



CAC 2000 LTD.

**INTERIM FINANCIAL REPORT
FOR SIX MONTHS ENDED
30-Apr-18**



CEO Report: 6 months ended April 30th, 2018

We are pleased to present our unaudited results for the Company for the quarter ended April 30th, 2018.

Our year to date revenue of \$623,438,994 reflected a 9.9% increase over the \$567,514,366 realized over the same period in 2017. Year to date the gross profit increased by 22.5% to \$249,167,179 from \$203,326,862 last year. As projected, we were able to recover from the first quarter shortfall and this momentum will continue as our sales funnel and won jobs portfolio continue to grow.

Other income was \$4,414,568 vs. \$2,115,167 last year due to gain on sale of motor vehicle.

Expenses were up to \$195,496,129 vs. \$146,868,216 last year. The increases were primarily related to salaries, professional fees (including costs related to the recent preference share issue) and travel related expenses. Net finance costs of \$4,433,966 are significantly less than the \$7,147,013 last year and this resulted from the interest saved due to the unavoidable delay in finalizing the additional preference share issue.

The result was a year to date profit of \$53,651,653 which was 3.9% higher than the \$51,648,612 reported last year. This is a strong recovery from the \$2,231,218 loss posted in Q1.

On the balance sheet we can compare values to the end of our last financial year (October 31st, 2017) and observe that we had an increase in all major variables due to the increased business activities. Notably, we had a cash and equivalents increase of \$69,432,688 due to operational and financing inflows.

We successfully closed our \$200,000,000 preference share offer which was subsequently listed on the Junior Market of the Jamaica Stock Exchange in May. A portion of these funds will be used to retire the initial \$148,037,000 preference share issue and the remainder to assist with our working capital demands.

Gia Abraham was appointed as our Chief Operating Officer (COO) on May 1st, 2018. With her appointment we look forward to continued improvements in our financial and business effectiveness. Our CRM system is operational and helping us better manage our selling activities and we have been selected by Carrier as a beta tester for the air-conditioning system remote monitoring system – these will ship shortly.

The Foundation continues to assist with the STEP center and has applied to JSIF for additional funding for training and mitigation of the shortage of skilled technicians in the air-conditioning and electrical industry and are expecting a positive decision shortly.

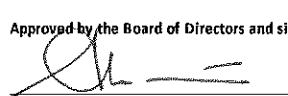
A handwritten signature in black ink, appearing to be "S. Marston".

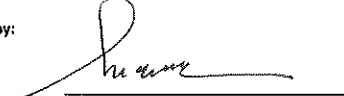
Steven Marston
Chairman and CEO

CAC 2000 LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION
SECOND QUARTER ENDED APRIL 30, 2018

	NOTES	Unaudited Apr 2018 \$	Unaudited Apr 2017 \$	Audited (12 months ended) Oct 2017 \$
ASSETS				
Non-current assets				
Property, Plant & Equipment	4	61,633,668	50,119,400	45,550,889
Deferred Tax Asset		0	0	0
Long-term receivable		165,095	952,237	228,069
		<u>61,798,764</u>	<u>51,071,637</u>	<u>45,778,958</u>
CURRENT ASSETS				
Income Tax Recoverable		3,698,102	2,697,979	3,019,666
Short Term Investments		293,968	0	0
Inventories		262,306,088	256,892,316	208,385,972
Trade and Other Receivables		590,712,183	372,367,103	536,331,072
Due from Related Party		0	0	0
Cash and Cash Equivalents		261,127,831	110,021,503	191,695,143
		<u>1,118,138,171</u>	<u>741,978,900</u>	<u>939,431,853</u>
TOTAL ASSETS		1,179,936,935	793,050,537	985,210,811
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)	(9,583,877)	(9,583,877)
Retained Earnings		293,903,431	193,167,268	293,903,431
Current Year Profit/(Loss)		53,651,653	51,648,612	0
Total Shareholders' Equity		476,744,841	374,005,637	423,093,188
NON-CURRENT LIABILITIES				
Loans and Borrowings	6	211,389,181	152,986,881	4,013,104
Obligation under finance lease		2,651,360	5,445,647	4,076,643
Deferred Tax Liability		0	0	0
		<u>214,040,541</u>	<u>158,432,529</u>	<u>8,089,747</u>
CURRENT LIABILITIES				
Loans and Borrowings	6	153,979,135	6,256,445	249,887,100
Due to Related party		4,005,584	3,058,344	5,422,439
Trade payables and other payables	7	326,896,398	248,575,246	295,903,419
Current portion of finance lease obligation		2,794,287	2,504,586	2,658,668
Income tax payable		1,476,148	217,750	156,250
		<u>489,151,552</u>	<u>260,612,371</u>	<u>554,027,876</u>
TOTAL LIABILITIES AND EQUITY		1,179,936,935	793,050,537	985,210,811

