

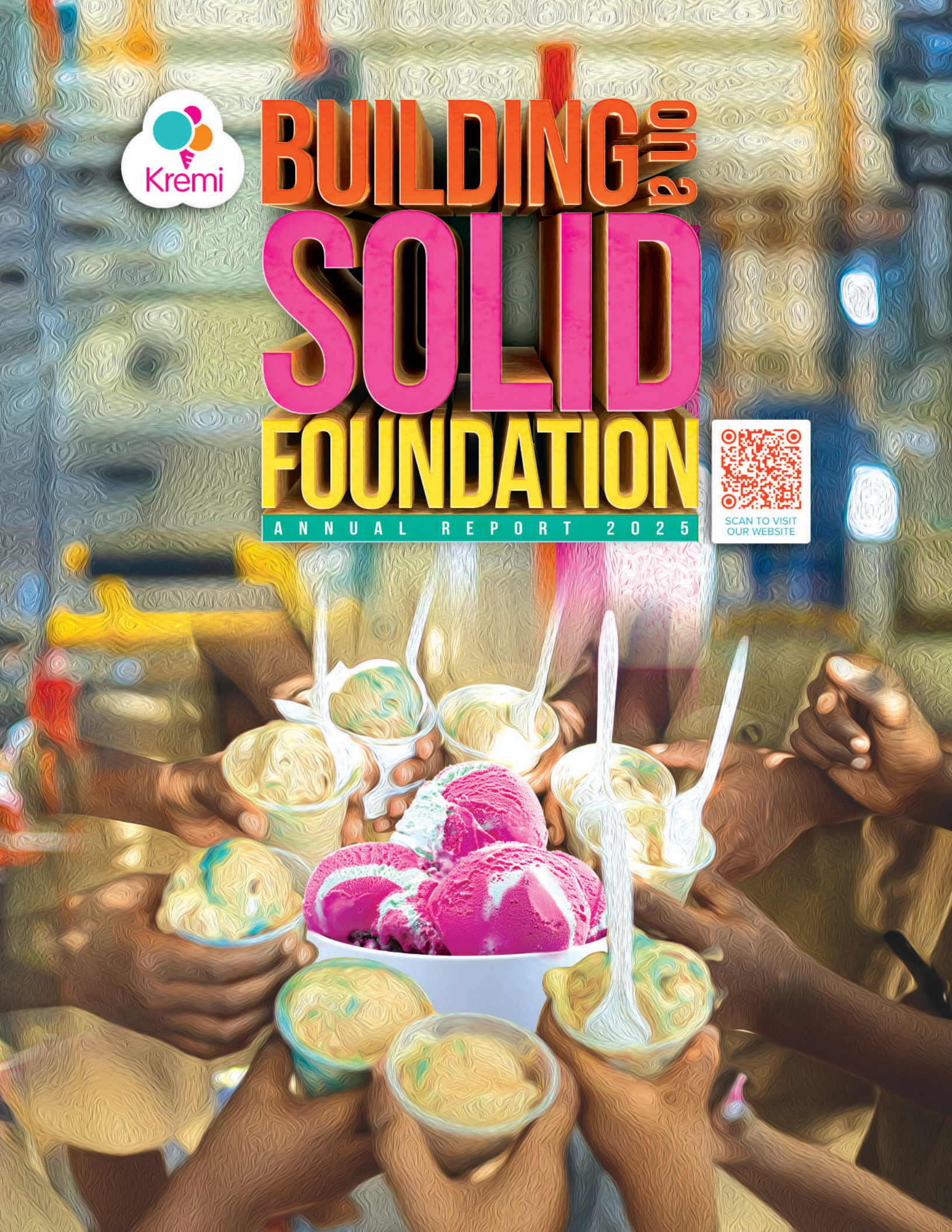


# BUILDING SOLID FOUNDATION

A N N U A L R E P O R T 2 0 2 5



SCAN TO VISIT  
OUR WEBSITE





# OUR MISSION AND VISION

## - OUR VISION -

To be the #1 ice cream company in the Caribbean.

## - OUR MISSION -

Caribbean Cream Limited (CCL) is committed to being a vehicle for the betterment of our Shareholders, Employees and Customers.

## - OUR BRAND -

Kremi Ice Cream, manufactured by Caribbean Cream Limited, was born out of a family of the island's leading producers of premium ice cream, boasting bold, tropical, Jamaican flavours like Rum and Raisin, Grapenut, Orange-Pineapple,

Stout and Coffee Rum Cream.

Our ice cream is produced locally at the highest quality to meet international standards. Propelled by our commitment to innovation, we continue to expand our facilities to meet the growing demand.

Our customers are attracted to our bold packaging, high quality and amazing taste. Just ask our mascot "Mee", he would be the first to guarantee memorable moments everytime you indulge in our frozen treats.

# Building a Sweet Future!



# CONTENTS

03 - Our Products	
04 - Notice of Annual General Meeting	
06 - Company Profile	
08 - Chairman's Message	
09 - Directors' Report	
10 - Company Data & Advisors	
11 - Management Discussion & Analysis	
22 - Corporate Governance	
24 - Board of Directors	
27 - Senior Management Team	
28 - Shareholders	
30 - Audited Financial Statements	
Form of Proxy	





### Bulk Ice Cream

Perfect for “fudgies” (mobile vendors), parties, schools, large events and Hotels, with a variety of flavours including Rum & Raisin, Grapenut, Orange-Pineapple, Stout, and Coffee Rum Cream.

### Frozen Novelties

Our line of frosty treats are sweet and irresistible for both children and adults alike. Memorable moments are guaranteed every time you unwrap one of our: Grape, Sour Cherry, Kola Champagne, Green Apple, or Watermelon flavours!

### Ice Cream Tubs

Conveniently packaged for the entire family to enjoy at home! Our wide range of flavours are available in supermarkets and convenience stores island-wide.

### Ice Cream Cakes

Ideal for an individual treat or an on-the-go snack!



# Notice of ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 Annual General Meeting of CARIBBEAN CREAM LIMITED will be held at **The Courtleigh Hotel & Suites, 85 Knutsford Boulevard, Kingston 5**, on **Monday, October 27, 2025 at 10:00 a.m.** for the purpose of transacting the following business:

1. To receive the Audited Accounts for the year ended February 28, 2025 together with the reports of the Directors and Auditors thereon.

The Company is asked to consider, and if thought fit, to pass the following resolution:

#### **Resolution No. 1**

"That the Audited Accounts for the year ended February 28, 2025, together with the reports of the Directors and Auditors thereon, be and are hereby adopted."

2. To elect Directors.

- (i) The Directors retiring by rotation in accordance with Regulation 108 of the Company's Articles of Incorporation are Wayne Wray and Carol Clarke Webster, who, being eligible for re-election, offer themselves for re-election.

To consider, and if thought fit, pass the following resolutions:

#### **Resolution No. 2**

"That the Directors, retiring by rotation, be re-elected by a Single Resolution."

#### **Resolution No. 3**

"That Wayne Wray and Carol Clarke Webster be, and are hereby re-elected as Directors of the Company."

- (ii) In accordance with Regulation 104 of the Company's Articles of Incorporation, the Director appointed since the last Annual General Meeting is Mr. Simon Roberts and, being eligible, he offers himself for election.

To consider, and if thought fit, to pass the following resolution:

#### **Resolution No. 4**

"That Mr. Simon Roberts be, and is hereby elected as a Director of the Company."

3. To approve the Remuneration of the Directors.

The Company is asked to consider, and if thought fit, to pass the following resolution:

#### **Resolution No. 5**

"That the amount shown in the Audited Accounts of the Company for the year ended February 28, 2025 as fees of the Directors for their services as Directors, be, and are hereby approved."

4. To appoint Auditors and to authorise the Directors to fix the remuneration of the Auditors.



The Company is asked to consider, and if thought fit, to pass the following resolution:

**Resolution No. 6**

“That the remuneration of the Auditors, Baker Tilly, who have signified their willingness to continue in office, be such as may be agreed between the Directors of the Company and the Auditors.”

Dated July 11, 2025  
By Order of the Board



Denise Douglas  
Company Secretary  
Registered Office  
3 South Road  
Kingston 10

**NOTE:**

1. A member entitled to attend and vote at the meeting may appoint a proxy, who need not be a member, to attend and so on a poll, vote on his/her behalf. A suitable form of proxy is enclosed. Forms of Proxy must be lodged with the Registrar of The Company, Jamaica Central Securities Depository, 40 Harbour Street, Kingston not less than 48 hours before the time of the meeting.
2. A Corporate shareholder may (instead of appointing a proxy) appoint a representative in accordance with Regulation 75 of the Company's Articles of Incorporation. A copy of Regulation 75 is set out on the enclosed detachable proxy form.



## At 19 years old, Caribbean Cream Limited, through its brand Kremi, has made significant strides...

and seen continuous growth to become a leader in the local ice cream and novelties market.

This growth was primarily facilitated by capital raised by investors on the Jamaica Junior Stock Exchange **12 years** ago. Since then, under the leadership of Mr. Christopher Clarke, CEO, the company has introduced state-of-the-art equipment at its plant at 3 South Road, Kencot, in Kingston in response to demand and for greater efficiency and reliability of its operations. The company has also put in place mandatory training to operate and maintain the state-of-the-art equipment which has been acquired over the years.

The Kremi plant now has a new cold room and we are about to commission a well which will make the facility self-sufficient in potable water and significantly reduce the cost of the commodity to the business.

Caribbean Cream Limited was born out of a need to supply the local market with high quality, but less expensive ice cream than the premium Devon House brand. So Scoops Unlimited Limited, producers of Devon House ice cream, set up Caribbean Cream Limited to service that new market.

On his return to the island, after studying engineering abroad, Mr. Clarke spearheaded the development of a formula for an inexpensive, but superior ice cream mix, on behalf of Scoops Unlimited Limited. The response from the local market to the product was overwhelming and the Board of Scoops Unlimited Limited took the decision to separate the brands and start Caribbean Cream Limited to manufacture and market the Kremi standard product.

So successful was the Kremi brand that three years after launching, Caribbean Cream Limited outgrew its 11 Derrymore Road, Kingston facility and relocated to its current premises at 3 South Road, Kencot also in Kingston.

Today, Kremi distributes most of its products through wholesale, modern trade and retail outlets, as well as by mobile vendors, known locally as 'fudgies'. The vision of the company is to maintain the tasty tradition of success and the journey to that goal continues to be carefully guided by a Board of Directors, comprising astute professionals who seek to empower the management team and staff to grow beyond Jamaica's borders, and to become the **#1 ice cream company in the Caribbean.**



# CHAIRMAN



*Dr. Matthew Clarke*  
Chairman



# AN'S MESSAGE

Caribbean Cream Limited's journey on the path to growth and sustainability remained bright during the year under review amid local and global challenges. With the support of the Board, together with strong management and teamwork, the company was able to introduce new, efficient machinery and shift systems to realise increased production levels and significantly improve key manufacturing and sales metrics.

