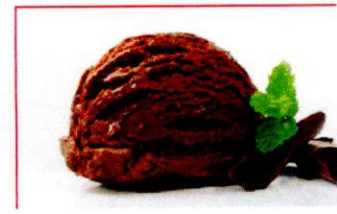
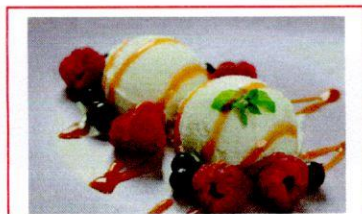




**Third Quarter Unaudited Financial  
Statements**  
*9 months*  
*30 November 2015*



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## Caribbean Cream Ltd.

### UNAUDITED FINANCIAL RESULTS Nine months ended November 30, 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 third quarter ended November 30, 2015.

#### Results at a glance

For the third quarter (Q3) ended November 30, 2015 compared with the similar period last year,

	9 months ended November 30			3 months ended November 30		
	Yr 2015 \$'000	Yr 2014 \$'000	\$ Change	Yr 2015 \$'000	Yr 2014 \$'000	\$ Change
Revenue	818,387	741,360	77,027	258,321	236,242	22,079
Gross Profit	323,473	202,284	121,189	102,783	75,100	27,683
Net Profit after tax	123,694	31,075	92,619	38,965	13,250	25,715

- YTD revenue of \$818 million increased by \$77 million over the same period for 2014,
- YTD gross profit of \$323 million increased by \$121.2 million over the same period for 2014,
- YTD profit totalling \$123.7 million increased by \$92.6 million over the same period for 2014.



## **Performance Highlights**

Revenue for both the Nine months and Q3 were increased by 10% and 9% (\$77m and \$22.1m) respectively. This resulted from increased sales of the higher margin items.

Cost of sales for the Nine months and Q3 were \$494.9m and \$155.5m reflecting a reduction of \$44.2m and \$5.6m (8% and 3%) respectively in comparison to last year. The company continues to benefit from price reductions on its main ingredients.

Due to the above, gross profit for the Nine months was \$323m, an increase of 60% or \$121.2m over the similar period last year. The gross profit for the quarter was \$102.8m resulting in a 27% or \$27.7m increase over the same period last year. The objective of increasing operational efficiencies continues where the company has been improving its capital base through savings on electricity cost, reduction in process times, locking in prices for raw materials as far forward as is possible in a soft market.

Net profit after tax was \$123.7m for the nine months and \$38.9m for the quarter. Earnings per share were \$0.33 for the Nine months.

Administrative expenses totalled \$153m and \$50.8m for the Nine months and Q3 respectively. We continue to experience high sanitation costs (pending the installation of the waste water system). Selling and distribution expenses increased by 21% in the third quarter as a result of higher haulage cost arising from the needs to service additional out of town locations.

Total assets less current liabilities were \$536 million, an increase of \$132 million or 33% over last year due to the reduction in accounts payable and inventory. Savings were realized based on lower costs of major raw materials, tighter inventory management and capitalizing on advancements in the industry. The latter allowed us to eliminate a costly raw material from inventory.

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

A handwritten signature in cursive script that reads "Carol Clarke Webster".

**Carol Clarke Webster**

**Chairman**

A handwritten signature in cursive script that reads "C. Clarke".

