



Report to Stockholders: 3 months ended January 31, 2017

The Board of Directors is pleased to present the unaudited results for the Company for the 1st quarter ended January 31st, 2017.

For the period, revenue of \$301,877,684 reflects a 31% increase over the same period in 2016 (\$229,749,328) and the gross profit increased by 22% to \$104,366,631 from \$85,679,204 - the slight reduction in the realized margin vs. last year was due to the nature of the jobs closed.

The slight increase in selling and distribution expenses, from \$8,013,295 to \$8,905,860, arose from increased commissions (paid on sales realized) and warranty and guarantees. The significant increases in administration expenses, from \$50,770,325 to \$68,402,664, arose from salary related payments (performance incentives and new hires), IT expenses, depreciation, insurance and staff welfare.


Other gains and losses was less than last year and the net impact of the above was our profit before taxation being slightly less than last year (\$24,161,648 vs \$26,716,831). Note that swings in gross margins and net profits are typical for construction companies and should not be cause for concern.

On the balance sheet, we had an increase in assets (motor vehicle leases restated as per IFRS) and trade and other receivables went up by \$141.9M (increased billing and Braco receivable) with the latter expected to be recovered in the 2nd quarter. Inventory reduced slightly and the fall off in cash was caused by the payment of US\$372,100 and J\$7,646,034 for the Xray damages in December. The increase in trade payables was also due to the booking of the interest portion of the Xray judgement (now in Court of Appeal) and an increase in customer deposits on jobs. Despite this “hit” with the court judgement our shareholders’ equity did not reduce too significantly.

The goals for the remainder of the year are to continue with sales and profit growth, build back cash reserves, settle Xray case, complete Risk Assessment study (PWC) and lastly, to implement our new cloud based customer relationship management (CRM) system. Our common goal for 2017 is “maximizing operational effectiveness”

Lastly, we are proud to announce the following awards recently won by CAC:

- Stevie's (Sales and Customer service) – we were nominated by ValueSelling Associates and won 2 golds and 2 bronzes (best performance by a Caribbean company)
- Carrier – 2nd in Sales Performance (2016) in the Caribbean

A handwritten signature in purple ink, appearing to read 'S. Marston', is positioned above a horizontal line.

Steven Marston
Chairman and CEO



CAC 2000 LTD.

**INTERIM FINANCIAL REPORT
FOR THREE MONTHS ENDED
31-Jan-17**

CAC 2000 LIMITED
 UNAUDITED STATEMENT OF FINANCIAL POSITION
 FIRST QUARTER ENDED JANUARY 31, 2017

	NOTES	Unaudited Jan 2017 \$	Unaudited Jan 2016 \$	Audited (12 months ended) Oct 2016 \$
ASSETS				
Non-current assets				
Property, Plant & Equipment	4	52,600,272	34,492,429	51,702,954
Deferred Tax Asset		0	154,534	0
Long-term receivable		1,573,611	3,699,303	1,573,611
		<u>54,173,883</u>	<u>38,346,266</u>	<u>53,276,565</u>
CURRENT ASSETS				
Income Tax Recoverable		2,271,860	454,072	1,935,494
Inventories		271,712,528	275,858,560	280,302,421
Trade and Other Receivables		413,565,240	271,581,998	356,656,286
Due from Related Party		24,121	7,776,128	1,664,849
Cash and Cash Equivalents		93,801,375	166,935,809	157,874,554
		<u>781,375,124</u>	<u>722,606,567</u>	<u>798,433,604</u>
TOTAL ASSETS		835,549,007	760,952,833	851,710,169
EQUITY AND LIABILITIES				
Share Holders' Equity				
Ordinary Share Capital (Issued & fully paid)	5	138,773,634	138,773,634	138,773,634
Share Issue Costs		(9,583,877)	(9,199,422)	(9,583,877)
Retained Earnings		193,167,268	204,632,773	182,697,289
Current Year Profit/(Loss)		24,161,648	26,716,831	10,469,979
Total Shareholders' Equity		<u>346,518,673</u>	<u>360,923,815</u>	<u>322,357,025</u>
NON-CURRENT LIABILITIES				
Borrowings		153,480,382	155,232,827	153,917,254
Obligation under finance lease		6,100,103		6,735,311
Deferred Tax Liability		0		0
		<u>159,580,484</u>	<u>155,232,827</u>	<u>160,652,565</u>
CURRENT LIABILITIES				
Borrowings		9,674,574	1,622,266	1,734,271
Due to Related party		2,966,801	19,947,476	3,520,383
Trade payables and other payables	6	313,819,873	211,978,007	359,772,579
Current portion of finance lease obligation		2,714,523		3,673,346
Income tax payable		274,078	11,248,441	0
		<u>329,449,850</u>	<u>244,796,190</u>	<u>368,700,579</u>
TOTAL LIABILITIES AND EQUITY		835,549,007	760,952,833	851,710,169

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 FIRST QUARTER ENDED JANUARY 31, 2017

