



CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED 31 DECEMBER 2018

Consolidated Statement of Income Highlights

	% Change	3 months To 31/12/18 Bds \$000's	3 months To 31/12/17 Bds \$000's	Audited Year ended 30/09/18 Bds \$000's
Revenue	14.6%	235,869	205,781	805,852
Profit from operations				
before the following:	-3.1%	16,768	17,299	55,647
Other gains/(losses) – net	56877.8%	5,110	(9)	14,492
Profit from operations	26.5%	21,878	17,290	70,139
Finance costs	17.4%	(3,096)	(2,637)	(11,534)
	28.2%	18,782	14,653	58,605
Share of income of associated companies	-16.8%	4,855	5,836	3,321
Income before taxation	15.4%	23,637	20,489	61,926
Taxation	32.6%	(4,170)	(3,144)	(17,960)
Net income for the period	12.2%	19,467	17,345	43,966
Attributable to:				
Equity holders of the Company	5.0%	15,202	14,481	28,598
Non-controlling interests	48.9%	4,265	2,864	15,368
	12.2%	19,467	17,345	43,966
Earnings per share – basic	4.7%	6.7¢	6.4¢	12.6¢
Earnings per share – diluted	4.7%	6.7¢	6.3¢	12.6¢

Consolidated Statement of Financial Position Highlights

	As at 31/12/18 Bds \$000's	As at 31/12/17 Bds \$000's	Audited As at 30/09/18 Bds \$000's
Current assets	389,272	350,816	351,438
Current liabilities	(233,734)	(203,952)	(234,217)
Working capital	155,538	146,864	117,221
Property, plant & equipment, financial investments & other non-current assets	673,523	622,141	692,221
Long term liabilities	(141,762)	(102,010)	(140,285)
Net assets employed	687,299	666,995	669,157
Equity			
Share capital	46,353	45,169	46,353
Other reserves	74,425	82,497	76,550
Retained earnings	449,690	429,324	435,225
	570,468	556,990	558,428
Non-controlling interests	116,831	110,005	110,729
	687,299	666,995	669,157

Consolidated Statement of Comprehensive Income Highlights

	3 months To 31/12/18 Bds \$000's	3 months To 31/12/17 Bds \$000's	Audited Year ended 30/09/18 Bds \$000's
Net income for the period	19,467	17,345	43,966
Other comprehensive income:			
Items net of tax that may be recycled to income in the future:			
Unrealised gains/(losses) on available-for-sale investments	2	352	(420)
Gains transferred to income on disposal of financial investments	(313)	–	–
Currency translation differences	2,852	1,331	(5,980)
Hyperinflationary adjustments	(628)	1,996	(676)
Items net of tax that will not be recycled to income in the future:			
Increase in revaluation surplus	–	131	486
Remeasurement of employee benefits	–	63	8,135
Other comprehensive income for the period, net of tax	1,913	3,873	1,545
Total comprehensive income for the period	21,380	21,218	45,511
Attributable to:			
Equity holders of the Company	15,439	17,040	32,042
Non-controlling interests	5,941	4,178	13,469
	21,380	21,218	45,511

Consolidated Statement of Cash Flows Highlights

	3 months To 31/12/18 Bds \$000's	3 months To 31/12/17 Bds \$000's	Audited Year ended 30/09/18 Bds \$000's
Income before taxation	23,637	20,489	61,926
Adjustments for non-cash items	1,929	4,631	24,514
	25,566	25,120	86,440
Non-cash working capital changes	(19,698)	(19,375)	(29,723)
	5,868	5,745	56,717
Net interest, taxation and pension contributions paid	(5,512)	(5,894)	(28,196)
Net cash from/(used in) operating activities	356	(149)	28,521
Net cash from/(used in) investing activities	17,981	(15,946)	(101,891)
Net cash (used in)/from financing activities	(3,901)	(1,376)	25,806
Net increase/(decrease) in cash and cash equivalents	14,436	(17,471)	(47,564)
Cash and cash equivalents – beginning of year	47,622	95,186	95,186
Cash and cash equivalents – end of period	62,058	77,715	47,622

