GODDARD ENTERPRISES LIMITED

EXPANDING OUR UNIVERSE

ANNUAL REPORT 2015

GODDARD ENTERPRISES LIMITED

MISSION STATEMENT

To be successful and responsible
while satisfying customers, suppliers,
employees and shareholders.

"Excellence is an art won by training and habituation.
We do not act rightly because we have virtue or excellence,
but we rather have those because we have acted rightly.
We are what we repeatedly do.
Excellence, then, is not an act but a habit."

Aristotle

Contents

Notice of Meeting

NOTICE IS HEREBY GIVEN that the SEVENTY-SEVENTH Annual Meeting of the shareholders of Goddard Enterprises Limited (the "Company") will be held at the Walcott Warner Theatre, Errol Barrow Centre for Creative Imagination, The University of the West Indies, Cave Hill Campus, St. Michael, on Friday, 29 January 2016 at 5.30 p.m. for the following purposes:-

1. To receive Opening Remarks from Mr. A. Charles Herbert, Chairman of the Company.

2. To receive a Presentation from Mrs. C. Natasha Small, Chief Financial Officer of the Company, on the Overview of the Company's Financial Performance for the year ended 30 September 2015.

3. To receive and consider the Consolidated Financial Statements of the Company for the year ended 30 September 2015, together with the Reports of the Directors and Auditors thereon.

4. To elect Directors.

5. To appoint Auditors for the ensuing year and to authorise the Directors to fix their remuneration.

6. To consider and if thought fit to adopt the following resolution:

   BE IT RESOLVED that the remuneration of the Non-Executive Directors of the Board of the Company be and is hereby fixed at the following amounts with effect from the end of the Meeting:

   i) Retainer of BDS$32,000 per annum for the Non-Executive Chairman of the Board;
   ii) Retainer of BDS$16,000 per annum for each Non-Executive Director of the Board;
   iii) Retainer of BDS$8,000 per annum for each Non-Executive Chairman of a Committee of the Board;
   iv) Attendance Fee of BDS$2,000 per Board meeting attended;
   v) Attendance Fee of BDS$1,200 per Committee meeting attended;
   vi) Attendance Fee of BDS$1,200 per board meeting of the Company's joint venture companies attended; and
   vii) Travel allowance of BDS$2,000 for each occasion when travel is required outside of the jurisdiction of residence of a Non-Executive Director of the Board, for attendance by the said Non-Executive Director at board or committee meetings of the Company, its subsidiary and/or associated companies, notwithstanding the length of stay and/or the number of meetings to be attended.

7. To consider and if thought fit to adopt the following resolution:

   BE IT RESOLVED that:

   i) The Non-Executive Directors of the Board of the Company be and are hereby authorised to participate in the Company's Savings Related Employee Share Purchase Scheme (the "Scheme") and to purchase shares in the Company under the Scheme up to a maximum value of BDS$40,000 per annum for each participating Non-Executive Director; and
   ii) The Scheme be and is hereby amended to enable such participation by the Non-Executive Directors of the Board of the Company with effect from the end of the Meeting.

8. To receive a Presentation from Mr. Anthony H. Ali, Managing Director of the Company, on the Strategic Outlook for the Company for 2016.

9. To transact any other business which may properly come before the Meeting.

By Order of the Board of Directors

Kathy-Ann L. Scantlebury
Corporate Secretary

The full text of the resolution to be submitted to the Meeting with respect to the matter referred to in Agenda Item 7 above is attached to this Notice as Appendix A.

The notes to the enclosed proxy form are incorporated in this Notice.

Top Floor
The Goddard Building
Haggatt Hall
St. Michael
BB11059
BARBADOS

1 December 2015

Corporate Information

Board of Directors

Mr. A. Charles Herbert, B.Sc. (Hons.), F.I.A.	– Chairman
Mr. Ian K. D. Castilho, B.A. (Hons.)	– Deputy Chairman
Mr. Anthony H. Ali, B.Sc. (Hons.), M.B.A.	– Managing Director
Ms. Vere P. Brathwaite, B.Sc. (Hons.), LL.B. (Hons.)	– Non-Executive Director
Mr. J. Dereck Foster	– Non-Executive Director
Mr. William P. Putnam, B.Sc.	– Non-Executive Director
Mr. Christopher G. Rogers	– Non-Executive Director
Mr. Stephen T. Worme, B.E.Sc., M.B.A.	– Non-Executive Director

Management Committee

Mr. Anthony H. Ali, B.Sc. (Hons.), M.B.A.	– Managing Director
Mr. Ian A. Alleyne, F.C.C.A.	– Divisional General Manager
Mrs. Jennifer Y. Bradshaw-Wood, B.A. (Hons.), M.B.A.	– Divisional General Manager
Mr. J. G. Stewart Massiah	– Divisional General Manager
Mrs. C. Natasha Small, B.Sc. (Hons.), F.C.C.A.	– Chief Financial Officer
Mr. John S. Taylor	– Divisional General Manager

Corporate Governance Committee

Ms. Vere P. Brathwaite – Chairman
Mr. A. Charles Herbert
Mr. Christopher G. Rogers

Audit Committee

Mr. A. Charles Herbert – Chairman
Mr. William P. Putnam
Mr. Stephen T. Worme

Compensation & Human Resources Committee

Mr. Ian K. D. Castilho – Chairman
Ms. Vere P. Brathwaite
Mr. J. Dereck Foster
Mr. A. Charles Herbert

Company Secretary

Miss K. L. Scantlebury, LL.B. (Hons.), LL.M. (Dist.)

Auditors

Ernst & Young

Attorneys-At-Law

Clarke Gittens Farmer

Bankers

CIBC FirstCaribbean International Bank (Barbados) Limited

Registered Office

Top Floor
The Goddard Building
Haggatt Hall
St. Michael, BB11059
Barbados

Financial Highlights

For the years ended 30 September

(Expressed in Barbados Dollars)

	2015 $	2014 $	Restated 2013 $	2012 $	2011 $
Revenue – millions of dollars	**924.5**	954.1	962.6	999.1	949.3
Profit from operations before other gains/(losses) – net – millions of dollars	**55.3**	50.1	48.7	52.8	40.8
Profit from operations – millions of dollars	**82.1**	64.7	46.4	51.1	12.9
Income before taxation – millions of dollars	**73.5**	59.0	43.6	46.6	5.8
Earnings/(loss) per share – cents	**83.0**	62.1	35.3	41.2	(17.6)
Dividends per share – cents	**20.0***	20.0	14.0	18.0	12.0
Dividend cover (times covered)	**4.2**	3.1	2.5	2.3	(1.5)
Net asset value per share – dollars	**8.35**	7.92	7.54	7.57	7.30
Closing share price on BSE** – dollars	**6.58**	6.31	6.15	5.50	6.00
After tax return on shareholders' equity	**10.5%**	8.0%	4.7%	5.7%	(2.3)%
Price/earnings ratio	**7.9**	10.2	17.4	13.3	(34.1)

* Interim dividend per share – 6.0 cents
Final dividend per share – 14.0 cents (note 30)

** Barbados Stock Exchange

The years 2011 and 2012 have not been restated and therefore are not comparable to the years 2013 to 2015.

Financial Highlights

SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – $MILLIONS

(Expressed in Barbados Dollars)

	2015 $	2014 $	Restated 2013 $	Restated 2012 $	2011 $
Trade receivables and prepaid expenses	**114.7**	124.4	122.9	121.3	129.4
Inventories	**121.2**	165.5	166.0	159.3	161.2
Other current assets	**113.6**	90.3	83.7	73.0	64.7
Total current assets	**349.5**	380.2	372.6	353.6	355.3
Less current liabilities	**(213.4)**	(239.7)	(253.0)	(236.9)	(248.5)
Working capital	**136.1**	140.5	119.6	116.7	106.8
Property, plant and equipment and investment property	**337.4**	372.9	370.6	371.3	363.7
Financial investments, intangible assets, investments in associated companies, due from associated companies, deferred income tax assets, pension plan assets and long-term receivables	**209.8**	167.1	175.1	171.9	168.5
	683.3	680.5	665.3	659.9	639.0
Represented by:					
Shareholders' equity	**487.0**	461.7	453.5	448.8	437.1
Non-controlling interests	**95.8**	103.6	111.8	108.1	110.3
Long-term liabilities	**85.6**	107.5	90.6	95.1	85.7
Deferred income tax liabilities	**3.2**	3.2	3.5	3.9	3.7
Pension plan liabilities	**11.7**	4.5	5.9	4.0	2.2
	683.3	680.5	665.3	659.9	639.0

The year 2011 has not been restated and therefore is not comparable to the years 2012 to 2015.

Financial Highlights

SUMMARISED CONSOLIDATED STATEMENTS OF INCOME – $MILLIONS

(Expressed in Barbados Dollars)

	2015 $	2014 $	Restated 2013 $	2012 $	2011 $
Revenue	**924.5**	954.1	962.6	999.1	949.3
Income before taxation:					
Parent company and subsidiaries	**70.2**	52.4	33.8	38.7	1.1
Share of income from associated companies	**3.3**	6.6	9.8	7.9	4.7
	73.5	59.0	43.6	46.6	5.8
Taxation	**(11.6)**	(10.1)	(9.7)	(12.7)	(11.1)
Non-controlling interests	**(13.4)**	(12.5)	(12.7)	(9.2)	(5.2)
Net income for the year attributable to equity holders of the Company	**48.5**	36.4	21.2	24.7	(10.5)

The years 2011 and 2012 have not been restated and therefore are not comparable to the years 2013 to 2015.

Board of Directors

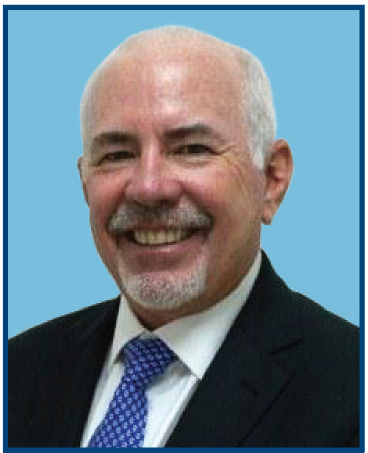
A. Charles Herbert
Chairman

A. CHARLES HERBERT, B.Sc. (Hons.), F.I.A.

Charles Herbert became Chairman of the Goddard Group of Companies on 5 February 2013, following the retirement of Mr. Joseph N. Goddard. Mr. Herbert spent 15 years of his professional career with The Barbados Mutual Life Assurance Society, now Sagicor Life Inc. ("Sagicor"), and at the time of his resignation from Sagicor, was a member of its Senior Management team responsible for the Actuarial, Group Insurance and Pension Departments. A Barbadian by birth, Mr. Herbert, a Barbados Exhibition Winner in 1974, achieved First Class Honours in his B.Sc. in Mathematics from the University of Edinburgh. He also holds a Diploma in Education from the University of the West Indies and is a Fellow of the Institute of Actuaries. Prior to joining Sagicor, and on his return to Barbados from Edinburgh, Mr. Herbert served his alma mater, Harrison College, as an Assistant Master. Following his sojourn at Sagicor, he joined the firm of Watson Wyatt Worldwide as a Consulting Actuary before establishing the Barbados Branch of Eckler Limited in 1996, where he is currently the Principal. Mr. Herbert has worked closely with the Barbados Employers' Confederation, the Supervisor of Insurance, and more recently, the Financial Services Commission, on the drafting and implementation of the new Pension legislation.

Ian K. D. Castilho
Deputy Chairman

Vere P. Brathwaite
Non-Executive Director



J. Dereck Foster
Non-Executive Director

ANTHONY H. ALI, B.Sc. (Hons.), M.B.A.

Anthony Ali spent most of his career in Canada, where he worked in the areas of Operations, Sales, Marketing, Customer Allegiance and Strategic Planning for a number of Canadian and United States of America Fortune 500 companies. Before joining Goddard Enterprises Limited in 2013 as Managing Director, Mr. Ali worked with SM Jaleel & Co. Ltd. in Trinidad and Tobago where he served as General Manager from 2010 - 2013. Upon graduating from the University of Toronto in 1988 with a B.Sc. Honours Degree in Chemistry, Mr. Ali worked at National Silicates as a Research Chemist, and later as its Business Development Manager. He completed a post graduate degree in Executive Marketing at the University of Western Ontario in 1992 and several other Leadership and Management programmes. In 1993, Mr. Ali was selected from 6,000 employees of Abitibi-Price Inc. to participate in a fellowship at McKinsey & Co. In 2005, he joined Thermo Fisher Scientific as Global Director of Operations and Customer Allegiance before moving to Enerworks Inc. where he served as Vice President of Sales, Marketing and Customer Allegiance. Mr. Ali has served on several Boards in the Energy field and is the co-author of several publications.


Anthony H. Ali
Managing Director


William P. Putnam
Non-Executive Director


Christopher G. Rogers
Non-Executive Director


Stephen T. Worme
Non-Executive Director


Kathy-Ann L. Scantlebury
Corporate Secretary

Mr. A. Charles Herbert, Chairman with Mr. Anthony Ali, Managing Director (left) at the Goddard Enterprises Limited Head Office.

Directors' Report

Consolidated Financial Overview 2014/2015

The Board of Directors of Goddard Enterprises Limited ("GEL") is pleased to present the Group's Consolidated Financial Review for the year ended 30 September 2015.

In October 2014, the International Monetary Fund ("IMF") cut its global growth forecast and began its semi-annual report on the economic outlook with a simple lament: "a return to robust and synchronized global expansion remains elusive." The IMF projects global growth for 2015 at 3.1%, 0.3% lower than in 2014. That is the worst performance since the Great Recession in 2009, and the trend is continuing.

In the past few years, the global economy has lacked a positive dynamic, exemplified by the uneasy combination of significant decline in growth in emerging markets, slow investment growth globally (which is exacerbated by lacklustre business and consumer confidence), weak productivity and high political instability. This will place the global economy in a holding pattern in which positive and negative forces offset each other, at least for the immediate future. This characterization of the global economy is unlikely to change in the next twelve to twenty-four months. After adjusting for China's overstated official growth rate, there is a very modest projected improvement in the growth rate for the global economy.

Looking within the Caribbean, the performance of the region in 2015 has not changed significantly from the previous year. "High debt burden", "high fiscal deficit" and "high unemployment" are the clichés that are typically used to describe the Caribbean economies and unfortunately these challenges continue to plague the region, with 2015 being no different. Both Grenada and Jamaica are showing improvements given the assistance of the IMF in their territories, while Barbados has implemented its own home grown programme which will seek to generate $200 million in revenue to ease the pressure on the fiscal deficit. The good news is that tourism-based economies are seeing improvements and data suggests that international tourism rose by 4% for the first half of 2015.

The Board is pleased to report a record-breaking performance for the Group this year. Group revenue and net income for the year ended 30 September 2015 amounted to $924.5 million and $61.9 million, compared with $954.1 million and $48.9 million in the previous year. The Group achieved the highest earnings per share ("EPS") ever of 83 cents which exceeded prior year's EPS of 62.1 cents by 33.7% and also surpassed the previous highest amount of 73.7 cents which was earned in 2008.

This tremendous result is attributable mainly to the one-off non-operational gain of $20.8 million. Effective 1 July 2015, we formed a new 50:50 joint venture company, Caribbean Distribution Partners Limited ("CDP"), in our Food and Consumer Goods Distribution sector with our partner, Agostini's Limited ("Agostini's"). The Group companies which we transferred into CDP were Hanschell Inniss Limited in Barbados, Coreas Distribution Limited in Saint Vincent and the Grenadines, Peter & Company Limited in Saint Lucia and our share of Independence Agencies Limited in Grenada. Added from Agostini's were Facey Trading Limited in Barbados, Hand Arnold Trinidad Limited in Trinidad and Tobago and its 40% stake in Desinco Limited in Guyana. We have fully consolidated our companies which were transferred to CDP with our Group results up to 30 June 2015. Thereafter, our share (50%) of CDP has been included in the results of the Group in the line item: "Share of Income of Associated Companies".

For the financial year ended 30 September 2015, revenue stood at $924.5 million, a decline of 3.1% below prior year. This reduction was due to the fact that the companies transferred to CDP were not consolidated with our results for the last quarter of the financial year. If the results of those companies had been consolidated, the Group revenue would have increased by 4.6% over the prior year.

Gross profit expressed as a percentage of revenue was 37.8%, slightly above the percentage achieved in 2014 of 37.3%. Selling, marketing and administrative expenses were $297.8 million, or 32.2% of revenue, representing a decrease by $12.2 million or 3.9% below prior year's $310.0 million or 32.5% of revenue. Both the gross profit and selling, marketing and administrative expenses ratios were impacted by the exclusion of the CDP companies from the consolidated numbers as alluded to earlier.

We are extremely pleased to highlight the improvement in operational profit for the review year. Profit from operations before other gains/(losses)-net increased by $5.2 million or 10.3% over prior year as a result of the reduction in the selling, marketing and administrative expenses. Other gains/(losses)-net increased by $12.2 million or 83.6% over the prior year, which was attributable to the gain on disposal of our four subsidiaries to CDP. As a result, profit from operations increased by 26.8% or $17.4 million, reaching $82.1 million.

Directors' Report... continued

Our share of income of associated companies fell by $3.3 million or 49.9% below prior year mainly as a result of a decrease in profit from our insurance associate, Sagicor General Insurance Inc. In addition, a loss of $0.2 million is also incorporated in our share of income of associated companies being our share of the loss from CDP for the last quarter of the 2015 financial year.

Overall net income for the year ended 30 September 2015 was $61.9 million, up 26.5% over the prior year amount of $48.9 million. Net income attributable to equity holders increased by 33.1% to $48.4 million which translated to the high EPS of 83 cents mentioned earlier.

With regard to the Group consolidated statement of financial position, our working capital ratio of 1.64 is above the prior year ratio of 1.59 reflecting adequate management of inventories and trade receivables. Total assets of the Group are being financed by 35% debt, which is well within conservative financial guidelines and is consistent with prior years' experience. Our net asset value per share is $8.35 compared to $7.92 per share in 2014 representing an increase of 43 cents per share. Our share price closed at $6.58 on the Barbados Stock Exchange at 30 September 2015.

Message from the Managing Director

2015 was a transformational year for the Group. We acquired the remaining 33% ownership of Bryden & Partners Limited in Saint Lucia. We entered into the new joint venture, CDP, mentioned before. We restructured the Import Distribution and Marketing Division which, at 1 October 2015, has been renamed the Automotive, Building Supplies and Services Division. This name change accurately represents the businesses that are now within the Division. We realigned all of our businesses in that Division into Industry channels such that all of the Automotive and Building Supplies business units, as examples, report to one Senior Manager who is responsible for these particular businesses across the entire region. This allows us to leverage synergies across like businesses, as opposed to having them managed individually in each country. We also signed an extension of the joint venture agreement with our partner LSG Sky Chefs Inc. ("LSG") for an additional twenty years. This was an important achievement for the Group for the year as GEL treasures its relationship with LSG and sees this extension as an opportunity to continue to expand its Catering services in the wider region.

On the Organizational Development side, we conducted 360 degree Leadership Behavioural Analyses of all General Managers across the entire Group. We also conducted a Group-wide Employee Engagement survey to better ascertain the current Group culture. Each individual business unit has developed plans to correct key weaknesses identified during the survey.

Indeed, 2015 can best be characterized as a year of rebuilding and positioning ourselves for future growth, streamlining the business portfolio and continuing to evaluate those businesses that are not giving us the type of return we expect, or do not allow us to focus on a regional strategy.

We have embarked on a programme of Energy Management by investment in alternative energy systems across the Group, with several installations of photovoltaic ("PV") systems already completed in subsidiaries across the region. This programme will be of critical importance as we seek more innovative ways to continue to reduce costs and to be more environmentally conscious.

Our challenge for 2016 will be to drive a culture of acting with a sense of URGENCY, striving for EXCELLENCE and developing a PASSION for Customer Service to further enhance shareholder value.

Cockspur
SPLASH
Flavoured Rums
Est'd 1884
Splash
COCKSPUR
Flavoured Spirit Blend
Product of Barbados
Citrus Mango
28% Alc./Vol. 750 ml
Est'd 1884
Splash
COCKSPUR
Flavoured Spirit Blend
Product of Barbados
Green Apple
28% Alc./Vol. 750 ml
Est'd 1884
Splash
COCKSPUR
Flavoured Spirit Blend
Product of Barbados
Pineapple Coconut
28% Alc./Vol. 750 ml
Citrus Mango
Green Apple
Pineapple Coconut
Get Wet!

