



# GODDARD ENTERPRISES LIMITED

## CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 AUDITED

### Consolidated Statement of Income Highlights

	% Change	Year ended 30/09/10 Bds \$000's	Year ended 30/09/09 Bds \$000's
<b>Revenue</b>	-1.3%	<b>877,828</b>	889,032
<b>Profit from operations before the following:</b>	-12.0%	<b>43,066</b>	48,931
Other gains/(losses) – net	65.4%	<b>10,790</b>	6,524
<b>Profit from operations</b>	-2.9%	<b>53,856</b>	55,455
Finance costs	-10.1%	<b>(12,415)</b>	(13,815)
Share of income from associated companies	-0.5%	<b>41,441</b>	41,640
<b>Income before taxation</b>	359.2%	<b>10,305</b>	2,244
Taxation	17.9%	<b>51,746</b>	43,884
<b>Net income for the year</b>	12.0%	<b>(12,313)</b>	(10,996)
	19.9%	<b>39,433</b>	32,888
<b>Attributable to:</b>			
Equity holders of the Company	21.5%	<b>27,516</b>	22,639
Non-controlling interests	16.3%	<b>11,917</b>	10,249
	19.9%	<b>39,433</b>	32,888
<b>Earnings per share attributable to equity holders of the Company:</b>			
– basic	21.3%	<b>46.1¢</b>	38.0¢
– diluted	21.2%	<b>45.8¢</b>	37.8¢

### Consolidated Statement of Comprehensive Income Highlights

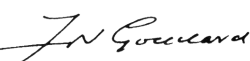
	% Change	Year ended 30/09/10 Bds \$000's	Year ended 30/09/09 Bds \$000's
<b>Net income for the year</b>	19.9%	<b>39,433</b>	32,888
<b>Other comprehensive income:</b>			
Share of revaluation surplus	-117.9%	<b>(172)</b>	963
Unrealised losses on available-for-sale investments	-67.8%	<b>(181)</b>	(562)
(Gains)/losses transferred to income on disposal of financial investments	-447.9%	<b>(1,103)</b>	317
Impairment of financial investments	0.0%	<b>800</b>	800
Currency translation differences	158.9%	<b>1,667</b>	(2,828)
Hyperinflationary adjustments	–	<b>2,051</b>	–
<b>Other comprehensive income/(loss) for the year</b>	333.7%	<b>3,062</b>	(1,310)
<b>Total comprehensive income for the year</b>	34.6%	<b>42,495</b>	31,578
<b>Attributable to:</b>			
Equity holders of the Company	32.9%	<b>28,341</b>	21,329
Non-controlling interests	38.1%	<b>14,154</b>	10,249
	34.6%	<b>42,495</b>	31,578

### BOARD REVIEW FOR THE YEAR ENDED SEPTEMBER 30, 2010

For the financial year ended September 30, 2010, there was an overall improvement in the Group's results as compared to the previous year. However, operationally, the Group's performance declined over 2009 as the region continued to be impacted by the effects of the global financial crisis for the majority of the year. Group revenues of \$878M fell by 1.3%. This decline was seen mainly in our Import, Marketing and Distribution Division due to a reduction in consumer spend throughout the region. Gross profit margin increased from 31.5% to 33.4% attributable to both better inventory management and higher gross margins attained in the service-oriented companies acquired during the year and the latter part of the prior year when compared to the average for the Group. Profit from operations before other gains/(losses) – net of \$43M declined by 12.0% with an increase in our selling and administrative costs. Other gains/(losses) – net of \$10.8M increased by 65.4% due mainly to a gain realised in winding up a pension plan in a subsidiary acquired in the prior year. We were able to reduce our overall level of borrowings this year which contributed to a decline of 10.1% in our finance costs.

Our share of income from associated companies of \$10.3M increased by 359.2% over the prior year as a result of a significantly improved performance by our insurance associate and a write back of accumulated losses upon disposal of two of our associates. An effective tax rate of 23.8% was achieved as compared to 25.1% in the prior year. After deducting non-controlling interests of \$11.9M (2009 – \$10.2M), net income for the year attributable to equity holders of the Company totalled \$27.5M, an increase of 21.5% over 2009. Our earnings per share was 46.1 cents, compared to 38.0 cents in 2009.

Turning to our balance sheet, our working capital ratio dropped slightly from 1.55 in the prior year to 1.54 in 2010. Our total debt to total assets ratio has improved to 35.7% down from 36.1% in 2009. Our net asset value per share now stands at \$7.77 compared to \$7.44 last year. Our quoted share price as at September 30, 2010 on The Barbados Stock Exchange was \$5.89 which equates to a price earnings ratio of 12.8 times. We are pleased to report that CariCRIS, the regional rating agency, has maintained our rating of AA-, the same as 2009.

