



# Second Quarter Unaudited Financial Statements

*6 months*  
*31 August 2015*

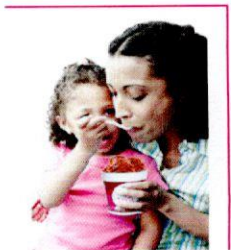


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# Caribbean Cream Ltd.

## UNAUDITED FINANCIAL RESULTS Six months ended August 31, 2015

The Board of Directors at Caribbean Cream Limited, manufacturers and distributors of ice cream and ice cream products, are pleased to present the unaudited financial results for the second quarter ended August 31, 2015.

### Results at a glance

For the second quarter (Q2) ended August 31, 2015 compared with the similar period last year,

	6 months ended August 31			3 months ended August 31		
	Yr 2015 \$'000	Yr 2014 \$'000	\$ Change	Yr 2015 \$'000	Yr 2014 \$'000	\$ Change
Revenue	560,067	505,118	54,949	270,876	253,578	17,298
Gross Profit	220,690	127,184	93,507	109,909	58,201	51,708
Net Profit after tax	84,729	17,826	66,903	45,505	1,348	44,157

- YTD revenue of \$560 million increased by \$54.9 million over the same period for 2014,
- YTD gross profit of \$220.7 million increased by \$93.5 million over the same period for 2014,
- YTD profit totalling \$84.7 million increased by \$66.9 million over the same period for 2014.



## **Performance Highlights**

Revenue for both the half year and Q2 were increased by 11% and 7% (\$54.9m and \$17.3m) respectively. This resulted from increased 'top of mind' awareness of the Kremi brand from our ongoing media campaign. Additionally, we instituted a number of customer and 'in-store' promotions during the period, which interacted with our customers and consumers, resulting in increased brand loyalty and sales.

Cost of sales for the half year and Q2 were \$339m and \$161m reflecting a reduction of \$38.5m and \$34.4m (10% and 18%) respectively in comparison to last year. The company continued to enjoy lower prices on its main ingredients coupled with the benefits from a reduced exchange rate over the year.

In light of the above, gross profit for the half year was \$221m, an increase of 74% or \$93.5m over the similar period last year. The gross profit for the quarter was \$110m resulting in an 89% or \$52m increase over the same period last year. Net profit after tax was \$84.7m for the half year and \$45.5m for the quarter. Earnings per share were \$0.22 for the half year.

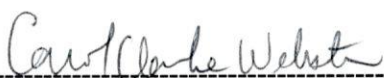
Administrative expenses totalled \$102m and \$46m for the half year and Q2 respectively. The quarterly increase is due to continued high cost in sanitation cost (pending the installation of the waste water system). Selling and distribution cost rose due to increased maintenance to the company's delivery trucks.


Total assets less current liabilities were \$497 million, an increase of \$103 million or 26% over last year due to significant reduction in accounts payable. Additional capital expenditure has been scheduled for the second half of the year, which should further enhance the company's financial position.

The working capital position has improved significantly as a result of –

- 1) Lower inventory levels attributable to the recent investment in our manufacturing process where the sales and production are more synchronized within the company's operations,
- 2) A reduction in accounts payable arising from lower overseas raw materials prices, and,
- 3) Higher receivables from increased sales to customer.

We thank all our employees, customers, shareholders, suppliers, and other stakeholders for their support and assistance with achieving the success and growth of the company.

  
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**Carol Clarke Webster**                      **Chairman**

  
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**Christopher Clarke**                      **CEO/Director**



# Caribbean Cream Ltd.


## UNAUDITED INCOME STATEMENT Six months ended August 31, 2015


	Unaudited 6 months to Aug-15 \$	Unaudited 6 months to Aug-14 \$	Unaudited 3 months to Aug-15 \$	Unaudited 3 months to Aug-14 \$	Audited year ended Feb-15 \$
Gross operating revenue	560,066,801	505,118,124	270,876,179	253,578,023	1,012,860,965
Cost of operating revenue	(339,376,457)	(377,934,609)	(160,967,489)	(195,377,134)	(737,060,605)
Gross Profit	220,690,343	127,183,515	109,908,690	58,200,889	275,800,360
Other income	1,268,449	734,441	953,588	422,005	2,497,610
	221,958,793	127,917,957	110,862,278	58,622,894	278,297,970
Administrative, selling & distribution expenses					
Administrative	(102,356,492)	(76,524,039)	(46,168,989)	(40,651,212)	(156,316,264)
Selling and distribution	(25,193,692)	(23,532,168)	(14,127,248)	(12,348,459)	(38,184,264)
	(127,550,184)	(100,056,207)	(60,296,237)	(52,999,671)	(194,500,528)
Operating profit before finance costs	94,408,609	27,861,749	50,566,041	5,623,223	83,797,442
Finance costs	(9,623,105)	(10,035,961)	(5,060,975)	(4,275,458)	(27,031,142)
Profit before taxation	84,785,504	17,825,788	45,505,066	1,347,765	56,766,300
Taxation	(56,587)	-	-	-	-
Net Profit after taxation	84,728,917	17,825,788	45,505,066	1,347,765	56,766,300
Earnings per stock unit	\$0.22	\$0.05	\$0.12	\$0.00	\$0.15

# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of FINANCIAL POSITION August 31, 2015

	Unaudited Aug-15 \$	Unaudited Aug-14 \$	Audited Feb-15 \$
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment	385,162,381	399,800,631	394,047,280
<b>CURRENT ASSETS</b>			
Inventories	71,019,886	115,340,853	79,993,317
Directors' current account	-	-	2,025,849
Trade and other receivables	42,552,348	32,590,769	33,047,695
Cash and cash equivalents	76,352,879	675,114	1,756,896
<b>Total current assets</b>	<b>189,925,114</b>	<b>148,606,736</b>	<b>116,823,757</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	65,784,819	130,430,550	68,386,799
Taxation payable	-	898,293	898,293
Current portion of long-term loans	12,203,714	12,349,009	24,407,428
Bank Overdraft	-	4,867,178	4,576,530
Directors' current account	-	5,446,913	-
<b>Total current liabilities</b>	<b>77,988,532</b>	<b>153,991,944</b>	<b>98,269,050</b>
<b>Net current assets</b>	<b>111,936,581</b>	<b>(5,385,208)</b>	<b>18,554,707</b>
<b>Total assets less current liabilities</b>	<b>497,098,962</b>	<b>394,415,423</b>	<b>412,601,987</b>
<b>NON-CURRENT LIABILITY</b>			
Long term loans	125,597,707	146,583,597	125,829,649
<b>Total non-current liability</b>	<b>125,597,707</b>	<b>146,583,597</b>	<b>125,829,649</b>
<b>EQUITY</b>			
Share Capital	111,411,290	111,411,290	111,411,290
Revaluation Reserve	47,669,736	47,669,736	47,669,736
Accumulated profits	212,420,229	88,750,800	127,691,312
<b>Total equity</b>	<b>371,501,255</b>	<b>247,831,826</b>	<b>286,772,338</b>
<b>Total non-current liability and equity</b>	<b>497,098,962</b>	<b>394,415,423</b>	<b>412,601,987</b>

  
 Carol Clarke Webster Chairman

  
 Christopher Clarke CEO/Director

# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of CHANGES in EQUITY Six months ended August 31, 2015

	Share Capital \$	Revaluation reserves \$	Retained earnings \$	Total \$
<b>Balances at February 28, 2014</b>	111,411,290	47,669,736	70,925,012	230,006,038
Adjustment to opening retained earning	-	-	-	-
Net profit for the period	-	-	17,825,788	17,825,788
<b>Balances at August 31, 2014</b>	<u>111,411,290</u>	<u>47,669,736</u>	<u>88,750,800</u>	<u>247,831,826</u>
<b>Balances at February 28, 2015</b>	111,411,290	47,669,736	127,691,312	286,772,338
Adjustment to opening retained earning	-	-	-	-
Net profit for the period	-	-	84,728,917	84,728,917
<b>Balances at August 31, 2015</b>	<u>111,411,290</u>	<u>47,669,736</u>	<u>212,420,229</u>	<u>371,501,255</u>

# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of CASH FLOW Six months ended August 31, 2015

