



INTERIM FINANCIAL REPORT  
FOR THREE MONTHS ENDED  
JAN 31<sup>ST</sup>, 2018

## **CEO Report: 3 months ended January 31<sup>st</sup>, 2018**

The Board of Directors is pleased to present the unaudited results for the Company for the quarter ended January 31<sup>st</sup>, 2018.

Our budget expectations for the first quarter were less than the previous year as the portfolio of open jobs on hand and quotation activity was down (colder weather and persistent rain diminishing the demand for personal air-conditioning). The resulting year to date revenue of \$239,511,301 reflected a 21% decrease over the same period in 2017 and the gross profit also decreased by 21% (to \$82,421,875 from \$104,366,631 last year). The good news is that we expect to recover most (if not all) of this revenue shortfall in the second quarter as we won over \$450M of new projects in this quarter (vs. \$72.7M in the same period last year) and our leads and quotations for residential units are also much more active.

Other income was \$4,413,392 vs. \$103,643 last year due to gain on sale of motor vehicle.

Expenses were controlled to \$86,249,270 vs. \$77,308,524 last year (primarily due to increases in salaries, professional fees and travel related expenses.

Finance costs of \$2,817,216 were slightly less than the \$3,000,102 last year.

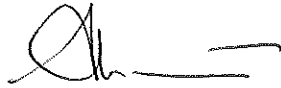
The net impact of the above was a net loss of (\$2,231,218) which was moderately less than expectations and significantly less than the \$24,161,648 made in the first quarter last year. As indicated above, this should not be cause for major concern as the nature of our business is that project timelines are non-standard and somewhat prone to slippage. In such circumstances, the shortfall in any given quarter is recovered in a later period.

On the balance sheet fixed assets grew from \$52,600,272 to \$58,887,959 compared to last year and this was due to the net changes to the motor vehicle fleet and computer software. Other major changes were stock plus work-in-progress inventory (increased from \$271,712,528 to \$283,762,333), trade receivables (increased from \$332,768,486 to \$428,933,932), other receivables (increased from \$82,370,366 to \$91,655,077), borrowings (increased from \$163,154,956 to \$260,012,309), due to related party (decreased from \$5,422,439 to \$1,201,117) trade payables and other payables (increased from \$313,819,873 to \$405,289,694) and cash (a healthy increase from \$93,801,375 to \$228,242,938). Shareholders' equity increased by \$74,343,298.

The CAC Foundation is actively pursuing the establishment of trade training programs (coursework and internships) and planning a regional air-conditioning training centre (more to come) while continuing to support selected RISE programs. We are very proud of the work that is being done with the S.T.E.P. centre where the volunteer efforts of Emily Dixon in starting a music therapy program has "seen non-verbal children sing, choose their favorite songs from picture symbols and calm themselves with music." (Hilary Sherlock, Principal).

We recently posted our Annual Report and you will note that we won a Sales Achievement award from Carrier along with being nominated for the Best Import/Export category of the Business Excellence Forum awards – we didn't win but another very deserving Jamaican company did! We'll try for more awards next year!

One of our major areas of focus continues to be on improving operational efficiencies and innovation. A number of process innovations including the roll out of mobile ticketing and billing are being planned and Microsoft Dynamics CRM is already being used to manage the Sales Process. The Service Department will be beta testing an internet-of-things (IOT) device that has the potential to revolutionize the service industry in the near future.


A handwritten signature in black ink, appearing to read 'Steven Marston', with a horizontal line extending to the right.


