



**CAC 2000 LTD.**

**INTERIM FINANCIAL REPORT  
FOR SIX MONTHS ENDED  
30-Apr-19**



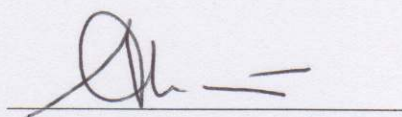
## CEO report

Despite the continued disruption being caused by the massive road construction project we managed to record revenues of \$350.6M for the quarter up from \$166.4M the previous quarter. Year to date, revenues have recovered to \$516.4M compared to \$623.44M the previous year. We ended up with a quarterly profit of \$40.76M and restored the company to a year to date profitable position. We have a respectable open job portfolio and anticipate winning more jobs in the 3<sup>rd</sup> and 4<sup>th</sup> quarter. As a result, we continue to forecast a profitable end of year position.

The continued efforts to reduce inventory and accounts receivable from our 2018 year-end balances are starting to pay off. Cash inflows are still being affected by the logistics difficulties (clearing, receiving and delivering equipment to jobs) that have slowed progress billings and hence cash inflows. We have had to continue to utilize our bank facilities but have still managed to increase our cash on hand from both the previous quarter and the 2018 year-end.

For those of you who have not personally witnessed the Three Miles road construction we have uploaded a short (3 minute) video that was prepared for our 2019 AGM and can be viewed at <https://youtu.be/fmsWQpIBBOs>. While the GOJ has projected completion of this project for end June 2019, based on our daily experience from the construction zone, we expect that our operations will continue to be affected for the remainder of the financial year, but we will be able to operate normally, and in some ways even better, next year. We continue to press the Office of the Prime Minister, through the PSOJ, to consider various forms of compensation for those companies that have been negatively affected by the various road works simultaneously taking place in Kingston.

We again convey our appreciation and gratitude to our employees and contractors who continue the battle to come to work daily and to put in the extra efforts that were required to deliver these improved results. Also, to our investors for your continued patience and understanding of the external event that has negatively impacted our business for the past 12 months



Steven Marston  
Chairman and CEO

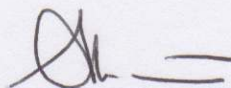


# CAC 2000 LIMITED

UNAUDITED STATEMENT OF FINANCIAL POSITION  
SECOND QUARTER ENDED APRIL 30, 2019

	NOTES	Unaudited Apr 2019 \$	Unaudited Apr 2018 \$	Audited (12 months ended) Oct 2018 \$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant & Equipment	4	49,729,929	61,633,668	51,854,814
Deferred Tax Asset		0	0	0
Long-term receivable		0	165,095	0
		<u>49,729,929</u>	<u>61,798,764</u>	<u>51,854,814</u>
<b>CURRENT ASSETS</b>				
Income Tax Recoverable		11,138,703	3,698,102	7,311,478
Short Term Investments		262,151	293,968	269,759
Inventories		294,775,867	262,306,088	367,004,488
Trade and Other Receivables		520,453,899	590,712,183	485,472,990
Due from Related Party		56,123,733	0	11,696,022
Cash and Cash Equivalents		162,770,640	261,127,831	117,041,832
		<u>1,045,524,992</u>	<u>1,118,138,171</u>	<u>988,796,570</u>
<b>TOTAL ASSETS</b>		<b>1,095,254,921</b>	<b>1,179,936,935</b>	<b>1,040,651,384</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)
Capital Reserves		56,070,656		56,070,656
Retained Earnings		302,275,721	293,903,431	227,510,194
Current Year Profit/(Loss)		3,067,847	53,651,653	74,765,527
<b>Total Shareholders' Equity</b>		<b>490,603,981</b>	<b>476,744,841</b>	<b>487,536,134</b>
<b>NON-CURRENT LIABILITIES</b>				
Loans and Borrowings	6	207,633,477	211,389,181	210,096,708
Obligation under finance lease		0	2,651,360	1,080,789
Deferred Tax Liability		0	0	0
		<u>207,633,477</u>	<u>214,040,541</u>	<u>211,177,497</u>
<b>CURRENT LIABILITIES</b>				
Loans and Borrowings	6	57,419,727	153,979,135	2,964,038
Due to Related party		15,166,767	4,005,584	6,803,481
Trade payables and other payables	7	321,524,426	326,896,398	328,728,403
Current portion of finance lease obligation		2,623,417	2,794,287	2,995,854
Income tax payable		283,126	1,476,148	445,977
		<u>397,017,463</u>	<u>489,151,552</u>	<u>341,937,754</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,095,254,921</b>	<b>1,179,936,935</b>	<b>1,040,651,384</b>

