



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED SEPTEMBER 30, 2013

AUDITED

Consolidated Statement of Income Highlights

	% Change	Year ended 30/09/13 Bds \$000's	Year ended 30/09/12 Bds \$000's
Revenue	-3.7%	962,625	999,148
Profit from operations before the following:	-7.8%	48,684	52,786
Other (losses)/gains – net	36.1%	(2,232)	(1,640)
Profit from operations	-9.2%	46,452	51,146
Finance costs	2.0%	(12,641)	(12,393)
Share of income of associated companies	-12.8%	33,811	38,753
Income before taxation	-6.4%	43,613	46,619
Taxation	-24.2%	(9,625)	(12,705)
Net income for the year	0.2%	33,988	33,914
Attributable to:			
Equity holders of the Company	-14.4%	21,135	24,696
Non-controlling interests	39.4%	12,853	9,218
	0.2%	33,988	33,914
Earnings per share – basic	-14.6%	35.2¢	41.2¢
Earnings per share – diluted	-14.0%	35.1¢	40.8¢

Consolidated Statement of Comprehensive Income Highlights

	Year ended 30/09/13 Bds \$000's	Year ended 30/09/12 Bds \$000's
Net income for the year	33,988	33,914
Other comprehensive income:		
Items net of tax that may be recycled to income in the future:		
Unrealised gains on available-for-sale financial investments	898	1,318
Losses transferred to income on disposal of available-for-sale financial investments	2	141
Impairment of financial investments	195	–
Currency translation differences	(5,764)	(671)
Hyperinflationary adjustments	4,983	1,430
Items net of tax that will not be recycled to income in the future:		
Decrease in revaluation surplus	(4,302)	(6,430)
Other comprehensive loss for the year, net of tax	(3,988)	(4,212)
Total comprehensive income for the year	30,000	29,702
Attributable to:		
Equity holders of the Company	16,729	23,853
Non-controlling interests	13,271	5,849
	30,000	29,702

BOARD REVIEW FOR THE YEAR ENDED SEPTEMBER 30, 2013

The financial year ended September 30, 2013 for Goddard Enterprises Limited was marked with mixed results, as the unsettled economic conditions throughout the region continued to negatively affect trading conditions and presented significant challenges for the Group. Overall, net income for the year increased by 0.2% over last year to \$34.0M; however, the overall earnings per share dropped 14.6%, from 41.2 cents to 35.2 cents.

Revenue increased in the Catering and Ground Handling and Manufacturing Divisions but, regrettably, these were outweighed by a fall-off in revenue in our Import/Distribution business; resulting in an overall decline of Group revenues of 3.7% to \$962.6M. The drop in sales in this Division was due to a decrease in consumer spending in St. Lucia.

We are pleased to report that the Group's gross margins increased during the current year from 35.2% to 37.1% because of improvements in operational efficiencies in some divisions as well as an increase in sales in the Catering and Ground Handling Division, which has higher gross margins than our other divisions.

Also worthy of note is the increase in our share of income of associated companies, which moved from \$7.9M to \$9.8M, due mainly to an improved performance by our associates in the Manufacturing and Financial Services Divisions.

Profits from operations before other (losses)/gains – net fell by 7.8% to \$48.7M. This decline was attributed to an increase in our selling, marketing and administrative expenses because of cost-of-living allowances and mandatory salary adjustments in some of the territories where we operate. These expenses were also affected by restructuring costs, costs incurred on the implementation of a new incentive plan and the introduction of an Enterprise Resource Planning System. We expect these measures to result in an overall improved performance for the Group in the coming years.

Other (losses)/gains – net increased by \$0.6M or 36.1% mainly because of the hyperinflationary adjustment which the Group was required to make in our subsidiaries in Venezuela.

The overall net income of \$34.0M was marginally above prior year by 0.2%, despite a 6.4% decline in income before taxation. Overall, tax expense declined by 24.2% because of reduced profits in St. Lucia, a jurisdiction with a higher tax rate.

Net income attributable to equity holders of the company fell by 14.4%, despite the marginal increase in net income. This occurred because a higher proportion of our net income resulted from our Catering and Ground Handling Division, which has a 49% minority partner.

