



Caribbean Cream Ltd. (KREMI)
First Quarter Unaudited Financial Results
For the Three Months ended May 31, 2018



Caribbean Cream Ltd.

UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MAY 31, 2018

The Board of Directors at Caribbean Cream Limited, is pleased to present the unaudited financial results for the first quarter ended May 31, 2018.

Financial highlights

- ✚ Revenue of \$411.7 million, an increase of 29%.
- ✚ Gross Profit of \$146.6 million, an increase of 37%.
- ✚ Net Profit of \$55.4 million, an increase of 59%.
- ✚ Earnings per stock unit of \$0.15.

The first quarter results ending May 2018, showed revenue of \$412 million, an increase of \$93 million or 29% over the \$319 million reported in 2017. These results are attributed to improved product supply as a result of greater production efficiencies, along with the introduction of a new range of novelties which are performing well in the market. In addition, we continued our sales and marketing thrusts to expand our market penetration and “top of the mind” awareness of our product range.

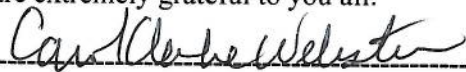
Cost of operating revenue was \$265 million, an increase over last year by \$53 million or 25%. The increase is mainly attributed to higher costs incurred to meet the growth in volume sales. This further resulted in attaining gross profit for the quarter of \$147 million, an increase of \$39 million or 36% over last year.

Operating expenses for the period were \$93 million, which represent an increase of \$18 million or 24% above last year. The Company has strengthened its focus on New Product Research and Development in order to increase the range of products available to the consumer.

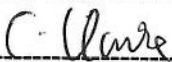
Net Profit achieved for the period was \$55 million, an increase of approximately \$21 million or 59% over last year.

Total assets less current liabilities were approximately \$826 million, an increase of \$49 million or 7% 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 Three months ended May 31, 2018


	Unaudited quarter ended May-18 \$	Unaudited quarter ended May-17 \$	Audited year ended Feb-18 \$
Gross operating revenue	411,747,104	319,095,726	1,373,279,233
Cost of operating revenue	(265,152,474)	(211,738,615)	(952,953,996)
Gross Profit	146,594,630	107,357,110	420,325,237
Other income	565,450	592,900	2,247,921
	147,160,080	107,950,011	422,573,158
Administrative, selling & distribution expenses			
Administrative	(75,895,866)	(60,496,583)	(275,031,285)
Selling and distribution	(13,223,815)	(10,761,415)	(46,643,441)
	(89,119,681)	(71,257,998)	(321,674,726)
Operating profit before finance costs	58,040,399	36,692,013	100,898,432
Interest Income	711,475	1,312,701	4,123,161
Finance costs	(3,381,906)	(3,148,638)	(15,262,405)
Profit, being total comprehensive for the year	55,369,968	34,856,075	89,759,188
Earnings per stock unit	\$0.15	\$0.09	\$0.24

Caribbean Cream Ltd.

UNAUDITED STATEMENT of FINANCIAL POSITION May 31, 2018

	Unaudited May-18 \$	Unaudited May-17 \$	Audited Feb-18 \$
NON-CURRENT ASSET			
Property, plant and equipment	605,370,300	427,388,415	514,627,524
CURRENT ASSETS			
Inventories	114,469,674	148,668,385	92,709,122
Trade and other receivables	61,640,874	53,326,131	65,956,407
Cash and cash equivalents	183,105,287	155,614,932	174,734,550
Total current assets	359,215,836	357,609,448	333,400,079
CURRENT LIABILITIES			
Trade and other payables	124,707,837	83,391,133	128,891,940
Current portion of long-term loans	13,934,954	14,671,035	18,541,270
Total current liabilities	138,642,790	98,062,168	147,433,210
Net current assets	220,573,046	259,547,280	185,966,869
Total assets less current liabilities	825,943,346	686,935,694	700,594,393
NON-CURRENT LIABILITY			
Long term loans	133,082,247	81,633,589	63,103,262
Total non-current liability	133,082,247	81,633,589	63,103,262
EQUITY			
Share Capital	111,411,290	111,411,290	111,411,290
Accumulated profits	581,449,809	493,890,815	526,079,841
Total equity	692,861,099	605,302,105	637,491,131
Total non-current liability and equity	825,943,346	686,935,694	700,594,393


 Carol Clarke Webster Chairman


 Christopher Clarke CEO/Director

Caribbean Cream Ltd.

UNAUDITED STATEMENT of CHANGES in EQUITY Three months ended May 31, 2018

	Share Capital	Revaluation reserves	Retained earnings	Total
	\$	\$	\$	\$
Balances as at February 28, 2017				
As previously reported	111,411,290	34,480,236	445,242,644	591,134,170
Prior year adjustment	-	(34,480,236)	13,792,096	(20,688,140)
Balances as at February 28, 2017 restated	111,411,290	-	459,034,740	570,446,030
Total Comprehensive income:				
Profit, being total comprehensive income for the year	-	-	34,856,075	34,856,075
Balances as at May 31, 2017 restated	111,411,290	-	493,890,815	605,302,105
Balances as at February 28, 2018	111,411,290	-	526,079,841	637,491,131
Total Comprehensive income:				
Profit, being total comprehensive income for the year	-	-	55,369,968	55,369,968
Balances as at May 31, 2018	111,411,290	-	581,449,809	692,861,099

Caribbean Cream Ltd.

