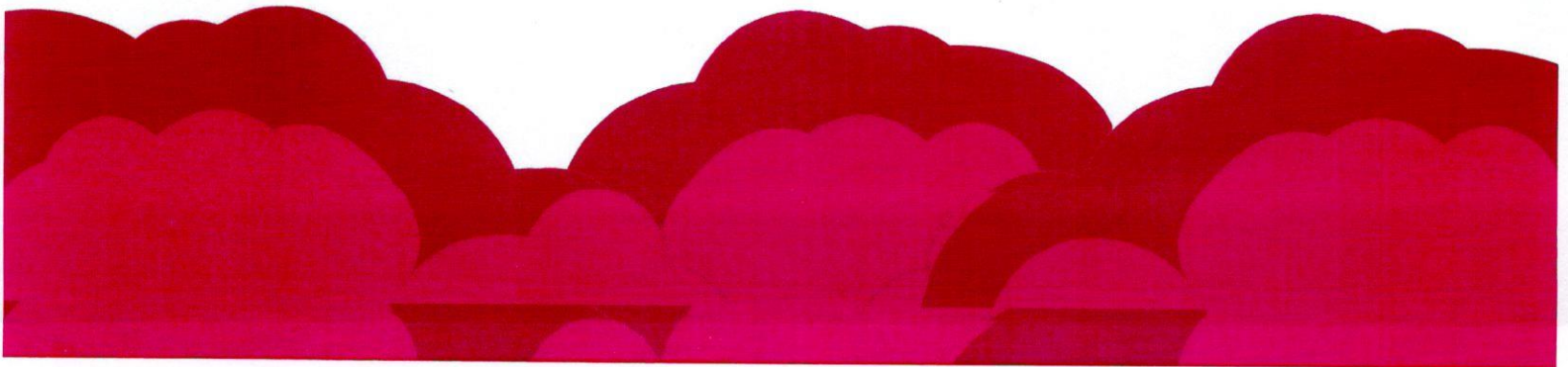




# **First Quarter Unaudited Financial Statements**



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## Caribbean Cream Ltd.

### UNAUDITED FINANCIAL RESULTS Three months ended May 31, 2016

The Board of Directors at Caribbean Cream Limited, are pleased to present the unaudited financial results for the first quarter ended May 31, 2016.

#### Results at a glance

For the first quarter (Q1) ended May 31, 2016 compared with the similar period last year,

<b>3 months ended May 31</b>			
	<b>Yr 2016</b>	<b>Yr 2015</b>	<b>%</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>change</b>
<b>Revenue</b>	315,259	289,191	9%
<b>Gross Profit</b>	137,777	110,782	24%
<b>Net Profit after tax</b>	71,176	39,224	81%

- YTD revenue of \$315,259 million increased by \$26 million or 9% over the same period for 2015,
- YTD gross profit of \$138 million increased by \$27 million or 24% over the same period for 2015,
- YTD profit totalling \$71 million increased by \$32 million or 81% over the same period for 2015.





## **Performance Highlights**

Revenue for the first quarter totalled \$ 315 million which increased by 9% or \$26 million over the same period for 2015. This growth is due our continued expansion of our market segments in the wholesale, retail and convenience sectors, retention and expansion of our consumer base, resulting in increased market share, and customer loyalty.

Gross profit for the three months was \$138 million, an increase of 24% over the same period last year. The increase is due to a combination of increased sales and reduced cost as the company continues to benefits lower prices on its' main raw ingredients

Administrative, selling and distribution expenses totalling \$65 million was reduced by \$2 million or 3% in comparison to last year primarily due to lower than anticipated safety costs and lower than expected promotional expenses.

Finance costs of \$3 million were less than the similar period last year by \$1.5 million or 34% due to lower interest cost.

Net profit after tax was \$71 million, an increase of \$32 million or 81% above last year. Earnings per share were \$0.19, an increase of \$0.09.

Total assets less current liabilities were \$611 million, an increased growth of \$159 million or 35% over last year.

The company continues to position itself to becoming the number #1 ice cream company by positively influencing existing and new consumers with quality and affordable ice cream.

