



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 30 SEPTEMBER 2016 AUDITED

Consolidated Statement of Income Highlights

	% Change	Year ended 30/09/16 Bds \$000's	Year ended 30/09/15 Bds \$000's
Revenue	-17.0%	767,460	924,469
Profit from operations before the following:	12.8%	62,381	55,295
Other gains/(losses) – net	-42.6%	15,357	26,761
Profit from operations	-5.3%	77,738	82,056
Finance costs	-10.2%	(10,642)	(11,857)
	-4.4%	67,096	70,199
Share of income of associated companies	22.7%	4,039	3,293
Income before taxation	-3.2%	71,135	73,492
Taxation	26.3%	(14,674)	(11,621)
Net income for the year	-8.7%	56,461	61,871
Attributable to:			
Equity holders of the Company	-22.0%	37,809	48,449
Non-controlling interests	39.0%	18,652	13,422
	-8.7%	56,461	61,871
Earnings per share – basic	-21.8%	64.9¢	83.0¢
Earnings per share – diluted	-20.6%	64.4¢	81.1¢

Consolidated Statement of Comprehensive Income Highlights

	Year ended 30/09/16 Bds \$000's	Year ended 30/09/15 Bds \$000's
Net income for the year	56,461	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 financial investments	1,111	(972)
Gains transferred to income on disposal of financial investments	(5)	(1,625)
Reversal of impairment of financial investments	–	(213)
Currency translation differences	(1,455)	(6,538)
Hyperinflationary adjustments	211	547
	(138)	(8,801)
Items net of tax that will not be recycled to income in the future:		
Increase of revaluation surplus	1,598	847
Remeasurement of employee benefits – group	3,087	(6,717)
Remeasurement of employee benefits – associated companies	487	297
Other comprehensive income/(loss) for the year, net of tax	5,034	(14,374)
Total comprehensive income for the year	61,495	47,497
Attributable to:		
Equity holders of the Company	42,095	36,803
Non-controlling interests	19,400	10,694
	61,495	47,497

BOARD REVIEW FOR THE YEAR ENDED 30 SEPTEMBER 2016

The Board of Directors of Goddard Enterprises Limited (GEL) is pleased to report on a good year of performance for the Group. We have recorded our highest ever profit from operations before other gains/(losses) net at \$62.4M.

The financial year ended 30 September 2016 was the first full year of operations since the restructuring of the Group with the formation of Caribbean Distribution Partners Limited (CDP) and the realignment of our Import Distribution and Marketing Division into industry channels: Automotive, Building Supplies and Services. This reorganization has yielded positive results with a record-breaking profit from operations before other gains/(losses) – net.

Revenues overall decreased by 17.0% from \$924.5M to \$767.5M but this is due mainly to the transfer of the companies into CDP at the end of the third quarter in the prior year. If we exclude the revenues from these companies from the prior year results, revenues would have increased by 11.5%. Increases were recorded in the Catering Division with the acquisition during the first quarter of Inversiones Ibero Caribe S.A.S. in Colombia, a leading provider of high quality catering to private hospitals and vending machines. The diversity of the new Nissan models contributed to increased sales in the Automotive industry regionally and our subsidiaries in St. Lucia and Grenada recorded increased sales in our Building Supplies segment.

The 12.8% or \$7.1M increase in profit from operations before other gains/(losses) – net is reflective of a higher gross margin achieved during the year of 44.5% compared with 37.8% in the prior year. This increase in gross margin as well as a reduction in selling, marketing and administrative expenses by \$16k is attributed to increased operational efficiencies across all segments and the transfer of those companies into CDP which have inherently lower margins.

Other gains/(losses) – net was \$15.4M which fell by 42.6% or \$11.4M. The sale of our 25% interest in Express Catering Limited in Jamaica during the year netted a gain on disposal of \$7.2M which is included in this figure. Please note however that there was a \$20.8M gain on the sale of our distribution companies to CDP recorded in the prior year's results. As a result of that large one off gain in the prior year which was not repeated this year, our overall profit from operations declined by 5.3%. This however is an excellent result given the fact that this decline is solely non-operational.

Finance costs decreased by 10.2% as we experienced a decline in borrowing costs and a decline in our overall borrowings with the transfer previously mentioned.

Our share of income of associated companies increased by \$0.7M or 22.7% due mainly to our share of profit of \$1.1M net of intangibles amortization of \$0.8M from CDP.

Taxation increased by 26.3% or \$3.1M due to increased profits in higher tax jurisdictions and increased operational profit during the year.

Overall net income for the year was \$56.5M with net income attributable to equity holders decreasing by 22.0% or \$10.6M. Our earnings per share achieved was 64.9¢ versus 83.0¢ in the prior year.

Our Group's cash flow and our debt to equity remains well in line with industry standards and gives us the ability to finance our strategy of acquiring investments within our core business.

We look forward to another good year of performance in 2017 as we design our future. A final dividend of 15 cents has been declared and will be paid in February 2017.

A. Charles Herbert
Chairman
6 December 2016

Anthony H. Ali
Managing Director

Consolidated Statement of Financial Position Highlights

	30/09/16 Bds \$000's	30/09/15 Bds \$000's
Current assets	351,313	349,471
Current liabilities	(202,739)	(213,410)
Working capital	148,574	136,061
Property, plant & equipment, financial investments & other non-current assets	554,094	547,268
Long-term liabilities	(103,950)	(100,482)
Net assets employed	598,718	582,847
Equity		
Share capital	44,004	44,634
Other reserves	72,054	75,581
Retained earnings	387,834	366,788
	503,892	487,003
Non-controlling interests	94,826	95,844
	598,718	582,847

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 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 as at 30 September 2015	44,634	75,581	366,788	95,844	582,847
Net income for the year	–	–	37,809	18,652	56,461
Other comprehensive (loss)/income	–	(3,548)	7,834	748	5,034
Acquisition of subsidiary company	–	–	–	3,493	3,493
Decrease in advances to non-controlling interests	–	–	–	(1,981)	(1,981)
Value of employee services	–	21	–	–	21
(Repurchase)/issue of common shares – net	(630)	–	(12,323)	–	(12,953)
Dividends declared	–	–	–	(21,930)	(21,930)
Dividends paid	–	–	(12,274)	–	(12,274)
Balance as at 30 September 2016	44,004	72,054	387,834	94,826	598,718

Consolidated Statement of Cash Flows Highlights

	Year ended 30/09/16 Bds \$000's	Year ended 30/09/15 Bds \$000's
Income before taxation	71,135	73,492
Adjustments for non-cash items	27,199	12,840
	98,334	86,332
Non-cash working capital changes	33,623	(37,453)
	131,957	48,879
Net interest, taxation and pension contributions paid	(22,824)	(22,516)
Net cash from operating activities	109,133	26,363
Net cash used in investing activities	(14,815)	(228)
Net cash used in financing activities	(51,313)	(22,777)
Net increase in cash and cash equivalents	43,005	3,358
Cash and cash equivalents – beginning of year	53,840	50,482
Cash and cash equivalents – end of year	96,845	53,840

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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 statement of financial position as at 30 September 2016, and 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, are derived from the audited consolidated financial statements of Goddard Enterprises Limited for the year ended 30 September 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 6 December 2016.

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 Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis of their established criteria as described in Note 1.

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 30 September 2016 are consistent, in all material respects, with those consolidated financial statements, on the basis of Management's established criteria as described in Note 1.

Ernst & Young

CHARTERED ACCOUNTANTS
Barbados
6 December 2016

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 for the year ended 30 September 2016.