Mr. John Taylor, Divisional General Manager

Manufacturing & Services

The Division produced a result marginally below that of last year. This reduced performance was attributed to weak performances in our printing and packaging businesses. In addition, the fact that sales at our rum distilleries in Barbados and Jamaica continue to be adversely affected by increased subsidies available to distillers in Puerto Rico and the United States Virgin Islands, as well as increased competition in Europe, negatively impacted the results. However, our brands continue to grow in Barbados and in other Caribbean and International markets.

FARMER'S CHOICE and EVE meat products achieved good growth in Barbados, considering the challenging economic environment. Exports increased by 22% mainly to the Organisation of Eastern Caribbean States, albeit from a small base, allowing us to increase our purchases of pork from local farmers by 35% in the year. New FARMER'S CHOICE chicken drumettes and turkey breakfast strips are also proving to be popular.

COCKSPUR rum had an excellent year in the Barbados market with the launch of our popular premium COCKSPUR SPLASH branded flavoured rums, which drove overall year on year sales up by 29%. The launch and success of COCKSPUR SPLASH takes the COCKSPUR brand into a much younger and more dynamic consumer growth area.

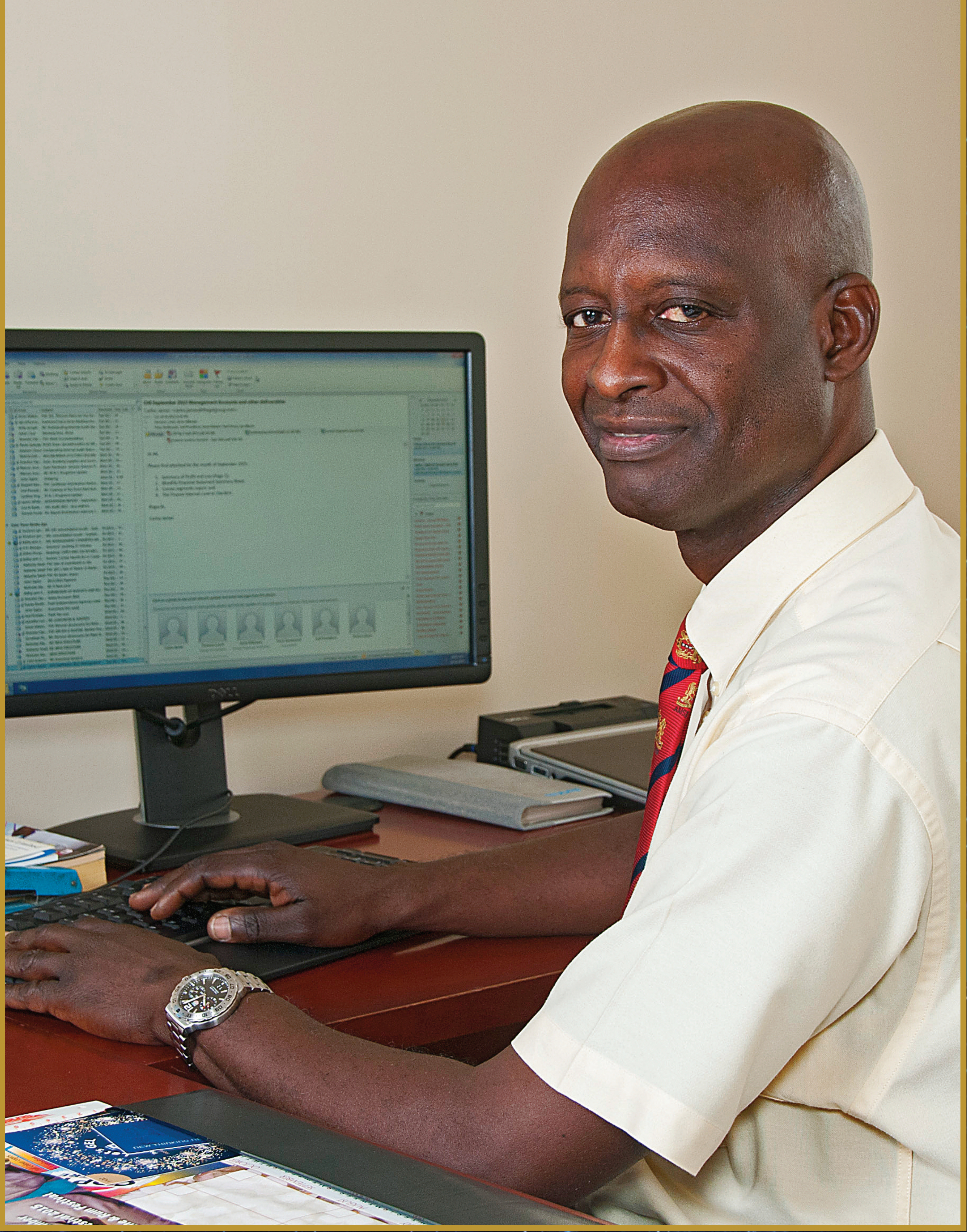
WONDER bread continued to increase market share in Barbados as consumers increasingly look for healthier, high quality products. Our expanded range, such as the new 12 GRAIN and MULTI GRAIN loaves, has been well received. The new business unit, Wonder Bakery Limited in Saint Lucia, performed well and in June launched a premium range of bread products under the WONDER brand. Our sales met expectations but there is work to be done to establish our brands fully in the market.

Our insecticide aerosol brands had an excellent year as a result of increased product sales due to the chikungunya outbreak in late 2014. The BOP brand grew by 10%, SURETOX by 21% and the GO! insect repellent increased its sales by 92%.

In Jamaica, there were operational delays in getting the digital printing equipment into Label Crafts Jamaica Limited. We are now, however, in full production mode. Sales were on plan in the final quarter of the financial year, despite the delays.

The main thrust of our Divisional Strategy is to grow our brands in existing markets as well as to expand our operations throughout the region. We continue to place a lot of emphasis on training our employees and on ensuring that we have an efficient, safe and healthy work environment. Most companies in the Division were able to improve their score in their annual Health and Safety Audits, which was encouraging. During the year, we also completed Energy Audits across the Division's businesses and will be using the results of these audits to introduce more efficient energy-saving practices.

This coming year will be a challenging one with no growth expected in Barbados and projected slow growth in the wider Caribbean. Our focus therefore, will be to continue to increase our market share, innovate with new products and expand our presence outside of the Caribbean.



Mr. Ian Alleyne, Divisional General Manager

Import Distribution & Marketing

The Import Distribution and Marketing Division (now the Automotive, Building Supplies and Services Division), recorded a commendable increase in operating profit compared to the prior year. A much improved performance in the Automotive sector was tempered by an adverse performance in the Food sector of the Division. Effective 1 July 2015, as noted earlier, the Division's Food and Beverage distribution operations in Barbados, Saint Vincent and the Grenadines, Saint Lucia and our share of Independence Agencies Limited in Grenada, were transferred to CDP.

In accordance with the recommendations arising out of the review of the Division conducted during the previous financial year, effective 1 October 2015 the Non-Food and Beverage operations, predominately Automotive, Hardware and Building Supplies, were reorganised to facilitate more efficient management of the operations and financial reporting along types of business lines rather than by geography. We have already started to realise the positive effect of resulting operating synergies. In addition to this, we have been developing Key Performance Indicators ("KPIs") for the consistent monitoring of operating performance across this newly named Division.

In the Automotive sector, Courtesy Garage Limited ("Courtesy") entered into an arrangement with Zhengzhou Nissan Automobile Company Limited ("ZNA"), a company based in China, for the sale of Chinese-made vehicles and spare parts under the ZNA brand, and in some instances the NISSAN brand, in the Caribbean and Central America regions. To facilitate this, Courtesy will incorporate two international business companies, one based in Saint Lucia to handle the territories outside of Saint Lucia, and the other based in Barbados to handle the Saint Lucia business and to accommodate the setting up of a Florida based office.

In the coming year, our focus will be on growth and in addition to the introduction of the Chinese-made vehicles and spare parts in the Automotive sector, we will look to aggressively expand the Shipping, Hardware and Building Supplies segments of the Division.

Mr. J.G. Stewart Massiah, Divisional General Manager

Catering and Ground Handling

The Catering and Ground Handling Division had a challenging year in 2015 but nevertheless, turned in a creditable performance. This performance was achieved despite significant challenges encountered in Trinidad and Venezuela. In Trinidad, the Division faced difficult market conditions driven by the steep decline in oil prices. This was exacerbated by the loss of a major oil and gas client with resultant restructuring costs to the business. In Venezuela, continued devaluation of the Venezuelan currency negatively impacted the results. Our results in Venezuela are now being translated at the SIMADI rate of Bs199.42 to US$1, compared with Bs50 to US$1 in the prior year. A scarcity of raw materials, with concomitant increased prices, and a lack of access to hard currency, have added to our challenges in Venezuela.

Following the closure of the Bonaire operation in February 2015, the Division now operates across twenty-two countries in the Caribbean and Latin America. This closure was consequent upon KLM's decision to transfer the catering of its flights transiting Bonaire to our operation in Aruba. The Division now has approximately 3,300 employees who prepare in excess of 20,000,000 meals annually across its Inflight, Industrial and Event Catering sectors as well as its Airport Terminal Concessions and Restaurants. The Division serviced over 112,000 flights during the year.

The Goddard Catering Group ("GCG") team at the Division's Head Office in Florida was strengthened with the recruitment during the year of a Human Resources Manager and an Engineering and Facilities Manager. Both of these new additions are already making a positive contribution to the Division.

During the year, a total of 375 kilowatts of PV systems were successfully installed in our production facilities in Barbados, Saint Lucia and at Kingston and Montego Bay, both in Jamaica. These PV systems are meeting our projected expectations and we have seen a satisfactory reduction in our energy costs. In addition, the installation and retrofitting of LED lights in our facilities across the Division continues, with satisfactory results. We are investigating other PV systems and energy-saving devices which we expect to deploy during the new financial year to further reduce energy costs.

The continued emphasis on Customer Satisfaction across our Catering units resulted in the award of several Customer Service awards in the year, including the United Airlines Quality 1st Programme Award received by GCG Honduras S.A. and GCG El Salvador S.A. de C.V. We continued to measure KPIs across the Division and this has led to improvements in Quality, Consistency and Customer Service.

The GCG team continues to focus on the food and safety system, HACCP, and on Safety and Security, which are critical elements of a successful operation. During the coming year, there will be further investment in these areas as well as in training and standardization of processes and procedures.

Our Ground Handling operations in Saint Thomas, United States Virgin Islands, and in Montego Bay and Kingston in Jamaica, continue to perform satisfactorily despite a competitive environment. A further investment was made to improve our ground support equipment in Jamaica during the year. These Ground Handling operations, with 480 employees, serviced over 10,750 flights during the year.

GCG EVENTS, our event catering brand, continues to record satisfactory growth in the competitive markets of Barbados, Antigua, Trinidad, Saint Thomas, Jamaica, Colombia, Paraguay and Guatemala. We plan to expand the brand to more countries during 2016.

GCG's Industrial Catering operations continue to show positive growth, despite some operational challenges experienced during the year. These operations span Latin America and the Caribbean and can be found in Ecuador, Uruguay, Paraguay, Guatemala, Colombia, El Salvador, Honduras, Jamaica, Trinidad and Aruba. We continue to focus on profitable growth to meet shareholder expectations.

GCG continues to focus on delivering value to its customers by reducing its cost base through strategic procurement initiatives and by developing robust and sustainable relationships with both local and international suppliers. In addition, we are actively working to improve our productivity ratios which are measured and reported through our Lean Manufacturing portal.

Management has developed a new five year strategic plan and is fully committed to seeking out and taking advantage of new growth opportunities. The GCG team is currently analysing the Division's organisational structure in order to ensure that the Division has both the resources and capability to take it forward.

Catering and Ground Handling... continued

A fleet of branded Goddard Catering Group's trucks.

We are pleased to report that, subsequent to the 2015 financial year-end, on 18 November 2015, GCG Bogotá Ltda in Colombia acquired Inversiones Ibero Caribe S.A.S. ("Ibero Caribe"), a leading hospital, industrial and event catering company. Ibero Caribe, which has 270 employees, provides quality catering to three privately owned hospitals in Bogotá, Barranquilla and Santiago de Cali and also operates over 500 vending machines strategically located in these three cities. GCG is looking forward to the opportunities that this acquisition will afford the Division and the Group as a whole, as we continue to diversify the portfolio of the Division.

GCG would like to thank its Management and employees across the Division for their hard work and commitment exhibited during the year and would like to assure shareholders that we are committed to improving the results in 2016.

Caribbean Distribution Partners Limited

On 1 July 2015, GEL entered into a 50:50 joint venture partnership with Agostini's Limited, ("Agostini's"), a Trinidad based company. This partnership brought together seven Fast Moving Consumer Goods ("FMCG") companies to form Caribbean Distribution Partners Limited ("CDP"), a powerful network of distribution companies across the region.

Prior to partnering, GEL and Agostini's each had extensive experience in the FMCG Industry and decided to partner to allow for expansion in complementary countries. The partnership provides an avenue for growth for each partner through building on synergies within the partnership and increased trading with associated companies.

The companies within CDP are outlined below:

1. Hanschell Inniss Limited, a Barbados based company with a 131 year history of operations.
2. Hand Arnold Trinidad Limited, a 95 year old Trinidad based company and the owner of a number of growing brands.
3. Coreas Distribution Limited, ("Coreas"), a Saint Vincent and the Grenadines based company which has operations on the mainland and in Mustique. Coreas has a 170 year history of operations.
4. Peter & Company Limited, which recently acquired 100% ownership of Bryden & Partners Limited and is now the largest and most established distribution company in Saint Lucia.
5. Independence Agencies Limited, a Grenada based company established in 1973, which is now 55.2% owned by CDP.
6. Desinco Limited, a Guyana based company established in 1980, which is now 40% owned by CDP.
7. Facey Trading Limited, another Barbados based company in the FMCG sector.

We expect that CDP's growth will be realized through driving efficiency in operations and building strong regional and international brands represented across the CDP Group. The development and proliferation of brands owned by CDP is also a strong driver for value within the partnership.

CDP's Board of Directors comprises Mr. Christian E. Mouttet, Chairman, and Messrs. Anthony J. Agostini and Rajesh Rajkumarsingh from Agostini's as well as Messrs. Anthony H. Ali, A. Charles Herbert and William P. Putnam from GEL. Ms. Tracey D. Shuffler, former Deputy Divisional General Manager of GEL's Import Distribution and Marketing Division, was appointed Chief Executive Officer of CDP on 1 August 2015.

Mrs. C. Natasha Small, Chief Financial Officer

Financial Services

Sagicor General Insurance Inc., our associated company in which we have a 45% shareholding, has recorded a marginal decline in gross written premiums for the year. Though insured amounts have increased over the year, the average rate at which this business has been written has decreased due to price aggressiveness in all the markets in which the company operates. Investment income has also declined by 22.1% over the previous year due to a decrease in dividend income. The number of claims recorded for the year has fallen by 10.6% but the quantum per claim has increased giving rise to an overall loss ratio of 47.3% at 30 September 2015 compared to 39.4% at 30 September 2014.

Globe Finance Inc. has continued its conservative approach to new business development during 2015. The economic environment for lending continued to be very challenging with increased job retrenchment having a negative impact on loan impairments. Our growth focus during 2015 has centered around the development of our Foreign Exchange and Credit Card product lines. We are achieving continued growth and good results in these areas.

Bridgetown Cruise Terminals Inc. had a challenging year. Revenue declined by 1% due mainly to decreased head taxes negotiated under the current short-term lease with the Barbados Port Inc. Expenses were well controlled and net income before tax fell by 6.8% to $1.8 million. During the year, the operations of Zipline Adventures (Barbados) Ltd. were closed.

Information Technology

Update on SAP

GEL's Information Technology Department ("Group IT") spent much of the 2015 year supporting the stabilization of the Enterprise Resource Planning ("ERP") system called SAP which was implemented at Hanschell Inniss Limited in 2014. We can report that the application, while not yet proficiently used, is functioning as expected with most of the outstanding configuration completed. This software is expected to simplify reporting and data extraction.

New System Implementations

Group IT will be implementing a new software system in the Automotive sector in the coming year. The implementation is necessary to replace the current system which is becoming obsolete and will move the sector to a cloud hosted solution that will integrate the companies in the sector onto a single platform. With this move, the Automotive sector can look forward to improved and standardized processes and reporting as well as enhanced data analysis across all of its companies. We expect to complete the implementation at the operations in Jamaica and Barbados in 2016.

Identifying the Need for Data-driven Enterprises

One of the key learning points of the SAP implementation was the need for a change in our mind-set to get more value from our data. Our applications, in particular the ERP system, have powerful functionality, including the ability to report on thousands of data sets in parallel with running day-to-day transactions. Unlike transactional activities, data analysis is triggered by the need to answer questions or solve process problems. Traditionally, our systems have focussed on transactions and financial reporting with information from other areas recorded manually, if at all. By contrast, data-driven enterprises have analytics woven into the culture of the organization and they work with systems and processes designed to derive value from their data.

Establishing IT Governance

The Group continues to simplify its IT infrastructure and systems in alignment with its industry focus. Group IT will focus on strengthening the policies used to govern the Group's IT activities. These policies will outline expected requirements based on IT best practice and will be distributed through a Group-wide Intranet system which was launched this year. This process is expected to be completed by the end of 2016 and thereafter the policies will be reviewed on an annual cycle and monitored for compliance.

Moving towards Digital Media

In the coming year, we will evaluate how best to employ digital technology to assist our subsidiaries in achieving their goals. We will look at all forms of digital media, including the internet, social media, mobile computing and e-commerce, to assess their use in engaging with our customers and stakeholders. The study is expected to give recommendations on what technology best suits the Group's goals and how to sustain this technology in the long-term.


NEW!
Farmer's Choice
NATURALLY GOOD!
100% TURKEY
ONLY 30 CALORIES PER SLICE
Turkey
Breakfast Strips


NOW AVAILABLE ISLANDWIDE!
Farmer's Choice
NATURALLY GOOD!
Chicken
Drumettes
BREADED & DEBONED
CHUNKS OF TENDER
JUICY CHICKEN!


Farmer's Choice
TASTE THE DIFFERENCE
READY IN LESS THAN 5 MINUTES!
Pork Nuggets
15 Boneless & Breaded Nuggets of Tender Juicy Pork
Pork
Nuggets
Ready in less than 5 minutes
High in Protein
Great for kids
COMING SOON
Farmer's Choice
EXPERIENCE THE FLAVOUR!

Mrs. Jennifer Bradshaw-Wood, Divisional General Manager
with members of the Human Resources Department

Human Resources & Community Relations

Our human resources are our greatest asset. We can only achieve our goals and be successful by engaging our employees and by ensuring that we have the right people, in the right places, and at the right time. This year, the Group's Human Resources ("HR") Department has focussed on identifying the competencies that we want our leaders to have in order for them to be effective in their leadership roles. We also extended this focus to ensure that where competencies need to be developed, opportunities are provided through coaching, training, job enrichment and secondments to aid such development. We believe that highly effective leaders will coach and develop their teams to strive for EXCELLENCE in all that they do and thereby contribute to the Organisation's overall success. They will also develop their employees to be the future leaders of the Group.

We are committed to the development of our people. Thirty leaders across the Group recently participated in a practical and interactive Coaching Skills Workshop facilitated by the Ivey Business School, Western University, Canada. We are also focussed on change management initiatives throughout the Organisation to enable the Group to grow at an accelerated rate whilst enabling employees to adapt and be responsive to change.

Corporate Social Responsibility

GEL continued its Corporate Social Responsibility ("CSR") programme in 2015 with a sustained focus on the five main areas identified in the CSR policy. Those five areas were Charity, Education, Culture, Youth and Sports and Community Development.

Following are some of the many projects and causes to which GEL contributed during the year.

CHARITY

Donation to Feed the Poor Ministry Inc.

Every year, the Goddard Saint Lucia HR Development & Payroll team celebrates Christmas with an annual gift exchange. For Christmas 2014, the team decided to forego the usual gift exchange and instead made a donation to Feed the Poor Ministry Inc. (the "Ministry") which went towards their 2014 Christmas Luncheon.

The donation was accepted by Mr. Gaspar Henry, Chief Executive Officer of the Ministry, after he met with the Saint Lucia team, who were thrilled to have an opportunity to help the Ministry in such a meaningful way.

Ms. Myrta Fontinelle presents the donation, on behalf of the Goddard Saint Lucia HR Development & Payroll team, to Mr. Gaspar Henry, CEO, Feed the Poor Ministry Inc.