Steven Marston  
Chairman and CEO

**CAC 2000 LIMITED****UNAUDITED STATEMENT OF FINANCIAL POSITION  
FIRST QUARTER ENDED JANUARY 31, 2018**

	NOTES	Unaudited Jan 2018 \$	Unaudited Jan 2017 \$	Audited (12 months ended) Oct 2017 \$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant & Equipment	4	58,887,959	52,600,272	45,550,889
Deferred Tax Asset		0	0	0
Long-term receivable		75,560	1,573,611	228,069
		<u>58,963,519</u>	<u>54,173,883</u>	<u>45,778,958</u>
<b>CURRENT ASSETS</b>				
Income Tax Recoverable		3,057,180	2,271,860	3,019,666
Short Term Investments		285,639	0	0
Inventories		283,762,333	271,712,528	208,385,972
Trade and Other Receivables		520,513,449	413,565,240	536,331,072
Due from Related Party		0	24,121	0
Cash and Cash Equivalents		228,242,938	93,801,375	191,695,143
		<u>1,035,861,538</u>	<u>781,375,124</u>	<u>939,431,853</u>
<b>TOTAL ASSETS</b>		<b>1,094,825,058</b>	<b>835,549,007</b>	<b>985,210,811</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		293,903,431	193,167,268	293,903,431
Current Year Profit/(Loss)		(2,231,218)	24,161,648	0
<b>Total Shareholders' Equity</b>		<u>420,861,970</u>	<u>346,518,673</u>	<u>423,093,188</u>
<b>NON-CURRENT LIABILITIES</b>				
Loans and Borrowings		3,473,071	153,480,382	4,013,104
Obligation under finance lease		3,360,874	6,100,103	4,076,643
Deferred Tax Liability		0	0	0
		<u>6,833,945</u>	<u>159,580,484</u>	<u>8,089,747</u>
<b>CURRENT LIABILITIES</b>				
Loans and Borrowings	6	256,539,238	9,674,574	249,887,100
Due to Related party		1,201,117	2,966,801	5,422,439
Trade payables and other payables	7	405,289,694	313,819,873	295,903,419
Current portion of finance lease obligation		2,739,228	2,714,523	2,658,668
Income tax payable		1,359,865	274,078	156,250
		<u>667,129,142</u>	<u>329,449,850</u>	<u>554,027,876</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,094,825,058</b>	<b>835,549,007</b>	<b>985,210,811</b>

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

  
 Steven Marston  
 Director

  
 Richard Powell  
 Director

# CAC 2000 LTD.

## UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FIRST QUARTER ENDED JANUARY 31, 2018

	Three Months to JAN-18	Three Months to JAN-17
	\$	\$
Revenue	239,511,301	301,877,684
Cost of Sales	(157,089,426)	(197,511,053)
<b>GROSS PROFIT</b>	<b>82,421,875</b>	<b>104,366,631</b>
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Selling & Distribution	(8,265,259)	(8,905,860)
General Administration	(77,984,010)	(68,402,664)
	(86,249,270)	(77,308,524)
Other Income	4,413,392	103,643
<b>PROFIT BEFORE FINANCE COST AND TAXATION</b>	<b>585,998</b>	<b>27,161,750</b>
Other Gains and Losses	2,557,665	472,011
Interest Income	266,494	278,348
Interest Expense	(5,641,375)	(3,750,462)
<b>NET FINANCE COST</b>	<b>(2,817,216)</b>	<b>(3,000,102)</b>
<b>PROFIT BEFORE TAXATION</b>	<b>(2,231,218)</b>	<b>24,161,648</b>
Taxation	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(2,231,218)</b>	<b>24,161,648</b>
Issued Shares (IAS 33 )	129,032,258	129,032,258
Earnings per Share (EPS)	(0.02)	0.19

**CAC 2000 LTD.****STATEMENT OF CHANGES IN SHAREHOLDER'S NET EQUITY**  
**FIRST QUARTER ENDED JANUARY 31, 2018**

	<b>Share Capital</b>	<b>Share Issue Costs</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$	\$
Balances as at October 31, 2017	138,773,634	(9,583,877)	293,903,431	423,093,188
Shares issued and fully paid	0			0
Share issue costs	0			0
Total Comprehensive Income			(2,231,218)	(2,231,218)
<b>Balances as at January 31, 2018</b>	<b>138,773,634</b>	<b>(9,583,877)</b>	<b>291,672,213</b>	<b>420,861,970</b>
Balances as at October 31, 2016	138,773,634	(9,583,877)	193,167,268	322,357,025
Total Comprehensive Income			24,161,648	24,161,648
Dividend			0	0
<b>Balances as at January 31, 2017</b>	<b>138,773,634</b>	<b>(9,583,877)</b>	<b>217,328,916</b>	<b>346,518,673</b>

