



CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE NINE MONTHS ENDED 30 JUNE 2018

Consolidated Statement of Income Highlights

	% Change	Unaudited 9 months To 30/06/18 Bds \$000's	Unaudited 9 months To 30/06/17 Bds \$000's	Audited Year ended 30/09/17 Bds \$000's
Revenue	2.8%	595,490	579,203	748,122
Profit from operations				
before the following:	-6.4%	45,167	48,241	63,715
Other gains/(losses) – net	-29.3%	12,733	18,013	20,551
Profit from operations	-12.6%	57,900	66,254	84,266
Finance costs	6.2%	(8,390)	(7,898)	(10,274)
Share of income of associated companies	-15.2%	49,510	58,356	73,992
Share of income of associated companies	-9.8%	5,627	6,236	17
Income before taxation	-14.6%	55,137	64,592	74,009
Taxation	-9.2%	(10,086)	(11,107)	(17,215)
Net income for the period	-15.8%	45,051	53,485	56,794
Attributable to:				
Equity holders of the Company	-21.5%	31,704	40,383	41,000
Non-controlling interests	1.9%	13,347	13,102	15,794
	-15.8%	45,051	53,485	56,794
Earnings per share – Basic	-21.6%	56.0¢	71.4¢	72.5¢
Earnings per share – Diluted	-20.7%	56.0¢	70.6¢	72.5¢

Consolidated Statement of Financial Position Highlights

	Unaudited At 30/06/18 Bds \$000's	Unaudited At 30/06/17 Bds \$000's	Audited 30/09/17 Bds \$000's
Current assets	373,919	352,636	352,514
Current liabilities	(234,633)	(191,856)	(207,713)
Working capital	139,286	160,780	144,801
Property, plant & equipment, financial investments & other non-current assets	677,725	591,207	605,552
Long term liabilities	(143,428)	(114,645)	(101,838)
Net assets employed	673,583	637,342	648,515
Equity			
Share capital	46,353	45,169	45,169
Other reserves	76,485	75,450	80,942
Retained earnings	437,298	415,703	413,845
	560,136	536,322	539,956
Non-controlling interests	113,447	101,020	108,559
	673,583	637,342	648,515

Consolidated Statement of Comprehensive Income Highlights

	Unaudited 9 months To 30/06/18 Bds \$000's	Unaudited 9 months To 30/06/17 Bds \$000's	Audited Year ended 30/09/17 Bds \$000's
Net income for the period	45,051	53,485	56,794
Other comprehensive income:			
Items net of tax that may be recycled to income in the future:			
Unrealised gains on available-for-sale investments	38	1,784	2,300
Currency translation differences	(5,461)	(2,992)	(4,669)
Hyperinflationary adjustments	67	791	865
Items net of tax that will not be recycled to income in the future:			
Increase/(decrease) in revaluation surplus	137	(586)	10,432
Remeasurement of employee benefits	45	(350)	1,546
Other comprehensive (loss)/income for the period, net of tax	(5,174)	(1,353)	10,474
Total comprehensive income for the period	39,877	52,132	67,268
Attributable to:			
Equity holders of the Company	28,235	39,538	47,492
Non-controlling interests	11,642	12,594	19,776
	39,877	52,132	67,268

Consolidated Statement of Cash Flows Highlights

	Unaudited 9 months To 30/06/18 Bds \$000's	Unaudited 9 months To 30/06/17 Bds \$000's	Audited Year ended 30/09/17 Bds \$000's
Income before taxation	55,137	64,592	74,009
Adjustments for non-cash items	10,204	5,481	21,100
	65,341	70,073	95,109
Non-cash working capital changes	(34,060)	(7,461)	1,171
	31,281	62,612	96,280
Net interest, taxation and pension contributions paid	(19,050)	(22,393)	(30,672)
Net cash from operating activities	12,231	40,219	65,608
Net cash used in investing activities	(82,979)	(37,300)	(57,847)
Net cash from/(used in) financing activities	35,908	(121)	(9,420)
Net (decrease)/increase in cash and cash equivalents	(34,840)	2,798	(1,659)
Cash and cash equivalents – beginning of year	95,186	96,845	96,845
Cash and cash equivalents – end of period	60,346	99,643	95,186

Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non- controlling interests	Total
Balance at 1 October 2016	44,004	72,054	387,834	94,826	598,718
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 company	–	–	–	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)
Balance at 30 September 2017 (audited)	45,169	80,942	413,845	108,559	648,515
Net income for the period	–	–	31,704	13,347	45,051
Other comprehensive (loss)/income	–	(4,449)	980	(1,705)	(5,174)
Investment in subsidiary company	–	–	–	(244)	(244)
Increase in advances to non-controlling interests	–	–	–	879	879
Value of employee services	–	(8)	–	–	(8)
Issue/(repurchase) of common shares – net	1,184	–	(179)	–	1,005
Dividends declared	–	–	–	(7,389)	(7,389)
Dividends paid	–	–	(9,052)	–	(9,052)
Balance at 30 June 2018 (unaudited)	46,353	76,485	437,298	113,447	673,583

BOARD REVIEW FOR THE NINE MONTHS ENDED 30 JUNE 2018

The Board of Goddard Enterprises Limited presents its results for the nine month period ended 30 June 2018.

Group Revenues grew by 2.8% over the corresponding period in the prior year, despite a decline in local sales as Barbadians eagerly awaited the outcome of the elections. This growth is attributed to the acquisition of Marshall Trading Limited at the end of the third quarter in the prior year and Ecuador Kakao Processing Procuakao S.A. (our cocoa plant in Ecuador) during the second quarter of this year; both of which were not in the prior year's results. Locally, however, our Auto Division was negatively impacted by the economic situation in Barbados as automobile sales declined significantly. Our Catering Division also suffered reduced sales resulting from the continued effects of the two major hurricanes which the region experienced last year.

Our gross margin declined from 45.1% to 43.9%. This decrease in gross margin is as a result of a change in the sales mix as our Catering Division, with inherently higher margins, recorded a lower percentage of our overall sales. This was due to the closure of the airports in St. Thomas and St. Maarten from the effects of hurricanes Irma and Maria. Both islands continue to suffer from reduced tourism because of damage to their hotel stock.

In comparison to prior year, the Group also recorded a decline in Other gains/(losses) – net as the prior year's figure included a \$10.0M gain on disposal of our rum businesses, not repeated this year.

Our Finance costs increased by 6.2%. This is reflective of an increase in bank borrowings to support our recent acquisitions.

The Share of income of associated companies decreased by 9.8% due to a poor result from our Finance and Insurance associated companies. Our Joint Venture, Caribbean Distribution Partners Ltd, however, had a 37.2% increase in our share of profits as most of its subsidiaries performed above the prior year.

As a result of the issues above, the overall net income declined by 15.8% to \$45.1M for the nine month period, while the Net income attributable to equity holders fell by 21.5% and the Earnings per share reached 56.0 cents.

We continue to be confident about the future. Our recent acquisitions are expected to boost results in the future with our cocoa plant in Ecuador projected to hit target levels in the next financial year. We also expect that our Catering Division will see an increase in sales as the countries impacted by the hurricanes recover. We are confident that a rebound in our local and regional economies will see a positive impact on our results. We continue to remain focused on our current strategy of growing the business and maximizing shareholders' wealth.

Looking at the Balance Sheet: at the end of the period, our net assets stood at \$673.6M. Our cash flows and leverage capacity are adequate to meet the current needs of the business.

Our recently shareholder approved 4 to 1 share split was completed subsequent to the period under review and our share price is currently at \$3.50. An interim dividend of 1.5 cents per share will be paid at the end of August 2018.

William P. Putnam
Chairman
9 August 2018

Anthony H. Ali
Managing Director