



GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 31 MARCH 2018

Consolidated Statement of Income Highlights

	% Change	6 months to 31/03/18 Bds \$000's	6 months to 31/03/17 Bds \$000's	Audited Year ended 30/09/17 Bds \$000's
Revenue	1.5%	399,717	393,888	748,122
Profit from operations				
before the following:	7.2%	34,459	32,159	63,715
Other gains/(losses) – net	-58.1%	4,757	11,361	20,551
Profit from operations	-9.9%	39,216	43,520	84,266
Finance costs	8.1%	(5,498)	(5,087)	(10,274)
	-12.3%	33,718	38,433	73,992
Share of income of associated companies	-5.9%	5,224	5,552	17
Income before taxation	-11.5%	38,942	43,985	74,009
Taxation	-3.2%	(7,207)	(7,445)	(17,215)
Net income for the period	-13.1%	31,735	36,540	56,794
Attributable to:				
Equity holders of the Company	-19.3%	22,135	27,425	41,000
Non-controlling interests	5.3%	9,600	9,115	15,794
	-13.1%	31,735	36,540	56,794
Earnings per share – basic	-19.5%	39.1¢	48.6¢	72.5¢
Earnings per share – diluted	-18.6%	39.0¢	47.9¢	72.5¢

Consolidated Statement of Financial Position Highlights

	As at 31/03/18 Bds \$000's	As at 31/03/17 Bds \$000's	Audited 30/09/17 Bds \$000's
Current assets	362,614	345,277	352,514
Current liabilities	(213,111)	(194,320)	(207,713)
Working capital	149,503	150,957	144,801
Property, plant & equipment, financial investments & other non-current assets	668,426	585,027	605,552
Long term liabilities	(145,062)	(112,692)	(101,838)
Net assets employed	672,867	623,292	648,515
Equity			
Share capital	45,606	44,521	45,169
Other reserves	80,490	75,757	80,942
Retained earnings	432,262	403,908	413,845
	558,358	524,186	539,956
Non-controlling interests	114,509	99,106	108,559
	672,867	623,292	648,515

Consolidated Statement of Comprehensive Income Highlights

	6 months to 31/03/18 Bds \$000's	6 months to 31/03/17 Bds \$000's	Audited Year ended 30/09/17 Bds \$000's
Net income for the period	31,735	36,540	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	347	1,086	2,300
Currency translation differences	(381)	(933)	(4,669)
Hyperinflationary adjustments	135	523	865
Items net of tax that will not be recycled to income in the future:			
Increase/(decrease) in revaluation surplus	13	(484)	10,432
Remeasurement of employee benefits	45	329	1,546
Other comprehensive income for the period, net of tax	159	521	10,474
Total comprehensive income for the period	31,894	37,061	67,268
Attributable to:			
Equity holders of the Company	22,671	28,050	47,492
Non-controlling interests	9,223	9,011	19,776
	31,894	37,061	67,268

Consolidated Statement of Cash Flows Highlights

	6 months to 31/03/18 Bds \$000's	6 months to 31/03/17 Bds \$000's	Audited Year ended 30/09/17 Bds \$000's
Income before taxation	38,942	43,985	74,009
Adjustments for non-cash items	8,830	2,664	21,100
	47,772	46,649	95,109
Non-cash working capital changes	(23,279)	(6,216)	1,171
	24,493	40,433	96,280
Net interest, taxation and pension contributions paid	(11,534)	(13,224)	(30,672)
Net cash from operating activities	12,959	27,209	65,608
Net cash used in investing activities	(69,339)	(21,533)	(57,847)
Net cash from/(used in) financing activities	41,359	5,435	(9,420)
Net (decrease)/increase in cash and cash equivalents	(15,021)	11,111	(1,659)
Cash and cash equivalents – beginning of year	95,186	96,845	96,845
Cash and cash equivalents – end of period	80,165	107,956	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	–	–	22,135	9,600	31,735
Other comprehensive (loss)/income	–	(444)	980	(377)	159
Investment in subsidiary company	–	–	–	(244)	(244)
Increase in advances to non-controlling interests	–	–	–	440	440
Value of employee services	–	(8)	–	–	(8)
Issue/(repurchase) of common shares – net	437	–	(172)	–	265
Dividends declared	–	–	–	(3,469)	(3,469)
Dividends paid	–	–	(4,526)	–	(4,526)
Balance at 31 March 2018 (unaudited)	45,606	80,490	432,262	114,509	672,867

BOARD REVIEW FOR THE SIX MONTHS ENDED 31 MARCH 2018

The Board of Directors of Goddard Enterprises Limited is pleased to report on the operations for the first six months of this financial year.

When compared with the similar period in the prior year, revenue increased by \$5.8M or 1.5%, Profit from Operations before other gains/(losses) increased by \$2.3M or 7.2% and other gains/(losses) fell by \$6.6M or 58.1%. These factors are largely explained by the divestment of the Rum businesses in the prior year which gave rise to a gain on disposal while the revenue and operational losses from these businesses are not present in the current year. Growth in revenue came from the new acquisitions of Marshall Trading and Ecuakao (cocoa processing in Ecuador). These companies are expected to contribute more significantly to Operational profits in the future.

Our Gross Profit for the period under review of 45.1%, is in line with that for the comparative period. Our selling, marketing and administrative expenses as a percentage of revenues were 36.8% versus 37.2% in the first six months of last year.

With the reduction in other gains/(losses) – net, Profit from Operations for the period was \$39.2M, representing a decline of \$4.3M or 9.9% below the comparative period.

Finance costs for the period were \$5.5M, an increase of 8.1% which reflects the additional borrowing required to support our recent acquisitions.

Our Share of income from associated companies decreased by 5.9%, as an increase in our share of income from Caribbean Distribution Partners was offset by a poor result in our Financial Services Division.

Overall net income was \$31.7M, compared with \$36.5M in the previous period, reflecting a decline of 13.1%. Earnings per share of 39.1 cents was achieved for the period compared with 48.6 cents in the prior period as overall net income attributable to equity holders of the company declined.

We are optimistic about the future of the Group as we continue in the growth phase of our strategy whilst at the same time divesting of those businesses that are considered non-strategic to us.

Our balance sheet remains strong and our Group's cash flow and leverage capacity is adequate as we seek to expand in all of our major divisions.

Our current share price is \$11.55 per share and we have declared a third and final dividend of 8 cents to be paid at the end of this month. This brings the total dividend for the last financial year to 24 cents per share, an increase of 2 cents over the prior year. This is the highest dividend ever.

A. Charles Herbert
Chairman
23 May 2018

Anthony H. Ali
Managing Director