



# GODDARD ENTERPRISES LIMITED

## CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 30 SEPTEMBER 2017 AUDITED

### Consolidated Statement of Income Highlights

	% Change	Year ended 30/09/17 Bds \$000's	Year ended 30/09/16 Bds \$000's
<b>Revenue</b>	-2.5%	748,122	767,460
<b>Profit from operations before the following:</b>	2.1%	63,715	62,381
Other gains/(losses) – net	33.8%	20,551	15,357
<b>Profit from operations</b>	8.4%	84,266	77,738
Finance costs	-3.5%	(10,274)	(10,642)
	10.3%	73,992	67,096
Share of income of associated companies	-99.6%	17	4,039
<b>Income before taxation</b>	4.0%	74,009	71,135
Taxation	17.3%	(17,215)	(14,674)
<b>Net income for the year</b>	0.6%	56,794	56,461
<b>Attributable to:</b>			
Equity holders of the Company	8.4%	41,000	37,809
Non-controlling interests	-15.3%	15,794	18,652
	0.6%	56,794	56,461
Earnings per share – basic	11.7%	72.5¢	64.9¢
Earnings per share – diluted	12.6%	72.5¢	64.4¢

### Consolidated Statement of Comprehensive Income Highlights

	Year ended 30/09/17 Bds \$000's	Year ended 30/09/16 Bds \$000's
<b>Net income for the year</b>	56,794	56,461
<b>Other comprehensive income:</b>		
<b>Items net of tax that may be recycled to income in the future:</b>		
Unrealised gains on available-for-sale investments	2,300	1,111
Gains transferred to income on disposal of financial investments	-	(5)
Currency translation differences	(4,669)	(1,455)
Hyperinflationary adjustments	865	211
<b>Items net of tax that will not be recycled to income in the future:</b>		
Increase in revaluation surplus	10,432	1,598
Remeasurement of employee benefits	1,546	3,574
<b>Other comprehensive income for the year, net of tax</b>	10,474	5,034
<b>Total comprehensive income for the year</b>	67,268	61,495
<b>Attributable to:</b>		
Equity holders of the Company	47,492	42,095
Non-controlling interests	19,776	19,400
	67,268	61,495

#### BOARD REVIEW FOR THE YEAR ENDED 30 SEPTEMBER 2017

The Board of Directors of Goddard Enterprises Limited is pleased to report another successful year for the Group. The Group's Earnings per Share increased to 72.5 cents, 11.7% over the 64.9 cents recorded in 2016. This was achieved despite a poor fourth quarter performance, which was solely attributable to the impact of Hurricane Maria in Dominica on the results of our Insurance associate, Sagcor General Insurance inc. This caused a 9 cents negative impact on our Earnings per Share.

The Group saw growth in most of its major sectors, even though Revenues declined by 2.5% due to challenges in the Manufacturing and Services Division and the sale of two food businesses in 2016 as well as our rum businesses during the current year.

Profit from operations before other gains/(losses) – net was \$63.7M, an increase of 2.1% above \$62.4M achieved last year. This was due to an improved performance in our Insurance subsidiary in St. Lucia and a reduction in the Group's selling, marketing and administrative expenses.

A gain on disposal of The West Indies Rum Distillery Limited and International Brand Developers N.V. of \$10.2M resulted in a 33.8% increase in other gains/(losses) – net. This gain added 18.1 cents to our Earnings per Share.

The 3.5% decrease in Finance costs is reflective of reduced borrowing rates across the Group.

Our Share of Income from Associates fell by 99.6% due to the equity pick up of our share of the loss from Sagcor General Insurance Inc. We recorded \$6.5M this year from our investment in Caribbean Distribution Partners Limited, a significant increase over \$1.1M in the prior year. This resulted from the acquisition of Vemco Limited at the beginning of the year and improved results in the Trinidad and Barbados markets.