COMMUNITY DEVELOPMENT

M&C and PCL support Sir Arthur Lewis Community College's Fundraising Efforts

The Minvielle & Chastanet Limited ("M&C") Group of Companies and Peter & Company Limited ("PCL") were proud to host a gala dinner on 5 April 2015 at the Sandals Grande Hotel. The dinner was held in support of the fundraising efforts of the Sir Arthur Lewis Community College to restore the College's Victor Archer Building, which was damaged in 2007.

Ms. Marella Devaux, M&C Group Marketing Manager, (left), handing over the donation to Ms. Fortuna Anthony, Chairperson of the Board of the Sir Arthur Lewis Community College.

Donation to Senior Citizens' Homes

On 25 April 2015, the Hillsview Home, the Grand Anse Home for the Aged and the Richmond Hill Home, each in Grenada, were recipients of donations of appliances, food supplies and mattresses from the members of the Management and

Members of the Jonas Browne Management Team presenting the donations to representatives of the three Senior Citizens' Homes in Grenada.

Supervisory teams of Jonas Browne and Hubbard (Grenada) Limited ("Jonas Browne"). The supplies had been accumulated through monthly contributions from the teams. In addition, financial contributions were also made towards repairs to the solar system at the Richmond Hill Home, and the purchase of two washing machines for the Hillsview Home. A cash voucher, redeemable at Jonas Browne's Food Fair Supermarket or its Agency Department, was presented to The Sisters of Charity, an organisation which provides free lunches to needy persons.

CHI donates to the Chateaubelair Hospital

On 29 April 2015, Coreas Hazells Inc. ("CHI") made a donation to the Chateaubelair Hospital at the Sharps Playing Field in Chateaubelair. The items donated included standing fans, kettles, bleach and hand towels. The CHI team also donated cases of juice to children attending preschool in the North Leeward Community. The preschoolers were gathered for a Sports Day as part of the Immunization Week sensitization exercise which was being co-ordinated by the Sisters and Nurses of the Chateaubelair Health District.

Mr. Joel Providence, Regional Manager, Hardware and Building Supplies, and Managing Director of Coreas Hazells Inc., (left), and other members of his team at Chateaubelair Playing Field along with Sister Julie Douglas and the preschoolers.

EDUCATION

Painting Classrooms at St. Mary's Primary School

Accountants, IT Specialists, General Workers and Engineers from the GEL Head Office and various Group subsidiaries in Barbados downed their regular work 'tools' during the just concluded summer holidays in exchange for paint brushes. They donned overalls, suitable clothes and head ties and grabbed rollers and paint brushes to repaint and brighten up twelve classrooms and the staff room of the St. Mary's Primary School ("St. Mary's"). St. Mary's was adopted by GEL several years ago.

Tips on Transition

Students of Class Four at St. Mary's who were about to head to secondary school this year got some valuable lessons, when members of the GEL team visited the school to share tips on the transition from primary to secondary level.

Scholarships for St. Mary's Students

GEL's Head Office continued its commitment to the children of St. Mary's with the donation of two scholarships, one to a boy and the other to a girl, who did well in the Common Entrance Examination. The scholarships aid with the purchase of school clothes, supplies and books and with the payment of school fees. Mrs. Rhonda Howell, HR Manager, Hipac Limited, presented the two students with the scholarships, individual shields as well as the St. Mary's Challenge Shield on which their names were inscribed.

Mr. Ricardo Weekes, Mechanical Engineer, Purity Bakeries, Ms. Sonia Inniss, (middle), Chief Information Officer and Ms. Janice Gooding, Accounts Supervisor, both of GEL's Head Office, as they mix paint just before painting a classroom at St. Mary's.

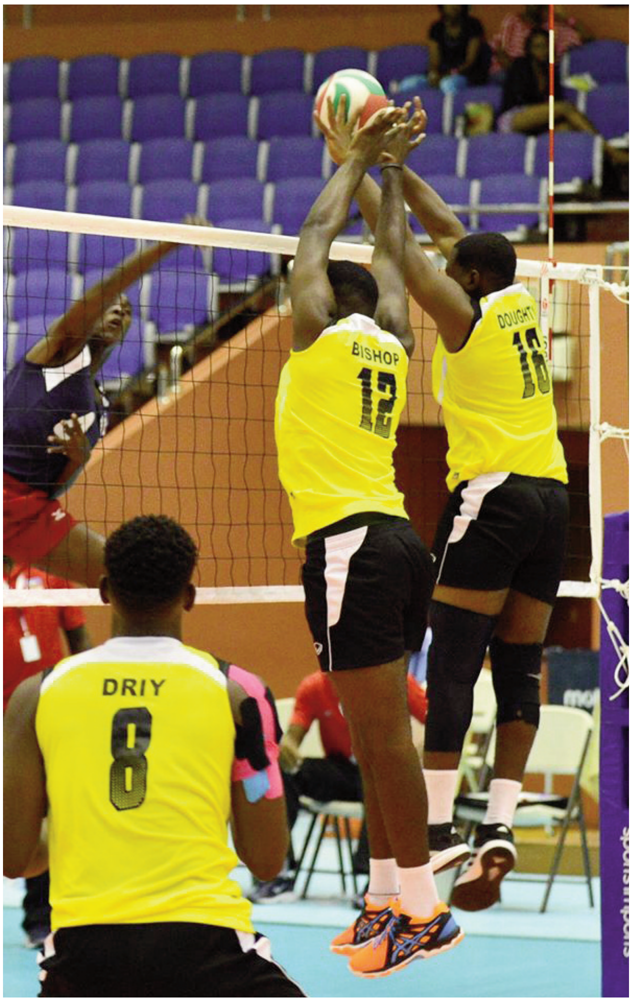
SPORTS

GEL enjoys a special relationship with the Barbados Volleyball Association (the "Association"). The Company sponsors the Association's annual Volleyball Tournament, which runs for a three month period. The Tournament brings together senior teams, both male and female, from around the island, in a keenly contested competition. The winners from this competition go forward to represent Barbados at the regional level, a stage at which the Barbados team has often been crowned champions.

Mrs. Rhonda Howell, HR Manager, Hipac Limited, presents the Challenge Shield to Leanna Jaipersaud while Joshua White looks on proudly.

Mrs. Kay Leacock (left), Financial Controller, and Ms. Juanita Simmons, HR Manager, both of GCG (Barbados) Ltd., during one of the sessions at St. Mary's.

Mr. Wynn Jean-Marie, Treasurer, Barbados Volleyball Association, accepts the sponsorship cheque from Mrs. Lianne Fingall, Group HR Manager, GEL.



Team Barbados going for the 'block' at a Volleyball Tournament.

Corporate Governance Overview

The Board of Directors

The Board of Directors of the Company (the "Board") adheres to the belief that good corporate governance is essential to the efficient and prudent operation of the Group's business. As such, the Board has developed strong corporate governance policies and procedures which are continuously reviewed and strengthened to ensure their soundness in keeping with best practice.

The maximum number of directors permitted by the Company's Articles of Continuance is fifteen and the minimum is five. The Board presently consists of eight Members, all of whom, with the exception of the Managing Director, are Non-Executive Directors.

The Board's mandate extends to the review of Management decisions, the approval, implementation and monitoring of the Group's strategic plan and budget, the consideration and approval of recommendations issuing from its Committees and receipt of progress reports on the implementation of such recommendations, the consideration of managerial reports on the performance of the Group's operations, the consideration, approval and monitoring of investment opportunities and major capital expenditure, the review and approval of financial statements and their disclosure, the approval of dividends and the review and monitoring of internal controls, risk management and legal and regulatory compliance.

The Board Committee Structure

To assist with carrying out its mandate, the Board has established three standing Committees namely: the Audit, Corporate Governance, and Compensation and Human Resources Committees. The Charters for each of these Committees can be viewed on the Company's Website: www.goddardenterpriseslimited.com. The members of each Committee are as listed earlier in the Report at page 4 and have also been listed on the Company's Website. Each of the standing Committees has worked assiduously during the year to accomplish their mandates from the Board. The Board is pleased to report successful attainment of the Committees' objectives set for the year.

During the year, the three ad hoc Advisory Committees formed last year namely: the Catering, Import Distribution and Manufacturing Advisory Committees, enhanced the Board's oversight of the Company's operations. Each Committee was chaired by the Managing Director, comprised Board members and reported achievement of its key objectives again this year. In the ensuing year, the Board will assess the role and function of the Advisory Committees.

Evaluation of the Board

In the 2015 financial year, the Board introduced an interim evaluation exercise which was conducted at the end of each Board meeting starting from June. This exercise was conducted by the use of a short confidential questionnaire to gauge the effectiveness of each Board meeting and to measure such indicators as the timeliness of circulation of Board papers and the Board's accomplishment of its work compared with that targeted on the meeting agenda. The Board continuously garnered feedback through these questionnaires during the year and can report improvement of those areas which were prioritised for attention.

In November 2015, following the end of the 2015 financial year, the Board undertook its annual evaluation exercise aimed at assessing the effectiveness of the Board's performance as a whole. The evaluation process took the form of a self-assessment by means of an on-line survey. The Board invited feedback on, among other things, its function, leadership and committee structure. The Board remains committed to addressing those areas which have been identified by its evaluation process as requiring improvement.

Meeting Attendance

The attendance at both the Board and Committee meetings held during the year is shown at Appendix B at page 109 of this Report. The Board is pleased to report an excellent attendance record by its members for the financial year.

Election of Directors

In accordance with both the by-laws of the Company and the provisions of the Companies Act, Chapter 308 of the Laws of Barbados, (the "Companies Act"), three directors, Messrs. Anthony H. Ali, J. Dereck Foster and William P. Putnam, retire by rotation and being eligible, offer themselves for election for a term expiring at the close of the third annual meeting following their election.

The Company's by-laws provide for the appointment of a director by the Board to fill a vacancy among the directors of the Company. The Companies Act provides that a director so appointed by the Board shall hold office for the unexpired term of his predecessor. Mr. Anthony H. Ali was appointed a director of the Company on 6 August 2013, to fill the vacancy which arose upon the resignation of Mr. Martin Pritchard, former Managing Director of GEL, given his retirement from executive duties within the Goddard Group on 30 April 2013. Mr. Ali was appointed to the Board for Mr. Pritchard's unexpired term of two and a half years.

Messrs. J. Dereck Foster and William P. Putnam were each re-elected to the Board at the seventy-fourth annual meeting of the shareholders held on 31 January 2013 for a term of three years.

Re-Appointment of Incumbent Auditors

The Company's incumbent Auditors, Ernst & Young, Chartered Accountants, retire at the close of the seventy-seventh annual meeting and offer themselves for re-appointment for the ensuing year at a fee to be determined. The Board recommends that it be authorised to negotiate the Auditors' fee on a Group basis.

Non-Executive Director Remuneration

Remuneration of the Company's Non-Executive Directors was last fixed at the annual meeting of shareholders held on 30 January 2009. Since 2009, the Board's duties and responsibilities have increased tremendously. International best practice supports the view that the remuneration of directors is a key factor which enables a company to attract and retain directors who possess the knowledge and experience required to contribute effectively to a company's strategic growth and development.

During the year, the Board, through its Corporate Governance Committee (the "Committee"), reviewed the remuneration of the Company's Non-Executive Directors as part of the strengthening of the Company's corporate governance framework. The Committee conducted a survey which reviewed all components of directors' remuneration including retainers, board and committee meeting attendance fees, equity compensation and other relevant considerations. This survey canvassed both locally and regionally listed companies of comparable size and business to that of the Company.

The Committee made the following recommendations:

i) The Company's current policy of not paying board fees to Company Executives who serve on the parent or subsidiary boards should be maintained.
ii) Increased retainers and increased meeting attendance fees should be paid.
iii) A retainer for the Chairman of a Committee of the Board should be introduced.
iv) A fee equivalent to that of a Committee meeting attendance fee should be paid to Non-Executive Directors who serve on boards of the Company's joint venture companies for each joint venture board meeting attended.
v) A travel allowance should be paid to a Non-Executive Director of the Board for each occasion when travel is required outside of the jurisdiction of residence of the said Non-Executive Director, for attendance at board or committee meetings of the Company, its subsidiary and/or associated companies, notwithstanding the length of stay and/or the number of meetings to be attended.

Corporate Governance Overview... continued

In light of the above, the Committee recommended to the Board that a proposal be placed before the Company's shareholders, for approval in accordance with the by-laws of the Company, that the Company's Non-Executive Directors should be remunerated in the following proposed terms:

Retainer/Fee/Allowance	Existing	Proposed
Board Chairman Retainer	BDS$12,000 per annum	BDS$32,000 per annum
Non-Executive Director Retainer	BDS$ 9,000 per annum	BDS$16,000 per annum
Committee Chairman Retainer	NIL	BDS$ 8,000 per annum
Board Meeting Attendance Fee	BDS$ 1,500 per meeting attended	BDS$ 2,000 per meeting attended
Committee Meeting Attendance Fee	BDS$ 1,000 per meeting attended	BDS$ 1,200 per meeting attended
Joint Venture Board Meeting Attendance Fee	NIL	BDS$ 1,200 per meeting attended
Travel Allowance	NIL	BDS$ 2,000 per travel occasion

The Board's 2016 meeting schedule shows ten board and five committee meetings. For comparative purposes, Directors' fees for these meetings, assuming current membership and full attendance at each meeting, would be BDS$276,000 calculated using the current fee structure and BDS$418,000 calculated under the proposed new fee structure. This represents an increase of BDS$142,000 for the coming year in relation to the Company's Board and Committee meetings.

The Board considered the Committee's recommendations set out above at its meeting held on 1 December 2015. The Board accepted the recommendations on the basis that the proposed increases to retainers and fees and the introduction of a travel allowance: i) are consistent with comparable companies in the region; and ii) are justified having regard to the Company's size and risk profile, the frequency of meetings and the time required to prepare for and deliberate at meetings.

The Board recommends the above proposed remuneration for Non-Executive Directors of the Company to shareholders for approval.

Non-Executive Director Participation in the Company's Scheme

In 1998, the Company implemented a Savings Related Employee Share Purchase Scheme (the "Scheme"). Under the Scheme, Group employees are eligible to purchase shares in the Company up to a maximum value of 10% of their basic annual salary. The Board recommends that Non-Executive Directors be allowed to participate in the Scheme by purchasing shares in the Company up to a maximum value of BDS$40,000 per annum for each participating Non-Executive Director.

The Directors recommend that shareholders approve the resolution to be tabled on this item at the annual meeting.

Dividends

The Board has declared a dividend of twenty cents per share on the issued and outstanding common shares of the Company for the year ended 30 September 2015 which is the same level of dividend paid to shareholders for the year ended 30 September 2014. An interim dividend of six cents having been paid on 31 August 2015, the Board declared a final dividend of fourteen cents per share on the issued and outstanding common shares of the Company at its meeting held on 1 December 2015. The final dividend will be paid on 29 February 2016.

Appreciation

In closing, we wish to acknowledge the continued support and confidence of our shareholders, the patronage of our valued customers as well as the loyalty of our suppliers over the year just gone. We thank our management and staff for their dedicated service to the Group during the year.

On behalf of the Board of Directors

A. Charles Herbert
Chairman

Anthony H. Ali
Managing Director

1 December 2015

Analysis of Common Shareholders

As at 30 September 2015

Category	Number of shareholders	%	Number of common shares held	%
Group Employees	511	25	1,426,276	2
Local Individuals	1,167	57	7,903,104	14
Non-Resident Persons	209	10	15,759,902	27
Local Companies and Institutions	149	8	33,250,024	57
Totals	**2,036**	**100**	**58,339,306**	**100**

Additional Information for the year ended 30 September 2015 required in accordance with the Listing Agreement with the Barbados Stock Exchange

a) Principal Countries of subsidiary operations and particulars of each company in which an interest of 20% or more is held are disclosed on pages 35 to 38.

b) Directors' interest in the share capital of Goddard Enterprises Limited as at 30 September 2015:

Names of Directors	Number of common shares held beneficially at 30 September 2015
A. C. Herbert	148,104
I. K. D. Castilho	1,654
A. H. Ali	8,969
V. P. Brathwaite (Ms.)	NIL
J. D. Foster	NIL
W. P. Putnam	495,534
C. G. Rogers	1,000
S. T. Worme	9,650

c) No change in Directors' beneficial interests took place between 30 September 2015 and 1 December 2015 except that Redland Ltd., a company controlled by Mr. A. Charles Herbert, acquired 4,500 common shares.

d) Particulars of any person, other than a Director, holding more than 5% of the share capital of Goddard Enterprises Limited and the amount of interest so held as at 1 December 2015.

Shareholders		Number of common shares held
Neptune Investments Limited		3,412,146
Corona Investments Limited		3,131,992
Sagicor Group	Beneficial	18,516
	Non-Beneficial	6,547,161
	Total Sagicor Group Holding	6,565,677

Subsidiary Companies

(Wholly owned and resident in Barbados except where otherwise stated)

Aerosols & Liquid Detergents:	McBride (Caribbean) Limited	
Airline Catering:	Calloway Corporation N.V. – Aruba	51%
	Goddard Catering Group (Antigua) Limited – Antigua	51%
	Goddard Catering Group (Barbados) Limited	51%
	Goddard Catering Group Bogota Ltda. – Colombia	51%
	Goddard Catering Group Bonaire N.V. – Bonaire	51%
	Goddard Catering Group Caracas S.A. – Venezuela	51%
	Goddard Catering Group (Cayman) Ltd. – Cayman Islands	
	Goddard Catering Group Curaçao, N.V. – Curaçao	51%
	Goddard Catering Group El Salvador, S.A. de C.V. – El Salvador	51%
	Goddard Catering Group GCM Ltd. – Cayman Islands	51%
	Goddard Catering Group (Guatemala) S.A. – Guatemala	51%
	Goddard Catering Group Guayaquil S.A. – Ecuador	51%
	Goddard Catering Group Honduras, S.A. – Honduras	51%
	Goddard Catering Group (Jamaica) Limited – Jamaica	51%
	Goddard Catering Group Margarita, C.A. – Margarita	51%
	Goddard Catering Group (St. Lucia) Ltd. – St. Lucia	51%
	Goddard Catering Group St. Maarten N.V. – St. Maarten	51%
	Goddard Catering Group Uruguay S.A. – Uruguay	51%
Automotive:	Courtesy Garage Limited	99%
	Fidelity Motors Limited – Jamaica	
	Peter's Holdings Limited – Trading as Peter and Company Auto – St. Lucia	
	Tropical Battery – a division of Courtesy Garage Limited	
	Tropical Sales (1979) Ltd.	
Baking:	Purity Bakeries – a division of Goddard Enterprises Limited	
	Wonder Bakery Limited – St. Lucia	70%
General Trading:	Corea & Co. (1988) Limited – St. Vincent	
	Coreas Hazells Inc. – St. Vincent	
	Hutchinson (Antigua) Limited – Antigua	
	Jonas Browne and Hubbard (Grenada) Limited – Grenada	52%
	M&C Home Depot Limited – St. Lucia	
	O. D. Brisbane and Sons (Trading) Limited – St. Kitts	
	Sunbilt Limited – St. Lucia	
	W B Hutchinson & Co. (St. Lucia) Limited – St. Lucia	
Ground Handling:	GCG Ground Services LLC – St. Thomas, United States Virgin Islands – (USVI)	51%
	Jamaica Dispatch Services Limited – Jamaica	51%
Industrial & Restaurant Catering:	Airport Restaurants (1996) Limited	51%
	Fontana Project – S.A. – Uruguay	51%
	GCG Events Curaçao N.V. – Curaçao	51%
	GODCA S.A. – El Salvador	51%
Insurance:	M&C General Insurance Company Limited – St. Lucia	
	Minvielle & Chastanet Insurance Brokers Limited – St. Lucia	
	Minvielle & Chastanet Insurance Brokers (Barbados) Limited	
Investments:	Catering Services Caribbean Limited – St. Lucia	51%
	GEL Holdings (St. Lucia) Ltd. – St. Lucia	
	Goddard Enterprises (St. Lucia) Ltd. – St. Lucia	
	Goddard Flite Kitchens (Cayman) Limited – Cayman Islands	

GODDARD CATERING GROUP
Regional Office
GODDARD
ENTERPRISES LIMITED
Head Office
Aruba
Antigua
Barbados
Bermuda
Bonaire/St. Maarten/Curaçao
Cayman Islands
Colombia
Ecuador
El Salvador
Grenada
Guatemala
Guyana
Honduras
Jamaica
Paraguay
St. Kitts
St. Lucia
St. Thomas, U.S.V.I.
St. Vincent
Trinidad & Tobago
Uruguay
United States of America
Venezuela

