



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 AUDITED

Consolidated Statement of Income Highlights

	% Change	Year ended 30/09/20 Bds \$000's	Year ended 30/09/19 Bds \$000's
Revenue from contracts with customers	-4.9%	826,120	868,300
Profit from operations before the following:	-90.8%	4,465	48,529
Other gains/(losses) – net	-45.4%	8,664	15,877
Profit from operations	-79.6%	13,129	64,406
Finance costs	6.9%	(13,015)	(12,171)
	-99.8%	114	52,235
Share of income of associated companies	12.3%	11,139	9,917
Income before taxation	-81.9%	11,253	62,152
Taxation	-54.3%	(7,120)	(15,570)
Net income for the year	-91.1%	4,133	46,582
Attributable to:			
Equity holders of the Company	-77.4%	7,073	31,347
Non-controlling interests	-119.3%	(2,940)	15,235
	-91.1%	4,133	46,582
Earnings per share – basic and diluted	-77.5%	3.1¢	13.8¢

Consolidated Statement of Comprehensive Income Highlights

	Year ended 30/09/20 Bds \$000's	Year ended 30/09/19 Bds \$000's
Net income for the year	4,133	46,582
Other comprehensive (loss)/income:		
Items net of tax that may be recycled to income in the future:		
Currency translation differences	(5,895)	3,609
Hyperinflationary adjustments	(743)	1,026
Items net of tax that will not be recycled to income in the future:		
Unrealised (losses)/gains on investments at fair value through other comprehensive income	(19,143)	90
Decrease in revaluation surplus	(162)	(82)
Remeasurement of employee benefits	1,635	(765)
Other comprehensive (loss)/income for the year, net of tax	(24,308)	3,878
Total comprehensive (loss)/income for the year	(20,175)	50,460
Attributable to:		
Equity holders of the Company	(15,606)	33,985
Non-controlling interests	(4,569)	16,475
	(20,175)	50,460

BOARD REVIEW FOR THE YEAR ENDED 30 SEPTEMBER 2020

Goddard Enterprises Limited has recorded Income before taxation of \$11.3m for the year ended September 30th, 2020. After accounting for taxation of \$7.1m, as profits were earned in higher tax jurisdictions, overall net income for the year was \$4.1m, with a net income of \$7.1m and an earnings per share of 3.1 cents attributable to the equity holders of the Company.

Adjusting for non-recurring expenses of \$24.9m, the Income before taxation earned was \$36.2m. Included in these expenses were restructuring costs of \$16.0m and goodwill impairment of \$6.5m.

After reviewing the future expected cash flows of our investment in Mirexus Biotechnologies Inc. (Mirexus), it was deemed that our investment of \$3.9m in this associate and \$18.4m of our financial investment which relates to our subscription to the convertible promissory note in this entity were both impaired for a total of \$22.3m. The impairment loss on the promissory note has been recorded in other comprehensive income and the impairment of the investment in associate including goodwill has been recorded in other gains/(losses)-net. The impairment in Mirexus was largely affected by the failure of pharmaceutical and nutraceutical trials and a change in consumer buying patterns in the cosmetic industry. The latter was as a result of the pandemic. Our investment in Mirexus now stands at \$3.5m.

The other goodwill impairments were \$1.7m for CDSL in St. Lucia and \$0.9m for GAS in Costa Rica, both of which are Ground Handling entities acquired in 2019 and whose future level of profitability is uncertain due to the pandemic. These have both been included in other gains/(losses)-net in the Statement of Income.

The Catering and Ground Handling Division was the most severely affected by the pandemic and incurred \$15.1m in severance costs which was the bulk of the restructuring costs. This Division, where we have a 51% shareholding, produced good results for the first half of the year and then collapsed to record a Loss before taxation and non-controlling interest (NCI) for the year of \$12.9m. Management is focused on diversifying its portfolio by capitalizing on our areas of expertise in the Food Preparation and Delivery Logistics side of the business. The Ground Handling Division is also looking at expanding its footprint across the geographical space we currently operate in. We expect the Catering and Ground Handling Division to return to profitability in the current financial year as the recent announcement and launch of vaccines restores the confidence of travelers. Management remains focused on this objective.

Our Manufacturing Division was mainly insulated from the negative effect of the pandemic and some businesses were able to capitalize on the opportunities presented during the time. The Division had an exceptional performance with an Income before taxation and NCI of \$18.6m, an increase of 110.5% over the prior year.