  
Chairman  
December 30, 2010

  
Managing Director

### Consolidated Balance Sheet Highlights

	% Change	30/09/10 Bds \$000's	30/09/09 Bds \$000's
Current assets	6.2%	<b>348,102</b>	327,889
Current liabilities	7.1%	<b>(226,267)</b>	(211,277)
Working capital	4.5%	<b>121,835</b>	116,612
Property, plant & equipment, financial investments & other non-current assets	2.8%	<b>545,746</b>	530,770
Long term liabilities	-5.4%	<b>(93,005)</b>	(98,290)
<b>Net Assets Employed</b>	4.6%	<b>574,576</b>	549,092
<b>Equity</b>			
Share capital	1.5%	<b>42,454</b>	41,829
Other reserves	0.8%	<b>112,841</b>	111,967
Retained earnings	6.6%	<b>308,491</b>	289,258
	4.7%	<b>463,786</b>	443,054
Non-controlling interests	4.5%	<b>110,790</b>	106,038
	4.6%	<b>574,576</b>	549,092

### Consolidated Statement of Changes in Equity Highlights

Bds \$000's	Share capital	Other reserves	Retained earnings	Non-controlling interests	Total
<b>Balance as at October 1, 2008</b>	40,669	112,744	279,538	97,449	530,400
Net income for the year	–	–	22,639	10,249	32,888
Other comprehensive loss	–	(898)	(412)	–	(1,310)
Acquisition of subsidiary	–	–	–	8,936	8,936
Fair value of assets disposed of by non-controlling interests	–	–	–	(2,637)	(2,637)
Reduction in advances to non-controlling interests	–	–	–	(6,540)	(6,540)
Value of employee services	–	121	–	–	121
Issue of common shares	1,160	–	–	–	1,160
Dividends declared	–	–	–	(1,419)	(1,419)
Dividends paid	–	–	(12,507)	–	(12,507)
<b>Balance as at October 1, 2009</b>	41,829	111,967	289,258	106,038	549,092
Net income for the year	–	–	27,516	11,917	39,433
Other comprehensive income	–	752	73	2,237	3,062
Acquisition of subsidiary	–	–	–	259	259
Fair value of assets disposed of by non-controlling interests	–	–	–	(1,633)	(1,633)
Reduction in advances to non-controlling interests	–	–	–	(6,608)	(6,608)
Value of employee services	–	122	–	–	122
Issue of common shares	625	–	–	–	625
Dividends declared	–	–	–	(1,420)	(1,420)
Dividends paid	–	–	(8,356)	–	(8,356)
<b>Balance at September 30, 2010</b>	<b>42,454</b>	<b>112,841</b>	<b>308,491</b>	<b>110,790</b>	<b>574,576</b>

### Consolidated Statement of Cash Flows Highlights

	% Change	Year ended 30/09/10 Bds \$000's	Year ended 30/09/09 Bds \$000's
<b>Income before taxation</b>	17.9%	<b>51,746</b>	43,884
Adjustments for non-cash items	-27.8%	<b>24,259</b>	33,621
	-1.9%	<b>76,005</b>	77,505
Working capital changes	-65.7%	<b>7,311</b>	21,286
	-15.7%	<b>83,316</b>	98,791
Net interest, taxation and pension contributions paid	3.1%	<b>(27,767)</b>	(26,924)
Net cash from operating activities	-22.7%	<b>55,549</b>	71,867
Net cash used in investing activities	-21.7%	<b>(22,941)</b>	(29,310)
Net cash used in financing activities	-9.3%	<b>(23,442)</b>	(25,858)
Net increase in cash and cash equivalents	-45.1%	<b>9,166</b>	16,699
Cash and cash equivalents – beginning of year	246.0%	<b>23,487</b>	6,788
Cash and cash equivalents – end of year	39.0%	<b>32,653</b>	23,487

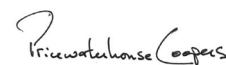
**PRICEWATERHOUSECOOPERS** 

### INDEPENDENT AUDITORS' REPORT To the Shareholders of Goddard Enterprises Limited

The accompanying summarised financial statements have been derived from the consolidated financial statements of **Goddard Enterprises Limited** (the Group) for the year ended September 30, 2010. These summarised financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on whether these summarised financial statements are consistent, in all material respects, with the consolidated financial statements from which they were derived. We have audited the consolidated financial statements of **Goddard Enterprises Limited** for the year ended September 30, 2010, from which these summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated December 30, 2010, we expressed an unqualified opinion on the consolidated financial statements from which the summarised financial statements were derived.

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the consolidated financial statements from which they were derived.

For a better understanding of the Group's financial position and the results of its operations for the year, and of the scope of our audit, the summarised financial statements should be read in conjunction with the consolidated financial statements from which the summarised financial statements were derived and our audit report thereon.

  
Chartered Accountants  
December 30, 2010  
Bridgetown, Barbados