



CAC 2000 LTD.

**INTERIM FINANCIAL REPORT
FOR NINE MONTHS ENDED
31-Jul-16**



Report to Stockholders: 9 months ended July 31, 2016

The Board of Directors is pleased to present the unaudited results for the Company for the 3rd quarter ended July 31st, 2016.

For the period, revenue of \$678.837M reflects a minor increase over the same period in 2015 (\$674.334M). Our gross profit increased by a modest \$3.369M. Billing and gross profit for the quarter was less than expected due to unforeseen delays in shipment of key equipment and the uncompleted sign-off of the Braco final accounts. These types of delays are normal for the construction sector and the revenues have simply shifted back a quarter. Note that we currently have \$323M of open jobs and expect to sign (low/preferred bidders) \$200-242M of jobs in the next 2-4 weeks and expect to start the next financial year with over \$350M of work in progress (or more than 4 months of invoicing).

As stated previously, the significant increase in administrative and other expenses (\$47.246M) is primarily due to our investment in additional resources needed to support the continued growth in business.

Other income streams/expenses (other income, gains and losses and interest income/expense) improved by \$1.376M mostly due to foreign exchange gains and a reduction in other income (third party sales).

The end result was total comprehensive income of \$39.276M down from \$71.594M in 2015 representing earnings per share (restated IAS 33 as per note 7) of \$0.32. As stated previously, this short-fall will be recovered in the 4th quarter and we continue to expect that our end of year results will demonstrate growth.

On the balance sheet we had an increase in assets (motor vehicles, leasehold improvements and computer upgrades). The jump in summer (heat) jobs pushed up our working capital requirements (inventory/work in progress, trade and other receivables along with accounts payables) but cash on hand is a healthy \$147.353M (vs \$59.612 last year). Our shareholders' equity now stands at \$351.163M.

The Xray lawsuit judgement was not delivered by close of the last Supreme court session and we await notification of the new date.

A handwritten signature in blue ink, appearing to read 'S. Marston'.

Steven Marston
Chairman and CEO

CAC 2000 LIMITED

UNAUDITED STATEMENT OF FINANCIAL POSITION
THIRD QUARTER ENDED JULY 31, 2016

	NOTES	Unaudited Jul 2016 \$	Unaudited Jul 2015 \$	Audited (15 months ended) Oct 2015 \$
ASSETS				
Non-current assets				
Property, Plant & Equipment	4	45,027,616	18,630,194	30,663,115
Deferred Tax Asset		154,534		154,534
Long-term receivable		1,849,960	3,699,303	3,699,303
		<u>47,032,110</u>	<u>22,329,497</u>	<u>34,516,952</u>
CURRENT ASSETS				
Income Tax Recoverable		599,162	322,651	0
Inventories		324,730,728	235,570,332	228,079,780
Trade and Other Receivables		245,038,864	237,995,467	281,168,345
Due from Related Party		7,219,942	6,291,780	6,291,780
Cash and Cash Equivalents		147,353,420	59,611,555	61,343,048
		<u>724,942,116</u>	<u>539,791,785</u>	<u>576,882,953</u>
TOTAL ASSETS		771,974,226	562,121,282	611,399,905
EQUITY AND LIABILITIES				
Share Holders' Equity				
Ordinary Share Capital (Issued & fully paid)	5	138,773,634	500,000	500,000
Share Issue Costs		(9,583,877)	0	0
Retained Earnings		182,697,289	104,671,995	204,632,773
Current Year Profit/(Loss)		39,275,990	71,573,957	0
Total Shareholders' Equity		<u>351,163,036</u>	<u>176,745,952</u>	<u>205,132,773</u>
NON-CURRENT LIABILITIES				
Borrowings		154,435,711	156,055,216	155,651,744
Deferred Tax Liability		0	465,896	0
		<u>154,435,711</u>	<u>156,521,112</u>	<u>155,651,744</u>
CURRENT LIABILITIES				
Borrowings		1,649,936	1,673,142	1,673,142
Due to Related party	6	5,947,640	24,795,793	53,311,877
Trade payables		257,406,102	185,673,252	182,297,355
Income tax payable		1,371,801	16,712,032	13,333,014
		<u>266,375,479</u>	<u>228,854,219</u>	<u>250,615,388</u>
TOTAL LIABILITIES AND EQUITY		771,974,226	562,121,283	611,399,905