	Unaudited 6 Months ended Aug-15 \$	Unaudited 6 Months ended Aug-14 \$	Audited year ended Feb-15 \$
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
Net profit for the period	84,728,917	17,825,788	56,766,300
Adjustments for:			
Depreciation	22,404,037	17,427,373	39,653,396
Interest expense	8,050,858	7,978,176	17,054,874
Loss on disposal/write-off of property, plant and equipment	-		344,000
Operating cash flows before movements in working capital	115,183,813	43,231,337	113,818,570
Trade and other receivables	(9,504,653)	(1,870,281)	(2,327,206)
Inventories	8,973,431	(49,182,398)	(13,834,862)
Trade and other payables	(2,601,981)	45,139,335	(16,904,422)
Taxation paid	(898,293)	(3,676,714)	(3,676,714)
Interest paid	(8,050,858)	(7,978,176)	(17,054,874)
Net cash provided by operating activities	103,101,458	25,663,103	60,020,492
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(13,519,137)	(48,563,108)	(65,379,775)
Net cash used by investing activities	(13,519,137)	(48,563,108)	(65,379,775)
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank loans	(12,435,657)	(6,039,096)	(14,734,625)
Proceeds from bank loans	-	30,000,000	30,000,000
Directors' current account	2,025,849	(148,296)	(7,621,058)
Net cash provided by financing activities	(10,409,808)	23,812,608	7,644,317
Net increase/(decrease) in cash resources	79,172,513	912,603	2,285,034
Cash and cash equivalents at beginning of year	(2,819,634)	(5,104,668)	(5,104,668)
<b>CASH and CASH EQUIVALENTS at end of YEAR</b>	<b>76,352,879</b>	<b>(4,192,064)</b>	<b>(2,819,634)</b>
<b>REPRESENTED BY:</b>			
Bank overdraft	-	(4,867,178)	1,756,896
Cash and bank	76,352,879	675,114	(4,576,530)
<b>Cash and cash equivalents at August 31, 2015</b>	<b>76,352,879</b>	<b>(4,192,064)</b>	<b>(2,819,634)</b>



# **Caribbean Cream Ltd.**

## **Notes to the Unaudited Financial Statements Six months ended August 31, 2015**

### **Identification and Principal Activities**

Caribbean Cream Limited (the Company) is incorporated and domiciled in Jamaica and its registered office is located at 3 South Road, Kingston 10. The principal activities of the Company are the manufacture and sale of ice cream under the 'Kremi' brand, and the importation and distribution of certain types of frozen novelties.

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange (JSE) on 17 May 2013.

### **Basis of preparation**

#### **Statement of compliance:**

These unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board, and comply with the relevant provisions of the Jamaican Companies Act. The accounting policies used in the preparation of these unaudited interim financial statements are consistent with those used in the audited financial statements for the year ended 28 February 2015 and comply with the requirements of IAS 34, Interim Financial reporting.

#### **Basis of measurement:**

The financial statements have been prepared under the historical cost convention except for certain classes of property, plant and equipment which are carried at valuation.

#### **Functional and presentation currency:**

These financial statements are expressed in Jamaican Dollars, which is the Company's functional currency.

# **Caribbean Cream Ltd.**

**Notes to the Unaudited Financial Statements cont'd**  
**Six months ended August 31, 2015**

## **Significant accounting policies**

### **Taxation**

The Company is exempt from income tax, following its listing on the Junior Market of the Jamaica Stock Exchange. Since listing on the Junior Market of the Stock Exchange 17<sup>th</sup> May 2013, two and half months after the start of the Company's financial year, income taxes were calculated on operating profits for the entire year followed by a remission of the equivalent of nine and a half months of the tax calculated. Therefore, the taxation charge for the period of \$ 56,587 represents under accrual for the financial year 2013 – 2014 of \$56,587.

### **Cash and cash equivalents**

Cash and cash equivalents comprise short term investment, cash and bank balances.

### **Segment reporting**

The Company only operates in one segment; therefore no segment reporting is done.

# Caribbean Cream Ltd.

## LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT AUGUST 31, 2015

Shareholder	Units
1. Scoops Un-Limited Limited	121,141,801
2. Matthew G. Clarke	60,055,425
3. Carol Webster/Christopher Clarke	58,521,764
4. Christopher A. Clarke	35,133,399
5. Resource In Motion Limited	31,750,000
6. Mayberry West Indies Bank Limited	9,131,464
7. Everton J. Smith	6,780,000
8. JI Limited	5,000,000
9. Colin Steele	4,309,800
10. Jamaican Teas Limited Buying A/C	3,000,000

# Caribbean Cream Ltd.

## SHAREHOLDINGS OF DIRECTORS, SENIOR MANAGERS & CONNECTED PARTIES AS AT AUGUST 31, 2015

### SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES

Director	Shareholdings	Connected Parties	Shareholdings
Carol Webster	58,521,764	Christopher Clarke Scoops Un-Limited Limited	121,141,801
Matthew G. Clarke	60,055,425	Scoops Un-Limited Limited	121,141,801
Christopher A. Clarke Christopher A. Clarke	30,133,399 5,000,000	Kamoy S. Clarke (joint holder) Scoops Un-Limited Limited	121,141,801
Mark McKenzie	2,500,000	---	
Wayne Wray	1,000,000 1,835	Christine Randle Craig A. Singh	

### SHAREHOLDINGS OF SENIOR MANAGERS AND CONNECTED PARTIES

Senior Manager	Shareholdings	Connected Parties	Shareholdings
David Radlein	100,000	Catherine Radlein	
Karen Williams	25,855	Vyris Williams	