



CAC 2000 LTD.

**INTERIM FINANCIAL REPORT
FOR THREE MONTHS ENDED
31-Jan-20**



CEO Report for Quarter Ending January 31, 2020

We are pleased to present a summary of our performance for the first quarter of the 2019-2020 financial year:

Summary of results

	2019/20	2018/19	Variance
Profit and loss			
Revenues	\$306,567,762	\$166,424,769	\$140,142,993
Gross Profit	\$114,810,982	\$54,565,360	\$60,245,622
Other Income	\$5,000	\$27,215,915	(\$27,210,915)
Expenses	(\$105,781,673)	(\$111,793,404)	(\$6,011,731)
Operating profit	\$9,034,309	(\$30,012,129)	\$39,046,439
Finance and other costs	(\$7,721,385)	(\$7,683,268)	\$38,117
(Loss)/Profit before taxation	\$1,312,924	(\$37,695,398)	\$39,008,322

The increased revenues and profits for this quarter demonstrates our recovery from the challenges arising from the road construction works in the prior year. Last year we had a large "Other Income" number due the Barbuda project, so in actuality, the profit turnaround of our Jamaica core business is even higher than the \$39M net profit improvement.

Total operating expenses were \$113.5M and represented 37% of revenue and other income.

- *General administrative* expenses were \$98.77M and recorded an 8% (or \$8.21M) decrease over last year. The majority of the savings came from salaries, IT, depreciation, bad debt provision, bad debt recovery and professional fees.
- *Selling and distribution* expenses were \$7.01M and exceeded last year by \$2.20M. The bulk of the increased spend came from salaries and advertising.
- *Finance costs* increased marginally due to changes in interest expenses and exchange losses.

We have made progress in reducing our inventory - down from \$374M last year Q1 (\$344M audited end of year) to \$329M.

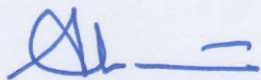
Trade Receivables increased from \$490M last year Q1 (\$511M audited end of year) to \$569M but the majority of the increase was from current receivables as invoicing activity increased in the final quarter.

Borrowing changed slightly in the quarter as we drew down on our operating credit line and accounts payable went up due to increased use of supplier credit and movements in customer deposits on new jobs.

The net result was that Cash and Cash Equivalents are \$50.8M higher than the same time last year.

We entered the second quarter with a continued healthy portfolio of jobs, while continuing to work to win more and convert these to revenues and profits. Work continues in Barbuda and we expect to announce some additional work there. We are confident we will recover from the financial strains of 2018-2019.

We are carefully following the Covid-19 and pandemic to identify solutions and products (some of which we already offer) that can mitigate the risks of transmission of this virus for our customers and ourselves. Our risk mitigation strategy is also being refined as we anticipate that flexi-time work schedules, social responsibility and compassion will be required during the course of this outbreak.