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

**Carol Clarke Webster**

**Chairman**

**Christopher Clarke**

**CEO/Director**

# Caribbean Cream Ltd.

## UNAUDITED INCOME STATEMENT Three months ended May 31, 2016

	Unaudited 3 months to May-16 S	Unaudited 3 months to May-15 S	Audited year ended Feb-16 S
<b>Gross operating revenue</b>	315,258,576	289,190,621	1,134,933,221
Cost of operating revenue	(177,481,563)	(178,408,968)	(684,741,583)
<b>Gross Profit</b>	137,777,013	110,781,653	450,191,638
Other income	588,700	314,862	2,117,995
	<u>138,365,713</u>	<u>111,096,515</u>	<u>452,309,633</u>
<b>Administrative, selling &amp; distribution expenses:</b>			
Administrative	(54,342,935)	(56,187,503)	(229,722,231)
Selling and distribution	(10,836,803)	(11,066,444)	(42,745,017)
	<u>(65,179,737)</u>	<u>(67,253,946)</u>	<u>(272,467,248)</u>
<b>Operating profit before finance costs</b>	73,185,976	43,842,568	179,842,385
Interest income	987,836		1,719,065
Finance costs	(2,997,980)	(4,562,130)	(17,762,547)
<b>Profit before taxation</b>	71,175,833	39,280,438	163,798,903
Taxation	-	(56,587)	(56,587)
<b>Net Profit after taxation</b>	<u>71,175,833</u>	<u>39,223,852</u>	<u>163,742,316</u>
<b>Other Comprehensive Income:</b>			
Items that will never be reclassified subsequently to profit or loss			
Adjustment to revalued property, plant and equipment			(13,189,500)
	<u>71,175,833</u>	<u>39,223,852</u>	<u>150,552,816</u>
<b>Earnings per stock unit</b>	<u>\$0.19</u>	<u>\$0.10</u>	<u>\$0.43</u>



Carol Clarke Webster Chairman



Christopher Clarke CEO/Director



# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of FINANCIAL POSITION May 31, 2016

	Unaudited May-16 \$	Unaudited May-15 \$	Audited Feb-16 \$
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment	373,968,219	386,745,357	361,327,659
<b>CURRENT ASSETS</b>			
Inventories	75,028,240	60,652,689	73,343,031
Trade and other receivables	53,944,369	51,546,461	46,963,856
Cash and cash equivalents	194,673,767	50,759,628	152,523,086
<b>Total current assets</b>	<b>323,646,376</b>	<b>162,958,778</b>	<b>272,829,973</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	69,540,106	79,712,741	71,376,204
Current portion of long-term loans	17,410,670	18,305,571	23,214,227
<b>Total current liabilities</b>	<b>86,950,776</b>	<b>98,018,312</b>	<b>94,590,431</b>
<b>Net current assets</b>	<b>236,695,600</b>	<b>64,940,467</b>	<b>178,239,542</b>
<b>Total assets less current liabilities</b>	<b>610,663,819</b>	<b>451,685,824</b>	<b>539,567,201</b>
<b>NON-CURRENT LIABILITY</b>			
Long term loans	102,162,831	125,689,635	102,242,047
<b>Total non-current liability</b>	<b>102,162,831</b>	<b>125,689,635</b>	<b>102,242,047</b>
<b>EQUITY</b>			
Share Capital	111,411,290	111,411,290	111,411,290
Revaluation Reserve	34,480,236	47,669,736	34,480,236
Accumulated profits	362,609,462	166,915,163	291,433,628
<b>Total equity</b>	<b>508,500,988</b>	<b>325,996,189</b>	<b>437,325,154</b>
<b>Total non-current liability and equity</b>	<b>610,663,819</b>	<b>451,685,824</b>	<b>539,567,201</b>

## Caribbean Cream Ltd.

### UNAUDITED STATEMENT of CHANGES in EQUITY Three months ended May 31, 2016

	Share Capital	Revaluation reserves	Retained earnings	Total
	\$	\$	\$	\$
<b>Balances at February 28, 2015</b>	111,411,290	47,669,736	127,691,312	286,772,338
Net profit for the period	-	-	39,223,852	39,223,852
<b>Balances at May 31, 2015</b>	<b>111,411,290</b>	<b>47,669,736</b>	<b>166,915,163</b>	<b>325,996,189</b>
<b>Balances at February 29, 2016</b>	111,411,290	34,480,236	291,433,629	437,325,155
Net profit for the period	-	-	71,175,833	71,175,833
<b>Balances at May 31, 2016</b>	<b>111,411,290</b>	<b>34,480,236</b>	<b>362,609,462</b>	<b>508,500,988</b>

# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of CASH FLOW Three months ended May 31, 2016