With the strategy to simultaneously strengthen our operations and administrative teams, we were able to bring on board professionals in order to remain on our growth target.

Based on a robust demand for our Kremi range of products, sales increased year over year. However, we would have realised even more revenue had we not experienced periods of protracted adverse weather and increased spending on maintenance of equipment to ensure consistent throughputs to meet the market's demands.

Our business commissioned a new cold room, which has significantly streamlined order fulfilment and customer delivery. We also expect to bring into service later this year, a well system at our South Road location. The well is aimed at further reducing input costs, bearing in mind that water is a major component in the production of ice cream and novelty products.

While there is pressure on the company's margins, largely driven by climbing labour costs and those associated with equipment maintenance, we are confident that the future of Caribbean Cream Limited is secure in the hands of our team.



Dr. Matthew Clarke  
Chairman



# DIRECTOR'S

# REPORT

The Directors are pleased to present their report for the financial year ended February 28, 2025. The following are highlights of the Audited Financial Statements:

	Year ended Feb 2025 \$'000	Year ended Feb 2024 \$'000
<b>Revenue</b>	2,994,865	2,642,970
<b>Gross Profit</b>	1,059,850	923,606
<b>Profit before taxation</b>	18,585	48,208
<b>Profit, being total comprehensive income for the year</b>	17,792	36,739
<b>Net Current Assets</b>	96,688	109,548
<b>Accumulated profits</b>	768,737	750,945
<b>Earnings per stock unit</b>	\$0.05	\$0.10

The Directors, as at February 28, 2025 were as follows:

Christopher Clarke	Wayne Wray
Carol Clarke-Webster	Mark McKenzie (resigned April 30, 2025)
Dr. Matthew Clarke	Michael Vaccianna

Simon Roberts was appointed on July 1, 2025, to replace Mark McKenzie, who retired as Director on April 30, 2025.

## Dividends


No dividends were paid for the financial year ended February 2025.

## Auditors

The Auditors, Baker Tilly, have indicated a willingness to continue in office pursuant to the provisions of Section 154(2) of the Companies Act.

The Directors want to officially acknowledge their appreciation for the dedicated efforts and hard work of the company's officers and staff.

FOR, AND ON BEHALF OF THE  
BOARD OF DIRECTORS



Dr. Matthew Clarke  
Chairman  
Dated July 11, 2025



# COMPANY

## **Registered Office**

3 South Road, Kingston 10

## **Registrar & Secretarial Agents**

Jamaica Central Securities Depository  
40 Harbour Street, Kingston

## **Company Secretary**

Denise Douglas

## **Auditors**

Chartered Accountants  
Baker Tilly  
6 Collins Green Avenue  
Kingston 5

## **Attorneys-At-Law**

Young Law, Attorneys-at-Law  
Unit 14, Braemar Suites  
1D-1E Braemar Avenue  
Kingston 10

## **Bankers**

CIBC Caribbean Bank (Jamaica) Limited  
Bank of Nova Scotia Jamaica Limited

# DATA & ADVISORS



# Management Discussion & Analysis

The management of Caribbean Cream Limited is pleased to present the Management Discussion and Analysis (MD&A) for the financial year ended February 28, 2025. We believe this information represents an objective and true review of the company's past performance and future outlook.





## Five-Year Financial Review

For The Years Ended February

	2021	2022	2023	2024	2025
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>STATEMENT OF PROFIT OR LOSS</b>					
Revenue (Percentage increase over previous year)	1,870,188 10%	2,085,409 12%	2,506,260 20%	2,642,970 5%	2,994,865 13%
Gross Profit	625,139	592,889	774,645	923,606	1,059,850
Profit before tax	118,500	(13,690)	41,835	48,208	18,585
Net Profit for the year, being total comprehensive income	100,681	(9,153)	27,110	36,739	17,792
Earnings per stock unit	\$0.27	(\$0.02)	\$0.07	\$0.10	\$0.05
<b>STATEMENT OF FINANCIAL POSITION</b>					
Total Assets	1,391,678	1,723,927	2,154,273	2,523,447	2,695,266
Total Liabilities	557,746	925,420	1,328,656	1,661,091	1,815,118
Net Current Assets	223,490	212,775	146,095	109,548	96,688
Property, plant and equipment	825,484	1,109,888	1,550,445	1,763,687	1,774,968
Total Borrowings	213,905	567,677	945,100	1,179,266	1,134,209
Stockholders' Equity	833,933	798,507	825,617	862,356	880,148

## COMPANY'S PERFORMANCE

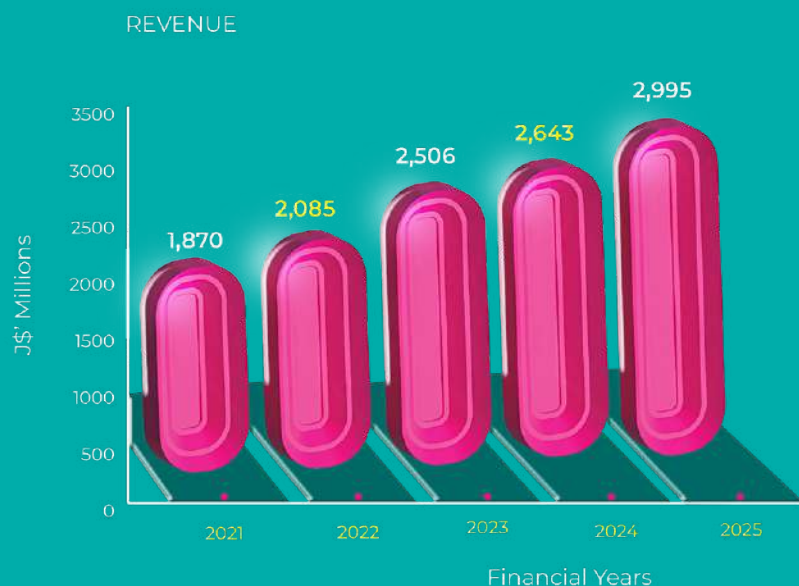
For the financial year ending February 2025, the company achieved sales totalling \$2.995 billion, an increase of \$0.352 billion over the last year of \$2.664 billion. During the year, we benefitted from the new cold room which allowed us to better supply the market. However, we had significant expenditure that impacted the bottom line.

## FINANCIAL OVERVIEW

### STATEMENT OF COMPREHENSIVE INCOME

#### REVENUE

The revenue for the financial year grew by \$0.352 billion or 13% above last year. There was no price increase. Sales growth was due to volume increase in Kremi brand and co-packing.



#### COST OF SALES

Cost of sales for the year was \$1.935 billion, compared to \$1.719 billion for the same period last year. This represented an increase of \$0.216 billion due to increases in our sales as well as the maintenance of our manufacturing equipment.

Gross Profit achieved was \$1.060 billion, an increase of \$0.136 billion over last year of \$0.924 billion.



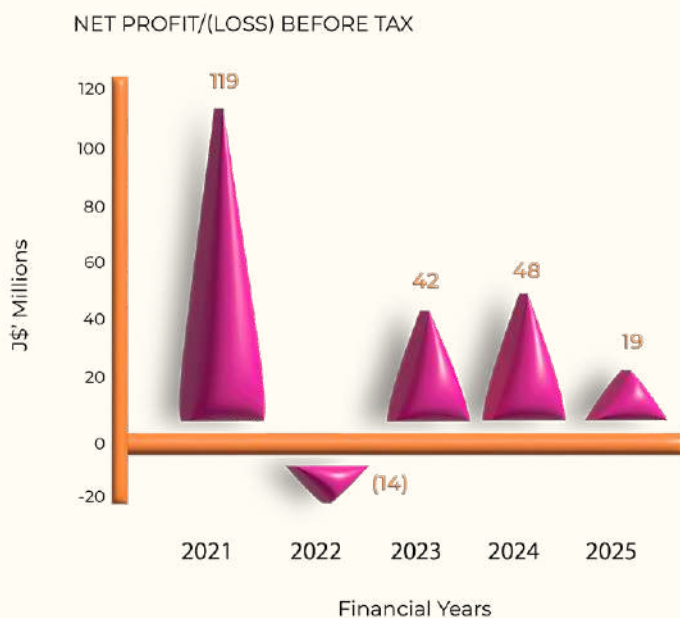
## OPERATING EXPENSES

Total operating expenses were \$1.048 billion, an increase of \$0.174 billion or 20% compared to \$874 million in the previous year. This expense comprises Administrative, Selling & Distribution and Finance costs.

Administrative expenses totalled \$0.868 billion, an increase of \$0.152 billion or 21% over last year. The increase was mainly due to increased labour cost where there was an increase in the minimum wages which affected other related costs, such as security. We were also impacted by an increased lease interest expense as we extended our lease as per IFRS 16.

## NET PROFIT/(LOSS) BEFORE and AFTER TAX

Considering all the above, net profit before tax was \$0.186 billion when compared to last year of \$0.48 billion.

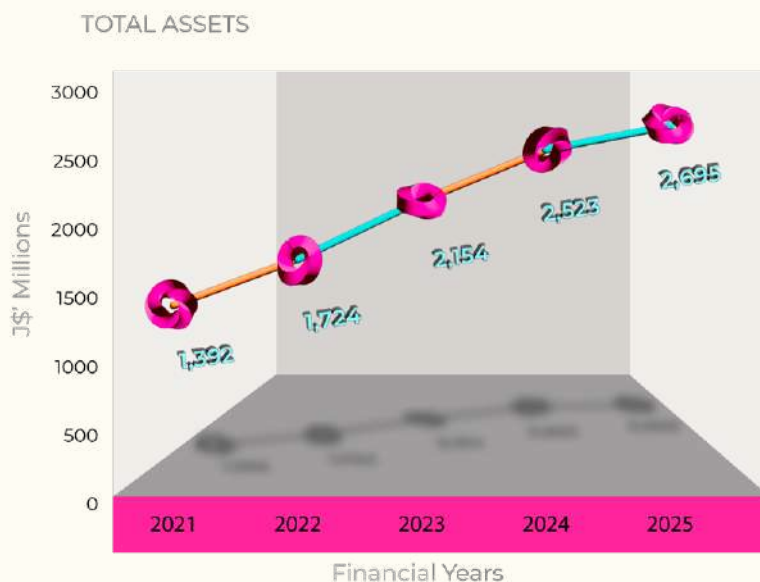


Net profit after tax at the year-end was \$0.178 billion when compared to last year of \$0.367 billion. Taxation expense for the year was \$793 thousand.

## STATEMENT OF FINANCIAL POSITION

### TOTAL ASSETS

Total Assets for the year were \$2.7 billion, an increase of \$0.172 billion or 7%. This increase is attributable to the remeasurement of leased properties that houses major capital investment of the company as recognized under IFRS 16.