UNAUDITED STATEMENT of CASH FLOW Three months ended May 31, 2018

	Unaudited 3 Months ended May-18 S	Unaudited 3 Months ended May-17 S	Audited year ended Feb-18 S
CASHFLOWS FROM OPERATING ACTIVITIES			
Net profit for the year	55,369,968	34,856,075	89,759,188
Adjustments for:			
Depreciation	10,234,569	12,171,527	53,940,302
Interest expense	2,246,638	3,783,087	10,390,648
Interest income	(711,475)	(1,312,701)	(4,123,161)
Operating profit before changes in working capital	67,139,699	49,497,988	149,966,977
Trade and other receivables	4,602,408	(431,836)	(13,155,139)
Inventories	(21,760,552)	12,552,935	68,512,198
Trade and other payables	(4,184,103)	(35,663,566)	9,837,240
Interest paid	(2,246,638)	(3,783,087)	(10,390,648)
Interest received	424,600	1,101,507	4,004,995
Net cash provided by operating activities	43,975,414	23,273,941	208,775,623
CASHFLOWS USED BY INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(100,977,346)	(38,315,287)	(167,323,172)
Net cash used by investing activities	(100,977,346)	(38,315,287)	(167,323,172)
CASHFLOWS FROM FINANCING ACTIVITIES			
Dividend distribution	-	-	(22,714,087)
Repayment of bank loans	(4,627,331)	(5,525,858)	(20,185,951)
Proceeds from bank loans	70,000,000	-	-
Net cash used by financing activities	65,372,669	(5,525,858)	(42,900,038)
Net increase/(decrease) in cash resources	8,370,737	(20,567,204)	(1,447,587)
Cash and cash equivalents at beginning of year	174,734,550	176,182,137	176,182,137
CASH and CASH EQUIVALENTS at end of YEAR	183,105,287	155,614,932	174,734,550
Comprised of:			
Cash and bank balances	52,686,447	40,043,212	44,834,688
Fixed deposits	130,418,841	115,571,720	129,899,862
	183,105,287	155,614,932	174,734,550

Caribbean Cream Ltd.

Notes to the Unaudited Financial Statements Three months ended May 31, 2018

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 2018.

Basis of measurement and functional currency:

The Unaudited financial statements are prepared on the historical cost basis and are presented in Jamaica dollars, which is the functional currency of the company.

Prior year adjustment:

During the previous financial year, the company changed its accounting policy from the revaluation method to the cost method for certain classes of machinery and equipment included in property, plant and equipment. The change in accounting policy was applied retrospectively.

Caribbean Cream Ltd.

Notes to the Unaudited Financial Statements cont'd
Three months ended May 31, 2018

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's shares were listed on the Junior Market of the Jamaica Stock Exchange (JSE) on May 17, 2013. Consequently, the company is eligible for remission of income taxes for a period of ten years, provided the following conditions are met:

- (i) The company's shares remain listed for at least 15 years and is not suspended from the JSE for any breaches of its rules. Cont'd)
- (ii) The subscribed participating voting share capital of the company does not exceed \$500 million.
- (iii) The company has at least 50 participating voting shareholders.

The remission will apply in the following proportions:

- (a) Years 1 to 5 (May 17, 2013 – May 16, 2018) – 100%
- (b) Years 6 to 10 (May 17, 2018 – May 16, 2023) – 50%

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions.

Caribbean Cream Ltd.

Notes to the Unaudited Financial Statements cont'd
Three months ended May 31, 2018

Significant accounting policies cont'd

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and fixed deposits with maturity of three months or less from the date of placement. For the purpose of the statement of cash flows, bank overdraft, if any, that is repayable on demand and form an integral part of cash management activities, is included as part of cash and cash equivalents.

Segment reporting

A segment is a distinguishable component of the company that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The company's activities are limited to the manufacture and sale of Ice Cream products to Jamaican consumers, operating in a single segment, therefore no additional segment information is provided.

Caribbean Cream Ltd.

LIST OF TOP TEN (10) LARGEST SHAREHOLDERS AS AT MAY 31, 2018

Shareholder	Units
1. Scoops Un-Limited Limited	122,535,449
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	32,479,583
6. Mayberry Jamaican Equities Limited	8,460,001
7. Everton J. Smith	8,393,151
8. JI Limited	5,000,000
9. Mayberry Investment Retirement Scheme	2,331,436
10. JNBS Pension Trustees Nominees Limited	2,073,664

Caribbean Cream Ltd.

SHAREHOLDINGS OF DIRECTORS, OFFICERS AND CONNECTED PARTIES AS AT MAY 31, 2018

Director	Shareholdings	Connected Parties	Shareholdings
Carol Webster	58,521,764	Christopher Clarke Scoops Un-Limited Limited	121,535,449
Matthew G. Clarke	60,055,425	Scoops Un-Limited Limited	121,535,449
Christopher A. Clarke	30,133,399	Kamoy S. Clarke (joint holder) Scoops Un-Limited Limited	121,535,449
Christopher A. Clarke	5,000,000		
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 AS AT MAY 31, 2018

Senior Manager	Shareholdings	Connected Parties	Shareholdings
David Radlein	100,000	Catherine Radlein	
Karen Williams	80,855	Vyris Williams	