



**Second Quarter Unaudited Financial
Statements**
6 months
31 August 2016

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Caribbean Cream Ltd.

UNAUDITED FINANCIAL RESULTS

Six months ended August 31, 2016

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

Results at a glance

For the second quarter (Q2) ended August 31, 2016 compared with the similar period last year,

	6 months ended August 31			3 months ended August 31		
	Yr 2016 \$'000	Yr 2015 \$'000	% change	Yr 2016 \$'000	Yr 2015 \$'000	% change
Revenue	614,899	560,067	10%	299,640	270,876	11%
Gross Profit	254,830	220,690	15%	117,053	109,909	7%
Net Profit after tax	117,574	84,729	39%	46,399	45,505	2%

- YTD revenue of \$615 million increased by \$55 million or 10% over the same period for 2015,
- YTD gross profit of \$255 million increased by \$34 million or 15% over the same period for 2015,
- YTD profit totalling \$118 million increased by \$33 million or 39% over the same period for 2015.



Performance Highlights

Revenue for the half year and Q2 totalled \$615m and \$300m, an increase of 10% and 11% (\$55m and \$29m) respectively over the same period for 2015. The growth of 11% achieved in Q2, was as a result of the continued Marketing & Sales thrust in the Wholesale, Retail and Hotels, Restaurants & Institutions (HRI) segments of the market, where we continued to make inroads into our competitors' market share, and the consumers continue to show their brand loyalty to the Kremi brand.

Cost of operating revenue for the half year and Q2 were \$360m and \$183m, an increase of \$21m and \$22m (6% and 13%) respectively when compared to last year. During this period the company began to feel the effects of the initial stage of increased prices on its main ingredients which are sourced overseas in addition to the devaluation of the Jamaican dollar.

The Gross profit for the half year and Q2 were \$255m and \$117m, an increase of 15% and 7% (\$34m and \$7m) respectively, versus a similar period last year. The company continues its objective of increasing sales whilst monitoring and reducing costs in other areas of the business.

Administrative costs for the half year and Q2 were \$113m and \$59m, increases of 11% and 29% (\$12m and \$13m) respectively when compared to last year. The key drivers behind these numbers are,

- 1) Salary adjustments and continued investment in key personnel as the business grows.
- 2) An aggressive technical support training programme for all levels of company personnel. This supports our drive for greater efficiency and HACCP and 5S certification.

Net profit after tax for the half year and Q2 were \$118m and \$46m, an increase of 39% and 2% (\$32m and \$894k) respectively.

Total assets less current liabilities were \$657 million, an increase of \$160 million or 32% over last year.

As we continue to position Caribbean Cream to become the number #1 ice cream company in the Caribbean, we want to express our sincere thanks and appreciation to every stakeholder who has played a part in our success. Our employees, customers, suppliers and shareholders have had a key role and we are extremely grateful to you all. We will continue to work on growing a strong, sustainable business for you all.



Carol Clarke Webster

Chairman



Christopher Clarke

CEO/Director

Caribbean Cream Ltd.

UNAUDITED INCOME STATEMENT Six months ended August 31, 2016

	Unaudited 6 months to Aug-16 \$	Unaudited 6 months to Aug-15 \$	Unaudited 3 months to Aug-16 \$	Unaudited 3 months to Aug-15 \$	Audited year ended Feb-16 \$
Gross operating revenue	614,898,774	560,066,801	299,640,198	270,876,179	1,134,933,221
Cost of operating revenue	(360,068,524)	(339,376,457)	(182,586,961)	(160,967,489)	(684,741,583)
Gross Profit	254,830,250	220,690,343	117,053,237	109,908,690	450,191,638
Other income	1,272,087	1,268,449	683,387	953,588	2,117,995
	<u>256,102,338</u>	<u>221,958,793</u>	<u>117,736,625</u>	<u>110,862,278</u>	<u>452,309,633</u>
Administrative, selling & distribution expenses:					
Administrative	(113,702,443)	(102,356,492)	(59,359,508)	(46,168,989)	(229,722,231)
Selling and distribution	(22,266,544)	(25,193,692)	(11,429,741)	(14,127,248)	(42,745,017)
	<u>(135,968,986)</u>	<u>(127,550,184)</u>	<u>-70,789,249</u>	<u>(60,296,237)</u>	<u>(272,467,248)</u>
Operating profit before finance costs	120,133,352	94,408,609	46,947,376	50,566,041	179,842,385
Interest income	2,345,518	-	1,357,681	-	1,719,065
Finance costs	(4,904,454)	(9,623,105)	(1,906,475)	(5,060,975)	(17,762,547)
Profit before taxation	117,574,415	84,785,504	46,398,583	45,505,066	163,798,903
Taxation	-	(56,587)	-	-	(56,587)
Net Profit after taxation	<u>117,574,415</u>	<u>84,728,917</u>	<u>46,398,583</u>	<u>45,505,066</u>	<u>163,742,316</u>
Earnings per stock unit	<u>\$0.31</u>	<u>\$0.22</u>	<u>\$0.12</u>	<u>\$0.12</u>	<u>\$0.43</u>

Carol Clarke Webster

Carol Clarke Webster

Chairman

C. Clarke

Christopher Clarke

CEO/Director

Caribbean Cream Ltd.