Subsidiary Companies

(Wholly owned and resident in Barbados except where otherwise stated)

Investments:	Goddard Flite Kitchens (St. Lucia) Ltd. – St. Lucia	
	Hanschell Inniss Holdings (Curaçao) N.V. – Curaçao	
	Hutchinson Investments Limited – Antigua	
	Inflite Holdings (Cayman) Limited – Cayman Islands	51%
	Inflite Holdings (St. Lucia) Ltd. – St. Lucia	51%
	International Brand Developers N.V. – Curaçao	69%
	Minvielle & Chastanet Limited – St. Lucia	
Meat Processing:	Hipac Limited	
Packaging:	Precision Packaging Inc.	
Pharmaceuticals:	M&C Drugstore Limited – St. Lucia	
Printing & Print Brokers:	Caribbean Label Crafts Limited	51%
	Label Crafts Jamaica Limited – Jamaica	51%
Real Estate:	Haggatt Hall Holdings Limited	67%
	PBH Limited	
	Penrith Development Limited	
Rum Distillery:	The West Indies Rum Distillery Limited	92%
Shipping Agents & Stevedoring & Tours:	Admiral Shipping Limited – St. Lucia	
	Goddards Shipping & Tours Limited	
	Sea Freight Agencies & Stevedoring Limited	
Water Purification and Bottling:	Paradise Springs – a division of	
	Goddard Catering Group (St. Lucia) Ltd. – St. Lucia	51%

Associated Companies

(Holding between 20% and 50%: resident in Barbados except where otherwise stated)

Financing:	Globe Finance Inc.	49%
General Insurance:	Sagicor General Insurance Inc.	45%
General Trading:	Bryden & Partners Limited – St. Lucia	50%
	Bryden & Partners SVG Limited – St. Vincent	50%
	Caribbean Distribution Partners Limited – Trinidad and Tobago	50%
	Coreas Distribution Limited – St. Vincent	50%
	Desinco Limited – Guyana	20%
	Facey Trading Limited	50%
	Hand Arnold Trinidad Limited – Trinidad and Tobago	50%
	Hanschell Inniss Limited	50%
	Independence Agencies Limited – Grenada	28%
	Orange Wood Distributors Limited – St. Lucia	50%
	Peter & Company Limited – St. Lucia	50%
Laundry Services:	Country Road Investments Inc. – Trading as Tropical Laundries	50%
Property Rentals:	Bridgetown Cruise Terminals Inc.	20%
Restaurant, Airline, Airport and Industrial Catering:	Allied Caterers Limited – Trinidad and Tobago	31%
	GCG Services Ltd.	34%
	GCG Virgin Islands, Inc. – Trading as The Delly Deck – St. Thomas, (USVI)	38%
	Goddard Catering Group Bermuda Limited – Bermuda	20%
	Goddard Catering Group Paraguay S.A. – Paraguay	47%
	Goddard Catering Group Quito, S.A. – Ecuador	36%
	Goddard Catering Group St. Thomas Corporation – St. Thomas, (USVI)	38%
	Goddard Catering Group (Grenada) Limited – Grenada	26%
	Island Grill (Barbados) Limited	36%
	Island Grill (St. Lucia) Ltd. – St. Lucia	36%
	Katerserv Ltd. – Trinidad and Tobago	31%
	Tobago Inflite Catering Ltd. – Trinidad and Tobago	26%
Rum Distillery:	National Rums of Jamaica Limited – Jamaica	31%
Tiles & Waste Disposal:	Anti-Septic Limited – Trading as Terrific Tiles	50%

GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

Building a better working world

Ernst & Young
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AUDITORS' REPORT

To the Shareholders of **Goddard Enterprises Limited**

We have audited the accompanying consolidated financial statements of **Goddard Enterprises Limited**, which comprise the consolidated statement of financial position as of 30 September 2015 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Goddard Enterprises Limited** as of 30 September 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter
The consolidated financial statements for the year ended 30 September 2014 were audited by another auditor whose audit report was dated 17 December 2014.

Ernst & Young

CHARTERED ACCOUNTANTS
Barbados
1 December 2015

Consolidated Statement of Financial Position

As at 30 September 2015

(Expressed in thousands of Barbados Dollars)

	Notes	2015	2014
Current assets			
Cash	6	**70,242**	74,392
Trade and other receivables	7	**101,752**	111,294
Prepaid expenses		**12,967**	13,107
Due by associated companies	8	**33,963**	6,694
Reinsurance assets	9	**6,898**	6,380
Current income tax assets		**2,476**	2,741
Inventories	10	**121,173**	165,543
		349,471	380,151
Current liabilities			
Borrowings	11	**95,180**	95,860
Trade and other payables	12	**101,396**	126,405
Due to associated companies	8	**2,230**	4,025
Current income tax liabilities		**3,700**	3,045
Insurance contracts	13	**10,904**	10,342
		213,410	239,677
Working capital		**136,061**	140,474
Property, plant and equipment	14	**319,969**	355,615
Investment property	15	**17,432**	17,328
Intangible assets	16	**24,979**	35,068
Investments in associated companies	17	**126,858**	75,195
Due by associated companies	8	**8,671**	–
Financial investments	18	**37,640**	41,653
Deferred income tax assets	19	**9,605**	10,014
Pension plan assets	20	**1,324**	3,463
Long-term trade and other receivables	7	**790**	1,735
		683,329	680,545
Borrowings	11	**85,623**	107,500
Deferred income tax liabilities	19	**3,210**	3,171
Pension plan liabilities	20	**11,649**	4,538
Net assets employed		**582,847**	565,336
Financed by:			
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	21	**44,634**	43,829
Other reserves	22	**75,581**	91,823
Retained earnings		**366,788**	326,069
		487,003	461,721
Non-controlling interests		**95,844**	103,615
		582,847	565,336

The accompanying notes form an integral part of these consolidated financial statements.

Approved by the Board of Directors on 1 December 2015.

A.C. Herbert
Chairman

A. H. Ali
Managing Director

Consolidated Statement of Changes in Equity

For the year ended 30 September 2015

(Expressed in thousands of Barbados Dollars)

	Attributable to equity holders of the Company				
	Share capital (Note 21)	Other reserves (Note 22)	Retained earnings	Non-controlling interests	Total
Balance as at 1 October 2013	44,557	100,899	308,030	111,828	565,314
Net income for the year	–	–	36,402	12,501	48,903
Other comprehensive loss	–	(9,194)	539	(8,964)	(17,619)
Total comprehensive income for the year	–	(9,194)	36,941	3,537	31,284
Acquisition of subsidiary company	–	–	–	2,450	2,450
Investment in subsidiary company	–	–	–	167	167
Fair value of assets disposed of by non-controlling interests	–	–	–	(53)	(53)
Decrease in advances to non-controlling interests	–	–	–	(468)	(468)
Value of employee services	–	118	–	–	118
(Repurchase)/issue of common shares – net	(728)	–	(10,743)	–	(11,471)
Dividends declared	–	–	–	(13,846)	(13,846)
Dividend – Final 2013 (8 cents per share) (note 30)	–	–	(4,661)	–	(4,661)
Dividend – Interim 2014 (6 cents per share) (note 30)	–	–	(3,498)	–	(3,498)
	(728)	118	(18,902)	(11,750)	(31,262)
Balance at 30 September 2014	43,829	91,823	326,069	103,615	565,336
Balance as at 1 October 2014	43,829	91,823	326,069	103,615	565,336
Net income for the year	–	–	48,449	13,422	61,871
Other comprehensive loss	–	(16,383)	4,737	(2,728)	(14,374)
Total comprehensive income for the year	–	(16,383)	53,186	10,694	47,497
Investment in subsidiary company	–	–	–	600	600
Disposal of subsidiary company	–	–	–	(6,982)	(6,982)
Fair value of assets disposed of by non-controlling interests	–	–	–	(8,485)	(8,485)
Increase in advances to non-controlling interests	–	–	–	1,767	1,767
Value of employee services	–	141	–	–	141
Issue/(repurchase) of common shares – net	805	–	(786)	–	19
Dividends declared	–	–	–	(5,365)	(5,365)
Dividend – Final 2014 (14 cents per share) (note 30)	–	–	(8,180)	–	(8,180)
Dividend – Interim 2015 (6 cents per share) (note 30)	–	–	(3,501)	–	(3,501)
	805	141	(12,467)	(18,465)	(29,986)
Balance at 30 September 2015	**44,634**	**75,581**	**366,788**	**95,844**	**582,847**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Income

For the year ended 30 September 2015

(Expressed in thousands of Barbados Dollars)

	Notes	2015	2014
Revenue		**924,469**	954,111
Cost of sales	24	**(574,576)**	(598,108)
Gross profit		**349,893**	356,003
Underwriting income		**3,182**	4,119
Selling, marketing and administrative expenses	24	**(297,780)**	(309,996)
Profit from operations before the following		**55,295**	50,126
Other gains/(losses) – net	25	**26,761**	14,579
Profit from operations		**82,056**	64,705
Finance costs	27	**(11,857)**	(12,287)
		70,199	52,418
Share of income of associated companies	17	**3,293**	6,569
Income before taxation		**73,492**	58,987
Taxation	28	**(11,621)**	(10,084)
Net income for the year		**61,871**	48,903
Attributable to:			
Equity holders of the Company		**48,449**	36,402
Non-controlling interests		**13,422**	12,501
		61,871	48,903
Earnings per share attributable to the equity holders of the Company during the year (expressed in cents per share)			
– basic	29	**83.0**	62.1
– diluted	29	**81.1**	61.0

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2015

(Expressed in thousands of Barbados Dollars)

	2015	2014
Net income for the year	61,871	48,903
Other comprehensive loss:		
Items net of tax that may be recycled to income in the future:		
Unrealised (losses)/gains on available-for-sale financial investments:		
– Group	(975)	751
– Associated companies	3	–
(Gains)/losses transferred to income on disposal of available-for-sale financial investments:		
– Group	(1,037)	(651)
– Associated companies	(588)	251
Impairment of financial investments	–	302
Reversal of impairment of financial investments	(213)	–
Currency translation differences	(6,538)	(18,939)
Hyperinflationary adjustments	547	907
Items net of tax that will not be recycled to income in the future:		
Increase/(decrease) in revaluation surplus:		
– Group	1,119	34
– Associated companies	(272)	(295)
Remeasurement of employee benefits:		
– Group	(6,717)	(178)
– Associated companies	297	199
Other comprehensive loss for the year	(14,374)	(17,619)
Total comprehensive income for the year	47,497	31,284
Attributable to:		
Equity holders of the Company	36,803	27,747
Non-controlling interests	10,694	3,537
	47,497	31,284

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 September 2015

(Expressed in thousands of Barbados Dollars)

	Notes	2015	2014
Cash flows from operating activities			
Income before taxation		**73,492**	58,987
Adjustments for:			
Depreciation	14	**23,297**	22,293
Amortisation of intangible assets	16	**1,684**	1,981
Impairment of intangible assets	16, 25	**3,892**	–
Gain on disposal of assets of a subsidiary company	25	**–**	(5,242)
Impairment of financial investments	25	**–**	302
Reversal of impairment of financial investments	25	**(213)**	–
Gain on disposal of property, plant and equipment	25	**(65)**	(3,313)
Gain on disposal of financial investments	25	**(1,154)**	(671)
Exchange adjustments		**(3,834)**	(13,241)
Gain on acquisition of a subsidiary company	25	**–**	(102)
Gain on disposal of subsidiary companies	25	**(20,782)**	–
Hyperinflationary adjustments		**286**	537
Interest income	25	**(1,484)**	(1,649)
Finance costs incurred		**11,857**	12,287
Share of income of associated companies	17	**(3,293)**	(6,569)
Pension plan expense	20	**2,615**	3,279
Employee share schemes expenses	26	**141**	118
Fair value gains on revaluation of investment property	15, 25	**(107)**	(175)
Operating profit before working capital changes		**86,332**	68,822
Net change in non-cash working capital balances related to operations	35	**(37,453)**	10,058
Cash generated from operations		**48,879**	78,880
Interest received		**1,484**	1,649
Finance costs paid		**(11,857)**	(12,287)
Income and corporation taxes paid		**(9,456)**	(9,111)
Pension plan contributions paid	20	**(2,687)**	(3,245)
Net cash from operating activities		**26,363**	55,886
Cash flows from investing activities			
Acquisition of interest in subsidiary companies		**(8,091)**	(2,598)
Proceeds on transfer of GEL companies to CDP	17	**23,284**	–
Investment in subsidiaries by non-controlling interest		**600**	167
Proceeds from reduction in stated capital of an associated company		**300**	–
Proceeds from disposal of assets of a subsidiary company		**–**	9,974
Purchase of property, plant and equipment	14	**(23,374)**	(31,943)
Proceeds on disposal of property, plant and equipment		**6,599**	10,584
Purchase of financial investments		**(11,631)**	(12,116)
Proceeds on disposal of financial investments		**14,780**	12,301
Loan made to an associated company		**(8,671)**	–
Long-term loans advanced		**(32)**	–
Proceeds from repayment of long-term loans		**969**	1,268
Unsecured and secured loans received/(made)		**272**	(1,422)
Dividends received from associated companies		**4,767**	5,013
Net cash used in investing activities		**(228)**	(8,772)
Cash flows from financing activities			
Issue of common shares	21	**910**	717
Repurchase of common shares		**(891)**	(12,188)
Long-term loans received		**2,570**	20,823
Repayments of long-term loans		**(10,087)**	(11,713)
Dividends paid to non-controlling interests		**(5,365)**	(13,846)
Loans received/(repaid) from/by non-controlling interests		**1,767**	(468)
Dividends paid to shareholders		**(11,681)**	(8,159)
Net cash used in financing activities		**(22,777)**	(24,834)
Net increase in cash and cash equivalents		**3,358**	22,280
Cash and cash equivalents – beginning of year		**50,482**	28,202
Cash and cash equivalents – end of year	6	**53,840**	50,482

The accompanying notes form an integral part of these consolidated financial statements.

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Notes to the Consolidated Financial Statements

30 September 2015
(Expressed in thousands of Barbados Dollars)

1. General information

Goddard Enterprises Limited ('the Company') is incorporated under the Laws of Barbados. The principal activities of the Company and its subsidiaries (together 'the Group') include airline, industrial and restaurant catering, ground handling services, general trading, meat processing, printing and print brokers, baking, packaging, automobile and automotive parts sales, insurance, real estate, shipping agents and stevedoring, manufacturing of aerosols and liquid detergents, investments, rum distilling, water purification and bottling and island tours. Associated companies are involved in food and consumer goods distribution, general trading, waste disposal, laundry services, financing, property rentals, investments and general insurance. (See pages 35-38.) The Group operates throughout the Caribbean and Central and South America.

The Company is a limited liability company domiciled in Barbados with its registered office located at the Top Floor, The Goddard Building, Haggatt Hall, St. Michael, BB11059, Barbados.

The Company is listed on the Barbados Stock Exchange.

These consolidated financial statements have been approved for issue by the Board of Directors on 1 December 2015.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The consolidated financial statements of Goddard Enterprises Limited have been prepared in accordance with International Financial Reporting Standards (IFRS), under the historical cost convention, as modified by the revaluation of land and buildings, investment property and financial investments. (Notes 2(e), 2(f) and 2(i)).

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

Standards, and amendments and interpretations to existing standards effective in the 2015 financial year

i) New accounting policies/improvements adopted

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 September 2014 except for the adoption of new standards and interpretations noted below:

IFRS 10, IFRS 12 and IAS 27 – Investment Entities (Amendments) (effective 1 January 2014)

The amendments apply to investments in subsidiaries, joint ventures and associates held by a reporting entity that meets the definition of an investment entity. The concept of an investment entity is new to IFRS. The amendments represent a significant change for investment entities, which are currently required to consolidate investees that they control. Significant judgement of facts and circumstances may be required to assess whether an entity meets the definition of investment entity. The adoption and amendments to these standards had no impact on the financial position or performance of the Group.

IAS 19 – Defined Benefit Plans: Employee Contributions – Amendments to IAS 19 (effective 1 July 2014)

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit.

The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. Examples of such contributions include those that are a fixed percentage of the employee's salary, a fixed amount of contributions throughout the service period, or contributions that depend on the employee's age.

2. Significant accounting policies... continued

a) Basis of preparation... continued

i) New accounting policies/improvements adopted... continued

IAS 19 – Defined Benefit Plans: Employee Contributions – Amendments to IAS 19 (effective 1 July 2014)... continued
These changes provide a practical expedient for simplifying the accounting for contributions from employees or third parties in certain situations.

IAS 32 – Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32 (effective 1 January 2014)
These amendments clarify the meaning of the phrase "currently has a legally enforceable right to set-off" by stating that rights of set-off must not only be legally enforceable in the normal course of business, but must also be enforceable in the event of default and the event of bankruptcy or insolvency of all of the counterparties to the contract, including the reporting entity itself. The amendments also clarify that rights of set-off must not be contingent on a future event. The amendments further clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous.

IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 (effective 1 January 2014)
These amendments clarify the disclosure requirements in respect of fair value less costs of disposal. When IAS 36 Impairment of Assets was originally changed as a result of IFRS 13, the IASB intended to require disclosure of information about the recoverable amount of impaired assets if that amount was based on fair value less costs to sell. An unintended consequence of the amendments was that an entity would be required to disclose the recoverable amount for each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit was significant in comparison to the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. This requirement has been deleted by the amendment. However, the IASB has added two disclosure requirements:

i. Additional information about the fair value measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal.

ii. Information about the discount rates that have been used when the recoverable amount is based on fair value less costs of disposal using a present value technique. The amendments harmonise disclosure requirements between value in use and fair value less costs of disposal.

IFRIC 21 – Levies (effective 1 January 2014)
IFRIC 21 is applicable to all levies other than outflows that are within the scope of other standards (e.g. IAS 12) and fines or other penalties for breaches of legislation. Levies are defined in the interpretation as outflows of resources embodying economic benefits imposed by government on entities in accordance with legislation. The interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability is recognised before the specified minimum threshold is reached.

ii) Standards in issue not yet effective
The following is a list of standards and interpretations issued that are not yet effective up to the date of issuance of the Group's consolidated financial statements. The Group reasonably expects these standards and interpretations to be applicable at a future date and intends to adopt those standards and interpretations when they become effective.

The Group is currently assessing the impact of adopting these standards and interpretations since the impact of adoption depends on the assets held by the Group at the date of adoption, it is not practical to quantify the effect at this time.

2. Significant accounting policies... continued

a) Basis of preparation... continued

ii) Standards in issue not yet effective... continued

IAS 1 – Disclosure Initiative – Amendments to IAS 1 (effective 1 January 2016)
The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify the following:

- The materiality requirements in IAS 1
- That specific line items in the statement of income and other comprehensive income (OCI) and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to the statement of income.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of income and other comprehensive income.

These amendments are intended to assist entities in applying judgement when meeting the presentation and disclosure requirements in IFRS, and do not affect recognition and measurement.

IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (effective 1 January 2016)
The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

Entities currently using revenue-based amortisation methods for property, plant and equipment will need to change their current amortisation approach to an acceptable method, such as the diminishing balance method, which would recognise increased amortisation in the early part of the asset's useful life. Revenue generated may be used to amortise an intangible asset only in very limited circumstances.

IFRS 9 – Financial Instruments: Classification and Measurement (effective 1 January 2018)
IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. In subsequent phases, the Board will address impairment and hedge accounting. The adoption of the first phase of IFRS 9 will primarily have an effect on the classification and measurement of the Group's financial assets.

IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28 (effective 1 January 2016)
The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption (in IFRS 10.4) from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

2. Significant accounting policies... continued

a) Basis of preparation... continued

ii) Standards in issue not yet effective... continued

IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28 (effective 1 January 2016)... continued

The amendments to IFRS 10 and IAS 28 provide helpful clarifications that will assist preparers in applying the standards more consistently. However, it may still be difficult to identify investment entities in practice when they are part of a multilayered group structure.

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3 Business Combinations, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments will effectively eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions.

IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 (effective 1 January 2016)

The amendments require an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles in IFRS 3, and other IFRSs, that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRSs in relation to business combinations.

The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation.

Furthermore, the amendments clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be remeasured if the joint operator retains joint control.