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



Steven Marston  
Chairman and CEO



Gia Abraham  
Director



**CAC 2000 LTD.**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
SECOND QUARTER ENDED APRIL 30, 2019

		Six Months to	Six Months to	Three Months to	Three Months to
Notes	APR-19	APR-18	APR-19	APR-18	APR-18
	\$	\$	\$	\$	\$
Revenue	516,480,907	623,438,994	350,056,138	383,927,693	
Cost of Sales	(342,827,783)	(374,271,815)	(230,968,374)	(217,182,389)	
<b>GROSS PROFIT</b>	<b>173,653,124</b>	<b>249,167,179</b>	<b>119,087,764</b>	<b>166,745,305</b>	
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>					
Selling & Distribution	(10,515,133)	(16,968,017)	(5,703,431)	(8,702,758)	
General Administration	8 (193,643,675)	(178,528,112)	(86,661,973)	(100,544,101)	
	(204,158,808)	(195,496,129)	(92,365,404)	(109,246,860)	
Other Income	8 47,143,645	4,414,568	19,927,730	1,176	
<b>PROFIT BEFORE FINANCE COST AND TAXATION</b>	<b>16,637,960</b>	<b>58,085,619</b>	<b>46,650,090</b>	<b>57,499,621</b>	
Other Gains and Losses	(2,353,020)	6,197,290	203,082	3,639,624	
Interest Income	134,283	468,005	61,016	201,511	
Interest Expense	(11,351,376)	(11,099,260)	(6,150,943)	(5,457,885)	
<b>NET FINANCE COST</b>	<b>(13,570,113)</b>	<b>(4,433,966)</b>	<b>(5,886,845)</b>	<b>(1,616,750)</b>	
<b>PROFIT BEFORE TAXATION</b>	<b>3,067,847</b>	<b>53,651,653</b>	<b>40,763,245</b>	<b>55,882,871</b>	
Taxation	0	0	0	0	
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>3,067,847</b>	<b>53,651,653</b>	<b>40,763,245</b>	<b>55,882,871</b>	
Issued Shares (IAS 33 )	129,032,258	129,032,258	129,032,258	129,032,258	
Earnings per Share (EPS)	0.02	0.42	0.32	0.43	