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
THIRD QUARTER ENDED JULY 31, 2016

	Nine Months to JUL-16	Nine Months to JUL-15	Three Months to JUL-16	Three Months to JUL-15
Revenue	678,837,320	674,334,124	197,517,738	259,258,771
Cost of Sales	(423,364,257)	(422,230,472)	(124,013,634)	(161,246,162)
GROSS PROFIT	255,473,063	252,103,651	73,504,105	98,012,609
ADMINISTRATIVE & OTHER EXPENSES				
Selling & Distribution	(21,717,578)	(29,714,034)	(7,780,368)	(9,564,879)
General Administration	(187,599,304)	(132,356,664)	(73,593,832)	(46,915,680)
	(209,316,883)	(162,070,698)	(81,374,200)	(56,480,559)
Other Income	140,837	5,968,314	21,500	4,455,781
PROFIT BEFORE FINANCE COST AND TAXATION	46,297,017	96,001,266	(7,848,595)	45,987,831
Other Gains and Losses	6,480,155	(596,077)	2,286,925	(1,105,176)
Interest Income	1,214,735	959,090	435,968	497,253
Interest Expense	(12,078,122)	(11,949,809)	(3,293,133)	(7,650,248)
NET FINANCE COST	(4,383,232)	(11,586,796)	(570,240)	(8,258,171)
PROFIT BEFORE TAXATION	41,913,785	84,414,471	(8,418,835)	37,729,660
Taxation	(2,637,795)	(12,840,514)	(779,422)	(6,722,908)
TOTAL COMPREHENSIVE INCOME	39,275,990	71,573,957	(9,198,257)	31,006,752
Restated Shares IAS 33 (note 7)	123,416,529	100,000,000	123,416,529	100,000,000
Earnings per Share (EPS)	0.32	0.72	(0.07)	0.31

CAC 2000 LTD.STATEMENT OF CHANGES IN SHAREHOLDER'S NET EQUITY
THIRD QUARTER ENDED JULY 31, 2016

	<u>Share Capital</u>	<u>Share Issue Costs</u>	<u>Retained Earnings</u>	<u>Total</u>
Balances as at October 31, 2015	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			39,275,990	39,275,990
Dividend (Note 8)			(21,935,484)	(21,935,484)
Balances as at July 31, 2016	<u>138,773,634</u>	<u>(9,583,877)</u>	<u>221,973,279</u>	<u>351,163,036</u>
Balances as at October 31, 2014	500,000		133,018,598	133,518,598
Shares issued and fully paid (Note 5)				
Share issue costs				
Total Comprehensive Income			71,573,957	71,573,957
Dividend			(15,391,188)	(15,391,188)
Adjusting audit entries for Y/E 31.07.14			(12,955,415)	(12,955,415)
Balances as at July 31, 2015	<u>500,000</u>	<u>0</u>	<u>176,245,952</u>	<u>176,745,952</u>

CAC 2000 LIMITEDSTATEMENT OF CHANGES IN CASH FLOW
THIRD QUARTER ENDED JULY 31, 2016

	Jul 2016	Jul 2015	Audited (15 months ended) OCT 2015
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) for the year	39,275,990	71,573,957	64,675,183
Adjusted for:			
Taxation	2,637,795	12,840,514	20,126,442
Depreciation	9,143,299	3,539,816	5,801,947
Allowance for doubtful debts	0	0	(6,867,136)
Provision for inventory obsolescence	0	0	(3,924,116)
Interest expenses	12,078,122	11,949,809	18,652,570
Interest income	(1,214,735)	(959,090)	(1,516,944)
Operating cash flows before movement in working capital	61,920,471	98,945,006	96,947,946
Movements in Working Capital:			
Inventories	(96,650,948)	15,598,734	32,439,898
Trade & other receivables	35,770,678	(67,901,664)	(86,101,800)
Due from Related Party	(928,162)	638,364	491,516
Trade payables and other payables	74,636,921	(27,719,297)	(33,925,478)
Cash Generated from Operations	74,748,960	19,561,143	9,852,082
Interest paid	(12,078,122)	(11,949,809)	(18,127,582)
Income tax paid	(12,042,609)	(2,844,194)	(5,953,946)
Net Cash (Used) Generated by Operating Activities	50,628,229	4,767,140	(14,229,446)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(23,507,801)	(11,663,924)	(25,256,191)
Interest received	1,214,735	959,090	1,499,275
Net Cash (Used) Generated by Investing Activities	(22,293,066)	(10,704,834)	(23,756,916)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	(22,411,072)	0	
Repayment of bank loans	(1,239,239)	(1,143,377)	(1,776,222)
Proceeds from bank loans	0	6,770,000	6,770,000
Increase/(decrease) in amounts due to related parties	(47,364,237)	(4,921,245)	19,812,759
Proceeds from ordinary shares issued	128,689,757	0	0
Proceeds from issue of preference shares	-	22,998,633	38,000,000
Net Cash Provided (Used) for Financing Activities	57,675,209	23,704,011	62,806,537
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIV.	86,010,372	17,766,317	24,820,175
Cash and Cash Equivalents at Beginning of Year	61,343,048	41,845,238	36,522,873
CASH AND CASH EQUIVALENTS AT END OF YEAR	147,353,419	59,611,555	61,343,048