Increased taxable profits in higher tax jurisdictions resulted in a 17.3% increase in taxation, up from \$14.7M to \$17.2M.

Overall net income was \$56.8M, a marginal increase of 0.6% above prior year, and earnings attributable to equity holders of the Company increased from \$37.8M to \$41.0M, an increase of 8.4%.

Goddard Enterprises Limited continues to fall well within industry standards for all benchmark ratios. We are well poised for growth with our current cash flow levels and leverage capacity.

The outlook for the Group is positive, despite uncertainty in some markets in which we operate. We are focused on exciting initiatives for 2018 which accord well with our strategic plan and we are optimistic of continued growth for our shareholders.

Having already paid an interim dividend of 8 cents in August 2017, a second interim dividend of 8 cents will be paid in February 2018.

A. Charles Herbert  
Chairman  
8 December 2017

Anthony H. Ali  
Managing Director

### Consolidated Statement of Financial Position Highlights

	As at 30/09/17 Bds \$000's	As at 30/09/16 Bds \$000's
Current assets	352,514	351,313
Current liabilities	(207,713)	(202,739)
Working capital	144,801	148,574
Property, plant & equipment, financial investments & other non-current assets	605,552	554,094
Long-term liabilities	(101,838)	(103,950)
<b>Net assets employed</b>	<b>648,515</b>	<b>598,718</b>
<b>Equity</b>		
Share capital	45,169	44,004
Other reserves	80,942	72,054
Retained earnings	413,845	387,834
	539,956	503,892
Non-controlling interests	108,559	94,826
	648,515	598,718

### 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 2015</b>	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
Decrease 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)
<b>Balance as at 30 September 2016</b>	<b>44,004</b>	<b>72,054</b>	<b>387,834</b>	<b>94,826</b>	<b>598,718</b>
Net income for the year	-	-	41,000	15,794	56,794
Other comprehensive income/(loss)	-	8,488	(1,996)	3,982	10,474
Investment in subsidiary company	-	-	-	(348)	(348)
Disposal of subsidiary companies	-	-	-	647	647
Increase in advances to non-controlling interests	-	-	-	1,057	1,057
Value of employee services	-	400	-	-	400
Issue of common shares	1,165	-	-	-	1,165
Dividends declared	-	-	-	(7,399)	(7,399)
Dividends paid	-	-	(12,993)	-	(12,993)
<b>Balance as at 30 September 2017</b>	<b>45,169</b>	<b>80,942</b>	<b>413,845</b>	<b>108,559</b>	<b>648,515</b>

### Consolidated Statement of Cash Flows Highlights

	Year ended 30/09/17 Bds \$000's	Year ended 30/09/16 Bds \$000's
<b>Income before taxation</b>	74,009	71,135
Adjustments for non-cash items	21,100	27,199
	95,109	98,334
Non-cash working capital changes	1,171	33,623
	96,280	131,957
Net finance costs, taxation and pension contributions paid	(30,672)	(25,235)
Net cash from operating activities	65,608	106,722
Net cash used in investing activities	(57,847)	(12,404)
Net cash used in financing activities	(9,420)	(51,313)
Net (decrease)/increase in cash and cash equivalents	(1,659)	43,005
Cash and cash equivalents – beginning of year	96,845	53,840
Cash and cash equivalents – end of year	95,186	96,845



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#### REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Goddard Enterprises Limited

##### Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 30 September 2017, 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 and related notes, are derived from the complete audited consolidated financial statements of Goddard Enterprises Limited and its subsidiaries ("the Group") for the year ended 30 September 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

##### Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all of the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

##### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 5 December 2017. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

The audited consolidated financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

##### Responsibilities of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with IFRSs.

##### Auditor's Responsibilities for the Audit of the Summary Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

*EY*  
Ernst & Young Ltd

Chartered Accountants  
BARBADOS

5 December 2017

##### 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 and its subsidiaries for the year ended 30 September 2017 which are prepared in accordance with International Financial Reporting Standards.