**CAC 2000 LIMITED**STATEMENT OF CHANGES IN CASH FLOW  
SECOND QUARTER ENDED APRIL 30, 2019

	Apr 2019 \$	Apr 2018 \$	Audited Oct 2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) for the year	3,067,847	53,651,653	74,765,527
Adjusted for:			
Taxation	0	0	0
Depreciation	10,242,122	11,490,902	22,925,850
Gain on disposal of fixed assets	(2,050,165)	(4,413,392)	(7,031,186)
Gain on revaluation of investments	7,609	(124,521)	(100,312)
Allowance for doubtful debts	(41,047)	213,519	5,552,988
Provision for inventory obsolescence	(43,322)	0	(2,291,905)
Interest expenses	11,351,376	11,099,260	22,673,331
Interest income	(134,283)	(468,005)	(3,325,095)
Operating cash flows before movement in working capital	<b>22,400,135</b>	<b>71,449,415</b>	<b>113,169,197</b>
Movements in Working Capital:			
Inventories	72,271,941	(53,920,116)	(156,326,609)
Trade & other receivables	(38,766,276)	(55,212,423)	41,161,166
Due from Related Party	(44,427,711)	0	(11,696,022)
Trade payables and other payables	(6,764,601)	33,143,643	34,951,524
Cash Generated from Operations	<b>4,713,488</b>	<b>(4,539,480)</b>	<b>21,259,256</b>
Interest paid	(11,351,376)	(11,099,260)	(22,673,331)
Income tax paid	(602,227)	(830,765)	(1,836,812)
Net Cash (Used) Generated by Operating Activities	<b>(7,240,115)</b>	<b>(16,469,505)</b>	<b>(3,250,887)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(8,841,070)	(27,838,895)	(29,632,560)
Proceeds from disposal of fixed assets	2,774,000	4,678,605	7,433,970
Purchase of investments	(0)	(169,447)	(169,447)
Interest received	133,474	470,336	3,405,279
Net Cash (Used) Generated by Investing Activities	<b>(5,933,596)</b>	<b>(22,859,401)</b>	<b>(18,962,758)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid	0	0	(10,322,580)
Repayment of bank loans	(39,539,479)	(107,700,149)	(111,970,721)
Proceeds from bank loans	91,531,937	19,168,261	19,168,261
Repayment of preference shares	0	0	(148,037,000)
Finance lease, net	(1,453,226)	(1,289,664)	(2,658,668)
Increase/(decrease) in amounts due to related parties	8,363,286	(1,416,855)	1,381,042
Proceeds from ordinary shares issued	0	0	0
Proceeds from issue of preference shares	0	200,000,000	200,000,000
Net Cash Provided (Used) for Financing Activities	<b>58,902,519</b>	<b>108,761,593</b>	<b>(52,439,666)</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIV.	45,728,807	69,432,687	(74,653,311)
Cash and Cash Equivalents at Beginning of Year	117,041,832	191,695,143	191,695,143
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>162,770,639</b>	<b>261,127,830</b>	<b>117,041,832</b>



**CAC 2000 LTD.**STATEMENT OF CHANGES IN SHAREHOLDER'S NET EQUITY  
SECOND QUARTER ENDED APRIL 30, 2019

	Share Capital	Share Issue Costs	Capital Reserves	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balances as at October 31, 2018	138,773,634	(9,583,877)	56,070,656	302,275,720	487,536,134
Shares issued and fully paid	0				0
Total Comprehensive Income				3,067,847	3,067,847
<b>Balances as at April 30, 2019</b>	<b>138,773,634</b>	<b>(9,583,877)</b>	<b>56,070,656</b>	<b>305,343,567</b>	<b>490,603,981</b>
Balances as at October 31, 2017	138,773,634	(9,583,877)	0	293,903,431	423,093,188
Shares issued and fully paid	0				0
Total Comprehensive Income				53,651,653	53,651,653
<b>Balances as at January 31, 2018</b>	<b>138,773,634</b>	<b>(9,583,877)</b>	<b>0</b>	<b>347,555,084</b>	<b>476,744,841</b>

**CAC 2000 LIMITED**  
**LIST OF SHAREHOLDERS**  
**SECOND QUARTER ENDED APRIL 30, 2019**

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

**TOP TEN SHAREHOLDERS - ORDINARY**

RANK	SHAREHOLDERS	SHAREHOLDING	% OF ISSUED SHARES
1	CAC Caribbean Limited	67,462,522	52.28%
2	Colin Roberts	27,355,291	21.20%
3	Louis Williams	6,180,000	4.79%
4	VM Wealth Equity Fund	5,963,220	4.62%
5	PAM - Pooled Equity Fund	3,334,203	2.58%
6	Howard Chin	3,204,599	2.48%
7	Christine G. Wong	1,232,962	0.96%
8	Peter Nicholas Anthony Forde and Patricia Forde	1,232,961	0.96%
9	JCSD Trustee Services Ltd - Sigma Venture	964,269	0.75%
10	Jamaica Credit Union Pension Fund Ltd	843,463	0.65%
		<b>117,773,490</b>	<b>91.27%</b>

TOTAL ACCOUNT HOLDERS	
JCSD register	238

**EXECUTIVE AND NON-EXECUTIVE DIRECTORS' SHAREHOLDING**

EXECUTIVE	SHAREHOLDING	CONNECTED PARTY
Steven Marston	Nil	Gia Abraham
Gia Abraham	300,000	
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	
	<b>95,172,099</b>	

**SENIOR MANAGEMENT'S SHAREHOLDING**

SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PARTY
Colleen Ellison-Hall	30,000	Desmond Hall
Marcus Hay	13,400	
Richard Stephenson	Nil	
Glaister Cunningham	Nil	
	<b>43,400</b>	