	Three Months to JAN-17	Three Months to JAN-16
Revenue	301,877,684	229,749,328
Cost of Sales	(197,511,053)	(144,070,124)
GROSS PROFIT	104,366,631	85,679,204
ADMINISTRATIVE & OTHER EXPENSES		
Selling & Distribution	(8,905,860)	(8,013,295)
General Administration	(68,402,664)	(50,770,325)
	(77,308,524)	(58,783,619)
Other Income	103,643	81,415
PROFIT BEFORE FINANCE COST AND TAXATION	27,161,750	26,977,000
Other Gains and Losses	472,011	2,443,956
Interest Income	278,348	442,000
Interest Expense	(3,750,462)	(3,146,124)
NET FINANCE COST	(3,000,102)	(260,169)
PROFIT BEFORE TAXATION	24,161,648	26,716,831
Taxation	0	0
TOTAL COMPREHENSIVE INCOME	24,161,648	26,716,831
Issued Shares (IAS 33 note 7)	129,032,258	112,307,153
Earnings per Share (EPS)	0.19	0.24

CAC 2000 LTD.STATEMENT OF CHANGES IN SHAREHOLDER'S NET EQUITY
FIRST QUARTER ENDED JANUARY 31, 2017

	<u>Share Capital</u>	<u>Share Issue Costs</u>	<u>Retained Earnings</u>	<u>Total</u>
Balances as at October 31, 2016	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			24,161,648	24,161,648
Dividend				0
Balances as at January 31, 2017	<u>138,773,634</u>	<u>(9,583,877)</u>	<u>217,328,916</u>	<u>346,518,673</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		(9,199,422)		(9,199,422)
Total Comprehensive Income			26,716,831	26,716,831
Dividend				0
Balances as at January 31, 2016	<u>138,773,634</u>	<u>(9,199,422)</u>	<u>231,349,604</u>	<u>360,923,816</u>

CAC 2000 LIMITED

STATEMENT OF CHANGES IN CASH FLOW FIRST QUARTER ENDED JANUARY 31, 2017

	Jan 2017	Jan 2016	Audited Oct 2016
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) for the year	24,161,648	26,716,831	10,469,979
Adjusted for:			
Taxation	0	0	845,746
Depreciation	4,876,435	2,358,246	14,915,160
Allowance for doubtful debts	(771,003)	0	6,996,027
Provision for inventory obsolescence	0	0	1,032,250
Interest expenses	3,750,462	3,146,124	15,733,067
Interest income	(278,348)	(442,000)	(1,406,350)
Operating cash flows before movement in working capital	31,739,194	31,779,201	48,585,879
Movements in Working Capital:			
Inventories	8,589,893	(47,778,780)	(53,254,891)
Trade & other receivables	(56,474,319)	4,177,007	(80,335,514)
Due from Related Party	1,640,729	(1,484,348)	4,626,931
Trade payables and other payables	(45,388,500)	29,680,652	177,475,223
Cash Generated from Operations	(59,893,003)	16,373,732	97,097,628
Interest paid	(3,750,462)	(3,146,124)	(15,733,067)
Income tax paid	(290,128)	0	(15,959,720)
Net Cash (Used) Generated by Operating Activities	(63,933,593)	13,227,608	65,404,841
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(5,773,752)	(6,187,560)	(35,954,999)
Interest received	278,348	442,000	1,383,589
Net Cash (Used) Generated by Investing Activities	(5,495,404)	(5,745,560)	(34,571,410)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	0	(475,588)	(37,326,672)
Repayment of bank loans	(436,871)	2,876,491	(1,673,361)
Proceeds from bank loans	7,940,303	0	0
Finance lease, net	(1,594,031)	0	10,408,657
Increase/(decrease) in amounts due to related parties	(553,583)	(33,364,401)	(34,400,305)
Proceeds from ordinary shares issued	0	129,074,211	128,689,757
Proceeds from issue of preference shares	-	-	-
Net Cash Provided (Used) for Financing Activities	5,355,818	98,110,713	65,698,076
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIV.	(64,073,179)	105,592,761	96,531,506
Cash and Cash Equivalents at Beginning of Year	157,874,554	61,343,048	61,343,048
CASH AND CASH EQUIVALENTS AT END OF YEAR	93,801,375	166,935,809	157,874,554

CAC 2000 LIMITED

Notes to the Financial Statements

First Quarter Ended January 31, 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
Cost - 01/11/16	23,411	36,835	1,423	2,903	17,563	507	1,594	425	-	84,660
Revaluation/Adjustment	-	(897)	-	-	-	-	-	-	-	(897)
Additions	34	4,039	-	20	139	-	4	-	2,435	6,671
Reclassification	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Cost - 31/01/17	23,445	39,976	1,423	2,922	17,702	507	1,598	425	2,435	90,433
Depreciation - 01/11/16	5,343	12,654	1,265	1,005	11,057	302	1,332	-	-	32,957
Prior year adj.	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Depreciation Charge - Year	743	2,914	30	65	1,075	16	33	-	-	4,876
Accumulated Depreciation	6,086	15,568	1,295	1,070	12,132	318	1,364	-	-	37,833
Net Book Value - JAN 17	17,359	24,408	128	1,853	5,570	190	234	425	2,435	52,600
Net Book Value - OCT 16	18,067	24,180	158	1,898	6,506	206	262	425	-	51,703

CAC 2000 LIMITED

Notes to the Financial Statements (continued)

First Quarter Ended January 31, 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.

CAC 2000 LIMITED

LIST OF SHAREHOLDERS

FIRST QUARTER ENDED JANUARY 31, 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%
	113,435,910	88%

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	
	95,172,099	

SENIOR MANAGEMENT'S SHAREHOLDING

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