



**Third Quarter Unaudited Financial  
Statements**  
9 months  
November 30, 2017

## Table of Contents

UNAUDITED FINANCIAL RESULTS .....	3
UNAUDITED INCOME STATEMENT .....	5
UNAUDITED STATEMENT of FINANCIAL POSITION .....	6
UNAUDITED STATEMENT of CHANGES in EQUITY .....	7
UNAUDITED STATEMENT of CASH FLOW .....	8
Notes to the Unaudited Financial Statements .....	9
Identification and Principal Activities .....	9
Basis of preparation .....	9
Statement of compliance: .....	9
Basis of measurement: .....	9
Significant accounting policies .....	10
Revenue .....	10
Taxation .....	10
Cash and cash equivalents .....	10
Segment reporting .....	10
LIST OF TOP TEN (10) LARGEST SHAREHOLDERS .....	11
SHAREHOLDINGS OF DIRECTORS, SENIOR MANAGERS & CONNECTED PARTIES .....	12



## Caribbean Cream Ltd.

### UNAUDITED FINANCIAL RESULTS Nine months ended November 30, 2017

The Board of Directors at Caribbean Cream Limited, are pleased to present the unaudited financial results for the third quarter ended November 30, 2017.

#### Quarter 3 Performance

#### Income Statement overview

	9 months ended November 30				3 months ended November 30			
	Yr 2017 \$'000	Yr 2016 \$'000	\$ Change	% Change	Yr 2017 \$'000	Yr 2016 \$'000	\$ Change	% Change
Revenue	992,243	885,627	106,615	12%	318,981	270,728	48,253	18%
Cost of oper revenue	686,801	541,566	145,234	27%	233,662	181,498	52,163	29%
Gross Profit	305,442	344,061	(38,619)	-11%	85,319	89,230	(3,911)	-4%
Net Profit	71,147	136,765	(65,619)	-48%	653	19,191	(18,539)	-97%

Revenue for the nine months was \$992 million, an increase of \$107 million or 12% over the same period for 2016. For the quarter, revenue increased by \$48 million or 18% above the previous year. Revenue and market share growth have been achieved by maintaining retail prices despite increasing costs. This has impacted profitability.

Cost of operating revenue for the nine months was \$687 million, an increase over last year by \$145 million or 27%. The quarter was \$234 million, an increase of \$52 million or 29% over the period. Costs for the period continued to increase due to escalating commodity prices of some ingredients.

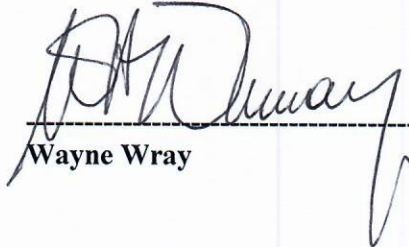
Gross profit realized for the nine months was \$305 million, a reduction of \$39 million or 11%, and for the quarter \$85 million, a decrease of \$4 million or 4% due to the commodity price movements.


Net Profit for the nine months was \$71 million, a reduction of \$66 million or 48% less than the same period last year. The quarter was \$653 thousand, a decrease of \$18 million or 97% in comparison to last year's quarter. In addition to the reduced gross profit for the quarter, administrative expenses increased by \$13m or 25% due to increased personnel, maintenance and utilities cost. Moreover, there was an increase in finance cost to secure bank commitment to finance upcoming CAPEX projects.

**Statement of Financial Position overview**

Total assets less current liabilities were \$721 million, an increase of \$65 million or 10% above 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.

  
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**Wayne Wray** Director

  
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**Christopher Clarke** CEO/Director

# Caribbean Cream Ltd.

## UNAUDITED INCOME STATEMENT Nine months ended November 30, 2017

	Unaudited 9 months to Nov-17 S	Unaudited 9 months to Nov-16 S	Unaudited 3 months to Nov-17 S	Unaudited 3 months to Nov-16 S	Audited year ended Feb-17 S
Gross operating revenue	992,243,128	885,626,879	318,981,098	270,728,105	1,213,548,844
Cost of operating revenue	(686,801,027)	(541,566,133)	(233,661,699)	(181,497,610)	(755,160,366)
<b>Gross Profit</b>	<b>305,442,101</b>	<b>344,060,746</b>	<b>85,319,398</b>	<b>89,230,496</b>	<b>458,388,478</b>
Other income	1,694,921	1,775,905	554,446	503,818	2,299,345
	<u>307,137,023</u>	<u>345,836,651</u>	<u>85,873,845</u>	<u>89,734,314</u>	<u>460,687,823</u>
<b>Administrative, selling &amp; distribution expenses</b>					
Administrative	(193,337,577)	(168,123,285)	(67,909,933)	(54,420,842)	(231,789,269)
Selling and distribution	(33,680,824)	(35,992,612)	(12,263,825)	(13,726,068)	(47,777,103)
	<u>(227,018,400)</u>	<u>(204,115,897)</u>	<u>(80,173,758)</u>	<u>(68,146,910)</u>	<u>(279,566,372)</u>
<b>Operating profit before finance costs</b>	<b>80,118,622</b>	<b>141,720,755</b>	<b>5,700,086</b>	<b>21,587,403</b>	<b>181,121,451</b>
Interest Income	3,291,734	3,756,835	951,987	1,411,317	5,025,616
Finance costs	(12,263,768)	(8,712,337)	(5,999,469)	(3,807,883)	(13,409,645)
<b>Net Profit</b>	<b><u>71,146,589</u></b>	<b><u>136,765,252</u></b>	<b><u>652,605</u></b>	<b><u>19,190,837</u></b>	<b><u>172,737,422</u></b>
<b>Earnings per stock unit</b>	<b><u>\$0.19</u></b>	<b><u>\$0.36</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.05</u></b>	<b><u>\$0.46</u></b>

# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of FINANCIAL POSITION November 30, 2017

	Unaudited Nov-17 \$	Unaudited Nov-16 \$	Audited Feb-17 \$
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment	507,416,824	398,909,125	421,932,794
<b>CURRENT ASSETS</b>			
Inventories	96,093,704	109,017,324	161,221,320
Trade and other receivables	54,079,430	53,880,014	52,683,102
Cash and cash equivalents	144,880,893	176,219,276	176,182,137
<b>Total current assets</b>	<b>295,131,219</b>	<b>339,116,614</b>	<b>390,086,559</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	76,717,804	75,087,397	119,054,700
Current portion of long-term loans	4,527,448	7,235,449	20,185,504
<b>Total current liabilities</b>	<b>81,245,252</b>	<b>82,322,846</b>	<b>139,240,204</b>
<b>Net current assets</b>	<b>213,885,966</b>	<b>256,793,768</b>	<b>250,846,355</b>
<b>Total assets less current liabilities</b>	<b>721,302,790</b>	<b>655,702,893</b>	<b>672,779,149</b>
<b>NON-CURRENT LIABILITY</b>			
Long term loans	81,736,118	100,540,892	81,644,979
<b>Total non-current liability</b>	<b>81,736,118</b>	<b>100,540,892</b>	<b>81,644,979</b>
<b>EQUITY</b>			
Share Capital	111,411,290	111,411,290	111,411,290
Revaluation Reserve	34,480,236	34,480,236	34,480,236
Accumulated profits	493,675,146	409,270,475	445,242,644
<b>Total equity</b>	<b>639,566,672</b>	<b>555,162,002</b>	<b>591,134,170</b>
<b>Total non-current liability and equity</b>	<b>721,302,790</b>	<b>655,702,893</b>	<b>672,779,149</b>

Wayne Wray

Director

Christopher Clarke

CEO/Director

# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of CHANGES in EQUITY Nine months ended November 30, 2017

	Share Capital	Revaluation reserves	Retained earnings	Total
	\$	\$	\$	\$
<b>Balances at February 29, 2016</b>	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
<b>Balances at November 30, 2016</b>	<b>111,411,290</b>	<b>34,480,236</b>	<b>409,270,475</b>	<b>555,162,002</b>
<b>Balances at February 28, 2017</b>	111,411,290	34,480,236	445,242,644	591,134,170
Dividend			(22,714,087)	(22,714,087)
Net profit for the period	-	-	71,146,589	71,146,589
<b>Balances at November 30, 2017</b>	<b>111,411,290</b>	<b>34,480,236</b>	<b>493,675,146</b>	<b>639,566,672</b>

# Caribbean Cream Ltd.

## UNAUDITED STATEMENT of CASH FLOW Nine months ended November 30, 2017

	Unaudited 9 Months ended Nov-17 S	Unaudited 9 Months ended Nov-16 S	Audited year ended Feb-17 S
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
Net profit for the year	71,146,589	136,765,252	172,737,422
Adjustments for:			
Depreciation	39,234,395	35,593,269	48,515,673
Interest expense	8,283,567	8,814,296	11,480,042
Interest income	(3,291,734)	(3,756,835)	(5,025,616)
Gain on disposal of property, plant and equipment	(1,467,811)	(1,400,943)	(1,400,943)
Operating cash flows before movements in working capital	113,905,004	176,015,040	226,306,578
Trade and other receivables	(1,264,657)	(6,916,158)	(5,657,763)
Inventories	65,127,616	(35,674,293)	(87,878,289)
Trade and other payables	(42,336,895)	3,711,192	47,678,496
Interest paid	(8,283,567)	(8,814,296)	(11,480,041)
Interest received	3,160,063	3,756,835	4,964,133
Net cash provided by operating activities	130,307,565	132,078,320	173,933,114
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(124,718,424)	(76,190,658)	(112,136,732)
Proceeds from sale of fixed assets	1,467,811	4,416,867	4,416,867
Net cash used by investing activities	(123,250,613)	(71,773,791)	(107,719,865)
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
Dividend payment	(22,714,087)	(18,928,406)	(18,928,406)
Repayment of bank loans	(15,566,917)	(17,679,933)	(23,625,792)
Net cash used by financing activities	(38,358,195)	(36,608,339)	(42,554,198)
Net increase/(decrease) in cash resources	(31,301,243)	23,696,190	23,659,051
Cash and cash equivalents at beginning of year	176,182,137	152,523,086	152,523,086
<b>CASH and CASH EQUIVALENTS at end of YEAR</b>	<b>144,880,893</b>	<b>176,219,276</b>	<b>176,182,137</b>
Comprised of:			
Cash and bank balances	28,639,307	52,141,379	61,971,101
Fixed deposits	116,241,586	124,077,897	114,211,036
	<b>144,880,893</b>	<b>176,219,276</b>	<b>176,182,137</b>



# **Caribbean Cream Ltd.**

## **Notes to the Unaudited Financial Statements Nine months ended November 30, 2017**

### **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 28 February 2017 and comply with the requirements of IAS 34, Interim Financial reporting.

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

The unaudited 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, 2017**

## **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 17<sup>th</sup> May 2013.

### **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, 2017

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	7,610,000
7. JI Limited	5,000,000
8. Mayberry West Indies Limited	4,358,162
9. Colin Steele	4,000,000
10. Mayberry Inv. Ltd Retirement Scheme	2,331,436

# Caribbean Cream Ltd.

## SHAREHOLDINGS OF DIRECTORS, SENIOR MANAGERS & CONNECTED PARTIES AS AT NOVEMBER 30, 2017

### 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	200,000 1,043,249 6,835	Christine Randle Craig A. Singh	
Michael Vacciana	0		
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	