



# GODDARD ENTERPRISES LIMITED

## CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED 31 DECEMBER 2019

UNAUDITED

### Consolidated Statement of Income Highlights

	% Change	3 Months ended 31/12/19 Bds \$000's	3 Months ended 31/12/18 Bds \$000's	Audited Year ended 30/09/19 Bds \$000's
Revenue from contracts with customers	5.6%	249,191	235,869	868,300
<b>Profit from operations</b>				
before the following:	-0.6%	16,664	16,768	48,529
Other gains/(losses) – net	-49.0%	2,604	5,110	15,877
<b>Profit from operations</b>	-11.9%	19,268	21,878	64,406
Finance costs	1.6%	(3,144)	(3,096)	(12,171)
	-14.2%	16,124	18,782	52,235
Share of income of associated companies	21.5%	5,900	4,855	9,917
<b>Income before taxation</b>	-6.8%	22,024	23,637	62,152
Taxation	-21.1%	(3,292)	(4,170)	(15,570)
<b>Net income for the period</b>	-3.8%	18,732	19,467	46,582
<b>Attributable to:</b>				
Equity holders of the Company	-15.7%	12,808	15,202	31,347
Non-controlling interests	38.9%	5,924	4,265	15,235
	-3.8%	18,732	19,467	46,582
<b>Earnings per share – basic and diluted</b>	-16.4%	5.6¢	6.7¢	13.8¢

### Consolidated Statement of Financial Position Highlights

	As at 31/12/19 Bds \$000's	As at 31/12/18 Bds \$000's	Audited As at 30/09/19 Bds \$000's
Current assets	387,003	389,272	371,950
Current liabilities	(261,161)	(233,734)	(234,535)
Working capital	125,842	155,538	137,415
Property, plant & equipment, financial investments & other non-current assets	713,585	673,523	694,146
Long term liabilities	(143,028)	(141,762)	(149,026)
<b>Net assets employed</b>	696,399	687,299	682,535
<b>Equity</b>			
Share capital	47,421	46,353	47,421
Other reserves	78,079	74,425	80,035
Retained earnings	458,962	449,690	449,559
	584,462	570,468	577,015
Non-controlling interests	111,937	116,831	105,520
	696,399	687,299	682,535

### Consolidated Statement of Comprehensive Income Highlights

	3 Months ended 31/12/19 Bds \$000's	3 Months ended 31/12/18 Bds \$000's	Audited Year ended 30/09/19 Bds \$000's
<b>Net income for the period</b>	18,732	19,467	46,582
<b>Other comprehensive (loss)/income:</b>			
<b>Items net of tax that may be recycled to income in the future:</b>			
Unrealised gains on available-for-sale investments	–	2	–
Gains transferred to income on disposal of financial investments	–	(313)	–
Currency translation differences	(1,966)	2,852	3,609
Hyperinflationary adjustments	(144)	(628)	1,026
<b>Items net of tax that will not be recycled to income in the future:</b>			
Unrealised gains on investments at fair value through other comprehensive income	565	–	90
Decrease in revaluation surplus	–	–	(82)
Remeasurement of employee benefits	–	–	(765)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	(1,545)	1,913	3,878
<b>Total comprehensive income for the period</b>	17,187	21,380	50,460
<b>Attributable to:</b>			
Equity holders of the Company	10,852	15,439	33,985
Non-controlling interests	6,335	5,941	16,475
	17,187	21,380	50,460

### Consolidated Statement of Cash Flows Highlights

	3 Months ended 31/12/19 Bds \$000's	3 Months ended 31/12/18 Bds \$000's	Audited Year ended 30/09/19 Bds \$000's
<b>Income before taxation</b>	22,024	23,637	62,152
Adjustments for non-cash items	3,478	1,929	26,064
	25,502	25,566	88,216
Non-cash working capital changes	(17,946)	(19,698)	25
	7,556	5,868	88,241
Net interest, taxation and pension contributions paid	(7,083)	(5,512)	(28,022)
Net cash from operating activities	473	356	60,219
Net cash (used in)/from investing activities	(19,805)	17,981	(29,956)
Net cash used in financing activities	(1,718)	(3,901)	(14,635)
Net (decrease)/increase in cash and cash equivalents	(21,050)	14,436	15,628
Cash and cash equivalents – beginning of year	63,250	47,622	47,622
Cash and cash equivalents – end of period	42,200	62,058	63,250

### Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non-controlling interests	Total
<b>Balance as at 1 October 2018</b>	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 a 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)
<b>Balance as at 30 September 2019 (audited)</b>	47,421	80,035	449,559	105,520	682,535
Net income for the period	–	–	12,808	5,924	18,732
Other comprehensive (loss)/income	–	(1,956)	–	411	(1,545)
Increase in advances to non-controlling interests	–	–	–	82	82
Dividends paid	–	–	(3,405)	–	(3,405)
<b>Balance as at 31 December 2019 (unaudited)</b>	47,421	78,079	458,962	111,937	696,399

### BOARD REVIEW FOR THE THREE MONTHS ENDED 31 DECEMBER 2019

For the first three months of its fiscal year ending 30 September 2020, Goddard Enterprises Limited is reporting a profit from operations before other gains/(losses) of \$16.7m; a marginal decline below that of the comparative period in the prior year at \$16.8m.

Revenues were up for the quarter by 5.6% mainly as a result of growth in our Catering and Ground Handling Division. The Auto and Building Supplies Divisions also recorded growth in their revenues during the period under review.

The decline in profitability despite the top line growth is mainly attributable to issues faced in our Manufacturing and Shipping Divisions. We continue to experience some challenges in our cocoa manufacturing plant as low margins and one-off expenses resulted in a less favourable result for the period, despite an increase in production volumes. Some logistical and operational issues in the Shipping Division also resulted in a result below that of the prior year.

A decline in other gains/(losses)-net of \$2.5m was incurred, as the results of the first quarter in the prior year included a gain on disposal of our Insurance associate of \$2.3m.

Finance costs were in line with those of prior year. We are in the process of restructuring our debt in Barbados and the Eastern Caribbean which should see a decrease in Finance costs for the remaining months.

Share of Income of Associates increased by \$1.0m due mainly to Caribbean Distribution Partners Limited having an improved result. Included in the results, is an improved result from our associate in Guyana, Totaltec. During the period, there was also a negative prior period adjustment from our associate, Mirexus Biotechnologies Inc., our share being \$0.8m.

Taxation declined by \$0.9m due mainly to a reduction in taxation expense in our subsidiary in Venezuela.

Overall Net Income was \$18.7m compared with \$19.5m in the comparative period; with the share attributable to equity holders being \$12.8m.

Earnings per share for the quarter was 5.6 cents; a decline of 16.4%.

With the recent outbreak of Coronavirus and the World Health Organization's declaration of a public health emergency of international concern, the Group is anticipating a negative impact on its operations and future results. The recent travel advisories issued and travel restrictions imposed by many international entities will negatively impact our Catering and Ground Handling Division. GEL will monitor the situation as it evolves and will react to minimize the fallout. In the abundance of caution, the board has declared a reduced final dividend for the 2019 financial year of 0.5 cents which will be paid at the end of May.

  
A. Charles Herbert  
Chair  
2 March 2020

  
Anthony H. Ali  
Managing Director