



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED MARCH 31, 2016

Consolidated Statement of Income Highlights

	% Change	Unaudited 6 months To 31/03/16 Bds \$000's	Unaudited 6 months To 31/03/15 Bds \$000's	Audited Year ended 30/09/15 Bds \$000's
Revenue	-21.7%	395,870	505,759	924,469
Profit from operations				
before the following:	18.6%	39,562	33,362	55,295
Other gains/(losses) – net	2129.8%	2,542	114	26,761
Profit from operations	25.8%	42,104	33,476	82,056
Finance costs	-12.1%	(5,492)	(6,249)	(11,857)
Share of income of associated companies	34.5%	36,612	27,227	70,199
Income before taxation	14.7%	1,716	1,496	3,293
Taxation	33.4%	38,328	28,723	73,492
Net income for the period	13.0%	(6,585)	(5,825)	(11,621)
Attributable to:	38.6%	31,743	22,898	61,871
Equity holders of the Company	46.8%	21,798	14,848	48,449
Non-controlling interests	23.5%	9,945	8,050	13,422
	38.6%	31,743	22,898	61,871
Earnings per share – basic	46.9%	37.3¢	25.4¢	83.0¢
Earnings per share – diluted	45.2%	36.6¢	25.2¢	81.1¢

Consolidated Statement of Financial Position Highlights

	Unaudited 31/03/16 Bds \$000's	Unaudited 31/03/15 Bds \$000's	Audited 30/09/15 Bds \$000's
Current assets	355,290	380,006	349,471
Current liabilities	(196,336)	(233,210)	(213,410)
Working capital	158,954	146,796	136,061
Property, plant & equipment, financial investments & other non-current assets	544,673	530,113	547,268
Long term liabilities	(103,759)	(108,195)	(100,482)
Net assets employed	599,868	568,714	582,847
Equity			
Share capital	45,065	44,371	44,634
Other reserves	71,034	87,795	75,581
Retained earnings	383,836	334,651	366,788
	499,935	466,817	487,003
Non-controlling interests	99,933	101,897	95,844
	599,868	568,714	582,847

Consolidated Statement of Comprehensive Income Highlights

	Unaudited 6 months To 31/03/16 Bds \$000's	Unaudited 6 months To 31/03/15 Bds \$000's	Audited Year ended 30/09/15 Bds \$000's
Net income for the period	31,743	22,898	61,871
Other comprehensive income:			
Items net of tax that may be recycled to income in the future:			
Unrealised gains/(losses) on available-for-sale investments	191	(237)	(972)
Losses/(gains) transferred to income on disposal of financial investments	6	(575)	(1,625)
Impairment/(reversal of impairment) of financial investments	–	171	(213)
Currency translation differences	(1,886)	(3,334)	(6,538)
Hyperinflationary adjustments	800	308	547
Items net of tax that will not be recycled to income in the future:			
(Decrease)/increase of revaluation surplus	–	(75)	847
Remeasurement of employee benefits – group	20	–	(6,717)
Remeasurement of employee benefits – associated	(431)	1,103	297
Other comprehensive loss for the period, net of tax	(1,300)	(2,639)	(14,374)
Total comprehensive income for the period	30,443	20,259	47,497
Attributable to:			
Equity holders of the Company	20,658	13,520	36,803
Non-controlling interests	9,785	6,739	10,694
	30,443	20,259	47,497

Consolidated Statement of Cash Flows Highlights

	Unaudited 6 months To 31/03/16 Bds \$000's	Unaudited 6 months To 31/03/15 Bds \$000's	Audited Year ended 30/09/15 Bds \$000's
Income before taxation	38,328	28,723	73,492
Adjustments for non-cash items	16,085	18,038	12,840
Non-cash working capital changes	54,413	46,761	86,332
	21,402	(10,954)	(37,453)
Net interest, taxation and pension contributions paid	75,815	35,807	48,879
	(10,888)	(9,916)	(22,516)
Net cash from operating activities	64,927	25,891	26,363
Net cash used in investing activities	(8,014)	(12,992)	(228)
Net cash used in financing activities	(18,239)	(12,425)	(22,777)
Net increase in cash and cash equivalents	38,674	474	3,358
Cash and cash equivalents – beginning of year	53,840	50,482	50,482
Cash and cash equivalents – end of period	92,514	50,956	53,840

Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non-controlling interests	Total
Balance at October 1, 2014	43,829	91,823	326,069	103,615	565,336
Net income for the year	–	–	48,449	13,422	61,871
Other comprehensive (loss)/income	–	(16,383)	4,737	(2,728)	(14,374)
Investment in subsidiary company	–	–	–	600	600
Disposal of subsidiary company	–	–	–	(6,982)	(6,982)
Fair value of assets disposed of by non-controlling interests	–	–	–	(8,485)	(8,485)
Increase in advances to non-controlling interests	–	–	–	1,767	1,767
Value of employee services	–	141	–	–	141
Issue/(repurchase) of common shares – net	805	–	(786)	–	19
Dividends declared	–	–	–	(5,365)	(5,365)
Dividends paid	–	–	(11,681)	–	(11,681)
Balance at September 30, 2015 (audited)	44,634	75,581	366,788	95,844	582,847
Net income for the period	–	–	21,798	9,945	31,743
Other comprehensive loss	–	(4,568)	3,428	(160)	(1,300)
Acquisition of subsidiary company	–	–	–	2,255	2,255
Decrease in advances to non-controlling interests	–	–	–	(1,701)	(1,701)
Value of employee services	–	21	–	–	21
Issue of common shares	431	–	–	–	431
Dividends declared	–	–	–	(6,250)	(6,250)
Dividends paid	–	–	(8,178)	–	(8,178)
Balance at March 31, 2016 (unaudited)	45,065	71,034	383,836	99,933	599,868

BOARD REVIEW FOR THE SIX MONTHS ENDED MARCH 31, 2016

The Board of Goddard Enterprises Ltd. (GEL) is pleased to report an improved result for the first six months of its 2016 financial year. Net income for the period increased by 38.6% and earnings per share rose to 37.3 cents.

Revenues declined by \$109.9M or 21.7% in the first six months. However this decline was expected due to the transfer of six of our operating subsidiaries in the Food and Consumer Goods Distribution Sector (FCGD), to our 50% owned joint venture company, Caribbean Distribution Partners Ltd (CDP), as at July 1, 2015. These companies are now being accounted for in our share of income of associated companies. Were we to include these companies in the period under review, our revenues would have increased by 6.1%.

Similarly, our gross profit margin and our selling, marketing and administrative expenses were impacted by the transfer of these companies. Our gross profit margin rose from 37.3% in the prior period to 44.4% in the period under review and, as a percentage of revenues, our selling, marketing and administrative expenses increased from 31.0% in the prior period to 34.8% in the current period. In our experience, gross profit margins and selling, marketing and administrative expenses as a percentage of revenue have always been lower in the FCGD sector than those of the other sectors and hence the main reason for the increases as those companies are no longer being consolidated.

Other gains/(losses) – net increased by \$2.4M as no goodwill impairment was recorded during the current period against an amount of \$3.0M recorded in the prior period. Interest and rental income also increased by \$0.8M.

As a result of the above, profit from operations increased by 25.8% to \$42.1M for the half year.

We were able to lower our finance costs by 12.1% or \$0.8M, due to both a reduction in our borrowing rates and the removal of the afore-mentioned FCGD subsidiaries from our consolidated results.

Our share of income of associated companies was \$1.72M, an increase of 14.7% over the prior period. Income from our 50% shareholding in CDP was \$1.67M. Our insurance associate recorded a loss for the half year which negated the positive results from our other associates.

Our net income for the period was \$31.7M and net income attributable to equity holders was \$21.8M, an increase of 46.8% over the prior period.

Our balance sheet remains healthy with a working capital ratio of 1.8 and a debt to equity ratio of 33:67.

We expect to have a good second half performance, but note that the second half of the prior year included a one-off non-operational gain on disposal of subsidiaries of \$20.8M.

During the period a final dividend of 14 cents was paid at the end of February.

A. Charles Herbert
Chairman
May 25, 2016

Anthony H. Ali
Managing Director