



Third Quarter Unaudited Financial Statements 9 months November 30, 2016

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Caribbean Cream Ltd.

UNAUDITED FINANCIAL RESULTS

Nine months ended November 30, 2016

The Board of Directors at Caribbean Cream Limited are pleased to present the unaudited financial results for the third quarter ended November 30, 2016.

Results at a glance

For the third quarter (Q3) ended November 30, 2016 compared with the similar period last year,

	9 months ended November 30			3 months ended November 30		
	Yr 2016 \$'000	Yr 2015 \$'000	% change	Yr 2016 \$'000	Yr 2015 \$'000	% change
Revenue	885,627	818,387	8%	270,728	258,321	5%
Gross Profit	344,061	323,473	6%	89,230	102,783	-13%
Net Profit after tax	136,765	123,694	11%	19,191	38,965	-51%

- YTD revenue of \$886 million increased by \$67 million or 8% over the same period for 2015,
- YTD gross profit of \$344 million increased by \$21 million or 6% over the same period for 2015,
- YTD net profit totalling \$136 million increased by \$13 million or 11% over the same period for 2015.



Performance Highlights

The company's overall performance continues to remain strong in spite of unexpected setbacks experienced within the third quarter ending November 30, 2016.

Revenue for the Nine months and Q3 totalled \$886m and \$271m, an increase of 8% or \$67m and 5% or \$12m respectively over the same period for 2015. The growth within this quarter was less than expected due to unseasonable rainfall throughout the island which depressed ice cream sales, resulting in only a 5% increase in Q3.

Cost of operating revenue for the Nine months and Q3 were \$542m and \$181m, an increase of 9% or \$47m and 17% or \$26m respectively when compared to last year. The key drivers contributing to the increased costs were (1) the adoption of a new maintenance process of the company's plant & equipment and (2) higher costs on main raw material ingredients.

The Gross profit for the Nine months and Q3 were \$344m and \$89m, an increase of 6% or \$21m and a decrease of 13% or \$14m respectively, versus a similar period last year.


Administrative costs for the Nine months and Q3 were \$168m and \$54m, increases of 10% and 7% (\$15m and \$4m) respectively when compared to last year. The increased cost for the quarter is due to salary increases given to the staff.

Selling and Distribution cost for the quarter increased by 38% or \$3.8m as a result of increased marketing expenditure which included the launch of our new Coffee Rum Cream in Pints & Quarts. In addition we are now outsourcing the delivery of our products. We are anticipating greater efficiencies in the distribution of our products.

Net profit after tax for the Nine months and Q3 were \$137m and \$19m, an increase of 11% or \$13m and a decrease of 51% or \$19m respectively.

Total assets less current liabilities were \$656 million, an increase of \$120 million or 22% over last year.

We express our sincere thanks and appreciation to every stakeholder who has played a part in our achievements. Our employees, customers, suppliers and shareholders have contributed tremendously and we are extremely grateful to you all.



Carol Clarke Webster **Chairman**



Christopher Clarke **CEO/Director**

Caribbean Cream Ltd.

UNAUDITED INCOME STATEMENT Nine months ended November 30, 2016

	Unaudited 9 months to Nov-16 S	Unaudited 9 months to Nov-15 S	Unaudited 3 months to Nov-16 S	Unaudited 3 months to Nov-15 S	Audited year ended Feb-16 S
Gross operating revenue	885,626,879	818,387,347	270,728,105	258,320,546	1,134,933,221
Cost of operating revenue	(541,566,133)	(494,914,058)	(181,497,610)	(155,537,601)	(684,741,583)
Gross Profit	344,060,746	323,473,289	89,230,496	102,782,946	450,191,638
Other income	1,775,905	1,614,245	503,818	345,795	2,117,995
	<u>345,836,651</u>	<u>325,087,534</u>	<u>89,734,314</u>	<u>103,128,741</u>	<u>452,309,633</u>
Administrative, selling & distribution expenses:					
Administrative	(168,123,285)	(153,242,807)	(54,420,842)	(50,886,315)	(229,722,231)
Selling and distribution	(35,992,612)	(35,155,663)	(13,726,068)	(9,961,971)	(42,745,017)
	<u>(204,115,897)</u>	<u>(188,398,470)</u>	<u>(68,146,910)</u>	<u>(60,848,286)</u>	<u>(272,467,248)</u>
Operating profit before finance costs	141,720,755	136,689,064	21,587,403	42,280,455	179,842,385
Interest income	3,756,835	619,877	1,411,317	619,876.59	1,719,065
Finance costs	(8,712,337)	(13,558,325)	(3,807,883)	(3,935,220)	(17,762,547)
	<u>136,765,252</u>	<u>123,750,616</u>	<u>19,190,837</u>	<u>38,965,111</u>	<u>163,798,903</u>
Profit before taxation	136,765,252	123,750,616	19,190,837	38,965,111	163,798,903
Taxation	-	(56,587)	-	-	(56,587)
Net Profit after taxation	<u>136,765,252</u>	<u>123,694,029</u>	<u>19,190,837</u>	<u>38,965,111</u>	<u>163,742,316</u>
Earnings per stock unit	<u>\$0.36</u>	<u>\$0.33</u>	<u>\$0.05</u>	<u>\$0.10</u>	<u>\$0.43</u>

Caribbean Cream Ltd.