The amendments to IFRS 11 increase the scope of transactions that would need to be assessed to determine whether they represent the acquisition of a business or an asset, which would be highly judgemental. Entities need to consider the definition carefully and select the appropriate accounting method based on the specific facts and circumstances of the transaction.

IFRS 14 – Regulatory Deferral Accounts (effective 1 January 2016)

The standard requires disclosures on the nature of, and risks associated with, the entity's rate regulation and the effects of that rate regulation on its financial statements.

IFRS 14 allows an entity, whose activities are subject to rate regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Existing IFRS preparers are prohibited from applying this standard. Also, an entity whose current GAAP does not allow the recognition of rate-regulated assets and liabilities, or that has not adopted such policy under its current GAAP, would not be allowed to recognise them on first-time application of IFRS.

Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the consolidated statement of income and other comprehensive income.

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies... continued

a) Basis of preparation... continued

ii) Standards in issue not yet effective... continued

IFRS 15 – Revenue from Contracts with Customers (effective 1 January 2018)
IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers. It also provides a model for the recognition and measurement of disposal of certain non-financial assets including property, equipment and intangible assets.

The standard outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The standard will affect entities across all industries. Adoption will be a significant undertaking for most entities with potential changes to an entity's current accounting, systems and processes.

iii) Improvements to International Financial Reporting Standards
The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. These amendments are applicable to annual periods beginning on or after 1 July 2014.

IFRS	Subject of Amendment
IAS 16	Property, Plant and Equipment – Revaluation method – proportionate restatement of accumulated depreciation
IAS 38	Intangible Assets – Revaluation method – proportionate restatement of accumulated amortisation
IAS 24	Related Party Disclosures – Key management personnel
IAS 40	Investment Property – Interrelationship between IFRS 3 and IAS 40 (ancillary services)
IFRS 2	Share-based Payment – Definitions of vesting conditions
IFRS 3	Business Combinations – Accounting for contingent consideration in a business combination
IFRS 3	Business Combinations – Scope exceptions for joint ventures
IFRS 8	Operating Segments – Aggregation of operating segments
IFRS 8	Operating Segments – Reconciliation of the total of the reportable segments' assets to the entity's assets
IFRS 13	Fair Value Measurement – Scope of paragraph 52 (portfolio exception)

b) Consolidation

i) Subsidiaries
Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of the subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The contingent consideration includes the fair value of any

2. Significant accounting policies... continued

b) Consolidation... continued

i) Subsidiaries... continued

asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of income. (Note 2(g))

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

iii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified on acquisition. (Note 2(g))

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of income and its share of post-acquisition movements in reserves is recognised in other reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Board of Directors, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker.

d) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Barbados dollars, which is the Company's functional and presentation currency.

2. Significant accounting policies... continued

d) Foreign currency translation... continued

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the financial investments reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate.

iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
ii) income and expenses for each statement of income are translated at average exchange rates; and
iii) all resulting exchange differences are recognised in translation reserve in equity.

iv) Hyperinflationary accounting

The financial statements of Group companies whose functional currency is the currency of a hyperinflationary economy are adjusted for inflation in accordance with the procedure described in the following paragraph, prior to their translation into Barbados dollars. Once restated, all items of the financial statements are converted into Barbados dollars using the closing exchange rate. Amounts shown for prior years for comparative purposes are not modified.

To determine the existence of hyperinflation, the Group assesses the qualitative characteristics of the economic environment of the country, such as the trends in inflation rates over the previous three years. The financial statements of companies whose functional currency is the currency of a hyperinflationary economy are adjusted to reflect the changes in purchasing power of the local currency, such that all items in the statement of financial position not expressed in current terms (non-monetary items) are restated by applying a general price index at the financial statement closing date, and all items of income and expense, profit and loss are restated monthly by applying appropriate adjustment factors. The difference between initial and adjusted amounts is included in other gains/(losses) - net in the consolidated statement of income. Accordingly, Venezuela was classified as a hyperinflationary economy in 2015 and 2014. The inflation indices used to prepare the restated financial information are those published by the Central Bank of Venezuela until December 2014. The index for 2014 was 718.3. During year 2015, the Central Bank of Venezuela has not published an official index. In this regard the company estimated the accumulated inflation index according to the Accounting rules in Venezuela, which amounted to 1,302.3.

e) Property, plant and equipment

Freehold land and buildings comprise mainly manufacturing plants, retail and distribution outlets, warehouses and offices. The Group's freehold land and buildings are stated at the most recent valuation less subsequent depreciation for buildings. Valuations are performed every five years by independent professional valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment including leasehold buildings is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the

2. Significant accounting policies... continued

e) Property, plant and equipment... continued

item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in the consolidated statement of comprehensive income and accumulated in revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in the consolidated statement of comprehensive income and reduce the revaluation surplus in equity; all other decreases are charged to the consolidated statement of income.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Freehold buildings	– 50 years
Leasehold buildings	– 5 - 25 years based on the lease term
Furniture, fittings and equipment	– 3 - 20 years
Machinery	– 3 - 20 years
Vehicles	– 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each consolidated statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. (Note 2(h))

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of income. When revalued assets are sold, the amounts included in revaluation surplus are realised and transferred to retained earnings.

Costs incurred which are directly attributable to capital projects are categorised as construction in progress and capitalised. If it is determined that capitalised costs are no longer justifiable, the related costs are written off and charged to the consolidated statement of income.

Construction in progress is not depreciated until the asset has been completed and brought into operational activity.

f) Investment property

Investment property, principally comprising office buildings, is held for long-term rental yields and is not occupied by the Group. Investment property is carried at fair value, determined annually. Valuations are performed annually by independent professional real estate valuers. Changes in fair values are recorded in the consolidated statement of income.

g) Intangible assets

i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition. Goodwill on the acquisition of subsidiaries is included as 'intangible assets' on the consolidated statement of financial position. Goodwill on the acquisition of associates is included in 'investments in associates'. Separately recognised goodwill is tested annually for impairment and whenever there is an indication of impairment, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. Significant accounting policies... continued

g) Intangible assets... continued

i) Goodwill... continued

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to the cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

ii) Other intangible assets

Other intangible assets arising on acquisitions are recognised only if future economic benefits attributable to the asset will flow to the Group and if the fair value of the asset can be measured reliably. Such intangible assets must be separable from the business being acquired or must arise from contractual or legal rights. Intangible assets acquired in a business combination are initially recognised at their fair value. Other intangible assets which have been acquired directly are recorded initially at cost. On acquisition the useful life of the asset is estimated. If the estimated useful life is finite, amortisation is calculated using the straight-line method to allocate the cost over the estimated useful life as follows:

Trade names	– 20 - 25 years
Customer relationships	– 13 - 15 years
Supplier relationships	– 15 years
Software licences	– 7 years

The amortisation charge is included in other gains/(losses) – net in the consolidated statement of income.

h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

i) Financial assets

The Group classifies its financial assets in the following categories:

i) Available-for-sale
ii) Loans and receivables

Management determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the financial assets were acquired.

i) Available-for-sale

These financial assets are intended to be held for an indefinite period of time and hence are included in non-current assets unless management intends to dispose of the investment within 12 months of the consolidated statement of financial position date. They may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. They are measured initially at cost and are subsequently remeasured at their fair value based on quoted bid prices. Investments without quoted prices are carried at management's valuation based on the net assets of the entity net of any provisions made where there is an indication of impairment. Unrealised gains and losses are recorded in the consolidated statement of comprehensive income. Either on the disposal of the asset or if the asset is determined to be impaired, the previously recorded unrealised gain or loss is transferred to the consolidated statement of income.

ii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost less provision for impairment. The Group's loans and receivables comprise government bonds and fixed deposits, trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

2. Significant accounting policies... continued

i) Financial assets... continued

Purchases and sales of these investments are recognised on the trade date which is the date that the Group commits to purchase or sell the asset. Cost of purchase includes transaction costs.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Interest income arising on financial investments is accrued using the effective yield method and is included in other gains/(losses) – net in the consolidated statement of income. Dividends are recorded in other gains/(losses) – net when the right to receive payment is established.

A financial asset is considered impaired if its carrying amount exceeds its estimated recoverable amount. The impairment loss for assets carried at amortised cost is calculated as the difference between the carrying amount and the present value of expected future cash flows discounted at the original effective interest rate. The recoverable amount for an available-for-sale equity security is its fair value. An impairment loss for an available-for-sale equity security is recognised in income if there has been a significant or prolonged decline in its recoverable amount below cost. Significant or prolonged declines are assessed in relation to the period of time and extent to which the fair value of the equity security is less than its cost.

Except for equity securities, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, and the amount of the reversal is recognised in income. For equity securities, any subsequent increases in fair value after an impairment has occurred are recognised in the financial investments reserve in equity.

j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is generally determined using the average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The valuation of aged rum includes warehousing and other indirect costs associated with the storage of rum. Provision is made for obsolete, slow-moving and defective items.

k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at the anticipated realisable value. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the anticipated realisable value. The carrying amount of the asset is reduced through the use of the provision for impairment of receivables and the amount of loss is recognised in the consolidated statement of income within selling, marketing and administrative expenses. When a trade receivable is uncollectible, it is written off against the provision for impairment of receivables and any subsequent recoveries of amounts previously written off are credited against selling, marketing and administrative expenses.

l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, short-term bank deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

Cash equivalents are subject to an insignificant risk of change in value.

m) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Significant accounting policies... continued

n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between the net proceeds and the redemption value is recognised in the consolidated statement of income over the period of the borrowings using the effective interest method. Associated costs are classified as finance costs in the consolidated statement of income. Borrowings due within twelve months of the consolidated statement of financial position date are classified as current liabilities. Preference shares which are mandatorily redeemable by the holder of the shares are classified as liabilities. The dividends on these preference shares are recognised in the consolidated statement of income within finance costs.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated statement of income in the period in which they are incurred.

o) Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group follows the liability method of accounting for deferred tax whereby all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes are provided for at the corporation tax rates which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised when it is probable that taxable income will be available against which the assets may be utilised.

p) Employee benefits

i) Pension obligations

The Company and certain of its subsidiary companies operate defined benefit pension plans for their employees under segregated fund policies with Sagicor Life Inc. as well as with Morgan Stanley Private Wealth Management. The schemes are funded through payments from the employees and the Group, determined by annual actuarial calculations.

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long-term government securities that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating the terms of the related pension liability. All actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in the consolidated statement of income.

For the defined contribution plans operated by the Group, the Group pays contributions to privately administered funds on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2. Significant accounting policies... continued

p) Employee benefits... continued

ii) Profit-sharing bonus plan

The Group recognises a liability and an expense for profit-sharing bonuses. Senior management's profit-sharing bonuses are based on the Company's economic profit improvement over the prior year. Economic profit is calculated as net operating profit after tax and certain adjustments less a charge for capital employed. Profit-sharing bonuses for all other employees are based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments.

iii) Share-based compensation

The Group operates various share-based compensation plans. In addition to an executive share option plan, there is a bonus share purchase scheme which is only offered to full time employees of the Group in Barbados and a broad based employee share purchase scheme for all full time employees.

The excess of the fair value of the options granted over the amount that management has to pay for the options is recognised in the share-based payments expense in selling, marketing and administrative expenses and credited to the share-based payments reserve in equity. The proceeds received when the options are exercised are credited to share capital.

Any discounts offered under the bonus share purchase scheme and the employee share purchase scheme are also recognised in the share-based payments expense.

q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

r) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, estimated returns, rebates and discounts and after eliminated sales within the Group. Revenue is recognised as follows:

i) Sales of goods – wholesale and retail

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

ii) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered.

iii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

v) Royalty and rental income

Royalty and rental income is recognised on an accrual basis.

vi) *Premium income*

Premiums are recognised over the lives of the policies written. Unearned premiums represent the portion of premiums written in the current year which relate to periods of insurance subsequent to the consolidated statement of financial position date calculated using the twenty-fourths method. Unearned premiums relating to marine cargo are deemed to be nil as such policies are generally issued for periods not exceeding one month.

2. Significant accounting policies... continued

s) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

Assets leased out under operating leases are included in property, plant and equipment or investment property in the consolidated statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar property, plant and equipment. Rental income is recognised on a straight-line basis over the lease term.

t) Insurance contracts

Recognition and measurement

The Group issues contracts that transfer insurance risk. Insurance contracts are those contracts that transfer significant insurance risk. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur. Insurance contracts issued are classified as short-term insurance contracts. These contracts are principally property, accident, motor, liability and marine insurance contracts.

Property insurance contracts indemnify the Group's customers in the event of a loss from specified insured perils (such as but not limited to fire, windstorm or earthquake) and their consequences up to the insured amount and within the terms of the policy conditions. These contracts are issued for both private and commercial risks.

Accident insurance contracts indemnify the Group's customers in the event of personal injury, loss and/or damage to property up to the insured amount and within the terms of the policy conditions.

Motor insurance contracts indemnify the Group's customers for their legal requirement under the applicable Road Traffic Act. These contracts may be extended for additional coverage such as physical damage, theft and personal accident.

Liability insurance contracts provide coverage for liability exposures that indemnify the Group's customers against actions from third parties subject to policy limits and conditions. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and employers who become liable to pay compensation to third parties for bodily harm or property damage (public liability).

Marine insurance contracts indemnify the Group's customers for loss or damage to their insured cargo.

For these contracts, premiums are recognised as revenue (earned premiums) over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the consolidated statement of financial position date is reported as the unearned premium liability. Premiums are shown before the deduction of commission.

Claims and loss adjustment expenses are charged to the consolidated statement of income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the consolidated statement of financial position date even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims.

Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

2. Significant accounting policies... continued

t) Insurance contracts... continued

Reinsurance contracts held... continued
The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

The Group assesses recoverability of its reinsurance assets when there is objective evidence that the reinsurance asset is impaired and reduces the carrying amount of the reinsurance asset to its estimated recoverable amount by recognising an impairment loss in the consolidated statement of income. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is also calculated following the same method used for these financial assets.

Claims provision and related reinsurance recoveries
Provisions are made at the year end for the estimated cost of claims incurred but not yet settled at the consolidated statement of financial position date. The estimated cost of claims includes expenses to be incurred in settling the claims and a deduction for the expected value of salvage and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the outcome will prove to be different from the original liability established.

Receivables and payables
Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the consolidated statement of income. The Group gathers the objective evidence that an insurance receivable is impaired using the same process adopted for receivables. The impairment loss is also calculated under the same method used for these financial assets.

Premiums and unearned premiums
Premiums are earned over the term of the related insurance contracts in proportion to the period of risk. The reserve for unearned premiums is established for the portion of premiums written which relate to unexpired risks at the end of the period.

Premiums ceded are expensed over the term of the related insurance contracts in proportion to the period of risk, coterminous with the related gross premiums. The provision for deferred premiums is established for the portion of premiums ceded which relate to unexpired risks at the end of the period.

Deferred acquisition costs
Acquisition costs on premiums written vary with and are directly related to the production of business. These costs are deferred and recognized over the period of the policies to which they relate.

Claims and claims expenses
Claims and claims expenses are shown gross with amounts due under reinsurance contracts shown as reinsurance assets. Reserves for claims are recorded as incurred and represent estimates of future payments of reported and unreported claims and related expenses with respect to insured events that have occurred up to the consolidated statement of financial position date. Reinsurance claims recoveries are estimated at the same time as the reserve for a claim is recorded. The provision reflects management's best estimate of the Group's ultimate liabilities and management believes that the provision is adequate.

u) Dividend distributions
Dividend distributions to the Company's shareholders are recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Board of Directors.

3. Risk management

a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group has not entered into forward contracts to reduce its risk exposures.

Risk management is carried out by Head Office under policies approved by the Board of Directors. Head Office identifies, evaluates and hedges financial risks where considered appropriate in close cooperation with the Group's operating units. The Board provides guidance for overall risk management.

i) Market risk

1) Foreign exchange risk

The Group operates extra-regionally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Central and South American currencies. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

In order to manage the risk associated with movements in currency exchange rates in Central and South America on commercial transactions, the Group trades mainly in US dollars. The Group also seeks to maintain cash and cash equivalents in each operating currency, which are sufficient to match liabilities denominated in the same currency.

The table below illustrates the theoretical impact on equity and net income of a 5% depreciation in the Jamaican dollar and Latin American currencies when compared to the Barbados dollar as at 30 September 2015.

Effect of a 5% depreciation of	Effect on equity	Effect on net income
Jamaican dollar	219	(177)
Latin American currencies	(342)	(420)

An appreciation of these currencies would have an equal and opposite effect on equity and net income.

2) Price risk

The Group is exposed to equity securities price risk because of financial investments held by the Group and classified on the consolidated statement of financial position as available-for-sale. The Group is not exposed to commodity price risk. To manage the price risk arising from investments in equity securities, the Group diversifies its portfolio.

The Group's publicly traded equity securities are included mainly on the Barbados Stock Exchange (BSE) and the Cayman Islands Stock Exchange (CSX).

If the BSE and CSX had increased or decreased by 5% with all other variables held constant, the financial investments reserve within equity would increase or decrease by $431 (2014 – $805) as a result of gains or losses on equity securities classified as available-for-sale financial assets.

ii) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk is managed on an entity basis. The Group's credit risk arises from cash, financial investments (debt securities and fixed deposits) as well as credit exposures to wholesale and retail customers, amounts due from associated companies and other receivables.

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

ii) Credit risk... continued

The maximum exposure to credit risk is as follows:

	2015		2014	
	$	%	$	%
Cash	**70,242**	**29**	74,392	34
Trade and other receivables	**102,542**	**43**	113,029	53
Due by associated companies	**42,634**	**18**	6,694	3
Financial investments (debt securities and fixed deposits)	**22,493**	**9**	21,850	10
Reinsurance assets	**2,018**	**1**	737	–
	239,929	**100**	216,702	100

Independent ratings exist for customers in the Group's catering operations. If no independent rating exists, customers are grouped according to credit history. Ratings available for the Group's cash and cash equivalents, trade receivables and financial investments are included in notes 6, 7 and 18.

The Group has a large number of customers dispersed across the Caribbean and Latin American region. It has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history, statement of financial position, credit quality and other factors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or by using major credit cards. For banks and financial institutions only well known and reputable parties are accepted.

The table below summarises the balances due from the major wholesale and retail customers at the consolidated statement of financial position date.

Customer	2015	2014
British Airways PLC (rated BB by Standard & Poor's)	**1,148**	911
Virgin Atlantic Airways (unrated)	**2,392**	1,594
Caribbean Airlines (unrated)	**1,476**	1,577
TACA International Airlines (unrated)	**1,781**	1,843
Alstons Marketing Ltd. (unrated)	**1,403**	1,552
KLM Dutch Airlines (unrated)	**169**	1,065

Management does not expect any losses from non-performance by these counterparties.

iii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. In order to manage liquidity risks, management seeks to maintain sufficient levels of cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities, to meet reasonable expectations of its short-term obligations.

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

iii) Liquidity risk... continued

The table below analyses the Group's financial and insurance liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 September 2015					
Borrowings	102,651	13,602	37,542	60,251	214,046
Trade and other payables	101,264	–	–	–	101,264
Due to associated companies	2,230	–	–	–	2,230
Insurance contracts	3,631	–	–	–	3,631
	209,776	13,602	37,542	60,251	321,171
Off financial statement exposures:					
Guarantees and letters of credit	20,228	–	–	–	20,228
Total	230,004	13,602	37,542	60,251	341,399
At 30 September 2014					
Borrowings	101,437	25,059	40,150	68,902	235,548
Trade and other payables	112,413	–	–	–	112,413
Due to associated companies	4,025	–	–	–	4,025
Insurance contracts	2,167	–	–	–	2,167
	220,042	25,059	40,150	68,902	354,153
Off financial statement exposures:					
Guarantees and letters of credit	32,545	–	–	–	32,545
Total	252,587	25,059	40,150	68,902	386,698

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

iii) Liquidity risk... continued

The table below analyses the Group's financial assets into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 September 2015					
Cash	**70,242**	**–**	**–**	**–**	**70,242**
Trade and other receivables	**100,433**	**580**	**3**	**–**	**101,016**
Due by associated companies	**34,472**	**1,742**	**5,226**	**3,048**	**44,488**
Reinsurance assets	**2,018**	**–**	**–**	**–**	**2,018**
Financial investments (debt securities and fixed deposits)	**17,331**	**2,535**	**1,320**	**3,428**	**24,614**
	224,496	**4,857**	**6,549**	**6,476**	**242,378**
At 30 September 2014					
Cash	74,392	–	–	–	74,392
Trade and other receivables	102,605	1,398	533	–	104,536
Due by associated companies	6,694	–	–	–	6,694
Reinsurance assets	737	–	–	–	737
Financial investments (debt securities and fixed deposits)	17,631	1,768	2,287	1,448	23,134
	202,059	3,166	2,820	1,448	209,493

iv) Cash flow and fair value interest rate risk

Although the Group has some interest bearing assets, the Group's interest rate risk arises mainly from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. During 2015 and 2014 the Group's borrowings at variable rates were denominated in Barbados dollars. To manage against interest rate risk, the Group negotiates the best rates possible and where possible considers factors such as refinancing, renewing options and alternative financing. In a period of low interest rates the Group negotiates for fixed rates on borrowings for a period of at least five years.

