



**Caribbean Cream Ltd. (KREMI)
Second Quarter Unaudited Financial Results**

For the Six Months ended August 31, 2018



Caribbean Cream Ltd.

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED AUGUST 31, 2018

The Board of Directors at Caribbean Cream Limited, is pleased to present the unaudited financial results for the half year ended August 31, 2018.

Financial highlights for the 6 months

- ✚ Revenue of \$799.5 million, an increase of 19%.
- ✚ Gross Profit of \$284 million, an increase of 29%.
- ✚ Net Profit of \$94.3 million, an increase of 34%.
- ✚ Earnings per stock unit of \$0.25.

Income Statement Overview

	6 months ended August 31				3 months ended August 31			
	Yr 2018 \$'000	Yr 2017 \$'000	\$ Change	% Change	Yr 2018 \$'000	Yr 2017 \$'000	\$ Change	% Change
Revenue	799,505	673,262	126,242	19%	387,758	354,166	33,591	9%
Cost of oper revenue	515,518	453,139	62,378	14%	250,365	241,401	8,964	4%
Gross Profit	283,987	220,123	63,864	29%	137,392	112,766	24,627	22%
Net Profit	94,278	70,494	23,784	34%	38,908	35,638	3,270	9%

Revenue for the half year was \$799.5 million, an increase of 19% or \$126 million over the same period last year. For the quarter, revenue increased by 9% or \$34 million above the same period last year, which resulted from both volume and price increases.

Cost of operating revenue for the half year was \$516 million, an increase over last year of \$62 million or 14%. The quarter was \$250 million, an increase of \$9 million or 4% over the period due to increases in the foreign exchange and higher utility costs.

Gross profit realized for the half year was \$284 million, an increase of \$64 million or 29%; for the quarter \$137 million, an increase of \$25 million or 22%.

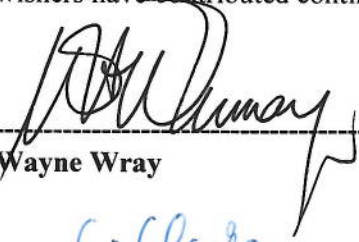
Net Profit for the half year was \$94 million, an increase of \$24 million or 34% above the same period last year. The quarter was \$39million, an increase of \$3.2 million or 9% in comparison to the same quarter last year.

Operating expenses for the half year were \$192 million, which represent an increase of \$39 million or 26% above last year. The quarter was \$100 million, an increase of \$21 million or 27% in comparison to the previous quarter. The Company continues to strengthen its focus on New Product Research and Development whilst also preparing itself to becoming HACCP compliant.


Statement of Financial Position overview

Total assets less current liabilities were \$865 million, an increase of \$142 million or 20% above last year. The Company's cash position remains strong as it continues along its capital investment programme with the addition of \$119 million for property, plant and equipment.

Caribbean Cream Ltd. expresses its sincere gratitude and acknowledges the part our stakeholders have played on the journey to our achievements. Our employees, customers, suppliers, shareholders and well-wishers have contributed continually to our growth and we are extremely grateful to you all.



Wayne Wray **Director**



Christopher Clarke **CEO/Director**

Caribbean Cream Ltd.


UNAUDITED INCOME STATEMENT Six months ended August 31, 2018

	Unaudited 6 months ended Aug-18 \$	Unaudited 6 months ended Aug-17 \$	Unaudited 3 months ended Aug-18 \$	Unaudited 3 months ended Aug-17 \$	Audited year ended Feb-18 \$
Gross operating revenue	799,504,714	673,262,030	387,757,609	354,166,305	1,373,279,233
Cost of operating revenue	(515,517,836)	(453,139,327)	(250,365,361)	(241,400,712)	(952,953,996)
Gross Profit	283,986,878	220,122,703	137,392,248	112,765,593	420,325,237
Other income	1,157,800	1,140,475	592,350	547,575	2,247,921
	<u>285,144,678</u>	<u>221,263,178</u>	<u>137,984,598</u>	<u>113,313,168</u>	<u>422,573,158</u>
Administrative, selling & distribution expenses					
Administrative	(158,750,675)	(125,427,643)	(82,854,810)	(64,931,060)	(275,031,285)
Selling and distribution	(27,480,032)	(21,416,999)	(14,256,216)	(10,655,584)	(46,643,441)
	<u>(186,230,707)</u>	<u>(146,844,642)</u>	<u>(97,111,026)</u>	<u>(75,586,644)</u>	<u>(321,674,726)</u>
Operating profit before finance costs	98,913,971	74,418,536	40,873,572	37,726,524	100,898,432
Interest Income	1,502,925	2,339,747	791,449	1,027,046	4,123,161
Finance costs	(6,138,470)	(6,264,299)	(2,756,563)	(3,115,661)	(15,262,405)
Profit, being total comprehensive for the year	94,278,426	70,493,984	38,908,458	35,637,909	89,759,188
Earnings per stock unit	\$0.25	\$0.19	\$0.10	\$0.09	\$0.24

Caribbean Cream Ltd.