CAC 2000 LIMITED

LIST OF SHAREHOLDERS

Third QUARTER ENDED JULY 31, 2016

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%
	113,435,910	88%

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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
CAC Caribbean Ltd.	62,339,311	Steven Marston/Gia Abraham (92.4%)
Colin Roberts	27,355,291	
Edward Alexander	54,286	Charmaine Alexander
Andrew Cocking	Nil	
Kerith Foster	Nil	
Annette Morrison	Nil	
	90,048,888	

SENIOR MANAGEMENT'S SHAREHOLDING

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

CAC 2000 LIMITED

Notes to the Financial Statements
Third Quarter Ended July 31, 2016

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 fifteen months ended October 31, 2015.

4. Movements in fixed assets

	Lease Hold Building Improvement	Motor Vehicles	Plant & Machinery	Furniture & Fixtures	Computer & Peripherals	Office Equipment	Tools & Equipment	Paintings	ERP (W.I.P.)	GRAND TOTAL
Cost - 01/11/15	9,537	20,526	1,423	1,329	10,220	411	1,574	425	3,260	48,705
Revaluation/Adjustment										-
Additions	13,873	4,050	-	1,574	4,011	-	-	-	-	21,736
Reclassification					3,260				(3,260)	-
Disposal		-	-	-	-	-	-	-	-	-
	23,411	24,576	1,423	2,903	17,490	411	1,574	425	-	72,212
Depreciation - 01/11/15	1,591	5,887	1,132	805	7,218	251	1,188	-	-	18,050
Prior year adj.					(9)					(9)
Disposal		-								-
Depreciation Charge - Year	2,653	3,341	100	134	2,773	34	107	-	-	9,143
Accumulated Depreciation	4,245	9,208	1,231	940	9,980	285	1,295	-	-	27,185
Net Book Value - OCT 15	19,166	15,368	191	1,963	7,510	126	279	425	-	45,028
Net Book Value - OCT 16	7,948	14,659	291	824	3,004	160	366	425	3,260	30,654

Assets are depreciated on the straight line basis to write off assets over their useful lives.

CAC 2000 LIMITED

Notes to the Financial Statements (continued)

Third Quarter Ended July 31, 2016

5. Share capital

	<u>2016</u> Units	<u>2015</u> Units
Authorised ordinary units of no par value	200,000,000	10,000,000
Issued ordinary units of no par value	129,032,258	5,000,000
Stated capital:	\$	\$
Issued and fully paid ordinary stocks of no par value	138,773,634	500,000

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. Due to Related Parties

Dividend payable to shareholders valuing \$17,440,012.31 was converted to 4,202,412 shares which are included in the new shares issued. Included in these figures was dividend payable to related parties valuing \$16,964,425.

7. Restated EPS

The earnings per share (EPS) were restated in accordance with IAS 33 paras 26, 27 and 64. Prior period July 31, 2015 was restated based on the stock split resulting in 100,000,000 shares. The current period was restated based on the weighted average number of shares to include the new issues amounting to 123,416,529 shares. Actual quantities of issued shares are stated in note 5 above.

8. Dividend and distributions

Dividends and distribution paid, gross, are as follows:

	<u>2016</u>	<u>2015</u>
Ordinary stock units @ \$0.17 (2015: \$3.0782) per stock unit	\$21,935,484	\$15,391,188

On June 13, 2016, (2015: June 10, 2015) the directors declared dividends of \$0.17 (2015: \$3.0782) per stock unit.