UNAUDITED STATEMENT of FINANCIAL POSITION November 30, 2016

	Unaudited Nov-16 \$	Unaudited Nov-15 \$	Audited Feb-16 \$
NON-CURRENT ASSET			
Property, plant and equipment	398,909,125	383,768,486	361,327,659
CURRENT ASSETS			
Inventories	109,017,324	78,553,768	73,343,031
Trade and other receivables	53,880,014	49,917,101	46,963,856
Cash and cash equivalents	176,219,276	91,964,842	152,523,086
Total current assets	339,116,615	220,435,711	272,829,973
CURRENT LIABILITIES			
Trade and other payables	75,087,397	62,095,828	71,376,204
Current portion of long-term loans	7,235,449	6,101,857	23,214,227
Total current liabilities	82,322,846	68,197,685	94,590,431
Net current assets	256,793,769	152,238,026	178,239,542
Total assets less current liabilities	655,702,893	536,006,512	539,567,201
NON-CURRENT LIABILITY			
Long term loans	100,540,892	125,540,145	102,242,047
Total non-current liability	100,540,892	125,540,145	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	409,270,475	251,385,341	291,433,628
Total equity	555,162,002	410,466,367	437,325,154
Total non-current liability and equity	655,702,893	536,006,512	539,567,201


 Carol Clarke Webster Chairman


 Christopher Clarke CEO/Director

Caribbean Cream Ltd.

UNAUDITED STATEMENT of CHANGES in EQUITY Nine months ended November 30, 2016

	Share Capital S	Revaluation reserves S	Retained earnings S	Total S
Balances at February 28, 2015	111,411,290	47,669,736	127,691,312	286,772,338
Net profit for the period	-	-	123,694,029	123,694,029
Balances at November 30, 2015	111,411,290	47,669,736	251,385,341	410,466,367
Balances at February 29, 2016	111,411,290	34,480,236	291,433,629	437,325,155
Dividend			(18,928,406)	(18,928,406)
Net profit for the period	-	-	136,765,252	136,765,252
Balances at November 30, 2016	111,411,290	34,480,236	409,270,476	555,162,002

Caribbean Cream Ltd.

UNAUDITED STATEMENT of CASH FLOW Nine months ended November 30, 2016

	Unaudited 9 Months ended Nov-16 S	Unaudited 9 Months ended Nov-15 S	Audited year ended Feb-16 S
CASHFLOW FROM OPERATING ACTIVITIES			
Net profit for the period	136,765,252	123,694,029	163,742,316
Adjustments for:			
Depreciation	35,593,269	33,939,216	48,010,615
Interest expense	8,814,296	11,905,845	15,642,768
Interest income	(3,756,835)	(619,877)	(1,719,065)
Taxation	-	-	56,587
Write off of property, plant & equipment	-	-	502,628
Impairment of property, plant & equipment	-	-	18,200,000
Gain on disposal of property, plant and equipment	(1,400,943)	-	
Operating profit before changes in working capital	176,015,040	168,919,214	244,435,849
Trade and other receivables	(6,916,158)	(16,869,405)	(13,766,450)
Inventories	(35,674,293)	1,439,550	6,650,286
Trade and other payables	3,711,192	(6,290,972)	2,989,405
Taxation paid	-	(898,293)	(954,880)
Interest paid	(8,814,296)	(11,905,845)	(15,642,768)
Interest received	3,756,835	619,877	1,569,354
Net cash provided by operating activities	132,078,320	135,014,124	225,280,796
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(76,190,658)	(23,660,422)	(47,183,122)
Proceeds from sale of fixed assets	4,416,867		-
Net cash used by investing activities	(71,773,791)	(23,660,422)	(47,183,122)
CASHFLOWS FROM FINANCING ACTIVITIES			
Dividend payment	(18,928,406)		
Repayment of bank loans	(17,679,933)	(18,595,075)	(24,780,803)
Directors' current account	-	2,025,849	2,025,849
Net cash used by financing activities	(36,608,339)	(16,569,226)	(22,754,954)
Net increase in cash resources	23,696,190	94,784,476	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	176,219,276	91,964,842	152,523,086
Comprised of			
Cash and bank	52,141,379	49,601,267	89,462,717
Fixed deposits	124,077,897	42,363,576	63,060,369
Cash and cash equivalents at November 30, 2016	176,219,276	91,964,842	152,523,086

Caribbean Cream Ltd.

Notes to the Unaudited Financial Statements Nine months ended November 30, 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 **Nine months ended November 30, 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 NOVEMBER 30, 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	5,845,414
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 NOVEMBER 30, 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 Christopher A. Clarke	30,133,399 5,000,000	Kamoy S. Clarke (joint holder) Scoops Un-Limited Limited	121,341,801
Mark McKenzie	1,287,558	---	
Wayne Wray	150,000 1,000,000 6,835	Christine Randle Craig A. Singh	
Denise Douglas	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	