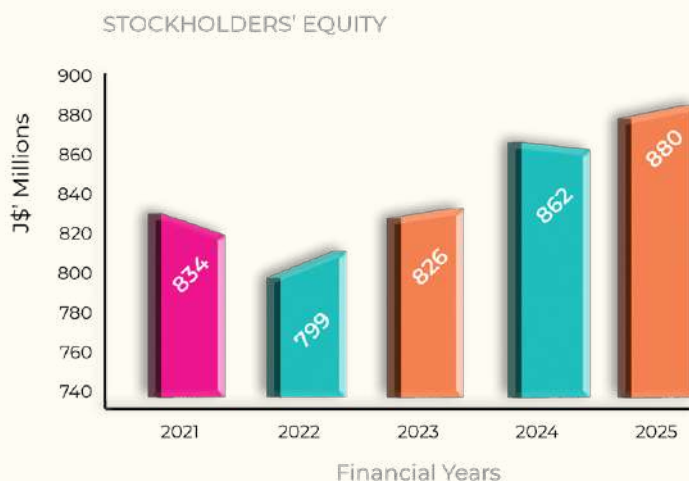


### CASH AND CASH EQUIVALENTS

Cash and cash equivalents reduced to \$0.38 billion when compared to the last financial year. The company increased capital investments by \$0.148 billion from its operational cash flow. There were no new loans acquired for the financial year.

### STOCKHOLDERS' EQUITY

At \$0.880 billion, stockholders' equity continues to grow. It grew by \$0.18 billion due to the year's net profit performance.





## RISK ANALYSIS

The Board of Directors is ultimately responsible for the establishment and oversight of the company's risk management framework and has appointed the Audit Committee to assist with this. This committee oversees how management monitors compliance with the company's risk management policies and reviews the adequacy of the risk management framework. The company's operations are exposed to a variety of risks, of which the financial risks are already mentioned in the report audited. Other risks faced by the company relate to our quality, technology and operations.

### Quality Risk

At CCL, we ensure that our products meet consumer expectations by using high-quality ingredients, delivering a smooth texture, balanced flavour, and convenient packaging. We assure food safety, prevent contamination and ensure safe consumption through processes like pasteurization, temperature control, hygiene protocols, allergen management and microbial testing. Both quality and food safety are essential to delivering a safe, enjoyable product.

To mitigate quality and food safety-related risks, we routinely review our food safety management system that covers all aspects of the ice cream production and supply chain. This includes adopting food safety standards, reinforcing good manufacturing practices, raising employee awareness through training and ensuring continuous improvement in all areas of our operations. The reinforcement of these, and other measures will significantly reduce the risks of food safety incidents to assure product quality and consumer safety.

### Operational Risk

Operational efficiency is critical to the company's success. Within the financial year, the company carried out extensive

repairs and maintenance of its equipment to increase efficiency. This has enabled increased production to quality standards.

### Technological Risk

The IT technology landscape at Kremi continues to evolve and IT risk management continues to be a key area of focus for the business.

Key risks that are currently being managed from an IT perspective include:

#### Cybersecurity Exposure:

With Kremi's on-premises deployment of Microsoft Business Central, we continue to rely heavily on the organisation's internal security posture to manage unauthorised access, malware, and data breaches.

#### Infrastructure Dependency:

Our ERP System availability depends heavily on the reliability of internal servers, storage, and network infrastructure. Mitigating hardware failure and having the appropriate levels of redundancy continues to be managed to lessen the impact of any hardware failures.

The Data Protection Act, now in force, introduces key obligations for any organisations handling personal data. As a listed company, the following are our key area of focus.

- **Lawful Processing and Consent:** Managing personal data collected and processed through our internal systems, ensuring that the appropriate consent mechanisms are in place where applicable.
- **Data Security and Breach Notification:** The Act requires "appropriate technical and

organizational measures” to protect personal data. This includes system hardening, role-based access, audit trails, encryption where applicable, and documented response plans for breaches.

- **Data Storage and Retention:** Our internal systems are configured to store only necessary personal data with the appropriate retention policies that align with Jamaica’s legal / regulatory requirements.

## MARKETING OVERVIEW 2024 / 2025

For the year 2024/2025, our marketing efforts were significantly scaled back due to limited funding. The focus was therefore shifted to sustaining brand presence, supporting core sales channels, and preserving customer engagement with minimal spend.

Despite our reduced spend however, we were able to increase our Social Media presence, growing our followers by 16% over the previous year. We also utilised Google Display Ads, and Local Directories to stay visible in search results.

We also sustained our products’ visibility through in-store placements, and Freezer placements in strategic wholesalers, while simultaneously focusing on the timely replenishment of our attractive packaging to draw consumers’ attention without extra promotion.

On the community involvement side of the business, we participated in some small-scale community and school events, while offering free samples selectively through social media giveaways.

Going forward, the plan is to continue our cost-effective tactics with high ROI, reinforce our strong brand foundation and customer relationships, and launch targeted media campaigns based both on lessons learned from last year, and the upcoming launch of our new “environmentally friendly” retail packs.

## HUMAN RESOURCE OVERVIEW 2024 - 2025

Our strategic focus for the year centred on **“Building a Culture of Leadership & Accountability.”** To support this goal, we have initiated several key initiatives, including:

1. **Strengthening our leadership team**
2. **Enhancing accountability at all levels**
3. **Developing innovative talent management strategies**
4. **Continuing engagement and communication**

### **Strengthening Our Leadership Team:**

Our senior leaders and executives participated in an Emotional Intelligence 360 assessment, followed by personalised coaching to deepen self-awareness, improve emotional regulation, and enhance overall leadership effectiveness. We planned to have training sessions for managers at all levels.

While some additional training activities were postponed due to cash flow limitations, employee satisfaction surveys showed positive shifts in perceptions of leadership performance.

### **Driving On-the-Ground Accountability:**

We emphasised strategy and performance management through a comprehensive planning process involving senior leadership



and the Board of Directors, incorporating insights from staff feedback to ensure alignment with employee perspectives.

Employees were actively engaged through our strategy roll-out session in understanding the company's annual plan and their roles in its implementation, which was clearly reflected in their KPIs for the year.

Year-end calibration sessions ensured evaluation fairness, applying consistent standards across managers.

In February 2025, to promote deeper accountability, we launched a Productivity Incentive Scheme focused on safety, quality, delivery, cost control, and morale (SQDCM). This initiative has led to increased production levels to better meet sales demand.

### **Designing Creative Talent Management Solutions:**

Attracting and retaining skilled and technical talent remains a challenge due to Jamaica's low unemployment rate.

To address this, we introduced an internship programme that built a pool of candidates for technical roles in Maintenance and Quality. Some interns transitioned into permanent positions, while others were gainfully employed elsewhere. We plan to expand this programme to other departments in the coming year.

Our retention rate for roles above the Operator level reached 88%, just shy of the industry standard.

Our goal is to surpass the 90% industry benchmark by offering more competitive

compensation, benefits, and ongoing salary alignment with market rates to attract top talent and fill critical roles more efficiently.

### **Ongoing Engagement & Communication:**

As part of our engagement efforts, we launched focus group sessions to gather staff feedback and address concerns.

Our HR Day was a successful event, featuring training sessions, workshops, and recognition activities. Employees participated in 5S training, Safety and Disaster Management workshops, GMP training, among others.

In our continued focus on employee wellness, we organised a Health & Wellness Fair, providing employees with health screenings—including blood pressure, cholesterol, blood sugar tests; and services such as upper body massages, foot detox, physiotherapy consultations, counselling, body scans, and anti-inflammatory treatments.

To ensure workplace safety, we established a Safety Committee led by our Occupational Health and Safety Officer, emphasising a safety-first culture.

Our vision for the upcoming year, "Great People, Great Place To Work," underscores our commitment to creating an environment where everyone can thrive. We look forward to working together to turn this vision into reality.

# 5 LOOK

The company will achieve an important milestone of \$3 billion in sales as we continue to serve our customers with more products, services and locations throughout Jamaica and the Caribbean. Additionally, there are several projects scheduled to be completed in the upcoming financial year, which should provide increased operational efficiencies and cost savings. We are committed to increasing our profitability and growth in market share.

The Board and Management of Caribbean Cream would like to express our thanks and gratitude to our employees who are key to our success and have remained dedicated and committed. We thank our 'fudgies', our mid-level distributors and wholesalers, our supply chain partners and smaller vendors, as well as other participants within the chain, for their ongoing determination to promote and sell our products throughout Jamaica.



# CORPORATE GOVERNANCE

The Board of Directors of Caribbean Cream Limited oversees the company's corporate governance system and is ultimately responsible for its activities, strategy, risk management, and financial results. The Board has the authority and accountability to shareholders to ensure that the company is properly managed and achieves its strategic goals.

## Board of Directors Composition

As of February 28, 2025, the Board of Directors includes three independent directors, two non-executive directors, and one executive director, all of whom are qualified, objective, committed, and possess diverse skills and backgrounds. This enables them to serve effectively on various board committees. The names of the directors and their qualifications are listed in the Directors' Profile section of this report. The definitions of these director categories are:

- **An Independent Director** is a member of the board of directors who does not participate in daily management but may be involved in policymaking and planning activities. They are not connected to, nor do they have any financial ties with, the company, senior management, or affiliate companies. The independent director owns no more than 3% of the company's voting shares.
- **A Non-Executive Director** is a member of the board of directors who does not take part in daily management but may be involved in policymaking and planning activities.

- **An Executive Director** is a member of the board of directors who is deeply involved in the company's daily management.

## The Board and its Committees -

**Dr. Matthew Clarke**  
Chairman

**Christopher Clarke**  
Executive Director

**Carol Clarke-Webster**  
Non-Executive Director

**Michael Vacciana**  
Independent Director

**Wayne Wray**  
Independent Director

**\*Simon Roberts**  
Independent Director

\*Simon Roberts was appointed on July 1, 2025 to replace Mark McKenzie, who retired as Director on April 30, 2025

## Audit & Risk Management Committee

The Audit & Risk Management Committee is a working committee of the company's board of directors. It maintains direct communication with the company's financial controller. Its responsibilities include overseeing financial reporting, monitoring accounting policies, supervising external auditors, ensuring regulatory compliance, and discussing risk management policies with management.

The Audit & Risk Management Committee consists of 4 directors:

**Wayne Wray – Chairman**

**Christopher Clarke – Executive Director**

**Michael Vacciana – Independent Director**

**Simon Roberts – Independent Director**  
(appointed July 1, 2025)

**Mark McKenzie** (retired April 30, 2025)

### Compensation/Nominations/Corporate Governance Committee

The Compensation, Nominations, and Corporate Governance Committee is a sub-committee of the company's board of directors. It is mainly responsible for setting the compensation levels for senior management, making recommendations to the Board regarding the composition and qualifications of directors, and advising on governance matters.