At 30 September 2015, if interest rates on variable rate borrowings had been 1% higher or lower, with all other variables held constant, net income for the year would have been $184 (2014 – $219) lower or higher, mainly as a result of higher or lower finance costs on floating rate borrowings.

v) Country risk

Venezuela has an exchange control mechanism in place, managed by the National Center of Foreign Trade ((CEN-COEX), before CADIVI) which has issued a number of regulations governing the modalities of currency sales in Venezuela at official exchange rates. During the year 2015, Venezuela amended its currency exchange legislation to create a new mechanism, known as SIMADI, which permits foreign exchange barter and cash transactions. SIMADI allows both individuals and entities to buy and sell foreign currency with fewer restrictions than that managed by the CADIVI. This mechanism resulted in a significant devaluation of the Bolivars, which increased from a conversion rate of Bolivars 50.0 to US$1.00 in the prior year to a conversion rate of Bolivars 199.42 to US$1.00 at year end. The Group has used the SIMADI exchange rate to convert the net assets

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

v) Country risk... continued

of its Venezuelan subsidiaries resulting in a translation loss of $1,343 which was recognised in the consolidated statement of comprehensive income. The revenues, operating income and statement of financial position totals of the entities located in Venezuela are not considered significant to the Group. However, management is currently seeking avenues by which to mitigate any further exchange risk.

b) Fair value of financial assets and liabilities

Fair value represents estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists.

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

Level 1 – quoted instruments in active markets for identical instruments;
Level 2 – inputs other than quoted prices in Level 1 that are observable for the instrument either directly or indirectly;
Level 3 – inputs for the instrument that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the consolidated statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer or broker, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value such financial instruments include quoted market prices for similar instruments and discounted cash flow analysis.

	Level 1	Level 2	Level 3	Total
2015				
Available-for-sale securities:				
Debt securities	–	–	–	–
Equity securities	1,554	7,144	–	8,698
	1,554	7,144	–	8,698
2014				
Available-for-sale securities:				
Debt securities	421	–	–	421
Equity securities	9,577	7,892	–	17,469
	9,998	7,892	–	17,890

During the year there were no transfers between Level 1 and Level 2.

The Group's financial assets and financial liabilities as disclosed in the consolidated statement of financial position approximate their fair value except for the Group's borrowings, the fair value of which is disclosed in note 11.

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

c) Capital risk management

The Group's objectives when managing capital are to maximize shareholders' returns and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt to capital ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total liabilities as shown on the consolidated statement of financial position. Total capital is calculated as 'equity' as shown on the consolidated statement of financial position plus total debt.

During 2015 and 2014, the Group's strategy was to achieve a debt to capital ratio of 33:67. The debt to capital ratios at 30 September 2015 and 2014, are as follows:

	2015	2014
Total debt	313,892	354,886
Total capital	896,739	920,222
Debt to capital ratio	26:74	28:72

The Group is currently in breach of some of the financial covenants in respect of its loan facilities. The bankers have waived their rights under the breaches.

Statutory compliance

The Group's insurance company, M&C General Insurance Company Limited, is regulated by the Insurance Act No. 6 of 1995 (the Insurance Act) of St. Lucia.

Section 34 of the Insurance Act states that a general insurer will be deemed to be insolvent if its assets do not exceed the sum of its liabilities by the greater of $148 or twenty percent (20%) of its premium income in respect of its general insurance business in its last preceding financial year. Premium income of a company shall be assessed as the net amount, after deductions for any premiums paid by the company for reinsurance in that year in respect of all general insurance business carried on by the company. The Company was deemed solvent as of 30 September 2015.

Section 80 of the Insurance Act requires that a general insurer (carrying on motor vehicle and insurance business other than long-term insurance) shall deposit with the Registrar either the greater of $56 or an amount equal to 40% of its net premium income in respect of business transacted during the last preceding financial year. The Company was in compliance with this requirement as of 30 September 2015 and 2014.

Section 88 of the Insurance Act requires that the company establishes a motor vehicle insurance fund equal to its liability and contingency reserves for motor vehicle insurance business less amounts held on deposit with the Registrar. The Company was in compliance with this requirement as of 30 September 2015 and 2014.

The local insurance regulator specifies the minimum amount and type of capital that must be held by the Company in addition to their insurance liabilities. The minimum required capital must be maintained at all times throughout the year. The Company is subject to insurance solvency regulations and the Company has embedded in its asset liability management framework the necessary tests to ensure the continuous and full compliance with such regulations.

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

c) Capital risk management... continued

Statutory compliance... continued

The table below summarises the minimum required capital and the regulatory capital held by the Company.

	2015	2014
Regulatory capital held	**2,370**	2,370
Minimum regulatory capital	**555**	555

d) Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this is random and therefore unpredictable.

The principal risk that the Group faces under its insurance contracts is that the actual claim payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random and the actual number and amount of claims will vary from expectations from year to year.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. The Group's underwriting strategy promotes diversification of insurance risks accepted and the creation of a large population of risks in each category to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Reinsurance arrangements

The Group limits its exposure to insurance losses through the purchase of reinsurance. The Group's retained risk by line of business is disclosed below:

Type of Insurance Contract	Retention of Insurers
Property Risks	Maximum net retention of $74 Maximum gross retention of $5,555 per risk Maximum net retention of $1,185 for catastrophe risk
Motor & Liability	Maximum net retention of $2,370 for single risk Treaty limits for motor of $2,963 Treaty limits for liability of $2,963
Miscellaneous Accident	Maximum net retention of $74 Treaty limits of $740 any one risk
Marine	Maximum net retention of $65 per shipment and $102 per bottom Maximum gross retention of $259 for single risk Maximum retention of $185 any one bond Treaty limit of $407 any one known bottom

4. Critical accounting estimates and judgements

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on the Group's reported assets, liabilities, revenues and expenses. The items which may have the most effect on the Group's financial statements are set out below.

Valuation of property
The Group utilises professional valuers to determine the fair value of its properties. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumptions chosen.

Consolidation of flight kitchen operations
Following the adoption of IFRS 10 Consolidated Financial Statements, management reassessed the existing business arrangement with LSG/Sky Chefs Inc. as it relates to the operation of the flight kitchens division.

On 30 March 1997 Goddard Enterprises Limited (GEL) and SC International Services Inc. (now LSG/Sky Chefs Inc.) entered into a business arrangement to manage the operations of the companies within the Catering and Ground Handling Division at the time. This arrangement has remained unmodified and is still in existence to this date. The ownership structure is 51:49, with GEL being the majority shareholder. GEL is deemed to have control of this arrangement as GEL directs the relevant activities which include, but are not limited to:

i) The selling and purchasing of goods and services.
ii) The recruitment, appointment and termination of key management.
iii) Negotiation of contracts with suppliers, customers and service providers.
iv) Establishment of all operating policies.
v) Determination of the strategic plans.

GEL currently, through the appointment of key management who directs the relevant activities of the business arrangement, has the ability to affect its performance and hence influence the variable returns from the arrangement. GEL currently also receives dividends and management fees.

Recognition and measurement of intangible assets
The recognition and measurement of intangible assets, other than goodwill, in a business combination involves the utilisation of valuation techniques which may be very sensitive to the underlying assumptions utilised. These intangibles may be marketing related, consumer related, contract based or technology based.

For significant amounts of intangibles arising from a business combination, the Group utilises independent professional advisors to assist management in determining the recognition and measurement of these assets.

Impairment of intangible assets

a) Goodwill
The assessment of goodwill impairment involves the determination of the fair value of the cash-generating units to which the goodwill has been allocated. Determination of fair value involves the estimation of future cash flows or of net income from ordinary activities of these business units and the expected returns to providers of capital to the business units and/or to the Group as a whole.

The Group updates its business unit financial projections annually and assesses whether there is any impairment of goodwill.

b) Other intangible assets
The assessment of impairment of other intangible assets involves the determination of the intangible's fair value or value in use. In the absence of an active market for an intangible, its fair value may need to be estimated. In determining an intangible asset's value in use, estimates are required of future cash flows generated as a result of holding the asset.

5. Segmental reporting

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group is divided into four reporting segments based on the different types of products and services offered. These products and services are described in note 1. The operating segments derive their revenue primarily from the distribution of general merchandise, manufacturing of food and consumables, and provision of catering, ground handling and financial services. The Directors assess the performance of the operating segments on the basis of revenue and profit or loss before tax excluding some other gains/(losses) – net which are shown as adjustments.

Information segmented on a geographical basis has been included in the notes to the consolidated financial statements as the Directors believe that this information is useful to an understanding of the operations of the Group.

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

The segment information provided to the Board of Directors is as follows:

Operating segments

	Import, distribution and marketing	Manufacturing and services	Catering and ground handling	Financial services	Eliminations/ unallocated	Total
2015						
Revenue						
External sales	568,612	144,987	214,052	–	(3,182)	924,469
Inter-segment sales	9,062	46,382	1,098	–	(56,542)	–
Associated companies' sales	104,088	60,099	87,718	149,818	(401,723)	–
Total revenue	681,762	251,468	302,868	149,818	(461,447)	924,469
Segment result						
Profit from operations	18,319	19,249	31,318	–	(13,591)	55,295
Other gains/(losses) – net	1,982	(214)	678	–	24,315	26,761
Finance costs	(6,415)	(889)	(18)	–	(4,535)	(11,857)
Share of income of associated companies	(153)	396	1,247	1,803	–	3,293
Income before non-controlling interests and taxation	13,733	18,542	33,225	1,803	6,189	73,492
Non-controlling interests	(1,894)	124	(17,351)	–	19,121	–
Income before taxation	11,839	18,666	15,874	1,803	25,310	73,492
Taxation						(11,621)
Net income for the year						61,871
Other information						
Operating assets	303,658	117,192	96,290	–	158,495	675,635
Intangible assets	13,298	8,598	3,083	–	–	24,979
Investments in associated companies	53,729	19,426	9,084	44,619	–	126,858
Unallocated corporate assets	–	–	–	–	69,267	69,267
Consolidated corporate assets	370,685	145,216	108,457	44,619	227,762	896,739
Capital expenditure	7,954	5,456	9,820	–	144	23,374
Depreciation	8,602	5,692	6,884	–	2,119	23,297
Amortisation of intangible assets	852	640	192	–	–	1,684
Impairment of intangible assets	3,892	–	–	–	–	3,892
Employee numbers	1,322	695	2,520	–	50	4,587

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Operating segments... continued

	Import, distribution and marketing	Manufacturing and services	Catering and ground handling	Financial services	Eliminations/ unallocated	Total
2014						
Revenue						
External sales	606,616	142,235	209,379	–	(4,119)	954,111
Inter-segment sales	9,672	55,062	1,238	–	(65,972)	–
Associated companies' sales	–	72,687	88,377	155,118	(316,182)	–
Total revenue	616,288	269,984	298,994	155,118	(386,273)	954,111
Segment result						
Profit from operations	16,360	19,953	30,094	–	(16,281)	50,126
Other gains/(losses) – net	11,923	(382)	736	–	2,302	14,579
Finance costs	(6,330)	(1,294)	(30)	–	(4,633)	(12,287)
Share of income of associated companies	–	345	2,232	3,992	–	6,569
Income before non-controlling interests and taxation	21,953	18,622	33,032	3,992	(18,612)	58,987
Non-controlling interests	(1,166)	(1,012)	(16,434)	–	18,612	–
Income before taxation	20,787	17,610	16,598	3,992	–	58,987
Taxation						(10,084)
Net income for the year						48,903
Other information						
Operating assets	398,849	111,901	97,332	–	124,943	733,025
Intangible assets	22,554	9,238	3,276	–	–	35,068
Investment in associated companies	–	20,045	10,083	45,067	–	75,195
Unallocated corporate assets	–	–	–	–	76,934	76,934
Consolidated corporate assets	421,403	141,184	110,691	45,067	201,877	920,222
Capital expenditure	12,174	4,127	9,024	–	6,618	31,943
Depreciation	8,828	5,662	5,822	–	1,981	22,293
Amortisation of intangible assets	1,135	640	206	–	–	1,981
Employee numbers	2,057	671	2,595	–	48	5,371

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Operating segments... continued
A reconciliation of adjustments to income before non-controlling interests and taxation is provided as follows:

	2015	2014
Total income before non-controlling interests and taxation for reportable segments	67,303	77,599
Eliminations/unallocated		
Unallocated group companies	6,123	(18,616)
Intercompany eliminations	66	4
Total eliminations/unallocated	6,189	(18,612)
Total income before taxation	73,492	58,987

Reportable segment assets are reconciled to total assets as follows:

	2015	2014
Total assets for reportable segments	668,977	718,345
Unallocated assets		
Operating assets for unallocated group companies	158,495	124,943
Current income tax assets	2,476	2,741
Investment property	17,432	17,328
Financial investments	37,640	41,653
Deferred income tax assets	9,605	10,014
Pension plan assets	1,324	3,463
Long-term trade and other receivables	790	1,735
Total unallocated assets	227,762	201,877
Total assets	896,739	920,222

Geographical information

	External sales		Non-current assets	
	2015	2014	2015	2014
Barbados	224,275	245,010	224,814	222,751
St. Lucia	165,347	190,335	89,459	98,305
Grenada	100,787	101,818	47,339	52,695
Other Caribbean	198,541	188,890	110,177	85,072
Latin America	85,285	63,946	26,910	26,118
Other	150,234	164,112	–	–
Total	924,469	954,111	498,699	484,941

Sales between reportable segments are carried out at arm’s length.

Revenue is attributed to countries on the basis of the customer's location.

For the purposes of segment information, non-current assets exclude financial investments, deferred income tax assets and pension plan assets.

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Geographical segments	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
2015					
Revenue					
External sales	322,994	511,149	93,508	(3,182)	924,469
Inter-segment sales	50,286	6,256	–	(56,542)	–
Associated companies' sales	197,354	182,353	22,016	(401,723)	–
Total revenue	570,634	699,758	115,524	(461,447)	924,469
Segment result					
Profit from operations	24,992	26,798	17,096	(13,591)	55,295
Other gains/(losses) – net	1,838	426	182	24,315	26,761
Finance costs	(2,384)	(4,938)	–	(4,535)	(11,857)
Share of income of associated companies	1,435	861	997	–	3,293
Income before non-controlling interests and taxation	25,881	23,147	18,275	6,189	73,492
Non-controlling interests	(2,250)	(8,403)	(8,468)	19,121	–
Income before taxation	23,631	14,744	9,807	25,310	73,492
Taxation					(11,621)
Net income for the year					61,871
Other information					
Operating assets	172,543	301,051	43,546	158,495	675,635
Intangible assets	8,700	16,141	138	–	24,979
Investments in associated companies	64,554	58,570	3,734	–	126,858
Unallocated corporate assets	–	–	–	69,267	69,267
Consolidated corporate assets	245,797	375,762	47,418	227,762	896,739
Capital expenditure	6,923	11,373	4,934	144	23,374
Depreciation	8,692	10,108	2,378	2,119	23,297
Amortisation of intangible assets	640	1,044	–	–	1,684
Impairment of intangible assets	–	3,892	–	–	3,892
Employee numbers	911	2,284	1,342	50	4,587

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Geographical segments... continued

	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
2014					
Revenue					
External sales	342,375	516,553	99,302	(4,119)	954,111
Inter-segment sales	59,322	6,650	–	(65,972)	–
Associated companies' sales	172,728	119,260	24,194	(316,182)	–
Total revenue	574,425	642,463	123,496	(386,273)	954,111
Segment result					
Profit from operations	28,594	20,035	17,778	(16,281)	50,126
Other gains/(losses) – net	1,782	10,323	172	2,302	14,579
Finance costs	(2,525)	(5,129)	–	(4,633)	(12,287)
Share of income of associated companies	3,793	1,315	1,461	–	6,569
Income before non-controlling interests and taxation	31,644	26,544	19,411	(18,612)	58,987
Non-controlling interests	(3,375)	(6,439)	(8,798)	18,612	–
Income before taxation	28,269	20,105	10,613	–	58,987
Taxation					(10,084)
Net income for the year					48,903
Other information					
Operating assets	199,852	364,528	43,702	124,943	733,025
Intangible assets	9,340	25,590	138	–	35,068
Investment in associated companies	57,270	13,735	4,190	–	75,195
Unallocated corporate assets	–	–	–	76,934	76,934
Consolidated corporate assets	266,462	403,853	48,030	201,877	920,222
Capital expenditure	7,699	10,834	6,792	6,618	31,943
Depreciation	8,953	9,825	1,534	1,981	22,293
Amortisation of intangible assets	640	1,341	–	–	1,981
Employee numbers	1,120	2,836	1,367	48	5,371

Notes to the Consolidated Financial Statements

30 September 2015

(Expressed in thousands of Barbados Dollars)

6. Cash and cash equivalents

	2015	2014
Cash	**70,242**	74,392
Bank overdraft (note 11)	**(16,402)**	(23,910)
	53,840	50,482

Significant concentrations of cash are as follows:

	2015	2014
CIBC FirstCaribbean International Bank (unrated)	**20,186**	24,392
CIBC (Long Term Issuer Credit Rating A+ by Standard & Poor's)	**25,094**	25,725

7. Trade and other receivables

	2015	2014
Trade receivables	**60,642**	94,114
Other receivables	**43,021**	25,336
Trade and other receivables	**103,663**	119,450
Less: Provision for impairment of receivables	**(3,482)**	(9,750)
Trade and other receivables – net	**100,181**	109,700
Loans receivable (other)	**2,150**	3,082
Loans receivable (mortgages)	**211**	247
Total	**102,542**	113,029
Less: Long-term portion – loans receivable	**(790)**	(1,735)
Current portion	**101,752**	111,294

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical information about default rates. External credit ratings are used if available.

a) Trade receivables

Total fully performing trade receivables without external ratings:

	2015	2014
New customers (<6 months)	**3,947**	1,525
Existing customers (>6 months) – no past defaults	**18,307**	24,026
Existing customers (>6 months) – some past defaults fully recovered	**19,158**	27,688
	41,412	53,239

(Expressed in thousands of Barbados Dollars)

7. Trade and other receivables... continued

a) Trade receivables... continued

Counterparties with external ratings:

	2015	2014
British Airways PLC (rated BB by Standard & Poor's)	**1,148**	911
American Airlines Inc. (rated BB- by Standard & Poor's)	**699**	986
US Airways Inc. (rated BB- by Standard & Poor's)	**194**	220
Delta Air Lines Inc. (rated BB+ by Standard & Poor's)	**1,332**	1,812
United Airlines Inc. (rated BB- by Standard & Poor's)	**790**	841
Air Canada (rated B+ by Standard & Poor's)	**128**	245
United Parcel Service Inc. (rated A+ by Standard & Poor's)	**3**	4
	4,294	5,019
Total fully performing trade receivables	**45,706**	58,258

Trade receivables that are less than three months past due are not considered impaired. Based on historical information and customer relationships some trade receivables which are greater than three months past due but not greater than twelve months are not considered impaired. As of 30 September 2015, trade receivables of $11,908 (2014 – $26,747) were past due but not impaired. The ageing of these trade receivables is as follows:

	2015	2014
Up to 3 months	**6,509**	14,858
3 to 6 months	**3,631**	7,673
6 to 12 months	**1,768**	4,216
	11,908	26,747

As of 30 September 2015, trade receivables of $3,028 (2014 – $9,109) were impaired and provided for. A portion of these receivables is expected to be recovered. The ageing of these trade receivables is as follows:

	2015	2014
3 to 6 months	**1,094**	183
6 to 12 months	**338**	2,602
Over 12 months	**1,596**	6,324
	3,028	9,109
Total trade receivables	**60,642**	94,114

(Expressed in thousands of Barbados Dollars)

7. Trade and other receivables... continued

b) *Other receivables*

	2015	2014
Total fully performing other receivables	**28,658**	12,124

Other receivables that are less than three months past due are not considered impaired. As of 30 September 2015, other receivables of $13,909 (2014 – $12,571) were past due but not impaired. The ageing of these other receivables is as follows:

	2015	2014
Up to 3 months	**3,388**	3,256
3 to 6 months	**4,252**	2,311
6 to 12 months	**1,277**	1,260
Over 12 months	**4,992**	5,744
	13,909	12,571

As of 30 September 2015, other receivables of $454 (2014 – $641) were impaired and provided for. A portion of these receivables is expected to be recovered. The ageing of these other receivables is as follows:

	2015	2014
3 to 6 months	**–**	3
6 to 12 months	**–**	77
Over 12 months	**454**	561
	454	641
Total other receivables	**43,021**	25,336

Movement on the Group's provision for impairment of receivables is as follows:

	2015	2014
Balance – beginning of year	**9,750**	10,671
Provision for impairment of receivables	**1,520**	1,932
Less: Receivables written off during the year as uncollectible	**(2,816)**	(2,059)
Unused amounts reversed	**(198)**	(305)
Exchange adjustment	**(676)**	(489)
Subsidiaries disposed of during the year	**(4,098)**	–
Balance – end of year	**3,482**	9,750

The creation and release of provision for impairment of receivables is included in selling, marketing and administrative expenses in the consolidated statement of income. Amounts charged to the provision for impairment of receivables are written off when there is no expectation of receiving additional cash. Direct write-offs for impaired receivables to the consolidated statement of income were $198 (2014 – $430).

