		<u>158,432,529</u>	<u>154,848,195</u>	<u>160,652,565</u>
<b>CURRENT LIABILITIES</b>				
Borrowings		6,256,445	1,649,936	1,734,271
Due to Related party		3,058,344	18,535,875	3,520,383
Trade payables and other payables	6	248,575,246	261,262,416	359,772,579
Current portion of finance lease obligation		2,504,586		3,673,346
Income tax payable		217,750	1,933,917	0
		<u>260,612,371</u>	<u>283,382,144</u>	<u>368,700,579</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>793,050,537</b>	<b>820,527,116</b>	<b>851,710,169</b>

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


Steven Marston  
Chairman & CEO

Andrew Cocking  
Director

**CAC 2000 LTD.**
**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**SECOND QUARTER ENDED APRIL 30, 2017**

	Six Months to APR-17	Six Months to APR-16	Three Months to APR-17	Three Months to APR-16
Revenue	567,514,366	481,319,582	265,636,682	251,570,254
Cost of Sales	(364,187,504)	(299,350,624)	(166,676,451)	(155,280,500)
<b>GROSS PROFIT</b>	<b>203,326,862</b>	<b>181,968,958</b>	<b>98,960,231</b>	<b>96,289,754</b>
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>				
Selling & Distribution	(18,713,634)	(13,937,210)	(9,807,774)	(5,923,916)
General Administration	(128,154,582)	(114,005,473)	(59,751,918)	(63,235,148)
	(146,868,216)	(127,942,683)	(69,559,692)	(69,159,064)
Other Income	2,115,167	119,337	2,011,525	37,922
<b>PROFIT BEFORE FINANCE COST AND TAXATION</b>	<b>58,573,813</b>	<b>54,145,612</b>	<b>31,412,064</b>	<b>27,168,612</b>
Other Gains and Losses	253,858	4,193,230	(218,153)	1,749,274
Interest Income	452,518	778,767	174,170	336,767
Interest Expense	(7,853,389)	(8,784,989)	(4,102,927)	(5,638,865)
<b>NET FINANCE COST</b>	<b>(7,147,013)</b>	<b>(3,812,992)</b>	<b>(4,146,911)</b>	<b>(3,552,824)</b>
<b>PROFIT BEFORE TAXATION</b>	<b>51,426,800</b>	<b>50,332,620</b>	<b>27,265,153</b>	<b>23,615,788</b>
Taxation	221,812	(1,858,373)	221,812	(1,858,373)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>51,648,612</b>	<b>48,474,247</b>	<b>27,486,965</b>	<b>21,757,415</b>
Issued Shares (IAS 33 note 7)	129,032,258	120,577,809	129,032,258	120,577,809
Earnings per Share (EPS)	0.40	0.40	0.21	0.18

**CAC 2000 LTD.****STATEMENT OF CHANGES IN SHAREHOLDER'S NET EQUITY  
SECOND QUARTER ENDED APRIL 30, 2017**

	<b>Share Capital</b>	<b>Share Issue Costs</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balances as at October 31, 2016</b>	138,773,634	(9,583,877)	193,167,268	322,357,025
Shares issued and fully paid				0
Share issue costs				0
Total Comprehensive Income			51,648,612	51,648,612
Dividend				0
<b>Balances as at April 30, 2017</b>	<b>138,773,634</b>	<b>(9,583,877)</b>	<b>244,815,880</b>	<b>374,005,637</b>
<b>Balances as at October 31, 2015</b>	500,000		204,632,773	205,132,773
Shares issued and fully paid (Note 5 )	138,273,634			138,273,634
Share issue costs		(9,583,877)		(9,583,877)
Total Comprehensive Income			48,474,247	48,474,247
Dividend				0
<b>Balances as at April 30, 2016</b>	<b>138,773,634</b>	<b>(9,583,877)</b>	<b>253,107,020</b>	<b>382,296,777</b>