The Compensation/Nominations/Corporate Governance Committee consists of 5 directors:

<b>Michael Vacciana</b>	-	<b>Chairman of the Committee</b>
<b>Carol Clarke-Webster</b>	-	<b>Non-Executive Director</b>
<b>Dr. Matthew Clarke</b>	-	<b>Non-Executive Director</b>
<b>Wayne Wray</b>	-	<b>Independent Director</b>
<b>Simon Roberts</b>	-	<b>Independent Director (appointed July 1, 2025)</b>
<b>Mark McKenzie</b>	-	<b>Independent Director (resigned April 30, 2025)</b>

### Attendance at Meetings for the Year

The Members of the Committees and their attendance at the respective meetings for the 2024 financial year are reflected in the Table below:

	Annual General Meeting	Board of Directors' Meeting	Audit & Risk Management Committee Meeting	Compensation/Nominations/Corporate Governance Committee Meeting
Number of meetings for the year	1	4	3	1
Christopher Clarke	1	4	3	-
Dr. Matthew Clarke	1	4	-	-
Carol Clarke-Webster	1	4	-	1
Mark McKenzie	*	4	3	1
Michael Vacciana	1	4	3	1
Wayne Wray	1	4	3	1

### Board and Committee Meeting Fees

The fees for each Board meeting and for each Committee of which the Director is a member are \$80,000.

### Travel Expense Reimbursement

All Directors will be reimbursed for reasonable travel expenses related to attending meetings of the Company's Board of Directors and its Committees.

### Annual General Meeting

An annual shareholders' meeting is held to give shareholders the chance to provide input and have their questions addressed.

### Articles of Incorporation

The Company's Articles of Incorporation were not amended during the period under review.

The Corporate Governance Guidelines, which include the Communication Policy, Dividend Policy, Code of Ethics, Whistleblowing, Corporate Social Responsibility, and Human Resources guidelines, are available on the company's website at [www.caribcream.com](http://www.caribcream.com).



# SENIOR



Christopher Clarke  
C.E.O. – Chief Executive Officer

Karen M. Williams  
Chief Financial Officer

Dean Clarke  
Chief Sales & Distribution Officer

David Radlein  
Chief Marketing Officer



## MANAGEMENT TEAM



Dr. Matthew Clarke  
Non-Executive Director/  
Chairman

Carol Clarke-Webster  
Non-Executive Director

Christopher Clarke  
Executive Director/  
Chief Executive Officer



# Board of DIRECTORS



Michael Vaccianna  
Independent Director

Mark McKenzie  
Independent Director  
(resigned April 30, 2025)

Wayne Wray  
Independent Director

Denise Douglas  
Company Secretary







## **Simon Roberts**

Independent Director (appointed July 1, 2025)

He is an engineering and business consultant, focusing in the areas of manufacturing improvements, logistics, compensation design and project management. He has previously worked at GraceKennedy for over 20 years in various capacities, including Group CIO, General Manager of food manufacturing plants, and CEO of H&L Ltd. He also has expertise in product and process design and development, warehouse design, new product and manufacturing process innovations, as well as metallurgy. He is a Board Member of various Public and Private Sector, and Charity organisations. He holds a Bachelor of Applied Science (Metallurgical and Materials Sciences Engineering) from the University of Toronto and a Master of Applied Science (Management Sciences and Engineering) from the University of Waterloo.



## List of Top Ten (10) Largest Shareholders as at February 28, 2025

Ten Largest Shareholders	No. of Stock Units	% Holding
Scoops Un-Limited Limited	123,035,449	32.50
Dr. Matthew Clarke	59,555,425	15.73
Carol Marie Clarke-Webster/Christopher Andrew Clarke	58,521,764	15.46
Christopher A. Clarke	35,133,399	9.28
Resource In Motion Limited	32,479,583	8.58
Everton J. Smith	10,000,000	2.64
JI Limited	5,000,000	1.32
QWI Investments Limited	4,450,000	1.18
Bridgeton Management Services Limited	4,327,440	1.14
Sagcor Select Fund Limited - ('Class C' Shares) Manufacturing & Distribution	3,121,508	0.82

## Shareholdings of Directors, Officers and Connected Parties as at February 28, 2025

Board Member	Primary Holder/Joint Holder	Relationship	No. of Stock Units	Total
Carol Webster	Carol Webster/ Christopher A. Clarke	Connected	58,521,764	<b>181,557,213</b>
	Carol Webster/ Scoops Un-Limited Limited	Connected	123,035,449	
Dr. Matthew G. Clarke	Dr. Matthew Clarke	Self	59,555,425	<b>182,590,874</b>
	Dr. Matthew Clarke/ Scoops Un-Limited Limited	Connected	123,035,449	
Christopher A. Clarke	Christopher A. Clarke	Self	30,133,399	<b>158,168,848</b>
	Christopher A. Clarke/ Kamoy Clarke	Connected	5,000,000	
	Christopher A. Clarke/ Scoops Un-Limited Limited	Connected	123,035,449	
Mark A. McKenzie	Mark A. McKenzie	Self	1,487,558	<b>1,487,558</b>
Wayne Wray	Wayne Wray/Christine Randle	Connected	1,043,249	<b>1,250,084</b>
	Wayne Wray	Self	200,000	
	Wayne Wray/Craig Singh	Connected	6,835	
Michael Vaccianna	Michael Vaccianna	Self	0	<b>0</b>

## Shareholdings of Senior Managers and Connected Parties as at February 28, 2025

Senior Managers	Primary Holder/Joint Holder	Relationship	No. of Stock Units	Total
David Radlein	David Radlein/ Catherine Radlein	Connected	100,000	100,000
Karen Williams	Karen Williams/Vyris Williams Karen Williams/Vyris Williams	Connected Connected	25,855 55,000	80,855
Dean Alvery Clarke	Dean Alvery Clarke Dean Alvery Clarke	Self Self	200,000 100	200,100





# AUDITED FINANCIAL STATEMENTS



## **Caribbean Cream Limited**

**Financial Statements  
28 February 2025**



# Caribbean Cream Limited

## Index 28 February 2025

---

	Page
<b>Independent Auditors' Report to the Members</b>	31 - 36
<b>Financial Statements</b>	
Statement of financial position	37
Statement of comprehensive income	38
Statement of changes in equity	39
Statement of cash flows	40
Notes to the financial statements	41 – 80

6 Collins Green Avenue  
Kingston 5  
Jamaica

T: 876 906 1658-9  
F: 876 920 3226

admin@bakertilly.com.jm  
www.bakertilly.com.jm

## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
Caribbean Cream Limited

### **Report on the Audit of the Financial Statements**

#### **Our opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Caribbean Cream Limited (“the Company”) as at 28 February 2025, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the Jamaican Companies Act.

#### **What we have audited**

Caribbean Cream Limited financial statements comprise:

- the statement of financial position as at 28 February 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, which include a summary of material accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

ADVISORY • ASSURANCE • TAX

PARTNERS: Wayne Strachan; FCA;FCCA;MBA Emile Lafayette; FCA;FCCA;MBA Roxiana Malcolm-Tyrell; FCA;FCCA;MBA  
Royal Thorpe; FCA;FCCA;MBA

Baker Tilly Strachan Lafayette trading as BakerTilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.



## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
Caribbean Cream Limited  
Page 2

### **Report on the Audit of the Financial Statements (continued)**

#### **Our Audit approach**

##### **Audit scope**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

##### **How we tailored our Company audit scope**

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Our 2025 audit was planned and executed having regard to the fact that the operations of the Company remain largely unchanged from the prior year.

In establishing the overall Company's audit strategy and plan, we determined the type of work that was needed to be performed on the components by the engagement team.

##### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. No key audit matter was determined.

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

To the Members of  
Caribbean Cream Limited  
Page 3

### **Report on the Audit of the Financial Statements (continued)**

#### **Other information**

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### ***Responsibilities of management and those charged with governance for the financial statements***

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

To the Members of  
Caribbean Cream Limited  
Page 4

### **Report on the Audit of the Financial Statements (continued)**

#### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

To the Members of  
Caribbean Cream Limited  
Page 5

### **Report on the Audit of the Financial Statements (continued)**

#### ***Auditors' responsibilities for the audit of the financial statements (continued)***

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

To the Members of  
Caribbean Cream Limited  
Page 6

**Report on the Audit of the Financial Statements (continued)*****Report on other legal and regulatory requirements***

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaica Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' opinion is Wayne Strachan.



**Chartered Accountants**  
Kingston, Jamaica  
11 July 2025


# Caribbean Cream Limited

## Statement of Financial Position As at 28 February 2025

		2025	2024
	Note	\$	\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1,774,967,749	1,763,687,397
Right-of-use assets	7	254,102,405	79,832,313
Intangible assets	8	47,330,864	59,807,874
		<u>2,076,401,018</u>	<u>1,903,327,584</u>
<b>Current assets</b>			
Inventories	9	368,003,238	219,027,486
Receivables	10	175,459,016	198,906,836
Due from related parties	11	34,292,566	51,150,494
Taxation recoverable		3,033,627	10,572,252
Cash and cash equivalents	12	38,076,260	140,462,585
		<u>618,864,707</u>	<u>620,119,653</u>
<b>TOTAL ASSETS</b>		<u><u>2,695,265,725</u></u>	<u><u>2,523,447,237</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Stockholders' equity</b>			
Share capital	13	111,411,290	111,411,290
Retained earnings		<u>768,736,782</u>	<u>750,945,192</u>
		<u>880,148,072</u>	<u>862,356,482</u>
<b>Non-current liabilities</b>			
Long term loans	14	1,008,755,564	1,053,257,948
Lease liabilities	7	261,482,201	67,623,907
Deferred income tax liabilities	15	<u>22,702,819</u>	<u>29,637,669</u>
		<u>1,292,940,584</u>	<u>1,150,519,524</u>
<b>Current liabilities</b>			
Payables	16	374,896,119	362,972,967
Short term loan	17	15,139,658	20,033,321
Current portion of long term loans	14	110,313,884	105,974,996
Current portion of lease liabilities	7	<u>21,827,408</u>	<u>21,589,947</u>
		<u>522,177,069</u>	<u>510,571,231</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>2,695,265,725</u></u>	<u><u>2,523,447,237</u></u>

Approved for issue by the Board of Directors on 11 July 2025 and signed on its behalf by:

  
\_\_\_\_\_  
Chairman  
Matthew Clarke

  
\_\_\_\_\_  
Director  
Christopher Clarke



# Caribbean Cream Limited

## Statement of Comprehensive Income Year ended 28 February 2025

	Note	2025	2024
		\$	\$
<b>Gross operating revenue</b>	18	2,994,864,868	2,642,970,453
Direct expenses	19	(1,935,014,493)	(1,719,364,444)
<b>Gross profit</b>		1,059,850,375	923,606,009
Other income	20	7,242,065	660,800
Selling and distribution expenses	21	(80,335,609)	(74,587,812)
Administrative expenses	21	(867,980,036)	(716,462,308)
<b>Operating profit</b>	22	118,776,795	133,216,689
Impairment losses on financial assets	4(a)	(391,645)	(1,859,026)
Finance costs, net	24	(99,800,593)	(83,149,505)
<b>Profit before taxation</b>		18,584,557	48,208,158
Taxation	25	(792,967)	(11,468,885)
<b>Net profit for the year, being total comprehensive income</b>		<u>17,791,590</u>	<u>36,739,273</u>
<b>Earnings per stock unit attributable to stockholders of the Company</b>	26	<u>\$0.05</u>	<u>\$0.10</u>