The Group only holds collateral in respect of loans receivable (mortgages). The estimated fair value of this collateral at year end was $306 (2014 – $704).

Loans receivable (other) include an amount of $345 (2014 – $522) which is repayable in annual instalments of $173.

Loans receivable (mortgages) do not include impaired assets.

(Expressed in thousands of Barbados Dollars)

7. Trade and other receivables... continued

The effective interest rates on non-current receivables were as follows:

	2015	2014
Loans receivable (mortgages)	**6%**	6%

8. Due by/to associated companies

These amounts are interest free, unsecured and due on demand with the exception of an amount of $9,904 (2014 – nil) due by an associated company which carries interest at a rate of 5.5% and is repayable over seven years.

9. Reinsurance assets

	2015	2014
Outstanding claims	**2,018**	737
Deferred reinsurance costs	**4,880**	5,643
	6,898	6,380

10. Inventories

	2015	2014
Finished goods	**94,212**	140,851
Raw materials	**27,082**	24,823
Work in progress	**617**	1,011
	121,911	166,685
Less: Provision for obsolescence	**(738)**	(1,142)
Total	**121,173**	165,543

The cost of inventories written down and recognised as an expense and included in cost of sales amounted to $5,233 (2014 – $4,019).

11. Borrowings

	2015	2014
Non-current		
Bank term loans at interest rates between 4.50% – 9.85% (2014 – 4.16% – 9.85%) repayable in regular instalments maturing at various intervals through 2020 (2014 – through to 2020) – see note (a)	**85,623**	107,500
Current		
Bank term loans at interest rates between 4.50% – 9.85% (2014 – 4.16% – 9.85%) repayable in regular instalments maturing at various intervals through 2020 (2014 – through to 2020) – see note (a)	**38,945**	31,802
Short-term loans repayable on demand – see note (b)	**7,399**	7,714
Preference shares – redeemable up to 2023 at a dividend rate of 6.5% payable semi-annually – see note (c)	**32,434**	32,434
Bank overdraft (interest rates of 5.25% – 10.25%) (2014 – 6.00% – 10.25%) (note 6) – see note (a)	**16,402**	23,910
	95,180	95,860
Total	**180,803**	203,360

(Expressed in thousands of Barbados Dollars)

11. Borrowings... continued

a) The Company's bankers hold as collateral security, in support of the bank term loans and bank overdraft, the share certificates for the investments held by the Company in certain wholly owned subsidiaries and associated companies.

b) The short-term loans are unsecured and bear interest at rates varying between 3% and 5% (2014 – 3% and 8%) per annum.

c) These preference shares were issued as part-payment of the purchase consideration for the acquisition of Minvielle & Chastanet Limited (M&C) and are denominated in US dollars. The shares have a fixed preferential dividend rate of 6.5% per annum to be paid semi-annually. The holders can redeem the preference shares by giving two months' notice for every $10,000 of the value thereof. Payment can be made in East Caribbean dollars at the holders' request. The holders also have the option to convert 60% of the preference shares into the Group's shares with the balance redeemable for cash, prior to 2023. Given the specific redemption terms, including the two months' notice period for any redemption request prior to 2023, the full amount of the outstanding preference shares is shown as current borrowings.

The following have been pledged as security for the bank indebtedness of certain of the subsidiary companies:

Antigua: Floating charge debenture over business assets.

Barbados: Letters of charge, demand debentures and first legal mortgages over land and buildings and assets of certain subsidiary companies stamped to secure $52,658, guarantee bond and postponement of claims by Goddard Enterprises Limited for full liability, assignment of fire and other perils insurance policies over fixed and floating assets to the bank.

St. Kitts: A registered first demand mortgage on buildings stamped to $1,556 and assignment of fire insurance on buildings, inventory, computer equipment, cold storage equipment and office equipment.

St. Lucia: A mortgage debenture stamped up to a limit of $7,930 over the fixed and floating assets of subsidiary companies.

St. Vincent: A letter of charge (memorandum of deposit of deed) over land and buildings of a subsidiary company, assignment of fire and perils insurance over stock, buildings, furniture and fixtures.

Jamaica: A registered first demand debenture providing a fixed and floating charge over assets stamped for $107 with power to up-stamp and assignment of fire and perils insurance over business assets.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the consolidated statement of financial position date are as follows:

	2015	2014
No exposure	**156,351**	178,062
Less than 1 year	**21,710**	21,346
1 – 5 years	**2,742**	3,952
	180,803	203,360

The fair value of the Group's fixed rate borrowings was $133,502 at the year end (2014 – $135,504).

(Expressed in thousands of Barbados Dollars)

11. Borrowings... continued

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2015	2014
Barbados dollar	**65,712**	82,136
East Caribbean dollar	**75,456**	81,008
Jamaica dollar	**7,201**	7,782
US dollar	**32,434**	32,434
	180,803	203,360

12. Trade and other payables

	2015	2014
Trade payables	**39,496**	57,517
Accrued liabilities	**61,900**	68,888
	101,396	126,405

13. Insurance contracts

	2015	2014
Provision for losses and loss adjustment expenses	**3,631**	2,167
Unearned premiums	**7,273**	8,175
	10,904	10,342

Notes to the Consolidated Financial Statements

30 September 2015
(Expressed in thousands of Barbados Dollars)

14. Property, plant and equipment

	Freehold land and buildings	Leasehold buildings	General equipment	Total
At 30 September 2013				
Cost or valuation	283,186	45,736	280,460	609,382
Accumulated depreciation	(14,467)	(28,114)	(213,246)	(255,827)
Net book amount	268,719	17,622	67,214	353,555
Year ended 30 September 2014				
Opening net book amount	268,719	17,622	67,214	353,555
Exchange differences	(420)	(2,270)	(2,542)	(5,232)
Additions	7,190	3,279	21,474	31,943
Disposals	(5,690)	–	(1,581)	(7,271)
Reclassifications	(3,179)	(8)	3,187	–
Hyperinflationary revaluation	–	183	187	370
Depreciation charge (note 24)	(3,335)	(2,060)	(16,898)	(22,293)
Subsidiary acquired during year	–	3,280	1,263	4,543
Closing net book amount	263,285	20,026	72,304	355,615
At 30 September 2014				
Cost or valuation	276,029	52,907	291,204	620,140
Accumulated depreciation	(12,744)	(32,881)	(218,900)	(264,525)
Net book amount	263,285	20,026	72,304	355,615
Year ended 30 September 2015				
Opening net book amount	263,285	20,026	72,304	355,615
Exchange differences	(623)	(574)	(1,251)	(2,448)
Additions	2,802	1,520	19,052	23,374
Disposals	–	–	(6,534)	(6,534)
Reclassifications	840	(840)	–	–
Revaluations	–	–	725	725
Hyperinflationary revaluation	–	108	153	261
Depreciation charge (note 24)	(3,569)	(2,139)	(17,589)	(23,297)
Subsidiaries disposed of during year	(17,523)	(3,384)	(6,820)	(27,727)
Closing net book amount	245,212	14,717	60,040	319,969
At 30 September 2015				
Cost or valuation	263,949	45,373	253,404	562,726
Accumulated depreciation	(18,737)	(30,656)	(193,364)	(242,757)
Net book amount	245,212	14,717	60,040	319,969

(Expressed in thousands of Barbados Dollars)

14. Property, plant and equipment... continued

Depreciation expense of $4,686 (2014 – $4,713) and $18,611 (2014 – $17,580) respectively has been included in cost of sales and selling, marketing and administrative expenses.

Operating lease rental expenses amounting to $4,117 (2014 – $3,186) have been included in selling, marketing and administrative expenses.

Land and buildings up to a total value of $84,240 (2014 – $103,730) have been provided as security for various bank borrowings.

Independent valuations of the Group's freehold land and buildings situated in Barbados, St. Lucia, St. Vincent, Antigua, Grenada, Cayman Islands, Uruguay and Guatemala were performed by valuers in those countries as at 30 September 2012. The valuations which conform to International Valuation Standards, were determined by reference to the income capitalisation, market based and depreciated replacement cost methods. The most significant inputs into these valuation models are rental income generated and the capitalisation rate, comparable sales, and the substitution cost of the asset and depreciation factor applied respectively. The highest and best use of a property may also be considered in determining its fair value.

The fair value hierarchy has been applied to the valuations of the Group's freehold land and buildings. The different levels of the hierarchy are as follows:

Level 1 – Fair value is determined by quoted unadjusted prices in active markets for identical assets;
Level 2 – Fair value is determined by inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly;
Level 3 – Fair value is determined from inputs that are not based on observable market data.

The fair values of the Group's freehold land and buildings are designated as Level 3. Reasonable changes in fair values would impact other comprehensive income.

15. Investment property

	2015	2014
Balance – beginning of year	**17,328**	17,029
Fair value gains on revaluation of investment property (note 25)	**107**	175
Exchange adjustment	**(3)**	124
Balance – end of year	**17,432**	17,328

The Group's investment properties are situated in Barbados, Cayman Islands and Guatemala. These were revalued as of 30 September 2015 by independent professional real estate valuers in those countries. Valuations were performed based on an income capitalisation approach. The highest and best use of a property may also be considered in determining its fair value.

The fair value hierarchy, as defined in note 14, has been applied to the valuations of the Group's investment property and all fair values of these properties are designated as Level 3. Reasonable changes in fair values would impact net income.

Rental income from investment properties amounted to $1,356 (2014 – $1,449) and direct operating expenses totalled $126 (2014 – $154) for the year.

(Expressed in thousands of Barbados Dollars)

16. Intangible assets

	Goodwill	Trade names	Customer relationships	Supplier relationships	Total
At 30 September 2013					
Cost	33,567	16,254	19,108	162	69,091
Accumulated amortisation and impairment	(18,757)	(3,913)	(4,575)	(65)	(27,310)
Net book amount	14,810	12,341	14,533	97	41,781
Year ended 30 September 2014					
Opening net book amount	14,810	12,341	14,533	97	41,781
Disposal of intangible assets	(2,942)	(1,790)	–	–	(4,732)
Amortisation charge	–	(691)	(1,279)	(11)	(1,981)
Closing net book amount	11,868	9,860	13,254	86	35,068
At 30 September 2014					
Cost	30,625	13,791	19,108	162	63,686
Accumulated amortisation and impairment	(18,757)	(3,931)	(5,854)	(76)	(28,618)
Net book amount	11,868	9,860	13,254	86	35,068
Year ended 30 September 2015					
Opening net book amount	11,868	9,860	13,254	86	35,068
Disposal of intangible assets	(21)	(917)	(3,575)	–	(4,513)
Accumulated amortisation and impairment	(3,892)	(531)	(1,142)	(11)	(5,576)
Closing net book amount	**7,955**	**8,412**	**8,537**	**75**	**24,979**
At 30 September 2015					
Cost	24,314	12,462	11,712	162	48,650
Accumulated amortisation and impairment	(16,359)	(4,050)	(3,175)	(87)	(23,671)
Net book amount	**7,955**	**8,412**	**8,537**	**75**	**24,979**

Goodwill has been allocated to the Group's cash-generating units. These cash-generating units are then grouped based on business segments.

	Allocation beginning of year	Impairment	Disposal	Balance end of year
Import, distribution and marketing	9,655	(3,892)	(21)	5,742
Manufacturing and services	1,243	–	–	1,243
Catering and ground handling	970	–	–	970
	11,868	(3,892)	(21)	7,955

(Expressed in thousands of Barbados Dollars)

16. Intangible assets... continued

The recoverable amount of a cash-generating unit is determined based on its value-in-use calculations. These calculations use pre-tax cash flow projections prepared by management for the next five years. During the year the carrying values of three cash-generating units within the import, distribution and marketing segment were reduced to their estimated recoverable amounts through recognition of an impairment loss of $3,892 in respect of goodwill to reflect declining performances. This loss has been included in other gains/(losses) – net in the consolidated statement of income.

A sensitivity analysis was conducted on the recoverable amount of all major cash-generating units. A weighted average approach to the revenue growth assumptions, a gradual increase to the rate of revenue growth and mid-year discount factors were applied. This resulted in no additional impairment of the cash-generating units.

In performing the required value-in-use calculations to arrive at a recoverable amount for each cash-generating unit, management has applied the following discount factors and residual growth rates to the projected cash flows from the individual operating units.

	2015	
	Discount factor	Residual growth rate
Import, distribution and marketing	9.8% – 10.3%	2.5%
Manufacturing and services	10% – 14.2%	2.5%
Catering and ground handling	10.0%	2.5%

17. Investments in associated companies

The Group's significant investments in associates consist of a 45% investment in Sagicor General Insurance Inc., located and incorporated in Barbados, and a 50% investment in Caribbean Distribution Partners Limited, located and incorporated in the Republic of Trinidad and Tobago. The Group also holds various interests ranging from 20% – 50% shareholdings. The Group's investments in associates are accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarised financial information of the Group's investments in associates:

Summarised statement of financial position for the associates:

	2015	2014
Assets:		
Current assets	**441,645**	249,313
Non-current assets	**370,958**	313,914
	812,603	563,227
Liabilities:		
Current liabilities	**406,854**	301,336
Non-current liabilities	**119,028**	85,758
	525,882	387,094
Net assets	**286,721**	176,133
Average proportion of the Group's ownership	**44%**	43%
Carrying amount of investments	**126,858**	75,195

(Expressed in thousands of Barbados Dollars)

17. Investments in associated companies... continued

Summarised statement of income for the associates:

	2015	2014
Revenue	401,722	316,182
Income before taxation	12,296	21,119
Taxation	(3,157)	(6,235)
Net income for the year	9,139	14,884
Other comprehensive income	946	411
Total comprehensive income	10,085	15,295
Group's share of income for the year	3,293	6,569
Dividends received for the year	(4,767)	(5,013)

On 1 July 2015, Goddard Enterprises Limited (GEL) and Agostini's Limited (AL) agreed to the formation of a jointly-owned company, Caribbean Distribution Partners Limited (CDP). CDP is currently owned 50:50 by the two groups and both companies agreed to transfer their interests in some of their companies in the fast moving consumer goods sector into CDP. The companies transferred to CDP and their percentage ownership are as follows:

GEL companies:	
Hanschell Inniss Limited	100%
Peter & Company Limited (to be merged with Bryden & Partners Limited)	100%
Coreas Distribution Limited	100%
Independence Agencies Limited	55%
AL companies:	
Hand Arnold Trinidad Limited	100%
Facey Trading Limited	100%
Desinco Limited	40%

Amount due to GEL by AL (included in trade and other receivables):	
Fair value of GEL companies transferred to CDP	75,506
Less: fair value of AL companies transferred to CDP	(33,430)
Difference	42,076
50% of difference due to GEL by AL	21,038
Investment in CDP:	
Fair value of GEL companies transferred to CDP	75,506
Less: cash payment due by AL	(21,038)
Investment in CDP	54,468
Proceeds on transfer of GEL companies to CDP	
Fair value of GEL companies transferred to CDP	75,506
Less: investment in CDP	(54,468)
Due to GEL by AL	21,038
Add: bank overdraft net of cash transferred to CDP	2,246
Proceeds on transfer of GEL companies to CDP	23,284

(Expressed in thousands of Barbados Dollars)

17. Investments in associated companies... continued

Gain on disposal (included in other gains/(losses)) – net	
Fair value of GEL companies transferred to CDP	75,506
Less: carrying value and associated intangibles of companies transferred to CDP	(54,724)
Gain on disposal	20,782
Intangible assets (included in investments in associated companies)	
Investment in CDP	54,468
Less: 50% of carrying value of net assets acquired by CDP	(34,955)
Intangible assets	19,513

The Group's share of loss from CDP for the period 1 July to 30 September 2015 amounted to $153.

The Group is still in the process of finalizing the fair value adjustments for the investment in CDP and therefore provisional amounts have been used to account for this investment.

18. Financial investments

	2015	2014
Available-for-sale:		
Debt securities (listed)	–	421
Equity securities (listed)	8,698	17,469
Equity securities (unlisted)	6,449	2,334
	15,147	20,224
Loans and receivables:		
Debt securities (unlisted)	19,858	18,828
Fixed deposits	2,635	2,601
	22,493	21,429
Total	37,640	41,653

Significant concentrations of financial investments are as follows:

	2015	2014
Debt securities and fixed deposits:		
Government of St. Lucia Bonds (unrated)	2,783	2,714
Government of St. Lucia Treasury Bills (unrated)	3,034	2,367
Government of St. Vincent Treasury Bills (unrated)	1,111	1,111
East Caribbean Financial Holding Co. – Bank of St. Lucia (unrated)	2,528	2,472
Grenada Co-Operative Bank Limited Fixed Deposit (unrated)	1,129	1,095
First Citizens Investment Services Ltd. (unrated)	5,543	5,353
EC Home Mortgage Bank Bonds (unrated)	741	3,302

(Expressed in thousands of Barbados Dollars)

18. Financial investments... continued

Significant concentrations of financial investments are continued as follows:

Equity securities:	2015	2014
Banks Holdings Limited (unrated)	–	1,901
CIBC FirstCaribbean International Bank (unrated)	760	781
OAM Asian Recovery Fund (unrated)	4,321	4,776
OAM European Value Fund (unrated)	2,775	3,086
Mutual Financial Services Inc. (unrated)	1,423	1,385
Sagicor Financial Corporation (unrated)	678	682
Mirexus Biotechnologies Inc.	4,000	–

Debt securities carry fixed interest rates ranging from 1.5% to 7.15% (2014 – 1.5% to 6%) and maturity dates between 2015 and 2057 (2014 – 2014 and 2057).

No debt securities were past due at the consolidated statement of financial position date.

The Group's loans and receivables as disclosed in the consolidated statement of financial position approximate their fair value.

Loans and receivables amounting to $6,460 (2014 – $5,689) were used as securities for the statutory deposits and motor insurance fund for the Group's insurance company.

19. Deferred income tax assets/(liabilities)

	2015	2014
Deferred income tax assets (net) – beginning of year	6,843	7,172
Disposal of subsidiary companies	(581)	–
Deferred income tax release/(charge) to other comprehensive income	1,708	(440)
Deferred income tax (charge)/release (note 28)	(1,495)	717
Exchange adjustment	(80)	(606)
Deferred income tax assets (net) – end of year	6,395	6,843
Represented by:		
Deferred income tax assets	9,605	10,014
Deferred income tax liabilities	(3,210)	(3,171)
	6,395	6,843

The deferred income tax assets consist of the following components:

	2015	2014
Delayed tax depreciation	16,181	21,178
Taxed provisions	4,744	5,279
Pension plan assets net of liabilities	9,105	1,853
Unutilised tax losses	16,929	22,437
Other	112	212
	47,071	50,959
Deferred income tax assets at applicable corporation tax rates	9,605	10,014

(Expressed in thousands of Barbados Dollars)

19. Deferred income tax assets/(liabilities)... continued

The deferred income tax liabilities consist of the following components:

	2015	2014
Accelerated tax depreciation	(13,970)	(16,408)
Taxed provisions	(226)	(420)
Pension plan assets net of liabilities	1,220	(778)
Unutilised tax losses	14	2,983
Other	88	102
	(12,874)	(14,521)
Deferred income tax liabilities at applicable corporation tax rates	(3,210)	(3,171)

	2015	2014
Deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	8,865	8,634
Deferred income tax assets to be recovered within 12 months	740	1,380
	9,605	10,014
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after more than 12 months	(2,763)	(2,158)
Deferred income tax liabilities to be settled within 12 months	(447)	(1,013)
	(3,210)	(3,171)

The Group has not recognised potential deferred income tax assets which consist of the following components:

	2015	2014
Delayed tax depreciation	482	449
Unutilised tax losses	9,274	11,940
Intangible assets	(7,354)	(7,994)
	2,402	4,395
Deferred income tax assets at applicable corporation tax rates	645	1,307

20. Pension plans

The Company and certain of its subsidiary companies operate defined benefit pension plans for their employees under segregated fund policies with Sagicor Life Inc. as well as with Morgan Stanley Private Wealth Management, a financial institution registered in the United States of America. Annual valuations of the pension plans are performed by independent actuaries and the companies' contributions are adjusted according to the actuaries' recommendations. The last full actuarial valuations of the plans were performed as of 30 September 2011. Interim actuarial valuations of the plans were performed as of 30 September 2015.