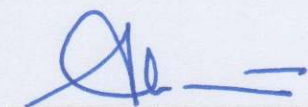
Steven Marston
Chairman & CEO

CAC 2000 LIMITED

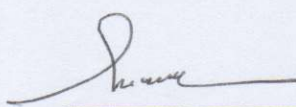
UNAUDITED STATEMENT OF FINANCIAL POSITION
THREE MONTHS ENDED JANUARY 31, 2020

	NOTES	Unaudited Jan 2020 \$	Unaudited Jan 2019 \$	Audited (12 months ended) Oct 2019 \$
ASSETS				
Non-current assets				
Property, Plant & Equipment	4	42,030,153	48,622,511	44,119,401
Deferred Tax Asset		0	0	0
Long-term receivable		0	0	0
		<u>42,030,153</u>	<u>48,622,511</u>	<u>44,119,401</u>
CURRENT ASSETS				
Income Tax Recoverable		14,587,988	7,914,979	14,274,091
Short Term Investments		757,401	265,609	549,894
Inventories		328,951,576	374,857,998	343,923,189
Trade and Other Receivables	8	569,309,050	490,309,769	510,805,102
Due from Related Party		28,262,291	11,696,022	44,039,667
Cash and Cash Equivalents		195,338,538	144,494,053	221,483,721
		<u>1,137,206,844</u>	<u>1,029,538,430</u>	<u>1,135,075,664</u>
TOTAL ASSETS		1,179,236,998	1,078,160,940	1,179,195,065
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)
Capital Reserves		56,070,656	56,070,656	56,070,657
Retained Earnings		181,685,274	302,275,721	208,193,737
Current Year Profit/(Loss)		1,312,924	(37,695,398)	(26,508,463)
Total Shareholders' Equity		<u>368,258,611</u>	<u>449,840,736</u>	<u>366,945,688</u>
NON-CURRENT LIABILITIES				
Loans and Borrowings	6	206,461,627	208,495,493	206,996,023
Obligation under finance lease		0	274,243	0
Deferred Tax Liability		0	0	0
		<u>206,461,627</u>	<u>208,769,736</u>	<u>206,996,023</u>
CURRENT LIABILITIES				
Loans and Borrowings	6	162,111,160	82,309,760	107,093,409
Due to Related party		36,467,812	18,009,333	60,267,447
Trade payables and other payables	7	405,426,696	315,702,271	436,811,709
Current portion of finance lease obligation		274,243	3,086,631	1,080,789
Income tax payable		236,849	442,473	0
		<u>604,516,760</u>	<u>419,550,468</u>	<u>605,253,354</u>
TOTAL LIABILITIES AND EQUITY		1,179,236,998	1,078,160,940	1,179,195,065

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



Steven Marston
Chief Executive Officer



Richard Powell
Director

CAC 2000 LIMITED

STATEMENT OF CHANGES IN CASH FLOW THREE MONTHS ENDED JANUARY 31, 2020

	Jan 2020	Jan 2019	Audited Oct 2019
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) for the year	1,312,924	(37,695,398)	(26,508,451)
Adjusted for:			
Taxation	0	-	0
Depreciation	4,641,125	5,134,173	22,468,542
Gain on disposal of fixed assets	0	(2,050,165)	(2,050,165)
Gain on revaluation of investments	(207,507)	4,150	(280,134)
Movement in expected credit loss	(4,753,961)	(41,047)	(10,453,976)
Provision for inventory obsolescence	0	(43,322)	203,225
Net foreign exchange losses/(gains)	443,033	(776,063)	1,001,334
Interest expenses	1,487,518	5,200,433	23,927,351
Interest income	(48,621)	(73,268)	(282,280)
Operating cash flows before movement in working capital	<u>2,874,511</u>	<u>(30,340,507)</u>	<u>8,025,445</u>
Movements in Working Capital:			
Inventories	14,971,613	(7,810,189)	22,878,073
Trade & other receivables	(54,062,927)	(5,398,495)	(110,812,495)
Due from Related Party	15,777,376	0	(32,343,645)
Trade payables and other payables	<u>(31,148,164)</u>	<u>(12,583,660)</u>	<u>113,816,075</u>
Cash Generated from Operations	<u>(51,587,591)</u>	<u>(56,132,851)</u>	<u>1,563,453</u>
Income tax paid	0	(445,977)	(6,178,759)
Net Cash (Used) Generated by Operating Activities	<u>(51,587,591)</u>	<u>(56,578,829)</u>	<u>(4,615,306)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(2,551,877)	(2,625,703)	(16,058,661)
Proceeds from disposal of fixed assets	0	2,774,000	2,774,000
Purchase of investments	0	(0)	0
Interest received	47,664	72,530	289,870
Net Cash (Used) Generated by Investing Activities	<u>(2,504,214)</u>	<u>220,827</u>	<u>(12,994,791)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	0	0	(4,516,129)
Repayment of bank loans	(65,516,645)	(2,255,492)	(95,503,250)
Proceeds from bank loans	120,000,000	80,000,000	196,531,937
Repayment of preference shares	0	0	0
Proceeds from issue of preference shares	0	0	0
Finance lease, net	(806,546)	(715,768)	(2,995,854)
Interest paid	(1,487,518)	(5,200,433)	(23,927,351)
Increase/(decrease) in amounts due to related parties	(23,799,636)	11,205,852	53,463,966
Proceeds from ordinary shares issued	0	0	0
Net Cash Provided (Used) for Financing Activities	<u>28,389,654</u>	<u>83,034,158</u>	<u>123,053,320</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIV.	(25,702,151)	26,676,157	105,443,222
Effects of exchange rate changes on cash and cash equivalents	(443,033)	776,063	(1,001,334)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIV.	<u>(26,145,184)</u>	<u>27,452,220</u>	<u>104,441,888</u>
Cash and Cash Equivalents at Beginning of Year	221,483,721	117,041,833	117,041,833
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>195,338,537</u>	<u>144,494,053</u>	<u>221,483,721</u>