	Unaudited 3 Months ended May-16 S	Unaudited 3 Months ended May-15 S	Audited year ended Feb-16 S
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
Net profit for the period	71,175,833	39,223,852	163,742,316
Adjustments for:			
Depreciation	11,984,711	10,083,307	48,010,615
Interest expense	3,223,047	3,844,195	15,642,768
Interest income	(987,836)		(1,719,065)
Taxation			56,587
Write-off of property, plant and equipment	-	-	502,628
Impairment of property, plant & equipment	-	-	18,200,000
Operating profit before changes in working capital	85,395,754	53,151,354	244,435,849
Trade and other receivables	(6,980,513)	(18,498,766)	(13,766,450)
Inventories	(1,685,208)	19,340,629	6,650,286
Trade and other payables	(1,836,098)	11,325,942	2,989,405
Taxation paid	-	(898,293)	(954,880)
Interest paid	(3,223,047)	(3,844,195)	(15,642,768)
Interest received	987,836	-	1,569,354
Net cash provided by operating activities	<u>72,658,724</u>	<u>60,576,670</u>	<u>225,280,796</u>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(24,625,271)	(2,781,385)	(47,183,122)
Net cash used by investing activities	<u>(24,625,271)</u>	<u>(2,781,385)</u>	<u>(47,183,122)</u>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank loans	(5,882,773)	(6,241,872)	(24,780,803)
Directors' current account	-	2,025,849	2,025,849
Net cash used by financing activities	<u>(5,882,773)</u>	<u>(4,216,023)</u>	<u>(22,754,954)</u>
Net increase in cash resources	42,150,681	53,579,262	155,342,720
Cash and cash equivalents at beginning of the year	152,523,086	(2,819,634)	(2,819,634)
Cash and cash equivalents at end of the year	<u>194,673,767</u>	<u>50,759,628</u>	<u>152,523,086</u>
Comprised of			
Cash and bank	86,307,199	-	89,462,717
Fixed deposits	108,366,568	50,759,628	63,060,369
<b>Cash and cash equivalents at May 31, 2016</b>	<u>194,673,767</u>	<u>50,759,628</u>	<u>152,523,086</u>



# **Caribbean Cream Ltd.**

## **Notes to the Unaudited Financial Statements Three months ended May 31, 2016**

### **Identification and Principal Activities**

Caribbean Cream Limited (the company) which is incorporated and domiciled in Jamaica is a listed company on the Junior Market of the Jamaica Stock Exchange (JSE). The company's registered office is located at 3 South Road, Kingston 10, Jamaica.

At the reporting date, Scoops Unlimited Limited, a company incorporated and domiciled in Jamaica, and its directors controlled the company by virtue of their direct holding of 78% of the issued shares of the company.

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 29 February 2016 and comply with the requirements of IAS 34, Interim Financial reporting.

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

The financial statements are prepared on the historical cost basis, except for certain classes of property, plant and equipment which are carried at valuation, and are presented in Jamaica dollars, which is the functional currency of the company.

# **Caribbean Cream Ltd.**

**Notes to the Unaudited Financial Statements cont'd**  
**Three months ended May 31, 2016**

## **Significant accounting policies**

### **Revenue**

Revenue from sale of goods represents the invoiced value of goods and services, and is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

### **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.

### **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 MAY 31, 2016

Shareholder	Units
1. Scoops Un-Limited Limited	121,341,801
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. Everton J. Smith	7,200,000
7. Mayberry West Indies Limited	5,643,016
8. JI Limited	5,000,000
9. Colin Steele	4,309,800
10. Jamaican Teas Limited Buying A/C	2,687,695

Caribbean Cream Ltd.



**SHAREHOLDINGS OF DIRECTORS, SENIOR MANAGERS & CONNECTED PARTIES  
AS AT MAY 31, 2016**

**SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES**

<b>Director</b>	<b>Shareholdings</b>	<b>Connected Parties</b>	<b>Shareholdings</b>
Carol Webster	58,521,764	Christopher Clarke Scoops Un-Limited Limited	121,341,801
Matthew G. Clarke	60,055,425	Scoops Un-Limited Limited	121,341,801
Christopher A. Clarke	30,133,399		
Christopher A. Clarke	5,000,000	Kamoy S. Clarke (joint holder) Scoops Un-Limited Limited	121,341,801
Mark McKenzie	1,250,000	---	
Wayne Wray	1,000,000 1,835	Christine Randle Craig A. Singh	
Denise Douglas	2,895	Ryan McCalla	

**SHAREHOLDINGS OF SENIOR MANAGERS AND CONNECTED PARTIES**

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