



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 31 MARCH 2017

Consolidated Statement of Income Highlights

	% Change	6 months to 31/03/17 Bds \$000's	6 months to 31/03/16 Bds \$000's	Audited Year ended 30/09/16 Bds \$000's
Revenue	-0.5%	393,888	395,870	767,460
Profit from operations				
before the following:	-18.7%	32,159	39,562	62,381
Other gains/(losses) – net	346.9%	11,361	2,542	15,357
Profit from operations	3.4%	43,520	42,104	77,738
Finance costs	-7.4%	(5,087)	(5,492)	(10,642)
	5.0%	38,433	36,612	67,096
Share of income of associated companies	223.5%	5,552	1,716	4,039
Income before taxation	14.8%	43,985	38,328	71,135
Taxation	13.1%	(7,445)	(6,585)	(14,674)
Net income for the period	15.1%	36,540	31,743	56,461
Attributable to:				
Equity holders of the Company	25.8%	27,425	21,798	37,809
Non-controlling interests	-8.3%	9,115	9,945	18,652
	15.1%	36,540	31,743	56,461
Earnings per share – basic	30.3%	48.6¢	37.3¢	64.9¢
Earnings per share – diluted	30.9%	47.9¢	36.6¢	64.4¢

Consolidated Statement of Financial Position Highlights

	31/03/17 Bds \$000's	31/03/16 Bds \$000's	Audited 30/09/16 Bds \$000's
Current assets	345,277	355,290	351,313
Current liabilities	(194,320)	(196,336)	(202,739)
Working capital	150,957	158,954	148,574
Property, plant & equipment, financial investments & other non-current assets	585,027	544,673	554,094
Long term liabilities	(112,692)	(103,759)	(103,950)
Net assets employed	623,292	599,868	598,718
Equity			
Share capital	44,521	45,065	44,004
Other reserves	75,757	71,034	72,054
Retained earnings	403,908	383,836	387,834
	524,186	499,935	503,892
Non-controlling interests	99,106	99,933	94,826
	623,292	599,868	598,718

Consolidated Statement of Comprehensive Income Highlights

	6 months to 31/03/17 Bds \$000's	6 months to 31/03/16 Bds \$000's	Audited Year ended 30/09/16 Bds \$000's
Net income for the period	36,540	31,743	56,461
Other comprehensive income:			
Items net of tax that may be recycled to income in the future:			
Unrealised gains on available-for-sale investments	1,086	191	1,111
Losses/(gains) transferred to income on disposal of financial investments	–	6	(5)
Currency translation differences	(933)	(1,886)	(1,455)
Hyperinflationary adjustments	523	800	211
	676	(889)	(138)
Items net of tax that will not be recycled to income in the future:			
(Decrease)/increase of revaluation surplus	(484)	–	1,598
Remeasurement of employee benefits – group	–	20	3,087
Remeasurement of employee benefits – associated companies	329	(431)	487
Other comprehensive income/(loss) for the period, net of tax	521	(1,300)	5,034
Total comprehensive income for the period	37,061	30,443	61,495
Attributable to:			
Equity holders of the Company	28,050	20,658	42,095
Non-controlling interests	9,011	9,785	19,400
	37,061	30,443	61,495

Consolidated Statement of Cash Flows Highlights

	6 months to 31/03/17 Bds \$000's	6 months to 31/03/16 Bds \$000's	Audited Year ended 30/09/16 Bds \$000's
Income before taxation	43,985	38,328	71,135
Adjustments for non-cash items	2,664	16,085	27,199
	46,649	54,413	98,334
Non-cash working capital changes	(6,216)	21,402	33,623
	40,433	75,815	131,957
Net interest, taxation and pension contributions paid	(11,757)	(10,888)	(22,824)
Net cash from operating activities	28,676	64,927	109,133
Net cash used in investing activities	(23,000)	(8,014)	(14,815)
Net cash from/(used in) financing activities	5,435	(18,239)	(51,313)
Net increase in cash and cash equivalents	11,111	38,674	43,005
Cash and cash equivalents – beginning of year	96,845	53,840	53,840
Cash and cash equivalents – end of period	107,956	92,514	96,845

Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non-controlling interests	Total
Balance at 1 October 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
Investment in subsidiary company	–	–	–	3,493	3,493
Reduction in advances to non-controlling interests	–	–	–	(1,981)	(1,981)
Value of employee services	–	21	–	–	21
Issue/(repurchase) of common shares – net	(630)	–	(12,323)	–	(12,953)
Dividends declared	–	–	–	(21,930)	(21,930)
Dividends paid	–	–	(12,274)	–	(12,274)
Balance at 30 September 2016 (audited)	44,004	72,054	387,834	94,826	598,718
Net income for the period	–	–	27,425	9,115	36,540
Other comprehensive income/(loss)	–	3,507	(2,882)	(104)	521
Disposal of subsidiary company	–	–	–	(1,805)	(1,805)
Investment in subsidiary company	–	–	–	(265)	(265)
Fair value of net liabilities disposed of by non-controlling interests	–	–	–	484	484
Increase in advances to non-controlling interests	–	–	–	335	335
Value of employee services	–	196	–	–	196
Issue of common shares	517	–	–	–	517
Dividends declared	–	–	–	(3,480)	(3,480)
Dividends paid	–	–	(8,469)	–	(8,469)
Balance at 31 March 2017 (unaudited)	44,521	75,757	403,908	99,106	623,292

BOARD REVIEW FOR THE SIX MONTHS ENDED 31 MARCH 2017

Goddard Enterprises Limited has recorded a 30.3% increase in Earnings per Share for the first six months of the financial year. This was directly as a result of a \$6.4M gain on disposal of our 92% shareholding in The West Indies Rum Distillery Ltd. (WIRD) and an increase in Share of Income from our Associated Companies.

Revenues recorded for the period under review were \$393.9M versus \$395.9M in the comparative period; a marginal decline of 0.5%; while profit from operations before other gains/(losses) fell 18.7% from \$39.6M to \$32.2M. These were impacted by the sale of our food businesses in St. Kitts and Antigua at the end of the second quarter in the prior year and also some challenges experienced in our Manufacturing Division which are expected to improve in the second half of the year. We were however able to mostly offset these declines with increases in our Catering and Automotive Divisions.

A gross profit margin of 45.0% was achieved for the review period compared to 44.4% in the prior year. Selling, marketing and administrative expenses increased by 6.3% to 37.2% of Revenues. The increase in expenses as a percentage of Revenues was due to certain fixed costs on lower sales in our Manufacturing Division, costs associated with restructuring undertaken in the first quarter and cost of living adjustments and government mandated salary increases in certain countries where we operate. The decline in sales and increase in costs resulted in a decline of 18.7% in profit from operations before other gains/(losses).

There was a \$8.8M increase in other gains/(losses) mainly attributable to the gain on the sale of WIRD. As a result therefore, we recorded profit from operations of \$43.5M, an increase of \$1.4M or 3.4% above prior year.

The decline in Finance Costs is reflective of current interest rates.

Our Share of Income of Associated Companies was also a major contributor to our improved result. This was achieved by an increase in profitability in Sagico General Insurance Inc. and our joint venture company, Caribbean Distribution Partners Limited (CDP). CDP's improved result was attributable to the investment in Vemco Limited at the beginning of the period and improved performances in Barbados and Trinidad.

Overall net income for the period increased from \$31.7M to \$36.5M, an increase of 15.1% or \$4.8M. Net income attributable to equity holders increased by 25.8%.

At the end of the period our net assets were \$623.3M and our shares are currently trading at \$9.46 per share.

Our cash flow remains healthy and our debt to equity ratio at 33:67 is well within industry standards.

We are positive about the outlook for the remainder of the year as we continue to seek out growth opportunities whilst leveraging our financial strength and geographical diversification for the benefit of the Group.

A. Charles Herbert
Chairman
11 May 2017

Anthony H. Ali
Managing Director