## Caribbean Cream Limited

### Statement of Changes in Equity Year ended 28 February 2025

	Share capital	Retained earnings	Total
	\$	\$	\$
<b>Balance at 28 February 2023</b>	111,411,290	714,205,919	825,617,209
Total comprehensive income	-	36,739,273	36,739,273
<b>Balance at 29 February 2024</b>	111,411,290	750,945,192	862,356,482
Total comprehensive income	-	17,791,590	17,791,590
<b>Balance at 28 February 2025</b>	111,411,290	768,736,782	880,148,072



# Caribbean Cream Limited

## Statement of Cash Flows Year ended 28 February 2025

	2025	2024
	\$	\$
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	18,584,557	48,208,158
Adjustments for:		
Depreciation	134,251,916	114,362,144
Amortization of right-of-use assets	34,040,771	26,576,167
Amortization of intangible assets	12,477,010	3,157,972
Bad debt written-off	-	37,288
Inventories written-off	21,783,072	3,828,269
Impairment losses on financial assets	391,645	1,859,026
Interest income	(759,856)	(511,984)
Interest expense	89,516,581	86,338,742
Lease interest expense	19,577,556	5,565,592
Gain on disposal of property, plant and equipment	(1,700,496)	-
Foreign exchange gains	2,901,465	(9,761,045)
	<u>331,064,221</u>	<u>279,660,329</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in inventories	(170,758,824)	58,798,034
Decrease/(increase) in receivables	23,056,175	(44,127,870)
Decrease/(increase) in due from related parties	16,857,928	(31,856,330)
Increase in payables	12,234,120	82,950,489
Cash provided by operating activities	212,453,620	345,424,652
Taxation paid	(189,192)	(127,663)
Interest paid	(109,405,105)	(88,541,037)
Interest received	759,856	511,984
Net cash provided by operating activities	<u>103,619,179</u>	<u>257,267,936</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(147,918,728)	(327,604,759)
Proceeds from disposal of property, plant and equipment	4,086,956	-
Purchase of intangible assets	-	(62,965,846)
Net cash used in investing activities	<u>(143,831,772)</u>	<u>(390,570,605)</u>
<b>Cash flows from Financing Activities</b>		
Proceeds from long term loans	65,811,500	295,288,500
Repayment of long term loans	(105,974,996)	(69,966,666)
Short term loan, net	(4,893,663)	8,844,807
Lease principal payments	(13,955,699)	(28,354,030)
Net cash (used in)/provided by financing activities	<u>(59,012,858)</u>	<u>205,812,611</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(99,225,451)</u>	<u>72,509,942</u>
Net effect of foreign currency translation on cash and cash equivalents	(3,160,874)	1,155,166
<b>Cash and cash equivalents at the beginning of year</b>	<u>140,462,585</u>	<u>66,797,477</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>38,076,260</u></u>	<u><u>140,462,585</u></u>
<b>Represented by:</b>		
Cash at bank and in hand	21,861,136	106,312,680
Short term investment	16,215,124	34,149,905
	<u>38,076,260</u>	<u>140,462,585</u>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 1. Identification and Principal Activities

Caribbean Cream Limited (the Company) is incorporated and domiciled in Jamaica and is listed 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 has controlling interest in the Company by virtue of their direct holding of 73% (2024: 73%) of the issued shares of the Company.

The principal activities of the Company are the manufacture and sale of ice cream and frozen novelties, under the 'Kremi' brand, and the importation and distribution of certain types of frozen novelties.

These financial statements are presented in Jamaican dollars, which is the Company's functional currency.

### 2. Basis of preparation

#### (a) Basis of measurement and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 5.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 2. Basis of preparation (continued)

#### (a) Basis of measurement and statement of compliance (continued)

##### **Standards, interpretations and amendments to existing standards effective in the current year that are relevant to the Company's operations**

The following standards, interpretations and amendments to existing standards which have been published have been adopted by the Company for the first time and are effective for mandatory adoption for the financial year beginning on or after 1 January 2024:

**The amendments in Classification of Liabilities as Current or Non-current - Amendments to IAS 1** (effective for annual periods beginning on or after 1 January 2024) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

**Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)** (effective for annual periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

**Leases on sale and leaseback (Amendments to IFRS 16)** (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

The amendments did not result in any material effect on the Company's financial statements.



# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 2. Basis of preparation (continued)

#### (a) Basis of measurement and statement of compliance (continued)

##### **Standards and amendments to published standards that are not yet effective and have not been early adopted by the Company**

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the Company has not early adopted. The Company has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

**Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, and IFRS 7)** effective for annual periods beginning on or after 1 January 2026 clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

**IFRS 18 Summary for Financial Statements replaces IAS 1** effective for annual periods beginning on or after 1 January 2027 enhances transparency and comparability in financial reporting by introducing new requirements include: new categories and subtotals in the statement of profit or loss, disclosure of management-defined performance measures (MPMs) and enhanced requirements for grouping information.

**Lack of Exchangeability Amendments to IAS 21** (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Company is not impacted by this amendment.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Company.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies

#### (a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis at rates to write off the carrying value of the assets over their expected useful lives. The rates used to write off the cost of assets are as follows:

Freehold land & buildings	5%
Leasehold improvements	Lease period
Motor vehicles	12.5%
Machinery and equipment	10%
Computer equipment	25%
Security systems	10%
Rights-of-use assets	Lease period

Leasehold improvements are classified as property, plant and equipment.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repairs and maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

#### (b) Right-of-use assets and lease liabilities

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- (i) Leases of low value assets; and
- (ii) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- (i) amounts expected to be payable under any residual value guarantee;
- (ii) the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- (iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (b) Right-of-use assets and lease liabilities (continued)

To determine the incremental borrowing rate, the Company:

- (i) since it does not have recent third-party financing, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
- (ii) makes adjustments specific to the lease, e.g. term, currency and security.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (i) lease payments made at or before commencement of the lease;
- (ii) initial direct costs incurred; and
- (iii) the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets valued as US\$5,000 or less when new. The Company has no short-term leases or leases for low valued assets at this time.

#### Extension and termination options

Extension and termination options are included for the property leased by the Company. These are used to maximise operational flexibility in terms of managing the asset used in the Company's operations. The extension option is exercisable by the lessee provided that thirty (30) days written notice is given prior to the expiration of the initial term. Either party may terminate the lease on the provision that not less than twelve (12) months' notice in writing is given to the other party.



# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (b) Right-of-use assets and lease liabilities (continued)

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

#### (c) Intangible assets

Items of intangible assets represent purchased computer software not integral to computer hardware, with finite useful lives that are acquired separately and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life of three years.

#### (d) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, short term deposits and bank overdraft.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (e) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. For trade receivables impairment provisions, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

Under the simplified approach within IFRS 9, the impairment provision is assessed using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

#### (f) Inventories

Inventories are measured at the lower of cost, determined principally on a first-in-first-out (FIFO) basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling costs.

#### (g) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise cash and cash equivalents and trade and other receivables. Financial liabilities comprise trade and other payables and long-term loans.

#### *Financial assets:*

##### (i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (g) Financial instruments (continued)

##### (ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Amortised cost represents the net present value (“NPV”) of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Trade and other receivables

Due to their short-term nature, the Company initially recognises these assets at the original invoiced or transaction amount less expected credit losses.



# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (g) Financial instruments (continued)

##### (ii) Classification and subsequent measurement (continued)

###### *Financial assets*

###### *Financial assets – Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

###### *Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

The Company’s objective is to hold financial assets to collect contractual cash flows. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (g) Financial instruments (continued)

##### (ii) Classification and subsequent measurement (continued)

###### *Financial liabilities*

All financial liabilities are recognised initially at fair value and in the case of borrowings, plus directly attributable transaction costs. The Company's financial liabilities, which include trade and other payables and long-term loans are recognized initially at fair value.

###### *Financial assets and liabilities – Subsequent measurement and gains and losses*

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in the individual policy statements associated with each item.

##### (iii) Derecognition

###### *Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (g) Financial instruments (continued)

##### (iii) Derecognition (continued)

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

##### *Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

##### (iv) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (h) Impairment

At each statement of financial position date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.



# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (i) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (j) Dividends

Dividends on ordinary shares and capital distributions are recognized in shareholders' equity in the period in which they become legally payable. Interim dividends are due when declared and approved by the directors while shareholders approve final dividends at the Annual General Meeting. Dividends and capital distributions for the year that are declared after the reporting date are disclosed in the subsequent events note.

#### (k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

#### Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (l) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

#### (m) Income taxes

Where applicable, taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (n) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the date of the statement of financial position, that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

#### (o) Revenue recognition

Performance obligations and revenue recognition policies:

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of service	<i>Nature and timing of satisfaction of performance obligations, including significant payment terms.</i>	<i>Revenue recognition under IFRS 15.</i>
Sale of ice cream products and novelties.	Customers obtain control of goods when the goods are delivered to and accepted by them. Invoices are generated and the revenue is recognized at that point in time.  Invoices are usually payable within 30 days.	Revenue is recognised when the goods are delivered and have been accepted by the customers, which is at a point in time.

#### *Interest income*

Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the expected rate that exactly discounts estimated future cash receipts through the life of the financial asset to that asset's net carrying amount.



# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 3. Material Accounting Policies (continued)

#### (p) Comparative information

Where necessary comparative figures have been reclassified to conform with changes in presentation.

#### (q) Related party transactions

A party is related to the Company, if:

- (i) directly, or indirectly through one or more intermediaries, the party, is controlled by, or is under common control with, the Company (this includes parent, subsidiaries and fellow subsidiaries); has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;
- (ii) the party is an associate of the Company;
- (iii) the party is a joint venture in which the Company is a venturer;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is the Company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any Company that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The Company has a related party relationship with its directors and key management personnel, representing certain senior officers of the Company.

#### (r) 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 sale of ice cream and frozen novelties to Jamaican consumers, operating in a single segment, therefore no additional segment information is provided.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 4. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk and capital management. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

#### **Audit Committee**

The Board of Directors has also established an Audit Committee to assist in managing the Company's risk profile. This Committee oversees how management monitors compliance with the Company's risk management policies and reviews the adequacy of the risk management framework.

#### **(a) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as outstanding receivables from credit sales.

#### **Risk management**

Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 4. Financial risk management (continued)

#### (a) Credit risk (continued)

##### **Risk management (continued)**

Management determines concentrations of credit risk by monitoring the credit-worthiness rating of existing customers and through a monthly review of the trade receivables ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company does not hold any collateral as security.