# CAC 2000 LIMITED

## STATEMENT OF CHANGES IN CASH FLOW FIRST QUARTER ENDED JANUARY 31, 2018

	Jan 2018 \$	Jan 2017 \$	Audited Oct 2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) for the year	(2,231,218)	24,161,648	100,736,163
Adjusted for:			
Taxation	0	0	(221,812)
Depreciation	4,756,348	4,876,435	20,505,700
Gain on disposal of fixed assets	213,519	0	0
Gain on revaluation of investments	(4,413,392)	0	0
Allowance for doubtful debts	(116,192)	(771,003)	(10,938,210)
Provision for inventory obsolescence	0	0	(4,090,136)
Interest expenses	5,641,375	3,750,462	15,949,599
Interest income	(266,494)	(278,348)	(1,090,090)
Operating cash flows before movement in working capital	3,583,945	31,739,194	120,851,214
Movements in Working Capital:			
Inventories	(75,376,360)	8,589,893	76,006,585
Trade & other receivables	15,851,683	(56,474,319)	(167,245,183)
Due from Related Party	0	1,640,729	1,664,849
Trade payables and other payables	110,078,514	(45,388,500)	(64,872,775)
Cash Generated from Operations	54,137,782	(59,893,003)	(33,595,310)
Interest paid	(4,544,892)	(3,750,462)	(14,945,983)
Income tax paid	(585,107)	(290,128)	(789,908)
Net Cash (Used) Generated by Operating Activities	49,007,783	(63,933,593)	(49,331,200)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(18,358,630)	(5,773,752)	(14,353,635)
Proceeds from disposal of fixed assets	4,678,605	0	0
Purchase of investments	(169,447)	0	0
Interest received	133,909	278,348	1,028,036
Net Cash (Used) Generated by Investing Activities	(13,715,563)	(5,495,404)	(13,325,599)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid	0	0	0
Repayment of bank loans	(3,056,156)	(436,871)	(10,659,815)
Proceeds from bank loans	9,168,261	7,940,303	108,908,495
Finance lease, net	(635,208)	(1,594,031)	(3,673,346)
Increase/(decrease) in amounts due to related parties	(4,221,322)	(553,583)	1,902,055
Proceeds from ordinary shares issued	0	0	0
Proceeds from issue of preference shares	-	-	-
Net Cash Provided (Used) for Financing Activities	1,255,574	5,355,818	96,477,388
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIV.	36,547,795	(64,073,179)	33,820,589
Cash and Cash Equivalents at Beginning of Year	191,695,143	157,874,554	157,874,554
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>228,242,938</b>	<b>93,801,375</b>	<b>191,695,143</b>

## CAC 2000 LIMITED

### Notes to the Financial Statements

First Quarter Ended January 31, 2018

#### 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, 2017.

#### 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
Cost - 01/11/17	23,445	40,132	1,423	2,922	27,709	527	2,430	425	(0)	99,013
Revaluation/Adjustment	-	-	-	-	-	-	-	-	-	-
Additions	-	17,376	-	-	432	407	144	-	-	18,359
Reclassification	-	-	-	-	-	-	-	-	-	-
Disposal	-	(1,854)	-	-	-	-	-	-	-	(1,854)
Cost - 31/01/18	23,445	55,654	1,423	2,922	28,141	935	2,574	425	(0)	115,518
Depreciation - 01/11/17	9,744	21,620	1,350	1,265	17,667	366	1,449	-	-	53,462
Prior year adj.	-	-	-	-	-	-	-	-	-	-
Disposal	-	(1,572)	-	-	-	-	-	-	-	(1,572)
Depreciation Charge - Year	1,100	1,864	2	65	1,617	17	74	-	-	4,739
Accumulated Depreciation	10,844	21,912	1,352	1,330	19,284	384	1,523	-	-	56,630
Net Book Value - JAN 18	12,600	33,741	70	1,592	8,857	551	1,051	425	(0)	58,888
Net Book Value - OCT 17	13,700	18,512	73	1,657	10,042	161	981	425	(0)	45,551

## CAC 2000 LIMITED

Notes to the Financial Statements (continued)

First Quarter Ended January 31, 2018

### 5. Share capital

	<u>2018</u> Units	<u>2017</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. Loans and borrowings

Included is an unsecured bridge loan from VM Wealth Management Limited for \$100,000,000 at an interest rate of 6.75% p.a. The loan repayment date has been extended to March 2018.

### 7. 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 \$66,624,337.

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.