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 2017 (restated)	45,169	80,942	411,535	108,559	646,205
Net income for the year	–	–	28,598	15,368	43,966
Other comprehensive (loss)/income	–	(4,578)	8,022	(1,899)	1,545
Investment in subsidiary company	–	–	–	(279)	(279)
Increase in advances to non-controlling interests	–	–	–	1,269	1,269
Value of employee services	–	186	–	–	186
Issue/(repurchase) of common shares – net	1,184	–	(179)	–	1,005
Dividends declared	–	–	–	(12,289)	(12,289)
Dividends paid	–	–	(12,451)	–	(12,451)
Balance as at 30 September 2018 (audited)	46,353	76,550	435,525	110,729	669,157
Net income for the period	–	–	15,202	4,265	19,467
Other comprehensive (loss)/income	–	(2,125)	2,362	1,676	1,913
Increase in advances to non-controlling interests	–	–	–	161	161
Dividends paid	–	–	(3,399)	–	(3,399)
Balance as at 31 December 2018 (unaudited)	46,353	74,425	449,690	116,831	687,299

BOARD REVIEW FOR THE THREE MONTHS ENDED 31 DECEMBER 2018

The Board of Goddard Enterprises Limited is pleased to report that the Group has recorded a 26.5% increase in profit from operations for the first quarter of its financial year and an overall increase in net income of 12.2%. This has resulted in a 4.7% increase in basic earnings per share for the period.

The increase in Revenues of \$30.1M or 14.6% was mainly as a result of new business acquired during the last financial year and largely not present in the comparative period. The acquisitions of Xpress Freight Services Inc. (freight forwarding, USA), Ecuakao Kakao Processing Procuakao S.A. (cocoa processing, Ecuador) and Goddard Catering Group Uruguay (prison catering, Uruguay) contributed a significant increase to our top line growth. After struggling for the past year to recover from the effects of the hurricanes which occurred in 2017, the flight kitchen in St. Maarten has returned to profitability. On the other hand our Auto Division recorded a reduction in sales, as one of its major suppliers experienced production issues and was unable to fulfil stock orders during the period.

Gross margin in absolute dollars increased by \$6.1M for the quarter; however, as a percentage of sales it was 41.7% compared to 44.8% in the comparative period. This decline is as a result of a change in sales mix; with the increase in sales from Ecuakao which accounted for 13.7% of total Group's sales and had a lower margin than our traditional businesses.

Profit from operations before other gains/(losses) – net for the period was \$16.8M. This represents a decline of 3.1% below that of the comparative period. This decline is due to a 9.8% increase in selling, marketing and administrative expenses which was mainly caused by a 5.6% increase in total payroll expenses. This is attributable to annual cost of living adjustments to salaries and wages at the start of the year, and an increase in headcount with the recent acquisitions made. The Group's performance was also negatively impacted by a lower than expected profit in our Auto Division as a result of lost sales from the stock shortages.

A gain on disposal of \$2.3M from the sale of our Insurance Associate and a \$2.0M decrease in inflation expense in Venezuela were the main contributors to the \$5.1M increase in other gains. There was a loss of \$9K in the prior year.

Profit from operations was \$21.9M compared to \$17.3M in the comparative period.

The 17.4% increase in Finance costs is due to increased borrowings.

Share of Income of Associated companies fell by 16.8% from \$5.8M to \$4.9M. This decline of \$1M is due mainly to losses from our investment in Totaltec Oilfield Services Limited (Guyana) and a marginal decline in profits from Caribbean Distribution Partners Limited. Totaltec is expected to be profitable in 2020 when the drilling operations in Guyana commence.

The resulting effect of all of the above was an overall net income for the period of \$19.5M with the portion attributable to equity holders of the company being \$15.2M; representing an increase of 5.0%.

Earnings per share recorded for the quarter was 6.7 cents, a 4.7% increase over that for the same period last year.

In Barbados we continue to monitor the local economy as the country executes the Barbados Economic Recovery and Transformation Plan (BERT). We also continue to explore opportunities within our core businesses using a strategy of innovation and realignment where possible, and to pursue our strategy of organic and inorganic growth.

The third interim dividend will be paid at the end of February with the final to be paid in May.

William P. Putnam
Chairman
19 February 2019

Anthony H. Ali
Managing Director