##### **Impairment of financial assets**

The Company has one type of financial asset that is subject to the expected credit loss model of trade receivables.

Due from related parties and cash and cash equivalents are also subject to the impairment requirements of IFRS 9, however the identified impairment loss was considered immaterial.

##### **Trade receivables**

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 28 February 2025 and 29 February 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP, inflation and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.



# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 4. Financial risk management (continued)

#### (a) Credit risk (Continued):

##### Trade receivables (continued)

On that basis, the loss allowance as at 28 February 2025 and 29 February 2024 was determined as follows for trade receivables:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>28 February 2025</b>					
Expected loss rate	0.13%	1.31%	2.62%	100%	2.37%
Gross carrying amount – trade receivables \$	92,245,387	7,977,251	2,335,110	2,196,089	104,753,837
Loss allowance \$	118,503	104,502	61,179	2,196,089	2,480,273
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>29 February 2024</b>					
Expected loss rate	0.09%	1.31%	2.62%	54.32%	1.61%
Gross carrying amount – trade receivables \$	99,966,273	23,550,917	2,942,939	2,961,889	129,422,018
Loss allowance \$	94,038	308,516	77,105	1,608,969	2,088,628

The closing loss allowances for trade receivables as at 28 February 2025 and 29 February 2024 reconcile to the opening loss allowances as follows:

	Trade receivables 2025 \$	Trade receivables 2024 \$
Balance at beginning of year	2,088,628	229,602
Increase in expected credit loss allowance recognised in the profit and loss during the year	391,645	1,859,026
Balance at end of year	2,480,273	2,088,628

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 4. Financial risk management (continued)

#### (a) Credit risk (continued)

##### Trade receivables (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 28 February 2025, there were \$2,196,089 (2024 – \$1,608,969) lifetime expected credit losses of the full value of the receivables.

##### *Other financial assets at amortised cost*

Other financial assets at amortised cost include other receivables and balances due from related parties.

While the other financial assets at amortised cost are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

At the Statement of Financial Position date, except for cash and cash equivalents, there were no other significant concentration of credit risk and the exposure to credit risk of these financial assets were considered immaterial.

##### **Net impairment losses on financial assets recognised in statement of comprehensive income**

During the year, the following losses were recognised in statement of comprehensive income in relation to impaired financial assets:

	<b>28 February 2025</b>	<b>29 February 2024</b>
	<u>\$</u>	<u>\$</u>
Impairment losses		
- movement in loss allowance for trade receivables	391,645	1,859,026
Net impairment losses on trade receivables	<u>391,645</u>	<u>1,859,026</u>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 4. Financial risk management (continued)

#### (b) Liquidity risk:

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

#### Liquidity risk management process

The Company's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis;
- (ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining a committed line of credit;
- (iv) Optimizing cash returns on investment.

#### Undiscounted cash flows of financial liabilities

The maturity profile of the Company's financial liabilities at year end on contractual undiscounted payments was as follows:

	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Contractual cashflows	Carrying amount
	<b>2025</b>					
	\$	\$	\$	\$	\$	\$
Lease liabilities	10,040,906	30,122,719	172,531,149	114,264,562	326,959,336	283,309,609
Long term loans	47,855,022	232,786,774	1,041,671,937	-	1,322,313,733	1,119,069,448
Short term loan	11,568,440	3,856,146	-	-	15,424,586	15,139,658
Payables	374,896,119	-	-	-	374,896,119	374,896,119
	<b>444,360,487</b>	<b>266,765,639</b>	<b>1,214,203,086</b>	<b>114,264,562</b>	<b>2,039,593,774</b>	<b>1,792,414,834</b>
	<b>2024</b>					
	\$	\$	\$	\$	\$	\$
Lease liabilities	8,477,278	25,431,836	62,887,917	-	96,797,031	89,213,854
Long term loans	47,104,277	208,251,826	1,174,581,693	-	1,429,937,796	1,159,232,944
Short term loan	5,053,406	15,160,216	-	-	20,213,622	20,033,321
Payables	362,972,965	-	-	-	362,972,965	362,972,967
	<b>423,607,926</b>	<b>248,843,878</b>	<b>1,237,469,610</b>	<b>-</b>	<b>1,909,921,414</b>	<b>1,631,453,086</b>



# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 4. Financial risk management (continued)

#### (c) Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in interest rates (4(c)(i)) and foreign currency risk (4(c)(ii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk exposures are measured using sensitivity analysis. There has been no significant exposure to market risks or the manner in which the Company manages and measures the risk.

#### (i) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company minimizes interest rate risk by investing mainly in fixed rate instruments and contracting liabilities at fixed rates, where possible. The Company's interest rate risk arises mainly from bank loans.

At the reporting date, the interest profile of the Company's interest-bearing financial Instruments were:

	2025					
	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Non- Interest bearing	Total
	\$	\$	\$	\$	\$	\$
Receivables	-	-	-	-	175,459,016	175,459,016
Due from related parties	-	-	-	-	34,292,566	34,292,566
Cash and cash equivalents	24,203,907	16,215,124	-	-	236,000	40,655,031
Total financial assets	24,203,907	16,215,124	-	-	209,987,582	250,406,613
Lease liabilities	5,456,851	16,370,557	237,331,246	24,150,955	-	283,309,609
Long-term loans	27,579,470	82,734,414	1,008,755,564	-	-	1,119,069,448
Short term loan	11,312,217	3,827,441	-	-	-	15,139,658
Payables	-	-	-	-	374,896,119	374,896,119
Total financial liabilities	44,348,538	102,932,412	1,246,086,810	-	374,896,119	1,792,414,834
<b>Total interest repricing gap</b>	<b>(20,144,631)</b>	<b>(86,717,288)</b>	<b>(1,246,086,810)</b>	<b>(24,150,955)</b>	<b>(164,908,537)</b>	<b>(1,542,008,221)</b>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 4. Financial risk management (continued)

#### (c) Market risk (continued)

##### (i) Interest rate risk (continued)

	2024					
	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Non-Interest bearing	Total
	\$	\$	\$	\$	\$	\$
Receivables	-	-	-	-	198,906,836	198,906,836
Due from related parties	-	-	-	-	51,150,494	51,150,494
Cash and cash equivalents	106,076,680	34,149,905	-	-	236,000	140,462,585
Total financial assets	106,076,680	34,149,905	-	-	250,293,330	390,519,915
Long-term loans	25,951,388	80,023,608	1,053,257,948	-	-	1,159,232,944
Lease liabilities	5,397,487	16,192,460	67,623,907	-	-	89,213,854
Short term loan	5,008,331	15,024,990	-	-	-	20,033,321
Payables	-	-	-	-	362,972,967	362,972,967
Total financial liabilities	36,357,206	111,241,058	1,120,881,855	-	362,972,967	1,631,453,086
<b>Total interest repricing gap</b>	<b>69,719,474</b>	<b>(77,091,153)</b>	<b>(1,120,881,855)</b>	<b>-</b>	<b>(112,679,637)</b>	<b>(1,240,933,171)</b>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 4. Financial risk management (continued)

#### (c) Market risk (continued)

##### (ii) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from currency exposure primarily with respect to the US and CDN dollars. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Company undertakes certain transactions denominated in currencies other than the Jamaican dollar resulting in exposures to exchange rate fluctuations.

Financial assets denominated in foreign currency are as follows: -

	<b>2025</b>	<b>2024</b>
	\$	\$
Cash and cash equivalents	28,669,306	76,710,676
Accounts payable	(142,500,610)	(84,289,494)
Net foreign currency liabilities	(113,831,304)	(7,578,818)
	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Currency</b>		
USD	(737,748)	(199,885)
CND	20,267	203,731
<b>Rate of exchange</b>		
USD	157.33	155.20
CND	110.46	115.07

The following table demonstrates the sensitivity to a reasonably possible change in the following exchange rates of the Company before tax with all other variables held constant.

<b>Currency</b>	<b>Change in exchange rate</b>	<b>2025</b>	<b>2024</b>
		\$	\$
Revaluation	1% (2024 - 1%)	1,138,313	75,788
Devaluation	4% (2024 - 4%)	(4,553,252)	(303,153)

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 4. Financial risk management (continued)

#### (d) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The amount included in the financial statements for cash and cash equivalents, receivables, payables, short term loan and due from related parties reflect their approximates fair values because of the short-term maturity of these instruments. Long term loans and lease liabilities approximates amortized costs.

#### (e) Capital management

The policy of the Company's Board of Directors is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business and ensure it continues as a going concern.

The Company considers its capital to be its total equity, which currently comprises share capital and retained earnings. The Company's financial objective is to generate a targeted operating surplus, in order to strengthen and provide for the future continuity of the Company as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Directors regularly review the financial position of the Company at meetings and monitor the return on capital and the level of dividends to the ordinary shareholders. They seek to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital. Debt is the total of long term loans, short term loan and bank overdraft but excludes related party borrowings and non-finance lease liabilities. Total capital is calculated as equity as shown in the Company's statement of financial position plus debt. The gearing ratios at the year-end based on these calculations were as follows:

	2025	2024
	\$	\$
Total borrowings	1,134,209,106	1,179,266,265
Equity and borrowings	2,014,357,178	2,041,622,747
Gearing ratio	56.3%	57.8%



# Caribbean Cream Limited

## Notes to the Financial Statements

28 February 2025

---

### 5. Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Credit risk note.

#### (ii) Income taxes

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain during the ordinary course of business. In cases of such uncertainty, the Company recognises liabilities for possible additional taxes based on its judgement. Where, on the basis of subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

#### (iii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

#### (iv) Fair value of financial assets

The management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets adopting valuation techniques commonly used by market practitioners supported by appropriate assumptions (note 4(d)).