Top 10 shareholdings for CAC 2000 LIMITED ORDINARY SHARES  
 As at  
 January 31, 2018

Primary Account Holder	Joint Holder(s):	Volume	Percentage
1 CAC CARIBBEAN LIMITED			
	<i>Client total ownership</i>	67,462,522	52.2835%
2 MR COLIN ROBERTS		67,462,522	52.2835%
	<i>Client total ownership</i>	27,355,291	21.2004%
3 LOUIS WILLIAMS		27,355,291	21.2004%
	<i>Client total ownership</i>	6,180,000	4.7895%
4 VMWEALTH EQUITY FUND		6,180,000	4.7895%
	<i>Client total ownership</i>	5,853,220	4.5362%
5 PAM - POOLED EQUITY FUND		5,853,220	4.5362%
	<i>Client total ownership</i>	3,334,203	2.5840%
6 MR HOWARD CHIN		3,334,203	2.5840%
	<i>Client total ownership</i>	3,204,599	2.4836%
7 CHRISTINE G. WONG		3,204,599	2.4836%
	<i>Client total ownership</i>	1,232,962	0.9555%
8 MR. PETER NICHOLAS ANTHONY FORDE		1,232,962	0.9555%
	PATRICIA FORDE	1,232,961	0.9555%
	<i>Client total ownership</i>	1,232,961	0.9555%
9 JCSD TRUSTEE SERVICES LTD - SIGMA VENTURE			
	<i>Client total ownership</i>	964,269	0.7473%
10 JAMAICA CREDIT UNION PENSION FUND LIMITED		964,269	0.7473%
	<i>Client total ownership</i>	843,463	0.6537%
<b>Total Issued Capital:</b>		<b>129,032,258</b>	
<b>Total Units Owned by Top 10 Shareholders:</b>		<b>117,663,490</b>	
<b>Total Percentage Owned by Top 10 Shareholders:</b>		<b>91.1892%</b>	

**NOTE:** Information reflected above reports on the top 'x' shareholdings where 'x' identifies the shareholder count. In cases where more than one shareholder has equal number of units as at report date; the holdings will be 'grouped' for counting purposes and counted as one.

\*\*\*End of Report\*\*\*

Production Environment  
 Report ID 8849

**Directors Holdings for CAC 2000 Limited**

As at January 31, 2018

<b>Name</b>	<b>Position</b>			
<b>Account #</b>	<b>Primary Holder</b>	<b>Relationship</b>	<b>Units</b>	<b>Percentage</b>
	<b>Joint Holder</b>			
Steven Marston	Chairman			
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	0.00	0.00
		Combined Holdings	0.00	0.00
Colin Roberts	Director			
		Key Members Holdings	27,355,291.00	21.20
		Connected Party Holdings	0.00	0.00
		Combined Holdings	27,355,291.00	21.20
Gia Abraham	Director/Company Secretary			
		Key Members Holdings	300,000.00	0.23
		Connected Party Holdings	0.00	0.00
		Combined Holdings	300,000.00	0.23
Matthew Hogarth	Director			
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	0.00	0.00
		Combined Holdings	0.00	0.00
Edward Charles Alexander	Director			
	Edward Charles Alexander			
	Charmaine Dawn Alexander	Wife		
	Renee Moy Alexander	Daughter		
	Jordanne Moy Alexander	Daughter		
		Key Members Holdings	54,286.00	0.04
		Connected Party Holdings	0.00	0.00
		Combined Holdings	54,286.00	0.04
Patrick Smith	Director			
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	0.00	0.00
		Combined Holdings	0.00	0.00
Jennifer McDonald	Director			
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	0.00	0.00
		Combined Holdings	0.00	0.00

**Directors Holdings for CAC 2000 Limited**

As at January 31, 2018

Name	Position				
Account #	Primary Holder		Relationship	Units	Percentage
	Joint Holder				
Richard Powell	Director				
			Key Members Holdings	0.00	0.00
			Connected Party Holdings	0.00	0.00
			Combined Holdings	0.00	0.00
CAC Caribbean Limited	Connected Party				
	Steven Marston		Husband		
	Gla Abraham		Wife		
			Key Members Holdings	67,462,522.00	52.28
			Connected Party Holdings	0.00	0.00
			Combined Holdings	67,462,522.00	52.28
	Total Key Members Holdings	27,709,577.00	21.47		
	Total Connected Party Holdings	67,462,522.00	52.28		
	Total Combined Holdings	95,172,099.00	73.75		