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


Steven Marston
Chairman/CEO


Richard Powell
Chairman Audit Committee

CAC 2000 LTD.**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

SECOND QUARTER ENDED APRIL 30, 2018

	Six Months to APR-18	Six Months to APR-17	Three Months to APR-18	Three Months to APR-17
	\$	\$	\$	\$
Revenue	623,438,994	567,514,366	383,927,693	265,636,682
Cost of Sales	(374,271,815)	(364,187,504)	(217,182,389)	(166,676,451)
GROSS PROFIT	249,167,179	203,326,862	166,745,305	98,960,231
ADMINISTRATIVE & OTHER EXPENSES				
Selling & Distribution	(16,968,017)	(18,713,634)	(8,702,758)	(9,807,774)
General Administration	(178,528,112)	(128,154,582)	(100,544,101)	(59,751,918)
	(195,496,129)	(146,868,216)	(109,246,860)	(69,559,692)
Other Income	4,414,568	2,115,167	1,176	2,011,525
PROFIT BEFORE FINANCE COST AND TAXATION	58,085,619	58,573,813	57,499,621	31,412,064
Other Gains and Losses	6,197,290	253,858	3,639,624	(218,153)
Interest Income	468,005	452,518	201,511	174,170
Interest Expense	(11,099,260)	(7,853,389)	(5,457,885)	(4,102,927)
NET FINANCE COST	(4,433,966)	(7,147,013)	(1,616,750)	(4,146,911)
PROFIT BEFORE TAXATION	53,651,653	51,426,800	55,882,871	27,265,153
Taxation	0	221,812	0	221,812
TOTAL COMPREHENSIVE INCOME	53,651,653	51,648,612	55,882,871	27,486,965
Issued Shares (IAS 33)	129,032,258	129,032,258	129,032,258	129,032,258
Earnings per Share (EPS)	0.42	0.40	0.43	0.21

CAC 2000 LIMITED

STATEMENT OF CHANGES IN CASH FLOW SECOND QUARTER ENDED APRIL 30, 2018

	Apr 2018 \$	Apr 2017 \$	Audited Oct 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) for the year	53,651,653	51,648,612	100,736,163
Adjusted for:			
Taxation	0	(221,812)	(221,812)
Depreciation	11,490,902	9,333,082	20,505,700
Gain on disposal of fixed assets	(4,413,392)	0	0
Gain on revaluation of investments	(124,521)	0	0
Allowance for doubtful debts	213,519	(4,450,234)	(10,938,210)
Provision for inventory obsolescence	0	(1,464,276)	(4,090,136)
Interest expenses	11,099,260	7,853,390	15,949,599
Interest income	(468,005)	(452,519)	(1,090,090)
Operating cash flows before movement in working capital	71,449,415	62,246,244	120,851,214
Movements in Working Capital:			
Inventories	(53,920,116)	24,874,382	76,006,585
Trade & other receivables	(55,212,423)	(10,916,344)	(167,245,183)
Due from Related Party	0	1,664,849	1,664,849
Trade payables and other payables	33,143,643	(110,688,986)	(64,872,775)
Cash Generated from Operations	(4,539,480)	(32,819,855)	(33,595,310)
Interest paid	(11,099,260)	(7,853,390)	(14,945,983)
Income tax paid	(830,765)	(554,135)	(789,908)
Net Cash (Used) Generated by Operating Activities	(16,469,505)	(41,227,380)	(49,331,200)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(27,838,895)	(7,749,528)	(14,353,635)
Proceeds from disposal of fixed assets	4,678,605	0	0
Purchase of investments	(169,447)	0	0
Interest received	470,336	452,519	1,028,036
Net Cash (Used) Generated by Investing Activities	(22,859,401)	(7,297,009)	(13,325,599)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	0	0	0
Repayment of bank loans	(107,700,149)	(5,316,693)	(10,659,815)
Proceeds from bank loans	19,168,261	8,908,495	108,908,495
Finance lease, net	(1,289,664)	(2,458,424)	(3,673,346)
Increase/(decrease) in amounts due to related parties	(1,416,855)	(462,040)	1,902,055
Proceeds from ordinary shares issued	0	0	0
Proceeds from issue of preference shares	200,000,000	-	-
Net Cash Provided (Used) for Financing Activities	108,761,593	671,338	96,477,388
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIV.	69,432,687	(47,853,051)	33,820,589
Cash and Cash Equivalents at Beginning of Year	191,695,143	157,874,554	157,874,554
CASH AND CASH EQUIVALENTS AT END OF YEAR	261,127,831	110,021,503	191,695,143