Our Balance Sheet reflects a healthy debt-to-equity ratio of 38:62 and this will serve us well in the future.

We continue our efforts to diligently seek out and implement measures to effectively reduce costs and improve efficiencies, performance and profits in all areas.

We note with concern the International Monetary Fund's forecast for the region as "negative", but we are hopeful that the diversity of our Group will serve as an effective hedge against some of the anticipated continuous economic difficulties in the region. We enter our new year with cautious optimism and we expect an improved result in Financial Year 2014 as we implement initiatives to significantly improve our economic profit.

A. Charles Herbert
Chairman

December 16, 2013

Anthony H. Ali
Managing Director

Consolidated Balance Sheet Highlights

	30/09/13 Bds \$000's	30/09/12 Bds \$000's
Current assets	372,641	353,565
Current liabilities	(250,903)	(234,920)
Working capital	121,738	118,645
Property, plant & equipment, financial investments & other non-current assets	547,164	543,611
Long term liabilities	(96,091)	(100,954)
Net assets employed	572,811	561,302
Equity		
Share capital	44,557	43,842
Other reserves	100,899	107,080
Retained earnings	315,845	302,842
	461,301	453,764
Non-controlling interests	111,510	107,538
	572,811	561,302

Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non-controlling interests	Total
Balance as at October 1, 2011	43,337	108,228	285,526	110,308	547,399
Net income for the year	–	–	24,696	9,218	33,914
Other comprehensive (loss)/income	–	(1,258)	415	(3,369)	(4,212)
Fair value of assets disposed of by non-controlling interests	–	–	–	(8)	(8)
Increase in advances to non-controlling interests	–	–	–	1,235	1,235
Value of employee services	–	110	–	–	110
Issue of common shares	505	–	–	–	505
Dividends declared	–	–	–	(9,846)	(9,846)
Dividends paid	–	–	(7,795)	–	(7,795)
Balance at September 30, 2012	43,842	107,080	302,842	107,538	561,302
Net income for the year	–	–	21,135	12,853	33,988
Other comprehensive (loss)/income	–	(6,274)	1,868	418	(3,988)
Disposal of a subsidiary company	–	–	–	4	4
Fair value of net liabilities transferred to non-controlling interests	–	–	215	(215)	0
Fair value of assets disposed of by non-controlling interests	–	–	–	(3,674)	(3,674)
Increase in advances to non-controlling interests	–	–	–	1,978	1,978
Value of employee services	–	93	–	–	93
Issue of common shares	715	–	–	–	715
Dividends declared	–	–	–	(7,392)	(7,392)
Dividends paid	–	–	(10,215)	–	(10,215)
Balance at September 30, 2013	44,557	100,899	315,845	111,510	572,811

Consolidated Statement of Cash Flows Highlights

	Year ended 30/09/13 Bds \$000's	Year ended 30/09/12 Bds \$000's
Income before taxation	43,613	46,619
Adjustments for non-cash items	30,996	33,937
	74,609	80,556
Non-cash working capital changes	(3,261)	8,652
	71,348	89,208
Net interest, taxation and pension contributions paid	(28,760)	(25,162)
Net cash from operating activities	42,588	64,046
Net cash used in investing activities	(26,587)	(37,754)
Net cash used in financing activities	(14,054)	(13,259)
Net increase in cash and cash equivalents	1,947	13,033
Cash and cash equivalents – beginning of year	26,255	13,222
Cash and cash equivalents – end of year	28,202	26,255



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

The accompanying summary consolidated financial statements, which comprise the summary consolidated balance sheet as of September 30, 2013 and the summary consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited consolidated financial statements of **Goddard Enterprises Limited** for the year ended September 30, 2013. We expressed an unqualified audit opinion on those consolidated financial statements in our report dated December 16, 2013.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of **Goddard Enterprises Limited**.

Management's responsibility for the summary consolidated financial statements
Management is responsible for the preparation of a summary of the audited consolidated financial statements.

Auditor's responsibility
Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, 'Engagements to Report on Summary Financial Statements'.

Opinion
In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of **Goddard Enterprises Limited** for the year ended September 30, 2013 are consistent, in all material respects, with those consolidated financial statements, from which they were derived.

December 16, 2013
Bridgetown, Barbados