CAC 2000 LTD.

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME THREE MONTHS ENDED JANUARY 31, 2020

Notes	Three Months to	Three Months to
	JAN-20	JAN-19
	\$	\$
Revenue	306,567,762	166,424,769
Cost of Sales	(191,756,780)	(111,859,409)
GROSS PROFIT	114,810,982	54,565,360
Other Income	5,000	27,215,915
ADMINISTRATIVE & OTHER EXPENSES		
Selling & Distribution	(7,014,316)	(4,811,702)
General Administration	(98,767,357)	(106,981,702)
	(105,781,673)	(111,793,404)
PROFIT BEFORE FINANCE COST AND TAXATION	9,034,309	(30,012,130)
Other Gains and Losses	(934,018)	(2,556,102)
Interest Income	73,267	73,268
Interest Expense	(6,860,634)	(5,200,433)
NET FINANCE COST	(7,721,385)	(7,683,268)
PROFIT BEFORE TAXATION	1,312,924	(37,695,398)
Taxation	0	0
TOTAL COMPREHENSIVE INCOME	1,312,924	(37,695,398)
Issued Shares (IAS 33)	129,032,258	129,032,258
Earnings per Share (EPS)	0.01	(0.29)

CAC 2000 LTD.STATEMENT OF CHANGES IN SHAREHOLDER'S NET EQUITY
THREE MONTHS ENDED JANUARY 31, 2020

	<u>Share Capital</u>	<u>Share Issue Costs</u>	<u>Capital Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Balances as at October 31, 2019	138,773,634	(9,583,877)	56,070,656	181,685,274	366,945,688
Shares issued and fully paid	0				0
Total Comprehensive Income				1,312,924	1,312,924
Balances as at January 31, 2020	<u>138,773,634</u>	<u>(9,583,877)</u>	<u>56,070,656</u>	<u>182,998,198</u>	<u>368,258,612</u>
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				(37,695,398)	(37,695,398)
Balances as at January 31, 2019	<u>138,773,634</u>	<u>(9,583,877)</u>	<u>56,070,656</u>	<u>264,580,323</u>	<u>449,840,736</u>

CAC 2000 LIMITED

Notes to the Financial Statements

First Quarter Ended January 31, 2020

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, 2019.