CAC 2000 LTD.STATEMENT OF CHANGES IN SHAREHOLDER'S NET EQUITY
SECOND QUARTER ENDED APRIL 30, 2018

	Share Capital	Share Issue Costs	Retained Earnings	Total
	\$	\$	\$	\$
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			53,651,653	53,651,653
Balances as at April 30, 2018	138,773,634	(9,583,877)	347,555,084	476,744,841
Balances as at October 31, 2016	138,773,634	(9,583,877)	193,167,268	322,357,025
Total Comprehensive Income			51,648,612	51,648,612
Dividend			0	0
Balances as at April 30, 2017	138,773,634	(9,583,877)	244,815,880	374,005,637

CAC 2000 LIMITED

Notes to the Financial Statements

Second Quarter Ended April 30, 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	-	99,013
Revaluation/Adjustment	-	-	-	-	-	-	-	-	-	-
Additions	5,256	21,423	-	-	608	407	144	-	-	27,839
Reclassification	-	-	-	-	-	-	-	-	-	-
Disposal	-	(1,854)	-	-	-	-	-	-	-	(1,854)
Cost - 30/04/18	28,700	59,701	1,423	2,922	28,318	935	2,574	425	-	124,998
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	2,930	5,021	5	128	3,181	61	147	-	-	11,474
Accumulated Depreciation	12,675	25,069	1,355	1,393	20,848	428	1,596	-	-	63,364
Net Book Value - APR 18	16,026	34,632	68	1,529	7,470	507	978	425	-	61,634
Net Book Value - OCT 17	13,700	18,512	73	1,657	10,042	161	981	425	-	45,551

CAC 2000 LIMITED

Notes to the Financial Statements (continued)

Second Quarter Ended April 30, 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

The Company was listed on the Jamaica Junior Stock Exchange on January 7, 2016 through an Initial Public Offering of 29,032,258 ordinary stocks.

6. Loans and borrowings

	<u>2018</u> \$	<u>2017</u> \$
Bank Loans		
Motor vehicle loans	14,711,810	6,752,079
Premium financing loan	2,619,506	4,454,247
Redeemable preference shares (a)	<u>348,037,000</u>	<u>148,037,000</u>
	365,368,316	159,243,326
Less: Current Portion	<u>(153,979,135)</u>	<u>(6,256,445)</u>
Non-current portion	<u>211,389,181</u>	<u>152,986,881</u>

(a) Redeemable preference shares:

	<u>2018</u> \$	<u>2017</u> \$
Proceeds from issue of redeemable pref. shares	<u>348,037,000</u>	<u>148,037,000</u>

- (a) 350,000,000 fixed and variable rate redeemable preference shares were authorised with an issue price of \$1 per share. Of this 348,037,000 are fully paid. The additional \$200,000,000 9.5% cumulative preference shares were issued for working capital support and have subsequently been listed on the Jamaica Junior Stock Exchange. This amount is included in non-current borrowings.

CAC 2000 LIMITED

Notes to the Financial Statements (continued)

Second Quarter Ended April 30, 2018

The fixed and variable rate cumulative redeemable preference shares for \$148,037,000 are mandatorily redeemable at par on July 31, 2018. This amount is included in current borrowings.

- (b) The unsecured bridge loan (reported at year-end October 31, 2017) from VM Wealth Management Limited for \$100,000,000 at an interest rate of 6.75% p.a., was repaid on April 13, 2018.

7. Contingencies and commitment

Included in other payables is the interest charge on the court awarded damages to a claimant and a provision for legal costs incurred by claimant amounting to \$66,624,365.

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.