**Christopher Clarke**

**CEO/Director**

# Caribbean Cream Ltd.

## UNAUDITED INCOME STATEMENT Nine months ended November 30, 2015

	Unaudited 9 months to Nov-15 \$	Unaudited 9 months to Nov-14 \$	Unaudited 3 months to Nov-15 \$	Unaudited 3 months to Nov-14 \$	Audited year ended Feb-15 \$
Gross operating revenue	818,387,347	741,359,636	258,320,546	236,241,511	1,012,860,965
Cost of operating revenue	(494,914,058)	(539,075,824)	(155,537,601)	(161,141,215)	(737,060,605)
<b>Gross Profit</b>	<b>323,473,289</b>	<b>202,283,812</b>	<b>102,782,946</b>	<b>75,100,296</b>	<b>275,800,360</b>
Other income	2,234,121	1,314,976	965,672	580,534	2,497,610
	<u>325,707,410</u>	<u>203,598,788</u>	<u>103,748,617</u>	<u>75,680,830</u>	<u>278,297,970</u>
<b>Administrative, selling &amp; distribution expenses</b>					
Administrative	(153,242,807)	(124,296,959)	(50,886,315)	(47,772,921)	(156,316,264)
Leasehold Improvement written off					
Selling and distribution	(35,155,663)	(31,766,469)	(9,961,971)	(8,234,301)	(38,184,264)
	<u>(188,398,470)</u>	<u>(156,063,428)</u>	<u>(60,848,286)</u>	<u>(56,007,222)</u>	<u>(194,500,528)</u>
<b>Operating profit before finance costs</b>	<b>137,308,940</b>	<b>47,535,360</b>	<b>42,900,332</b>	<b>19,673,608</b>	<b>83,797,442</b>
Finance costs	(13,558,325)	(16,459,983)	(3,935,220)	(6,424,021)	(27,031,142)
<b>Profit before taxation</b>	<b>123,750,616</b>	<b>31,075,377</b>	<b>38,965,111</b>	<b>13,249,587</b>	<b>56,766,300</b>
Taxation	(56,587)	-	-	-	-
<b>Net Profit after taxation</b>	<b><u>123,694,029</u></b>	<b><u>31,075,377</u></b>	<b><u>38,965,111</u></b>	<b><u>13,249,587</u></b>	<b><u>56,766,300</u></b>
<b>Earnings per stock unit</b>	<b><u>\$0.33</u></b>	<b><u>\$0.08</u></b>	<b><u>\$0.10</u></b>	<b><u>\$0.03</u></b>	<b><u>\$0.15</u></b>

# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of FINANCIAL POSITION November 30, 2015

	Unaudited Nov-15 \$	Unaudited Nov-14 \$	Audited Feb-15 \$
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment	383,768,486	395,018,126	394,047,280
<b>CURRENT ASSETS</b>			
Inventories	78,553,768	124,093,632	79,993,317
Directors' current account	-	-	2,025,849
Trade and other receivables	49,917,101	28,039,937	33,047,695
Cash and cash equivalents	91,964,842	1,260,795	1,756,896
<b>Total current assets</b>	<b>220,435,711</b>	<b>153,394,364</b>	<b>116,823,757</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	62,095,828	118,843,217	68,386,799
Taxation payable	-	898,293	898,293
Current portion of long-term loans	6,101,857	12,349,009	24,407,428
Bank Overdraft	-	1,285,889	4,576,530
Directors' current account	-	11,050,771	-
<b>Total current liabilities</b>	<b>68,197,685</b>	<b>144,427,179</b>	<b>98,269,050</b>
<b>Net current assets</b>	<b>152,238,026</b>	<b>8,967,185</b>	<b>18,554,707</b>
<b>Total assets less current liabilities</b>	<b>536,006,512</b>	<b>403,985,311</b>	<b>412,601,987</b>
<b>NON-CURRENT LIABILITY</b>			
Long term loans	125,540,145	142,903,896	125,829,649
<b>Total non-current liability</b>	<b>125,540,145</b>	<b>142,903,896</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	251,385,341	102,000,389	127,691,312
<b>Total equity</b>	<b>410,466,367</b>	<b>261,081,415</b>	<b>286,772,338</b>
<b>Total non-current liability and equity</b>	<b>536,006,512</b>	<b>403,985,311</b>	<b>412,601,987</b>



