



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 AUDITED

Consolidated Statement of Income Highlights

	% Change	Year ended 30/09/19 Bds \$000's	Year ended 30/09/18 Bds \$000's
Revenue	7.7%	868,300	805,852
Profit from operations before the following:	-12.8%	48,529	55,647
Other gains/(losses) – net	9.6%	15,877	14,492
Profit from operations	-8.2%	64,406	70,139
Finance costs	5.5%	(12,171)	(11,534)
Share of income of associated companies	-10.9%	52,235	58,605
Income before taxation	198.6%	9,917	3,321
Taxation	0.4%	62,152	61,926
Net income for the year	-13.3%	(15,570)	(17,960)
	6.0%	46,582	43,966
Attributable to:			
Equity holders of the Company	9.6%	31,347	28,598
Non-controlling interests	-0.9%	15,235	15,368
	6.0%	46,582	43,966
Earnings per share – basic and diluted	9.5%	13.8¢	12.6¢

Consolidated Statement of Comprehensive Income Highlights

	Year ended 30/09/19 Bds \$000's	Year ended 30/09/18 Bds \$000's
Net income for the year	46,582	43,966
Other comprehensive income:		
Items net of tax that may be recycled to income in the future:		
Unrealised losses on available-for-sale investments	–	(420)
Currency translation differences	3,609	(5,980)
Hyperinflationary adjustments	1,026	(676)
Items net of tax that will not be recycled to income in the future:		
Unrealised gains on investments at fair value through other comprehensive income	90	–
(Decrease)/increase in revaluation surplus	(82)	486
Remeasurement of employee benefits	(765)	8,135
Other comprehensive income for the year, net of tax	3,878	1,545
Total comprehensive income for the year	50,460	45,511
Attributable to:		
Equity holders of the Company	33,985	32,042
Non-controlling interests	16,475	13,469
	50,460	45,511

BOARD REVIEW FOR THE YEAR ENDED 30 SEPTEMBER 2019

Goddard Enterprises Limited (GEL) is pleased to report Net Income of \$46.6m for the financial year ended 30 September 2019. This represents a 6.0% increase in net income and a 9.5% increase in its Earnings Per Share for the year.

This year the Group applied International Financial Reporting Standard (IFRS) 15 - *Revenue from Contracts with Customers* and IFRS 9 - *Financial Instruments* for the first time. There was also a change to the functional currency of our subsidiary in Caracas from local Bolivars to the United States dollar.

The effect of IFRS 15 was immaterial to the total Revenues of \$868.3m recorded for the year. This 7.7% increase in our top-line growth is attributable mainly to an increase in contracts from customers in our cocoa manufacturing entity.

Despite the increase in Revenues however, our profit from operations before other gains/(losses)-net of \$48.5m fell by 12.8% below that of the prior year. Market pricing issues experienced by the cocoa industry in Ecuador and sales well below production capacity resulted in a less favourable performance of Proecukao. A slump in demand for new vehicles caused by local and regional economic issues significantly impacted the Auto Division. Production and efficiency issues also negatively impacted the performance of our local bakery. Our selling, marketing and administrative expenses include \$3.6m for expected credit losses on financial assets required under IFRS 9 compared with a provision for impairment of receivables of \$1.1m in the prior year.

Other gains/(losses)-net was \$15.9m; an increase of 9.6%. A gain of \$2.3m on disposal of our Insurance Associate and an insurance refund of \$1.8m for hurricane claims are included.

Our Share of Income of Associated Companies was \$9.9m versus \$3.3m in the prior year. This result was positively impacted by the divestment of our Finance and Insurance Associates which had recorded losses in the prior year. An increase in contract business in our tiles and waste disposal Associate also contributed to the increase. Our share of profits from Caribbean Distribution Partners Limited increased by \$2.4m above that of the prior year.

As a result of the increased share of Income of associated companies, Income before taxation was \$62.2m; a marginal increase of 0.4%.

Our overall net income for the year was \$46.6m as taxation declined by \$2.4m or 13.3%. A reduction in tax expense in our subsidiary in Caracas was the main reason for this decline. The change in tax rate in Barbados resulted in a reduction in corporation tax of \$0.6m.

Earnings per share of 13.8 cents was achieved compared with 12.6 cents in the previous year.