UNAUDITED STATEMENT of FINANCIAL POSITION August 31, 2018

	Unaudited Aug-18 \$	Unaudited Aug-17 \$	Audited Feb-18 \$
NON-CURRENT ASSET			
Property, plant and equipment	614,328,128	478,142,708	514,627,524
CURRENT ASSETS			
Inventories	125,231,637	118,309,838	92,709,122
Trade and other receivables	52,981,175	58,411,425	65,956,407
Cash and cash equivalents	188,570,457	175,462,240	174,734,550
Total current assets	366,783,269	352,183,503	333,400,079
CURRENT LIABILITIES			
Trade and other payables	107,055,624	98,575,420	128,891,940
Current portion of long-term loans	9,309,631	9,454,648	18,541,270
Total current liabilities	116,365,255	108,030,068	147,433,210
Net current assets	250,418,014	244,153,435	185,966,869
Total assets less current liabilities	864,746,142	722,296,143	700,594,393
NON-CURRENT LIABILITY			
Long term loans	132,976,586	81,356,129	63,103,262
Total non-current liability	132,976,586	81,356,129	63,103,262
EQUITY			
Share Capital	111,411,290	111,411,290	111,411,290
Accumulated profits	620,358,266	529,528,724	526,079,841
Total equity	731,769,556	640,940,014	637,491,131
Total non-current liability and equity	864,746,142	722,296,143	700,594,393



 Wayne Wray Director



 Christopher Clarke CEO/Director

Caribbean Cream Ltd.

UNAUDITED STATEMENT of CHANGES in EQUITY Six months ended August 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	-	-	70,493,984	70,493,984
Balances as at August 31, 2017 restated	111,411,290	-	529,528,724	640,940,014
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	-	-	94,278,426	94,278,426
Balances as at August 31, 2018	111,411,290	-	620,358,266	731,769,556

Caribbean Cream Ltd.

UNAUDITED STATEMENT of CASH FLOW Six months ended August 31, 2018

	Unaudited 6 Months ended Aug-18 \$	Unaudited 6 Months ended Aug-17 \$	Audited year ended Feb-18 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Net profit for the year	94,278,426	70,493,984	89,759,188
Adjustments for:			
Depreciation	23,659,454	25,150,293	53,940,302
Interest expense	5,678,468	6,074,710	10,390,648
Interest income	(1,502,925)	(2,339,747)	(4,123,161)
Operating profit before changes in working capital	122,113,423	99,379,240	149,966,977
Trade and other receivables	13,345,172	(5,640,815)	(13,155,139)
Inventories	(32,522,515)	42,911,482	68,512,198
Trade and other payables	(21,836,316)	(20,479,279)	9,837,240
Interest paid	(5,678,468)	(6,074,710)	(10,390,648)
Interest received	1,132,985	2,252,239	4,004,995
Net cash provided by operating activities	76,554,281	112,348,157	208,775,623
CASHFLOWS USED BY INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(118,972,864)	(102,048,347)	(167,323,172)
Net cash used by investing activities	(118,972,864)	(102,048,347)	(167,323,172)
CASHFLOWS FROM FINANCING ACTIVITIES			
Dividend distribution	-	-	(22,714,087)
Repayment of bank loans	(13,745,510)	(11,019,706)	(20,185,951)
Proceeds from bank loans	70,000,000	-	-
Net cash used by financing activities	56,254,490	(11,019,706)	(42,900,038)
Net increase/(decrease) in cash resources	13,835,907	(719,896)	(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	188,570,457	175,462,240	174,734,550
Comprised of:			
Cash and bank balances	55,645,550	59,311,814	44,834,688
Fixed deposits	132,924,907	116,150,426	129,899,862
	188,570,457	175,462,240	174,734,550

Caribbean Cream Ltd.

Notes to the Unaudited Financial Statements Six months ended August 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
Six months ended August 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.
- (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
Six months ended August 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 AUGUST 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	8,469,201
7. Everton J. Smith	8,500,000
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 AUGUST 31, 2018

Director	Shareholdings	Connected Parties	Shareholdings
Carol Webster	58,521,764	Christopher Clarke Scoops Un-Limited Limited	122,535,449
Matthew G. Clarke	60,055,425	Scoops Un-Limited Limited	122,535,449
Christopher A. Clarke Christopher A. Clarke	30,133,399 5,000,000	Kamoy S. Clarke (joint holder) Scoops Un-Limited Limited	122,535,449
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 AUGUST 31, 2018

Senior Manager	Shareholdings	Connected Parties	Shareholdings
David Radlein	100,000	Catherine Radlein	
Karen Williams	80,855	Vyris Williams	
Dean Alvery Clarke	200,000	---	
Fay M. Williams	148,000	---	