The Automotive, Building Supplies and Services Division was also profitable with an Income before taxation and NCI of \$14.3m in comparison with \$17.7m in the prior year. The decline was mainly in the Automotive Division as unemployment levels in Barbados reached a high of 40% and average disposable income per household declined. As the economies in Barbados and Jamaica recover, we expect this Division to improve on the 2020 performance as the Automotive Division is forecasting a much better result. The Building Supplies Division had a credible performance in the circumstances and was marginally below the prior year.

Our associated company Caribbean Distribution Partners Limited continued to grow and our share of profit for the year grew by 5% to \$11.2m.

It is no doubt that this year was one of the most challenging years ever faced by the Group as the world continues to grapple with a pandemic and its effects, the likes of which have not been felt in modern times. The Group remains in a very strong position as our strategy of cash preservation during the last two quarters continues to enable us to cushion the fall-out. The focus of our Leadership and our diversification helps us to demonstrate resilience. At year-end, the Group's net assets were \$654.8m of which cash on hand totalled \$78.5m. The liquidity and leverage ratios of the Group are adequate and are all within industry standards. The net asset value per share stood at \$2.44 at September 30th, 2020.

We are confident of a recovery of the Catering and Ground Handling Division and the Group's return to pre-COVID-19 performance levels during the current financial year and to future growth.

No interim dividend was declared.

A. Charles Herbert
Chair
18 December 2020

Anthony H. Ali
Managing Director

Consolidated Statement of Financial Position Highlights

	As at 30/09/20 Bds \$000's	As at 30/09/19 Bds \$000's
Current assets	365,442	371,950
Current liabilities	(230,406)	(234,535)
Working capital	135,036	137,415
Property, plant & equipment, financial investments & other non-current assets	705,628	694,146
Long-term liabilities	(185,898)	(149,026)
Net assets employed	654,766	682,535
Equity		
Share capital	48,552	47,421
Other reserves	56,091	80,035
Retained earnings	449,993	449,559
	554,636	577,015
Non-controlling interests	100,130	105,520
	654,766	682,535

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 2018	46,353	76,550	432,456	110,383	665,742
Net income for the year	–	–	31,347	15,235	46,582
Other comprehensive income/(loss)	–	3,277	(639)	1,240	3,878
Acquisition of subsidiary company	–	–	–	(8,282)	(8,282)
Decrease in advances to non-controlling interests	–	–	–	(1,694)	(1,694)
Value of employee services	–	208	–	–	208
Issue of common shares	1,068	–	–	–	1,068
Dividends declared	–	–	–	(11,362)	(11,362)
Dividends paid	–	–	(13,605)	–	(13,605)
Balance as at 30 September 2019	47,421	80,035	449,559	105,520	682,535
Net income/(loss) for the year	–	–	7,073	(2,940)	4,133
Other comprehensive (loss)/income	–	(24,057)	1,378	(1,629)	(24,308)
Decrease in advances to non-controlling interests	–	–	–	(160)	(160)
Value of employee services	–	113	–	–	113
Issue of common shares	1,131	–	–	–	1,131
Dividends declared	–	–	–	(661)	(661)
Dividends paid	–	–	(8,017)	–	(8,017)
Balance as at 30 September 2020	48,552	56,091	449,993	100,130	654,766

Consolidated Statement of Cash Flows Highlights

	Year ended 30/09/20 Bds \$000's	Year ended 30/09/19 Bds \$000's
Income before taxation	11,253	62,152
Adjustments for non-cash items	36,680	26,064
	47,933	88,216
Non-cash working capital changes	14,408	25
	62,341	88,241
Net interest, taxation and pension contributions paid	(25,574)	(28,022)
Net cash from operating activities	36,767	60,219
Net cash used in investing activities	(19,852)	(29,956)
Net cash used in financing activities	(11,372)	(14,635)
Net increase in cash and cash equivalents	5,543	15,628
Cash and cash equivalents – beginning of year	63,250	47,622
Cash and cash equivalents – end of year	68,793	63,250



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 2020, 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 audited consolidated financial statements of Goddard Enterprises Limited ("the Company") and its subsidiaries ("the Group") for the year ended 30 September 2020.

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

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRS"). 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 18 December 2020. 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.

Responsibilities of Management for the Summary Consolidated Financial Statements

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

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.

ERNEST & YOUNG
18 December 2020

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 2020 which are prepared in accordance with International Financial Reporting Standards.