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 6. Property, plant and equipment

	Freehold land & buildings	Leasehold improvements	Motor vehicles	Machinery and equipment	Computer equipment	Security systems	Construction in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost -</b>								
1 March 2023	382,109,844	47,389,527	13,964,798	799,172,542	51,514,093	15,298,582	929,662,931	2,239,112,317
Additions	34,466,986	156,500	-	58,370,270	2,194,595	953,190	231,463,218	327,604,759
Transfers	8,073,821	-	-	502,623,918	-	-	(510,697,739)	-
29 February 2024	424,650,651	47,546,027	13,964,798	1,360,166,730	53,708,688	16,251,772	650,428,410	2,566,717,076
Additions	-	-	-	35,485,380	5,332,202	-	107,101,146	147,918,728
Disposals	-	-	(2,900,000)	(5,835,000)	-	-	-	(8,735,000)
28 February 2025	424,650,651	47,546,027	11,064,798	1,389,817,110	59,040,890	16,251,772	757,529,556	2,705,900,804
<b>Depreciation -</b>								
1 March 2023	100,693,410	22,585,738	5,617,899	509,703,746	45,475,067	4,591,675	-	688,667,535
Charge for year	15,687,903	4,024,022	1,464,350	88,965,329	2,771,857	1,448,683	-	114,362,144
29 February 2024	116,381,313	26,609,760	7,082,249	598,669,075	48,246,924	6,040,358	-	803,029,679
Charge for year	15,982,782	4,017,027	1,192,475	108,534,304	3,033,942	1,491,386	-	134,251,916
Relieved on disposal	-	-	(513,542)	(5,834,998)	-	-	-	(6,348,540)
28 February 2025	132,364,095	30,626,787	7,761,182	701,368,381	51,280,866	7,531,744	-	930,933,055
<b>Net book value -</b>								
28 February 2025	292,286,556	16,919,240	3,303,616	688,448,729	7,760,024	8,720,028	757,529,556	1,774,967,749
29 February 2024	308,369,338	20,936,267	6,882,549	761,497,655	5,461,764	10,211,414	650,328,410	1,763,687,397

Freehold land and buildings include land at cost of \$105,095,012 (2024: \$105,095,012). Certain assets of the Company are pledged as securities for long term loans (see note 14).

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 7. Right-of-use assets and related lease obligations

#### (i) Amounts recognized in the Statement of Financial Position

The statement of financial position shows the following amounts relating to leases: -

##### Right-of-use assets

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance as at beginning of the year	79,832,313	68,310,532
Remeasurement	208,310,863	38,097,948
Amortization	(34,040,771)	(26,576,167)
Balance as at end of year	<u>254,102,405</u>	<u>79,832,313</u>

##### Lease liabilities

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance as at beginning of the year	89,213,854	81,825,023
Remeasurement	208,310,863	38,097,948
Lease payments	(33,533,255)	(33,919,622)
Interest expense	19,577,556	5,565,592
Foreign exchange gains	(259,409)	(2,355,087)
Balance as at end of the year	<u>283,309,609</u>	<u>89,213,854</u>

	<u>2025</u>	<u>2024</u>
	\$	\$
Current	21,827,408	21,589,947
Non-current	261,482,201	67,623,907
Balance as at end of year	<u>283,309,609</u>	<u>89,213,854</u>

#### (ii) Amounts recognized in the Statement of Comprehensive Income

The statement of comprehensive income shows the following amounts relating to leases:

	<u>2025</u>	<u>2024</u>
	\$	\$
Foreign exchanges gains (included in finance costs)	(259,409)	(2,355,087)
Amortization of right-of-use assets (included in direct expenses and administrative expenses)	34,040,771	26,576,167
Interest expense (included in administrative expenses)	<u>19,577,556</u>	<u>5,565,592</u>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 7. Right-of-use assets and related lease obligations (continued)

#### (iii) Amounts recognized in the Statement of Cash Flows

	<u>2025</u>	<u>2024</u>
	\$	\$
Total cash outflows for leases	<u>33,533,255</u>	<u>33,919,622</u>

### 8. Intangible assets

	<u>Computer software</u>
	\$
<b>Cost</b>	
1 March 2023	-
Additions	<u>62,965,846</u>
29 February 2024	<u>62,965,846</u>
28 February 2025	<u>62,965,846</u>
<b>Amortization -</b>	
1 March 2023	-
Charge for year	<u>3,157,972</u>
29 February 2024	<u>3,157,972</u>
Charge for year	<u>12,477,010</u>
28 February 2025	<u>15,634,982</u>
<b>Net book value -</b>	
28 February 2025	<u>47,330,864</u>
29 February 2024	<u>59,807,874</u>



# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 9. Inventories

	<u>2025</u>	<u>2024</u>
	\$	\$
Raw materials	172,481,412	85,625,727
Finished goods	58,907,351	87,806,986
Goods-in-transit	91,948,457	25,345,014
Other	44,666,018	20,249,759
	<u>368,003,238</u>	<u>219,027,486</u>

During the year, inventories of \$1,371,718,530 (2024: \$1,252,295,760) were recognised as an expense in direct expenses, while inventories valued at \$21,783,072 (2024: \$3,828,269) were charged to the statement of comprehensive income.

### 10. Receivables

	<u>2025</u>	<u>2024</u>
	\$	\$
Trade receivables	104,753,837	129,422,018
Less: Provision for impairment losses on financial assets (Note 4(a))	<u>(2,480,273)</u>	<u>(2,088,628)</u>
	102,273,564	127,333,390
Prepayments and deposits	35,057,385	44,613,890
General consumption tax	37,282,918	21,675,911
Other	845,149	5,283,645
	<u>175,459,016</u>	<u>198,906,836</u>

### 11. Due from related parties

	<u>2025</u>	<u>2024</u>
	\$	\$
Due from Deano's Treats (a)	-	2,292,873
Due from parent Company: Scoops Unlimited Limited (b)	<u>34,292,566</u>	<u>48,857,621</u>
	<u>34,292,566</u>	<u>51,150,494</u>

(a) This balance represents amount due from Deano's Treats, a franchise holder, which is related by a director and shareholder. The balance was repaid during the year.

(b) This balance is due from Scoops Unlimited Limited, the parent Company. This balance is unsecured, interest free and has no fixed repayment terms.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 12. Cash and cash equivalents

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand		
Cash at bank	21,625,136	106,076,680
Cash on hand	236,000	236,000
	<u>21,861,136</u>	<u>106,312,680</u>
Short term investment		
JMMB Investment Limited	16,215,124	34,149,905
	<u>38,076,260</u>	<u>140,462,585</u>

Cash at bank substantially comprise savings and operating accounts at licensed commercial banks in Jamaica. The rate of interest earned on the Company's foreign currency savings accounts ranges from 0.0% to 0.3% (2024: 0.0% to 0.4%).

Short term investment represents a United States denominated investment account at a licensed non-deposit taking institution in Jamaica which earns interest at a rate of 2.51% (2024 – 1.63%) per annum.

### 13. Share capital

	<b>2025</b>	<b>2024</b>
	<b>No. of shares</b>	<b>No. of shares</b>
Authorised ordinary shares of no par value	<u>5,100,000,000</u>	<u>5,100,000,000</u>
Issued and fully paid ordinary stocks at no par value	<u>378,568,115</u>	<u>378,568,115</u>
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Share capital at the beginning and end of year	<u>111,411,290</u>	<u>111,411,290</u>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 14. Long term loans

		<u>2025</u>	<u>2024</u>
		\$	\$
CIBC Caribbean Bank (Jamaica) Limited	(a)	104,666,665	118,622,221
CIBC Caribbean Bank (Jamaica) Limited	(b)	466,666,666	504,000,000
CIBC Caribbean Bank (Jamaica) Limited	(c)	532,497,228	517,855,168
CIBC Caribbean Bank (Jamaica) Limited	(d)	15,238,889	18,755,555
		1,119,069,448	1,159,232,944
Less: Current portion		(110,313,884)	(105,974,996)
		<u>1,008,755,564</u>	<u>1,053,257,948</u>

- (a) The loan, which commenced January 1, 2021, attracts interest at floating 6 months weighted average treasury bill yield plus 4.80% per annum, reset quarterly. Interest rate is subject to a cap of 6.50% and an all in floor rate of 5.80%. The loan is repayable within a 60-month term with a balloon payment at the end of the term.
- (b) This is a non-revolving demand instalment loan, which commenced January 1, 2021, which was obtained to provide funding for capital expenditure. The loan is available by way of multiple drawdowns within 18 months after the satisfaction of the conditions precedent. At the end of the 60-month term, a balloon payment is due. The loan attracts fixed interest rate at 5.80% per annum for the first 18 months. Thereafter it will attract floating interest at the 6-month weighted average treasury bill yield plus 4.80% per annum, reset quarterly.
- (c) The loan facility commenced November 10, 2022, to provide funding for capital expenditure. The loan is repayable within 7 years with a moratorium on principal for 12 months. At the end of the 84-month term, a balloon payment is due. During the year, the Company drew down \$65,811,500 (2024: \$274,188,500) in accordance with the terms of the existing loan facility. The loan attracts fixed interest rate at 8.50% per annum for the first 2 years. Thereafter it will attract floating interest at the 6-month weighted average treasury bill yield plus 4.50% per annum for 4 years, reset every 6 months.
- (d) The loan commenced June 23, 2023 to provide funding for capital expenditure. The loan attracts interest at a rate at 6.50% per annum, and is repayable in 72 equal instalments of \$1,019,961 with maturity on June 23, 2029.

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 14. Long term loans (continued)

The loan facilities are secured by the following:

- (i) First fixed and floating charge debenture stamped for J\$737,000,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first ranking floating charge over all other present and future property and assets.
- (ii) First priority right of mortgage stamped for J\$61,750,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first fixed mortgage and charge over the property located at 2A and 2D Suthermere Road, Kingston 10, registered at Volume 1288 and 1293 and Folios 348 and 575.
- (iii) First priority right of mortgage stamped for J\$104,000,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first fixed mortgage and charge over the property located at 3 South Road, Kencot Park, Kingston 10, registered at Volume 1101 and Folio 714.
- (iv) First priority right of mortgage stamped for J\$17,550,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first fixed mortgage and charge over the property located at 15 Central Road, Kencot Park, Kingston 10, registered at Volume 1180 and Folio 866.
- (v) Second fixed and floating charge debenture stamped for J\$600,000,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first ranking floating charge over all other present and future property and assets.
- (vi) First priority right of mortgage stamped for J\$21,100,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first fixed mortgage and charge over the property located at 15 Central Road, Kencot Park, Kingston 10, registered at Volume 1180 and Folio 866.



# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 15. Deferred income taxes

Deferred income taxes are calculated in full on all temporary differences under the liability method using the applicable tax rate. Assets and liabilities recognised on the statement of financial position are as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Deferred income tax liabilities	<u>(22,702,819)</u>	<u>(29,637,669)</u>

The movement on the net deferred income tax balance is as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Net liabilities at beginning of year	(29,637,669)	(18,821,558)
Deferred tax credited/(charged) to the statement of comprehensive income (Note 25)	<u>6,934,850</u>	<u>(10,816,111)</u>
Net liabilities at end of year	<u>(22,702,819)</u>	<u>(29,637,669)</u>

Deferred income tax assets and liabilities are attributable to the following items:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Deferred income tax assets/(liabilities):		
Property, plant and equipment	(32,658,491)	(33,469,039)
Lease liability, net of right-of-use assets	7,301,804	2,345,385
Interest payable	763,082	840,824
Unrealized foreign exchange gains	(1,259,904)	(2,081,083)
Provision for expected credit loss	620,069	522,157
Provision for vacation leave	<u>2,530,621</u>	<u>2,204,087</u>
Net liabilities at end of year	<u>(22,702,819)</u>	<u>(29,637,669)</u>

The amounts shown in the statement of financial position include the following:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Deferred tax (liabilities)/assets to be settled/(recovered):		
- after more than 12 months	(25,356,687)	(31,123,654)
- within 12 months	<u>2,653,868</u>	<u>1,485,985</u>
	<u>(22,702,819)</u>	<u>(29,637,669)</u>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 16. Payables

	<u>2025</u>	<u>2024</u>
	\$	\$
Trade payables	249,319,119	280,553,694
Accrued charges	50,712,162	19,514,890
Interest payable	3,052,329	3,363,297
Other	71,812,509	59,541,086
	<u>374,896,119</u>	<u>362,972,967</u>

### 17. Short term loan

	<u>2025</u>	<u>2024</u>
	\$	\$
Bank of Nova Scotia Jamaica Limited	<u>15,139,658</u>	<u>20,033,321</u>

This represents an annual Insurance Premium Financing facility, which attracts interest at a rate of 9% (2024: 9%) per annum and is repayable over 10 months in equal instalments of \$3,856,146.92 (2024: \$4,096,410).