Carol Clarke Webster Chairman



Christopher Clarke CEO/Director

# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of CHANGES in EQUITY Nine months ended November 30, 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
Net profit for the period	-	-	31,075,377	31,075,377
<b>Balances at November 30, 2014</b>	<b>111,411,290</b>	<b>47,669,736</b>	<b>102,000,389</b>	<b>261,081,415</b>
<b>Balances at February 28, 2015</b>	111,411,290	47,669,736	127,691,312	286,772,338
Net profit for the period	-	-	123,694,029	123,694,029
<b>Balances at November 30, 2015</b>	<b>111,411,290</b>	<b>47,669,736</b>	<b>251,385,341</b>	<b>410,466,367</b>

# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of CASH FLOW Nine months ended November 30, 2015

	Unaudited 9 Months ended Nov-15 \$	Unaudited 9 Months ended Nov-14 \$	Audited year ended Feb-15 \$
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
Net profit for the period	123,694,029	31,075,377	56,766,300
Adjustments for:			
Depreciation	33,939,216	29,641,395	39,653,396
Interest expense	11,905,845	7,978,176	17,054,874
Loss on disposal/write-off of property, plant and equipment	-	344,000	344,000
Operating cash flows before movements in working capital	169,539,091	69,038,948	113,818,570
Trade and other receivables	(16,869,405)	2,680,554	(2,327,206)
Inventories	1,439,550	(57,935,176)	(13,834,862)
Trade and other payables	(6,290,972)	33,551,999	(16,904,422)
Taxation paid	(898,293)	(3,676,714)	(3,676,714)
Interest paid	(11,905,845)	(7,978,176)	(17,054,874)
Net cash provided by operating activities	<u>135,014,124</u>	<u>35,681,434</u>	<u>60,020,492</u>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(23,660,422)	(56,338,625)	(65,379,775)
Net cash used by investing activities	<u>(23,660,422)</u>	<u>(56,338,625)</u>	<u>(65,379,775)</u>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank loans	(18,595,075)	(9,718,797)	(14,734,625)
Proceeds from bank loans	-	30,000,000	30,000,000
Directors' current account	2,025,849	5,455,561	(7,621,058)
Net cash provided by financing activities	<u>(16,569,226)</u>	<u>25,736,764</u>	<u>7,644,317</u>
Net increase/(decrease) in cash resources	94,784,476	5,079,574	2,285,034
Cash and cash equivalents at beginning of year	<u>(2,819,634)</u>	<u>(5,104,668)</u>	<u>(5,104,668)</u>
CASH and CASH EQUIVALENTS at end of YEAR	<u><b>91,964,842</b></u>	<u><b>(25,094)</b></u>	<u><b>(2,819,634)</b></u>
REPRESENTED BY:			
Bank overdraft	-	(1,285,889)	(4,576,530)
Cash and bank	91,964,842	1,260,795	1,756,896
Cash and cash equivalents at November 30, 2015	<u><b>91,964,842</b></u>	<u><b>(25,094)</b></u>	<u><b>(2,819,634)</b></u>



# **Caribbean Cream Ltd.**

## **Notes to the Unaudited Financial Statements Nine months ended November 30, 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**  
**Nine months ended November 30, 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 NOVEMBER 30, 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	8,767,733
7. Everton J. Smith	6,570,000
8. JI Limited	5,000,000
9. Colin Steele	4,309,800
10. Jamaican Teas Limited Buying A/C	3,678,668

# Caribbean Cream Ltd.

## SHAREHOLDINGS OF DIRECTORS, SENIOR MANAGERS & CONNECTED PARTIES AS AT NOVEMBER 30, 2015

### SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES

Director	Shareholdings	Connected Parties	Shareholdings
<b>Director</b>	<b>Shareholdings</b>	<b>Connected Parties</b>	<b>Shareholdings</b>
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	30,133,399		
Christopher A. Clarke	5,000,000	Kamoy S. Clarke (joint holder) Scoops Un-Limited Limited	121,141,801
Mark McKenzie	1,750,000	---	
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	