**CAC 2000 LIMITED**STATEMENT OF CHANGES IN CASH FLOW  
SECOND QUARTER ENDED APRIL 30, 2017

	Apr 2017	Apr 2016	Audited Oct 2016
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) for the year	51,648,612	48,474,247	10,469,979
Adjusted for:			
Taxation	(221,812)	1,858,373	845,746
Depreciation	9,333,082	5,369,903	14,915,160
Allowance for doubtful debts	(4,450,234)	0	6,996,027
Provision for inventory obsolescence	(1,464,276)	0	1,032,250
Interest expenses	7,853,390	8,784,989	15,733,067
Interest income	(452,519)	(778,767)	(1,406,350)
Operating cash flows before movement in working capital	<b>62,246,244</b>	<b>63,708,745</b>	<b>48,585,879</b>
Movements in Working Capital:			
Inventories	24,874,382	(85,509,321)	(53,254,891)
Trade & other receivables	(10,916,344)	19,203,118	(80,335,514)
Due from Related Party	1,664,849	(4,512,852)	4,626,931
Trade payables and other payables	(110,688,986)	78,755,821	177,475,223
Cash Generated from Operations	<b>(32,819,855)</b>	<b>71,645,511</b>	<b>97,097,628</b>
Interest paid	(7,853,390)	(8,784,989)	(15,733,067)
Income tax paid	(554,135)	(10,963,658)	(15,959,720)
Net Cash (Used) Generated by Operating Activities	<b>(41,227,380)</b>	<b>51,896,864</b>	<b>65,404,841</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(7,749,528)	(21,736,294)	(35,954,999)
Interest received	452,519	778,767	1,383,589
Net Cash (Used) Generated by Investing Activities	<b>(7,297,009)</b>	<b>(20,957,527)</b>	<b>(34,571,410)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid	0	(475,588)	(37,326,672)
Repayment of bank loans	(5,316,693)	2,519,529	(1,673,361)
Proceeds from bank loans	8,908,495	0	0
Finance lease, net	(2,458,424)	0	10,408,657
Increase/(decrease) in amounts due to related parties	(462,040)	(34,776,002)	(34,400,305)
Proceeds from ordinary shares issued	0	128,689,757	128,689,757
Proceeds from issue of preference shares	-	-	-
Net Cash Provided (Used) for Financing Activities	<b>671,338</b>	<b>95,957,697</b>	<b>65,698,076</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIV.	(47,853,051)	126,897,034	96,531,506
Cash and Cash Equivalents at Beginning of Year	157,874,554	61,343,048	61,343,048
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>110,021,503</b>	<b>188,240,082</b>	<b>157,874,554</b>

# CAC 2000 LIMITED

## LIST OF SHAREHOLDERS

SECOND QUARTER ENDED APRIL 30, 2017

Authorised Share Capital	200,000,000	units
Issued Share Capital	129,032,258	units

### TOP TEN SHAREHOLDERS

SHAREHOLDERS	SHAREHOLDING	% OF ISSUED SHARES
CAC Caribbean Limited	67,462,522	52%
Colin Roberts	27,355,291	21%
Louis Williams	6,180,000	5%
Howard Chin	3,204,599	2%
Victoria Mutual Building Society	1,919,293	1%
NCB Capital Markets X Trading A/C	1,914,635	1%
PAM - Pooled Equity Fund	1,677,431	1%
MF & G Asset Management Ltd. - NCB CM		
Unit Trust Scheme (JMD Caribbean Equity Portfolio)	1,256,216	1%
Christine G. Wong	1,232,962	1%
Peter Nicholas Anthony Forde and Patricia Forde	1,232,961	1%
	<b>113,435,910</b>	<b>88%</b>

Main register	4
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### EXECUTIVE AND NON-EXECUTIVE DIRECTORS' SHAREHOLDING

DIRECTORS	SHAREHOLDING	CONNECTED PARTY
Steven Marston	Nil	Gia Abraham
Gia Abraham	300,000	Steven Marston
		Steven Marston/Gia Abraham (92.4%)
CAC Caribbean Ltd.	67,462,522	
Colin Roberts	27,355,291	
		Charmaine/Renee/Jordanne Alexander
Edward Alexander	54,286	
Andrew Cocking	Nil	
Kerith Foster	Nil	
Annette Morrison	Nil	
	<b>95,172,099</b>	

### SENIOR MANAGEMENT'S SHAREHOLDING

SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PARTY
Colleen Ellison-Hall	30,000	Desmond Hall
Michael Matalon	Nil	
Paul Byles	Nil	
	<b>30,000</b>	

# CAC 2000 LIMITED

## Notes to the Financial Statements

Second Quarter Ended April 30, 2017

### 1. Identification

CAC 2000 Limited (the Company) is incorporated and domiciled in Jamaica. The company is 52% owned by 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. Statement of compliance and basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board (IASB) and comply with the provisions of the Jamaican Companies Act.