**CAC 2000 LIMITED**  
**LIST OF SHAREHOLDERS**  
**SECOND QUARTER ENDED APRIL 30, 2019**

Authorised Preference Share Capital 350,000,000 units  
 Issued Preference Share Capital 200,000,000 units

**TOP TEN SHAREHOLDERS - FIXED RATE 9.5% 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 Demercado Defined Contribution Fund	17,210,667	8.61%
2	Victoria Mutual Building Society	15,408,000	7.70%
3	GK General Insurance Company Limited	12,704,000	6.35%
4	NCB Insurance Co. Ltd. A/c WT160	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	Mr. 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 WT162	10,000,000	5.00%
	NCB Insurance Co. Ltd. A/c WT005	10,000,000	5.00%
8	NCB Insurance Co. Ltd. A/c WT182	5,000,000	2.50%
	NCB Insurance Co. Ltd. A/c WT035	5,000,000	2.50%
	NCB Insurance Co. Ltd. A/c WT062	5,000,000	2.50%
9	Mr. George Alpheus Brown/ Ms. Tensa Alecia Taylor	3,400,000	1.70%
	George Reid	3,000,000	1.50%
10	NCB Insurance Co. Ltd. A/c WT178	3,000,000	1.50%
	Alvin Henry/ Kerry-Ann Henry	3,000,000	1.50%
		<b>181,200,000</b>	<b>90.60%</b>

<b>TOTAL ACCOUNT HOLDERS</b>	
JCSD register	77



## CAC 2000 LIMITED

Notes to the Financial Statements  
Second Quarter Ended April 30, 2019

### 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, 2018.

### 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 - 01/11/18</b>	23,930	58,842	1,423	2,993	30,591	1,108	2,574	425		121,884
Revaluation/Adjustment		(602)								(602)
Additions			8,626	125	632	60				9,443
Reclassification										
Disposal		(3,619)								(3,619)
<b>Cost - 30/04/19</b>	23,930	54,621	10,049	3,118	31,222	1,168	2,574	425		127,106
<b>Depreciation - 01/11/18</b>	14,242	26,527	1,360	1,520	24,132	505	1,743			70,030
Prior year adj.		(69)								(69)
Disposal		(2,895)								(2,895)
Depreciation Charge - Year	2,298	4,620	244	131	2,802	93	125			10,312
Accumulated Depreciation	16,540	28,182	1,603	1,651	26,934	598	1,868			77,376
<b>Net Book Value - APR 19</b>	<b>7,390</b>	<b>26,438</b>	<b>8,445</b>	<b>1,467</b>	<b>4,289</b>	<b>570</b>	<b>706</b>	<b>425</b>		<b>49,730</b>
<b>Net Book Value - OCT 18</b>	<b>9,688</b>	<b>32,314</b>	<b>63</b>	<b>1,472</b>	<b>6,459</b>	<b>603</b>	<b>830</b>	<b>425</b>		<b>51,855</b>



## CAC 2000 LIMITED

Notes to the Financial Statements (continued)

Second Quarter Ended April 30, 2019

### 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>2019</u> \$	<u>2018</u> \$
Bank Loans		
Motor vehicle loans	10,110,942	14,711,810
Premium financing loan	4,942,262	2,619,506
BNS revolving loan facility	50,000,000	0
Redeemable preference shares (a)	<u>200,000,000</u>	<u>348,037,000</u>
	265,053,204	365,368,316
Less: Current Portion	<u>(57,419,727)</u>	<u>(153,979,135)</u>
Non-current portion	<u>207,633,477</u>	<u>211,389,181</u>

(a) Redeemable preference shares:

	<u>2019</u> \$	<u>2018</u> \$
Proceeds from issue of redeemable pref. shares	<u>200,000,000</u>	<u>348,037,000</u>

350,000,000 fixed and variable rate redeemable preference shares were authorised with an issue price of \$1 per share. Of this 200,000,000 are fully paid. The \$200,000,000 9.5% cumulative preference shares were issued for working capital support and have 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, 2019

### 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 \$70,594,040.

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.

### 8. Other Income

General administration expenses include professional fees associated with commission income earned on projects. These commissions are included in other income.