### 18. Revenue

Turnover represents the invoiced value of goods and services net of discounts allowed and General Consumption Tax.

### 19. Direct expenses

	<u>2025</u>	<u>2024</u>
	\$	\$
Amortization of right-of-use assets	14,577,897	10,961,005
Depreciation	94,954,084	75,129,070
Repairs and maintenance	98,134,845	70,306,465
Raw materials	1,171,475,459	1,075,569,481
Staff costs (Note 23)	143,382,763	136,652,833
Utilities	172,862,839	168,138,395
Other costs	239,626,606	182,607,195
	<u>1,935,014,493</u>	<u>1,719,364,444</u>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 20. Other income

	<u>2025</u>	<u>2024</u>
	\$	\$
Storage income	4,680,000	-
Gain on disposal of property, plant and equipment	1,700,496	-
Other	861,569	660,800
	<u>7,242,065</u>	<u>660,800</u>

### 21. Expenses by nature

	<u>2025</u>	<u>2024</u>
	\$	\$
Administrative expenses:		
Amortization of right-of-use assets	19,461,874	15,615,163
Amortization of intangible assets	12,477,010	3,157,972
Audit fee	3,960,000	3,600,000
Bad debt written-off	-	37,288
Cleaning sanitation	26,674,558	20,848,727
Depreciation	39,297,832	39,233,074
Directors' fees	4,640,208	3,927,246
Insurance	31,688,366	26,177,775
Legal and professional fees	73,528,487	65,440,631
Lease interest expense	19,577,556	5,565,592
Management remuneration	11,706,395	12,136,235
Office and general expense	18,370,759	24,758,538
Rental equipment	10,002,379	6,703,931
Repairs and maintenance	149,583,978	74,103,225
Staff costs (Note 23)	250,955,350	236,459,800
Safety and security	87,117,395	77,800,701
Utilities	108,937,889	98,722,516
	<u>867,980,036</u>	<u>716,462,308</u>
Selling and distribution:		
Selling, advertising, promotion, and distribution	10,618,035	17,179,662
Travelling, entertainment and subsistence allowance	3,846,083	3,643,862
Licenses and permits	1,427,185	598,620
Transportation and delivery	52,681,976	42,195,414
Motor vehicle expenses	11,762,330	10,970,254
	<u>80,335,609</u>	<u>74,587,812</u>
Finance costs, net (Note 24)	99,800,593	83,149,505
Direct expenses (Note 19)	1,935,014,493	1,719,364,444
Impairment losses on financial assets (Note 4(a))	391,645	1,859,026
	<u>2,983,522,376</u>	<u>2,595,423,095</u>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 22. Operating profit

The following have been charged/(credited) in arriving at operating profit:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Auditors' remuneration	3,960,000	3,600,000
Amortization of right-of-use assets (Note 7)	34,040,771	26,576,167
Depreciation (Note 6)	134,251,916	114,362,144
Amortization of intangible assets	12,477,010	3,157,972
Impairment losses on financial assets	391,645	1,859,026
Gain on disposal of property, plant and equipment	(1,700,496)	-
Directors' emoluments: -		
- Fee	4,640,208	3,927,246
- Management remuneration	11,706,395	12,136,235
Staff costs (Note 23)	<u>394,338,113</u>	<u>373,112,633</u>

### 23. Staff costs

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Staff costs comprise:		
Salaries and wages	285,308,051	255,113,467
Statutory contributions	33,233,943	30,898,080
Travelling allowance	4,502,767	5,354,216
Staff welfare and training	50,746,956	65,349,298
Health and group life insurance	<u>20,546,396</u>	<u>16,397,572</u>
	<u>394,338,113</u>	<u>373,112,633</u>
Staff costs are included in:		
Administrative expenses (Note 21)	250,955,350	236,459,800
Direct expenses (Note 19)	<u>143,382,763</u>	<u>136,652,833</u>
	<u>394,338,113</u>	<u>373,112,633</u>



# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 24. Finance costs, net

	2025	2024
	\$	\$
Interest income	(759,856)	(511,984)
Foreign exchange gains	-	(9,761,045)
	<u>(759,856)</u>	<u>(10,273,029)</u>
Foreign exchange losses	2,901,465	-
Loan interest expense	87,975,384	84,559,432
Overdraft interest	114,015	699,850
Bank and other charges	8,142,403	7,083,792
Other interest expense	1,427,182	1,079,460
	<u>106,781,891</u>	<u>93,422,534</u>
	<u>99,800,593</u>	<u>83,149,505</u>

### 25. Taxation

(a) Taxation is computed on the profit for the year adjusted for taxation purposes and comprises:

	2025	2024
	\$	\$
Income tax	7,727,817	757,142
Remission of income taxes	-	(104,368)
Deferred income taxes (Note 15)	<u>(6,934,850)</u>	<u>10,816,111</u>
	<u>792,967</u>	<u>11,468,885</u>

(b) The taxation charged in the statement of comprehensive income differs from the theoretical amount that would arise using the applicable tax rate, as follows:

	2025	2024
	\$	\$
Profit before taxation	<u>18,584,557</u>	<u>48,208,158</u>
Tax calculated at a tax rate of 25%	4,646,139	12,052,040
Adjusted for the effects of: -		
Remission of income taxes	-	(104,368)
Employment Tax Credit	(3,311,922)	(235,031)
Expenses not allowed for tax purposes	2,140	124,643
Other charges and allowances	<u>(543,390)</u>	<u>(368,399)</u>
	<u>792,967</u>	<u>11,468,885</u>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 25. Taxation (continued)

#### Remission of income tax

The Company was granted a 10-year income tax remission under the Junior Market incentive, starting from its listing on May 17, 2013. Remission received:

- (a) 100% tax relief for the first 5 years
- (b) 50% tax relief for the following 5 years

This benefit ended on May 16, 2023, and the Company is now fully taxable.

### 26. Earnings per Stock Unit Attributable to Stockholders of the Company

	2025	2024
	\$	\$
Net profit attributable to shareholders of the Company	<u>17,791,590</u>	<u>36,739,273</u>
Weighted average number of shares	<u>378,568,115</u>	<u>378,568,115</u>
Basic earnings per share (\$ per share)	<u>0.05</u>	<u>\$0.10</u>

Earnings per stock unit (“EPS”) is computed by dividing the profit attributable to stockholders of the Company of \$17,791,590 (2024: (\$36,739,273)) by the weighted average number of ordinary stock units in issue during the year, numbering 378,568,115 (2024: 378,568,115).

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

### 27. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

- (a) Enterprises over which a substantial interest in the voting power is owned by key management personnel, including directors and officers and close members of families; or
- (b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the Company.

As at the statement of financial position date the following balances were outstanding (Note 11): -

	<u>2025</u>	<u>2024</u>
	\$	\$
Due from related party: Deano's Treats	-	2,292,873
Due from parent Company: Scoops Unlimited Limited	34,292,566	48,857,621
	<u>34,292,566</u>	<u>51,150,494</u>

Amounts credited/(charged) to the statement of comprehensive income: -

	<u>2025</u>	<u>2024</u>
	\$	\$
Sales		
Scoops Unlimited Limited	315,076,698	199,790,202
Deano's Treats	-	26,174,381
	<u>315,076,698</u>	<u>225,964,583</u>
Expenses		
Directors' fees	(4,640,208)	(3,927,246)
Directors' emoluments	(11,706,395)	(12,136,235)
Salaries and other short-term employee benefits	(9,059,122)	(20,158,675)
	<u>(9,059,122)</u>	<u>(20,158,675)</u>

# Caribbean Cream Limited

## Notes to the Financial Statements 28 February 2025

---

### 28. Contingent liabilities and commitments

In the normal course of business, the Company is subject to various claims, disputes and legal proceedings, which occur as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its legal advisors, it is probable that a payment will be made by the Company and the amount can be reasonably estimated. In respect of claims asserted against the Company, which, according to the principles outlined above, have not been provided for, management is of the opinions as at 28 February 2025, there were no legal claims threatened against the Company.

Management reported that as at 28 February 2025, the Company had capital commitments of \$41 Million (2024: \$44 Million).





## FORM OF PROXY

CARIBBEAN CREAM LIMITED

3 South Road

Kingston 10, Jamaica (West Indies)

I/We \_\_\_\_\_ of \_\_\_\_\_ in the Parish  
of \_\_\_\_\_ being a Member/members of the above named company  
hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/  
her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and  
on my/our behalf at the Annual General Meeting of the Company to be held at The Courtleigh Hotel  
& Suites, 85 Knutsford Boulevard, Kingston 5, on Monday, October 27, 2025 at 10:00 a.m. and at any  
adjournment thereof.

Resolutions		For	Against
Resolution No. 1	Adoption of Directors' and Auditors' Report, Financial Statement for year ended February 28, 2025		
Resolution No. 2	Directors, retiring by rotation, be re-elected by a Single Resolution		
Resolution No. 3	Election of Directors retiring by rotation Christopher Clarke, Matthew Clarke and Michael Vacciana.		
Resolution No. 4	Election of Director appointed since the last AGM, Simon Roberts		
Resolution No. 5	Remuneration of Directors		
Resolution No. 6	To appoint Auditors and to authorise the Directors to fix the remuneration of the Auditors		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Signature \_\_\_\_\_

### Notes:

1. An instrument appointing a proxy, shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.
2. If the appointer is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorised in writing.
3. In the case of joint holders, the vote of the senior will be accepted to the exclusion of the votes of others, seniority being determined by the order in which the names appear on the register.
4. To be valid, this form must be received by the Registrar of the Company at the address given below not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
5. The proxy form should bear stamp duty of One Hundred dollars (\$100.00) which may be in the form of adhesive stamp duly cancelled by the person signing the proxy form.







## Caribbean Cream Limited

3 South Road, Kingston 10, Jamaica W.I.

Tel: 1-876-906-1127, Fax: 1-876-906-1128

Email: [info@kremija.com](mailto:info@kremija.com), Website: [caribcream.com](http://caribcream.com)