Our total net assets at 30 September 2019 stood at \$682.5m with a debt to total assets of 36%. This is within acceptable industry standards.

Management has actively addressed the areas of poor performance. Contracted cocoa sales have substantially increased, the local bakery has adopted and commenced implementation of an improvement strategy and management has implemented zero-based budgeting to aggressively reduce expenses. Auto sales however remain sluggish in a difficult economy.

A third interim dividend for 2019 of 1.5 cents will be paid at the end of February.

A. Charles Herbert
Chairman
27 December 2019

Anthony H. Ali
Managing Director

Consolidated Statement of Financial Position Highlights

	As at 30/09/19 Bds \$000's	As at 30/09/18 Bds \$000's
Current assets	371,950	351,438
Current liabilities	(234,535)	(234,217)
Working capital	137,415	117,221
Property, plant & equipment, financial investments & other non-current assets	694,146	692,221
Long-term liabilities	(149,026)	(140,285)
Net assets employed	682,535	669,157
Equity		
Share capital	47,421	46,353
Other reserves	80,035	76,550
Retained earnings	449,559	435,525
	577,015	558,428
Non-controlling interests	105,520	110,729
	682,535	669,157

Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non-controlling interests	Total
Balance as at 1 October 2017	45,169	80,942	411,535	108,559	646,205
Net income for the year	–	–	28,598	15,368	43,966
Other comprehensive (loss)/income	–	(4,578)	8,022	(1,899)	1,545
Investment in subsidiary company	–	–	–	(279)	(279)
Increases in advances to non-controlling interests	–	–	–	1,269	1,269
Value of employee services	–	186	–	–	186
Issue/(repurchase) of common shares	1,184	–	(179)	–	1,005
Dividends declared	–	–	–	(12,289)	(12,289)
Dividends paid	–	–	(12,451)	–	(12,451)
Balance as at 30 September 2018	46,353	76,550	435,525	110,729	669,157
Balance as at 1 October 2018	46,353	76,550	435,525	110,729	669,157
Effect of changes in accounting policies	–	–	(3,069)	(346)	(3,415)
Balance as at 1 October 2018 restated	46,353	76,550	432,456	110,383	665,742
Net income for the year	–	–	31,347	15,235	46,582
Other comprehensive income/(loss)	–	3,277	(639)	1,240	3,878
Acquisition of subsidiary company	–	–	–	(8,282)	(8,282)
Decrease in advances to non-controlling interests	–	–	–	(1,694)	(1,694)
Value of employee services	–	208	–	–	208
Issue of common shares	1,068	–	–	–	1,068
Dividends declared	–	–	–	(11,362)	(11,362)
Dividends paid	–	–	(13,605)	–	(13,605)
Balance as at 30 September 2019	47,421	80,035	449,559	105,520	682,535

Consolidated Statement of Cash Flows Highlights

	Year ended 30/09/19 Bds \$000's	Year ended 30/09/18 Bds \$000's
Income before taxation	62,152	61,926
Adjustments for non-cash items	26,064	24,514
	88,216	86,440
Non-cash working capital changes	25	(29,723)
	88,241	56,717
Net interest, taxation and pension contributions paid	(28,022)	(28,196)
Net cash from operating activities	60,219	28,521
Net cash used in investing activities	(29,956)	(101,891)
Net cash (used in)/from financing activities	(14,635)	25,806
Net increase/(decrease) in cash and cash equivalents	15,628	(47,564)
Cash and cash equivalents – beginning of year	47,622	95,186
Cash and cash equivalents – end of year	63,250	47,622



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS To the Shareholders of Goddard Enterprises Limited

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 30 September 2019, the summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended and related notes, are derived from the audited consolidated financial statements of **Goddard Enterprises Limited** and its subsidiaries ("the Group") for the year ended 30 September 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all of the disclosures required by International Financial Reporting Standards ("IFRS"). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 27 December 2019. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

Responsibilities of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with IFRS.

Auditor's Responsibilities for the Audit of the Summary Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

ERNEST & YOUNG
27 December 2019

Note 1 to the Summary Consolidated Financial Statements

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. The summary financial statements are derived from the audited consolidated financial statements of **Goddard Enterprises Limited** and its subsidiaries for the year ended 30 September 2019 which are prepared in accordance with International Financial Reporting Standards.