CAC 2000 LIMITED
LIST OF SHAREHOLDERS
SECOND QUARTER ENDED APRIL 30, 2018

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

TOP TEN SHAREHOLDERS - ORDINARY

SHAREHOLDERS	SHAREHOLDING	% OF ISSUED SHARES
CAC Caribbean Limited	67,462,522	52.28%
Colin Roberts	27,355,291	21.20%
Louis Williams	6,180,000	4.79%
VM Wealth Equity Fund	5,853,220	4.54%
PAM - Pooled Equity Fund	3,334,203	2.58%
Howard Chin	3,204,599	2.48%
Christine G. Wong	1,232,962	0.96%
Peter Nicholas Anthony Forde and Patricia Forde	1,232,961	0.96%
JCSD Trustee Services Ltd - Sigma Venture	964,269	0.75%
Jamaica Credit Union Pension Fund Ltd	843,463	0.65%
	117,663,490	91.19%

TOTAL ACCOUNT HOLDERS

JCSD register	224
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EXECUTIVE AND NON-EXECUTIVE DIRECTORS' SHAREHOLDING

EXECUTIVE	SHAREHOLDING	CONNECTED PARTY
Steven Marston	Nil	Gia Abraham
Gia Abraham	300,000	Steven Marston
CAC Caribbean Ltd.	67,462,522	Steven Marston/Gia Abraham (92.4%)
Colin Roberts	27,355,291	
NON-EXECUTIVE		
Edward Alexander	54,286	Charmaine/Renee/Jordanne Alexander
Richard Powell	Nil	
Matthew Hogarth	Nil	
Patrick Smith	Nil	
Jennifer McDonald	Nil	
	95,172,099	

OTHER MANAGEMENT TEAM SHAREHOLDING

MANAGEMENT TEAM	SHAREHOLDING	CONNECTED PARTY
Colleen Ellison-Hall	30,000	Desmond Hall
Marcus Hay	23,248	
Richard Stephenson	Nil	
Glaister Cunningham	Nil	
	53,248	

CAC 2000 LIMITED
LIST OF SHAREHOLDERS
SECOND QUARTER ENDED APRIL 30, 2018

Authorised Preference Share Capital
 Issued Preference Share Capital

350,000,000 units
 348,037,000 units

TOP TEN SHAREHOLDERS - FIXED & VARIABLE RATE CUMULATIVE REDEEMABLE PREFERENCE SHARES

RANK	SHAREHOLDERS	ALLOCATION	PERCENTAGE
1	Adolphus Black	23,000,000	15.54%
2	Victoria Mutual Building Society	15,000,000	10.13%
3	National Insurance Fund	15,000,000	10.13%
4	JCSD Trustees Service - Sigma Venture Fund	13,600,000	9.19%
5	Lindoll Limited	11,000,000	7.43%
6	Donald Waugh	10,437,000	7.05%
7	NCB Insurance Co. Ltd. A/c WT157	10,000,000	6.76%
8	Welljen Limited	10,000,000	6.76%
9	NCB Insurance Co. Ltd A/c WT105	7,500,000	5.07%
	NCB Insurance Co. Ltd A/c WT109	7,500,000	5.07%
	NCB Insurance Co. Ltd A/c WT161	7,500,000	5.07%
	NCB Insurance Co. Ltd A/c WT310	7,500,000	5.07%
10	NCB Insurance Co. Ltd A/c WT174	5,000,000	3.38%
	NCB Insurance Co. Ltd A/c WT185	5,000,000	3.38%
		148,037,000	100.00%

TOP TEN SHAREHOLDERS - FIXED RATE CUMULATIVE REDEEMABLE PREFERENCE SHARES

RANK	SHAREHOLDERS	ALLOCATION	PERCENTAGE
1	PAM - University Hospital Scheme of Pensions	17,210,667	8.61%
	PAM - Pooled Equity Fund	17,210,667	8.61%
	PAM - Lascelles Demarcado Defined Contribution	17,210,667	8.61%
2	Victoria Mutual Building Society	15,408,000	7.70%
3	GK General Insurance Company Ltd	12,704,000	6.35%
4	NCB Insurance Co Ltd A/C WT1650	11,802,666	5.90%
5	NCB Insurance Co Ltd A/C WT311	10,901,333	5.45%
	NCB Insurance Co Ltd A/C WT157	10,901,333	5.45%
6	Winston Hoo	10,450,667	5.23%
7	NCB Insurance Co Ltd A/C WT310	10,000,000	5.00%
	NCB Insurance Co Ltd A/C WT005	10,000,000	5.00%
	NCB Insurance Co Ltd A/C WT162	10,000,000	5.00%
8	NCB Insurance Co Ltd A/C WT035	5,000,000	2.50%
	NCB Insurance Co Ltd A/C WT062	5,000,000	2.50%
	NCB Insurance Co Ltd A/C WT182	5,000,000	2.50%
9	George Alpheus Brown	3,400,000	1.70%
10	George Reid	3,000,000	1.50%
	NCB Insurance Co Ltd A/C WT178	3,000,000	1.50%
	Alvin Henry	3,000,000	1.50%
		181,200,000	90.60%