UNAUDITED STATEMENT of FINANCIAL POSITION August 31, 2016

	Unaudited Aug-16 \$	Unaudited Aug-15 \$	Audited Feb-16 \$
NON-CURRENT ASSET			
Property, plant and equipment	405,603,111	385,162,381	361,327,659
CURRENT ASSETS			
Inventories	82,535,425	71,019,886	73,343,031
Trade and other receivables	46,505,360	42,552,348	46,963,856
Cash and cash equivalents	249,515,821	76,352,879	152,523,086
Total current assets	378,556,607	189,925,114	272,829,973
CURRENT LIABILITIES			
Trade and other payables	115,577,405	65,784,819	71,376,204
Current portion of long-term loans	11,607,114	12,203,714	23,214,227
Total current liabilities	127,184,518	77,988,532	94,590,431
Net current assets	251,372,089	111,936,581	178,239,542
Total assets less current liabilities	656,975,200	497,098,962	539,567,201
NON-CURRENT LIABILITY			
Long term loans	102,075,629	125,597,707	102,242,047
Total non-current liability	102,075,629	125,597,707	102,242,047
EQUITY			
Share Capital	111,411,290	111,411,290	111,411,290
Revaluation Reserve	34,480,236	47,669,736	34,480,236
Accumulated profits	409,008,044	212,420,229	291,433,628
Total equity	554,899,570	371,501,255	437,325,154
Total non-current liability and equity	656,975,200	497,098,962	539,567,201

Caribbean Cream Ltd.

UNAUDITED STATEMENT of CHANGES in EQUITY Six months ended August 31, 2016

	Share Capital	Revaluation reserves	Retained earnings	Total
	\$	\$	\$	\$
Balances at February 28, 2015	111,411,290	47,669,736	127,691,312	286,772,338
Net profit for the period	-	-	84,728,917	84,728,917
Balances at August 31, 2015	111,411,290	47,669,736	212,420,229	371,501,255
Balances at February 29, 2016	111,411,290	34,480,236	291,433,629	437,325,155
Net profit for the period	-	-	117,574,415	117,574,415
Balances at August 31, 2016	111,411,290	34,480,236	409,008,044	554,899,570

Caribbean Cream Ltd.

UNAUDITED STATEMENT of CASH FLOW Six months ended August 31, 2016

	Unaudited 6 Months ended Aug-16 \$	Unaudited 6 Months ended Aug-15 \$	Audited year ended Feb-16 \$
CASHFLOW FROM OPERATING ACTIVITIES			
Net profit for the period	117,574,415	84,728,917	163,742,316
Adjustments for:			
Depreciation	24,096,486	22,404,037	48,010,615
Interest expense	6,097,145	8,050,858	15,642,768
Interest income	(2,345,518)		(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	145,422,528	115,183,813	244,435,849
Trade and other receivables	458,496	(9,504,653)	(13,766,450)
Inventories	(9,192,393)	8,973,431	6,650,286
Trade and other payables	44,201,200	(2,601,981)	2,989,405
Taxation paid	-	(898,293)	(954,880)
Interest paid	(6,097,145)	(8,050,858)	(15,642,768)
Interest received	2,345,518	-	1,569,354
Net cash provided by operating activities	<u>177,138,204</u>	<u>103,101,458</u>	<u>225,280,796</u>
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(68,371,937)	(13,519,137)	(47,183,122)
Net cash used by investing activities	<u>(68,371,937)</u>	<u>(13,519,137)</u>	<u>(47,183,122)</u>
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans	(11,773,531)	(12,435,657)	(24,780,803)
Directors' current account	-	2,025,849	2,025,849
Net cash used by financing activities	<u>(11,773,531)</u>	<u>(10,409,808)</u>	<u>(22,754,954)</u>
Net increase in cash resources	96,992,735	79,172,513	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>249,515,821</u>	<u>76,352,879</u>	<u>152,523,086</u>
Comprised of			
Cash and bank	94,338,158	39,244,572	89,462,717
Fixed deposits	155,177,663	37,108,307	63,060,369
Cash and cash equivalents at August 31, 2016	<u>249,515,821</u>	<u>76,352,879</u>	<u>152,523,086</u>

Caribbean Cream Ltd.

Notes to the Unaudited Financial Statements Six months ended August 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
Six months ended August 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 17th 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 AUGUST 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	5,392,708
8. JI Limited	5,000,000
9. Colin Steele	4,309,800
10. Mayberry Inv. Ltd Retirement Scheme	2,331,436

Total Issued Share Capital is 378,568,115 units

Caribbean Cream Ltd.

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

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES

Director	Shareholdings	Connected Parties	Shareholdings
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	Kamoy S. Clarke (joint holder) Scoops Un-Limited Limited	121,341,801
Christopher A. Clarke	5,000,000		
Mark McKenzie	1,250,000	---	
Wayne Wray	1,100,000 1,835	Christine Randle Craig A. Singh	
Denise Douglas (Co. Secretary)	2,895	Ryan McCalla	

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	