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 - 01/11/18	26,997	54,621	12,846	3,118	31,482	1,660	2,574	425	-	133,722
Revaluation/Adjustment	-	-	-	-	-	-	-	-	-	-
Additions	-	-	1,300	216	616	319	100	-	-	2,552
Redassification	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Cost - 31/01/19	26,997	54,621	14,146	3,334	32,098	1,979	2,674	425	-	136,274
Depreciation - 01/11/18	18,863	34,858	2,156	1,773	29,245	727	1,981	-	-	89,603
Prior year adj.	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Depreciation Charge - Year	1,225	2,538	299	60	368	96	55	-	-	4,641
Accumulated Depreciation	20,088	37,396	2,455	1,833	29,613	822	2,037	-	-	94,244
Net Book Value - JAN 19	6,909	17,225	11,692	1,501	2,485	1,157	637	425	-	42,030
Net Book Value - OCT 18	8,134	19,763	10,690	1,345	2,237	933	593	425	-	44,119

CAC 2000 LIMITED

Notes to the Financial Statements (continued)

First Quarter Ended January 31, 2020

5. Share capital

	<u>2020</u>	<u>2019</u>
	Units	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>2020</u>	<u>2019</u>
	\$	\$
Bank Loans		
Motor vehicle loans	8,847,030	14,166,127
BNS revolving loan facility	160,000,000	80,000,000
Redeemable preference shares (a)	<u>200,000,000</u>	<u>200,000,000</u>
	368,847,030	294,166,127
Less: Current Portion	<u>(162,385,403)</u>	<u>(85,396,391)</u>
Non-current portion	<u>206,461,627</u>	<u>208,769,736</u>

(a) Redeemable preference shares:

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)

First Quarter Ended January 31, 2020

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 \$73,493,568.

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. Trade and Other Receivables

	<u>2020</u>	<u>2019</u>
	\$	\$
Trade	605,362,187	414,632,312
Less: expected credit loss	<u>(93,684,451)</u>	<u>(25,621,165)</u>
	511,677,736	389,011,147
Other Receivables	10,931,785	78,909,272
Prepayments	<u>46,699,529</u>	<u>22,389,350</u>
	<u>569,309,050</u>	<u>490,309,769</u>

Ageing of trade receivables at the reporting date was:

	2020	2020	2020	2019	2019
	Gross Carrying Amount \$	Expected Credit Loss Rate	Expected Credit Loss \$	Gross \$	Loss Allowance \$
0-30 days	181,381,910	8%	14,035,617	67,612,561	-
31-60 days	59,072,569	9%	4,875,741	44,810,425	-
61-180 days	85,372,048	11%	8,874,452	64,330,382	-
More than 180 days	<u>279,535,660</u>	24%	<u>65,898,641</u>	<u>237,878,944</u>	<u>25,621,165</u>
	<u>605,362,187</u>		<u>93,684,451</u>	<u>414,632,312</u>	<u>25,621,165</u>

As at the reporting period, increase in loss allowance recognised in the income statement amounted to \$466,336 (2019: \$0). Bad debt written off/recovered against loss provision was \$5,645,173 (2019: \$41,047), \$5,220,297 of this amount was credited to the income statement.

CAC 2000 LIMITED
LIST OF SHAREHOLDERS
THREE MONTHS ENDED JANUARY 31, 2020

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 Peter Nicholas Anthony Forde and Patricia	1,232,962	0.96%
8	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%
		117,773,490	91.27%

TOTAL ACCOUNT HOLDERS	
JCSD register	247

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	
	95,172,099	

SENIOR MANAGEMENT'S SHAREHOLDING

SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PARTY
Colleen Ellison-Hall	30,000	Desmond Hall
Marcus Hay	13,400	
Glaister Cunningham	Nil	
	43,400	

CAC 2000 LIMITED

LIST OF SHAREHOLDERS

THREE MONTHS ENDED JANUARY 31, 2020

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	12,706,000	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	5,000,000	5.00%
8	NCB Insurance Co. Ltd. A/c WT185	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%
	NCB Insurance Co. Ltd. A/c WT182	5,000,000	2.50%
9	Mr. George Alpheus Brown/ Ms. Tensa Alecia Taylor	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/ Kerry-Ann Henry	3,000,000	1.50%
		181,202,000	90.60%

TOTAL ACCOUNT HOLDERS

JCSD register 100