The financial statements are presented in Jamaican dollars (\$), which is the functional currency of the company. The financial statements are prepared on the historical cost basis.

### 3. Significant accounting policies

The same accounting policies and methods of computations are followed in the interim financial statements as compared with the most recent annual audited financial statements for the twelve months ended October 31, 2016.

### 4. Movements in fixed assets

	Lease Hold Building Improvement	Motor Vehicles	Plant & Machinery	Furniture & Fixtures	Computer & Peripherals	Office Equipment	Tools & Equipment	Paintings	Work-in- Progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost - 01/11/16</b>	<b>23,411</b>	<b>36,835</b>	<b>1,423</b>	<b>2,903</b>	<b>17,563</b>	<b>507</b>	<b>1,594</b>	<b>425</b>	<b>-</b>	<b>84,660</b>
Revaluation/Adjustment	-	(897)	-	-	-	-	-	-	-	(897)
Additions	34	4,195	-	20	139	-	4	-	4,255	8,646
Reclassification	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
<b>Cost - 30/04/17</b>	<b>23,445</b>	<b>40,132</b>	<b>1,423</b>	<b>2,922</b>	<b>17,702</b>	<b>507</b>	<b>1,598</b>	<b>425</b>	<b>4,255</b>	<b>92,409</b>
<b>Depreciation - 01/11/16</b>	<b>5,343</b>	<b>12,654</b>	<b>1,265</b>	<b>1,005</b>	<b>11,057</b>	<b>302</b>	<b>1,332</b>	<b>-</b>	<b>-</b>	<b>32,957</b>
Prior year adj.	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Depreciation Charge - Year	2,200	5,114	53	130	1,748	32	54	-	-	9,333
Accumulated Depreciation	7,544	17,769	1,318	1,135	12,805	334	1,386	-	-	42,290
<b>Net Book Value - APR 17</b>	<b>15,901</b>	<b>22,363</b>	<b>105</b>	<b>1,787</b>	<b>4,897</b>	<b>173</b>	<b>212</b>	<b>425</b>	<b>4,255</b>	<b>50,119</b>
<b>Net Book Value - OCT 16</b>	<b>18,067</b>	<b>24,180</b>	<b>158</b>	<b>1,898</b>	<b>6,506</b>	<b>206</b>	<b>262</b>	<b>425</b>	<b>-</b>	<b>51,703</b>



## CAC 2000 LIMITED

Notes to the Financial Statements (continued)

Second Quarter Ended April 30, 2017

### 5. Share capital

	<u>2017</u> Units	<u>2016</u> Units
Authorised ordinary units of no par value	200,000,000	200,000,000
Issued ordinary units of no par value	129,032,258	129,032,258
Stated capital:	\$	\$
Issued and fully paid ordinary stocks of no par value	138,773,634	138,773,634

A resolution was passed at a General Meeting on November 27, 2015 that each of the authorised and issued ordinary stocks of CAC 2000 Limited be sub-divided into 20 ordinary stocks (20:1). The stock split preceded the new issue of 29,032,258 stocks on December 23, 2015 at a value of \$138,273,634. Costs associated with the share issue amounted to \$9,583,877.

### 6. Contingencies and commitment

Damages were assessed in favour of a claimant who brought a claim against the Company whereby the court awarded damages of US\$372,100 and J\$568,186.64 plus loss of profits of \$7,077,874, interest and legal fees. Included in other payables is the interest charge on the court awarded damages and a provision for legal costs incurred by claimant amounting to \$68,222,093.

The damages excluding the interest charges and legal fees were settled in December 2016. The insurance proceed of \$20,000,000 was also received in December 2016.

On December 2, 2016 the company's lawyers filed a Notice of appeal contending the basis used to calculate the interest component of the award.

### 7. Restated EPS

The earnings per share (EPS) for the prior period was restated based on the weighted average number of shares in issue during the year.