(Expressed in thousands of Barbados Dollars)

20. Pension plans... continued

In respect of the defined benefit pension plans operated by the Group, the amounts recognised in the consolidated statement of financial position are as follows:

Pension plan assets

	2015	2014
Fair value of plan assets	**21,359**	66,986
Present value of funded obligations	**(20,035)**	(63,523)
Net assets – end of year	**1,324**	3,463

Pension plan liabilities

	2015	2014
Fair value of plan assets	**99,944**	73,558
Present value of funded obligations	**(111,593)**	(78,096)
Net liabilities – end of year	**(11,649)**	(4,538)

The movement in the fair value of plan assets over the year is as follows:

	2015	2014
Fair value of plan assets – beginning of year	**140,544**	138,747
Contributions – employer and employee	**4,127**	4,824
Benefits paid	**(5,035)**	(5,323)
Disposal of subsidiary companies	**(16,074)**	–
Plan administration expenses	**(159)**	(238)
Remeasurements:		
Return on plan assets	**(2,100)**	2,534
Fair value of plan assets – end of year	**121,303**	140,544

The movement in the present value of funded obligations over the year is as follows:

	2015	2014
Present value of funded obligations – beginning of year	**141,619**	139,093
Current service cost	**3,745**	4,532
Interest cost	**9,426**	10,464
Benefits paid	**(5,035)**	(5,323)
Disposal of subsidiary companies	**(15,176)**	–
Remeasurements:		
Experience gains	**(2,951)**	(7,147)
Present value of funded obligations – end of year	**131,628**	141,619

(Expressed in thousands of Barbados Dollars)

20. Pension plans... continued

The movement in the net liability recognised in the consolidated statement of financial position is as follows:

	2015	2014
Net liability – beginning of year	(1,075)	(1,303)
Net pension expense included in the consolidated statement of income	(2,615)	(3,279)
Remeasurements included in the consolidated statement of comprehensive income	(8,425)	262
Contributions paid	2,687	3,245
Disposal of subsidiary companies	(897)	–
Net asset/(liability) – end of year	10,325	(1,075)

The amounts recognised in the consolidated statement of income are as follows:

	2015	2014
Current service cost	2,306	2,952
Net interest on the net defined benefit liability/asset	150	15
Plan administration expenses	159	238
Amount not recognised because of limit placed on the economic value of surplus	–	74
Net amount recognised in the consolidated statement of income	2,615	3,279

The amounts recognised in the consolidated statement of comprehensive income are as follows:

	2015	2014
Remeasurements:		
Gains from change in assumptions	–	(98)
Experience gains	(2,951)	(7,049)
Return on plan assets excluding amounts included in interest expense	11,376	7,916
Amount not recognised because of limit placed on the economic value of surplus	–	(1,031)
Net amount recognised in the consolidated statement of comprehensive income	8,425	(262)

Principal actuarial assumptions used for accounting purposes were as follows:

	2015	2014
Discount rate	7.5% - 7.8%	7.5% - 7.8%
Expected return on plan assets	7.5% - 7.8%	7.5% - 7.8%
Future promotional salary increases	3.0% - 5.0%	3.0% - 4.5%
Future inflationary salary increases	2.0% - 3.8%	1.5% - 3.8%
Future pension increases	2.0% - 3.8%	2.0% - 3.8%
Proportion of employees opting for early retirement	0.0%	0.0%
Future changes in NIS ceiling	2.0% - 5.0%	2.0% - 5.0%
Mortality	UPM94	UPM94

(Expressed in thousands of Barbados Dollars)

20. Pension plans... continued

Plan assets are comprised as follows:

	2015	2014
Bonds Fund	**9.0%**	8.4%
Equity Fund	**66.6%**	69.3%
Balanced Fund	**22.4%**	22.5%
Other	**2.0%**	(0.2)%
Total	**100.0%**	100.0%

Investments are well diversified, such that failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in equities. The Group believes that equities offer the best returns over the long term with an acceptable level of risk.

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy.

Expected contributions to the defined benefit pension plans for the year ending 30 September 2016 are $2,894.

The Group also operates defined contribution plans for eligible employees. Pension costs for the year in respect of the defined contribution plans amounted to $3,092 (2014 – $3,033).

The weighted average duration of the defined benefit obligations within the Group ranges from 13.41 to 28.04 years.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.0%	18,131	24,991
Salary growth rate	0.5%	5,261	4,696
Life expectancy	1 year	8,360	–

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the year) has been applied as when calculating the pension plan liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The following payments are expected benefit payments to be in the future years out of the defined benefit plan obligations:

	2015
Less than 1 year	**4,971**
Between 1 - 2 years	**5,248**
Between 2 - 5 years	**19,192**
Over 5 years	**45,270**
	74,681

(Expressed in thousands of Barbados Dollars)

21. Share capital

Authorised

The Company is authorised to issue:
i) an unlimited number of one class of shares of no par value designated common shares.
ii) 960,000 of one class of shares of no par value designated preference shares.

Issued

	2015	2014
Common shares	**44,634**	43,829

	2015		2014	
	Number of shares	$	Number of shares	$
Balance – beginning of year	**58,310,410**	**43,829**	60,124,689	44,557
Shares repurchased during the year – see (a)	**(139,069)**	**(105)**	(1,950,095)	(1,445)
Shares issued during the year – see (b) & (c)	**167,965**	**910**	135,816	717
Balance – end of year	**58,339,306**	**44,634**	58,310,410	43,829

Changes during the year were as follows:

a) During the year, the Company repurchased 139,069 (2014 – 1,950,095) common shares at a price of $6.40 (2014 – $6.25) per share.

b) In November 2014, employees of the Company and its Barbados subsidiary companies were offered shares in part payment of bonus payable in December 2014, as permitted by law. A total of 95,957 shares were issued at a price of $5.36 each. Subsequently, in May 2015, 48,072 shares were allotted under the Employee Share Purchase Scheme at $5.47 per share. These shares qualified for the 2015 interim dividend paid in August 2015.

c) During the year, 2,118 employee share options were exercised at a price of $5.90 and 21,818 share options were exercised at a price of $5.50. 21,836 (2014 – 16,917) share options expired during the year (note 23).

(Expressed in thousands of Barbados Dollars)

22. Other reserves

	Financial investments reserve	Revaluation surplus	Translation reserve	Share-based payments reserve	Statutory reserve	Total
Balance at 1 October 2013	3,783	106,982	(13,627)	1,429	2,332	100,899
Other comprehensive income/(loss):						
Unrealised gains on available-for-sale financial investments:						
– Group	751	–	–	–	–	751
(Gains)/losses transferred to income on disposal of available-for-sale financial investments:						
– Group	(651)	–	–	–	–	(651)
– Associated companies	251	–	–	–	–	251
Impairment of financial investments	302	–	–	–	–	302
Currency translation differences	–	–	(10,049)	–	–	(10,049)
Hyperinflationary revaluations	–	463	–	–	–	463
Share of revaluation surplus:						
– Group	–	34	–	–	–	34
– Associated companies	–	(295)	–	–	–	(295)
Other comprehensive income/(loss) for the year	653	202	(10,049)	–	–	(9,194)
Value of employee services:						
– Other share-based plans	–	–	–	118	–	118
Balance at 30 September 2014	4,436	107,184	(23,676)	1,547	2,332	91,823

(Expressed in thousands of Barbados Dollars)

22. Other reserves... continued

	Financial investments reserve	Revaluation surplus	Translation reserve	Share-based payments reserve	Statutory reserve	Total
Balance at 1 October 2014	4,436	107,184	(23,676)	1,547	2,332	91,823
Other comprehensive income/(loss):						
Unrealised gains on available-for-sale financial investments:						
– Group	(975)	–	–	–	–	(975)
– Associated companies	3	–	–	–	–	3
Gains transferred to income on disposal of available-for-sale financial investments:						
– Group	(1,037)	–	–	–	–	(1,037)
– Associated companies	(588)	–	–	–	–	(588)
Reversal of impairment of financial investments	(213)	–	–	–	–	(213)
Currency translation differences:						
– Group	–	–	(3,191)	–	–	(3,191)
– Associated companies	–	–	(473)	–	–	(473)
Hyperinflationary revaluations	–	279	–	–	–	279
Transfers to statutory reserves	–	–	–	–	44	44
Share of revaluation surplus:						
– Group	–	444	–	–	–	444
– Associated companies	–	(272)	–	–	–	(272)
Disposal of subsidiary companies	–	(10,404)	–	–	–	(10,404)
Other comprehensive income/(loss) for the year	(2,810)	(9,953)	(3,664)	–	44	(16,383)
Value of employee services:						
– Other share-based plans	–	–	–	141	–	141
Balance at 30 September 2015	**1,626**	**97,231**	**(27,340)**	**1,688**	**2,376**	**75,581**

A statutory reserve is maintained by a subsidiary of the Group in accordance with the provisions of Section 141 of the Insurance Act, 1995 of St. Lucia, whereby the subsidiary is required to appropriate towards statutory reserve at least 25% of the current year's profit until the excess of assets over liabilities equals or exceeds the reserve in respect of its unearned premiums.

(Expressed in thousands of Barbados Dollars)

23. Share option plan

Each year, the Company offers vested share options to eligible senior managers across the Group under the terms of an executive share option plan. The price of the options made available to these employees is determined by the Board of Directors. The term of the options is five years.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2015		2014	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding – beginning of year	**49,620**	**5.787**	74,537	6.252
Exercised (note 21 (c))	**(23,936)**	**5.535**	(8,000)	6.040
Expired	**(21,836)**	**6.040**	(16,917)	7.720
Outstanding – end of year	**3,848**	**5.849**	49,620	5.787

Terms of the options outstanding at 30 September:

Share options outstanding at the year end have the following expiry dates and exercise prices:

	Exercise price $	Number 2015	Number 2014
Expiry date			
1 October 2014	**6.04**	–	21,836
1 October 2015	**5.90**	**1,272**	3,390
1 October 2016	**6.00**	**1,667**	1,667
1 October 2017	**5.50**	**909**	22,727
		3,848	49,620

The fair value of all options made available to employees in respect of services provided during the year is less than the purchase price of the options resulting in no expense recorded by the Group for the year (2014 – $Nil). The fair value of the options was determined using the Binomial Pricing Model. Significant assumptions underlying the valuation included an expected share price volatility of 10% (2014 – 10%), an average option life of 4.5 years (2014 – 4.5 years) and an annual risk-free interest rate of 6% (2014 – 6%).

24. Expenses by nature

	2015	2014
Depreciation (note 14)	**23,297**	22,293
Employee benefits expense (note 26)	**187,719**	189,884
Changes in inventories of finished goods and work in progress	**22,255**	(3,794)
Raw materials and consumables used	**514,937**	565,252
Transportation	**2,618**	2,422
Advertising costs	**11,778**	12,950
Provision for impairment of receivables	**1,520**	2,057
Other expenses	**108,232**	117,040
Total cost of sales and selling, marketing and administrative expenses	**872,356**	908,104

(Expressed in thousands of Barbados Dollars)

24. Expenses by nature... continued

	2015	2014
Cost of sales	574,576	598,108
Selling and marketing expenses	61,283	67,050
Administrative expenses	236,497	242,946
	297,780	309,996
	872,356	908,104

25. Other gains/(losses) – net

	2015	2014
Gain on disposal of financial investments	1,154	671
Gain on disposal of property, plant and equipment	65	3,313
Interest income	1,484	1,649
Rental income	6,607	6,141
Dividends from other companies	232	318
Amortisation charge (note 16)	(1,684)	(1,981)
Impairment of intangible assets (note 16)	(3,892)	–
Gain on disposal of assets of subsidiary company	–	5,242
Gain on acquisition of a subsidiary company	–	102
Gain on disposal of subsidiary companies	20,782	–
Reversal of impairment/(impairment) of financial investments	213	(302)
Fair value gains on revaluation of investment property (note 15)	107	175
Gain on wind-up of pension plan	41	–
Write back of deposit liability	1,945	–
Hyperinflationary adjustments	(293)	(749)
	26,761	14,579

26. Employee benefits expense

	2015	2014
Salaries and other employee benefits	187,578	189,766
Share-based payments	141	118
	187,719	189,884

27. Finance costs

	2015	2014
Interest expense:		
Bank borrowings	6,612	6,770
Dividend on redeemable preference shares	2,108	2,108
Other borrowings	3,137	3,409
	11,857	12,287

(Expressed in thousands of Barbados Dollars)

28. Taxation

The taxation charge on net income for the year consists of the following:

	2015	2014
Current income tax	10,126	10,801
Deferred income tax (note 19)	1,495	(717)
	11,621	10,084

The Group's effective tax rate of 15.8% (2014 – 17.1%) differs from the statutory Barbados tax rate of 25% (2014 – 25%) as follows:

	2015	2014
Income before taxation	73,492	58,987
Taxation calculated at 25% (2014 – 25%)	18,373	14,747
Effect of different tax rates in other countries	(5,745)	96
Tax effect of different tax rates on deferred tax assets and liabilities	(374)	(260)
Tax effect of associated companies' results reported net of taxes	(776)	(1,538)
Income not subject to taxation	(11,955)	(4,245)
Expenses not deductible for tax purposes	15,562	4,119
Taxation allowances	(3,522)	(2,423)
Decrease in deferred tax assets not recognised	182	112
Amounts under/(over) provided in prior years	205	(416)
Amounts under provided in current year	(647)	(336)
Irrecoverable tax on foreign income	247	263
Tax effect of change in tax rate	(1)	(42)
Effect of losses incurred/(utilised)	72	(52)
Effect of losses expired	–	59
	11,621	10,084

(Expressed in thousands of Barbados Dollars)

28. Taxation... continued

Tax losses

Tax losses which are available for set off against future taxable income for income and corporation tax purposes are as follows:

Year of income	Amount	Year of expiry
2007	36	2016
2008	205	2017
2009	86	2018
2010	1,124	2016
2010	1,953	2019
2011	779	2017
2011	1,316	2020
2012	492	2018
2012	11,601	2021
2013	469	2016
2013	2,664	2019
2013	303	2022
2014	706	2020
2014	1,471	2023
2015	1,622	2021
2015	1,390	2022
	26,217	

These losses are as computed by the Company and its subsidiary companies in their income and corporation tax returns and have to date neither been confirmed nor disputed by the revenue authorities in the relevant jurisdictions.

29. Earnings per share

Basic

Basic earnings per share is calculated by dividing the net income attributable to equity holders of the Company for the year by the weighted average number of common shares in issue during the year.

	2015	2014
Net income for the year attributable to equity holders of the Company	**48,449**	36,402
Weighted average number of common shares in issue (thousands)	**58,340**	58,600
Basic earnings per share	**83.0¢**	62.1¢

(Expressed in thousands of Barbados Dollars)

29. Earnings per share... continued

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of common shares in issue during the year to assume conversion of all share options and redeemable preference shares.

	2015	2014
Net income for the year attributable to equity holders of the Company	48,449	36,402
Dividend on redeemable preference shares	1,265	1,265
Net income used to determine diluted earnings per share	49,714	37,667
Weighted average number of common shares in issue (thousands)	58,340	58,600
Adjustments for share options (thousands)	12	52
Adjustments for convertible preference shares (thousands)	2,983	3,097
Weighted average redeemable number of common shares for diluted earnings per share	61,335	61,749
Diluted earnings per share	81.1¢	61.0¢

30. Dividends per share

The dividends paid in 2015 and 2014 were $11,681 ($0.14 per share – final for 2014; and $0.06 per share – interim for 2015) and $8,159 ($0.08 per share – final for 2013; and $0.06 per share – interim for 2014).

At the Directors' meeting of 1 December 2015, a final dividend in respect of the 2015 financial year of $0.14 per share was declared. These consolidated financial statements do not reflect this dividend payable which will be accounted for in equity as an appropriation of retained earnings in the next financial year.

31. Contingent liabilities

a) Certain subsidiaries have bonds of $9,498 (2014 – $16,117) in favour of the Comptroller of Customs covering delivery of goods prior to payment of duty.

b) As of the reporting date, certain subsidiaries of the Company have been assessed and reassessed for income tax for income years 2001 through 2004 amounting to $2,619 including interest. Objections to these assessments have been lodged. The subsidiaries were also assessed additional taxes of $856 for income years 1998 through 2012 and are awaiting correspondence from the Inland Revenue Department.

32. Commitments

Capital commitments

Approvals for capital expenditure to be incurred over the next year, for which no provision has been made in these consolidated financial statements, amounted to $40,958 (2014 – $35,415) at the year-end date.

(Expressed in thousands of Barbados Dollars)

32. Commitments... continued

Lease commitments

a) The Group's flight kitchen operations lease land at various international airports and their environs for periods of up to 25 years, at the following rentals for the next five years:

	2015	2014
Not later than 1 year	**1,367**	1,716
Later than 1 year and no later than 5 years	**5,408**	7,038
	6,775	8,754

b) The Group has leased space at various international airports for the purpose of operating restaurants for periods of up to 8 years at the following rental rates for the next five years.

	2015	2014
Not later than 1 year	**91**	88
Later than 1 year and no later than 5 years	**215**	269
	306	357

c) Buildings are also situated on lands leased from St. Lucia Air and Sea Ports Authority for a 20 year period expiring in 2032. The future aggregate minimum lease payments under the non-cancellable operating lease are as follows:

	2015	2014
Not later than 1 year	**48**	48
Later than 1 year and no later than 5 years	**190**	190
	238	238

d) Lease of land at Bois D'Orange, St. Lucia for 10 years, entered into on the acquisition of Sunbilt Limited, expires in October 2016:

	2015	2014
Not later than 1 year	**33**	400
Later than 1 year and no later than 5 years	**–**	33
	33	433

e) Company vehicles
The Group has leased vehicles from an associated company. The future aggregate minimum lease payments for the remainder of the leases are as follows:

	2015	2014
Not later than 1 year	**758**	966
Later than 1 year and no later than 5 years	**1,147**	1,584
	1,905	2,550

(Expressed in thousands of Barbados Dollars)

33. Business combinations

Bryden & Partners Limited

In January 2015, 750,000 shares were purchased in Bryden & Partners Limited at a cost of $8,054. This increased the shareholding from 67% to 100%. This company was transferred to Caribbean Distribution Partners Limited on 1 July 2015.

Jonas Browne and Hubbard (Grenada) Ltd.

During 2015, 2,500 shares were purchased in Jonas Browne and Hubbard (Grenada) Ltd. at a cost of $37. This increased the shareholding from 52.21% to 52.38%.

34. Related party disclosures

a) The consolidated financial statements include the financial statements of Goddard Enterprises Limited, which is the ultimate parent company, and its subsidiaries listed below:

Company	Country of Incorporation	Effective Shareholder's Interests	Effective Non- Controlling Interests
Admiral Shipping Limited	St. Lucia	100%	–
Airport Restaurants (1996) Limited	Barbados	51%	49%
Calloway Corporation N.V.	Aruba	51%	49%
Caribbean Label Crafts Ltd.	Barbados	51%	49%
Corea & Co. (1988) Limited	St. Vincent	100%	–
Coreas Hazells Inc.	St. Vincent	100%	–
Courtesy Garage Limited	Barbados	99%	1%
Fidelity Motors Limited	Jamaica	100%	–
Fontana Project - S.A.	Uruguay	51%	49%
GCG Events Curaçao N.V.	Curaçao	51%	49%
GCG Ground Services, LLC	St. Thomas	51%	49%
GEL Holdings (St. Lucia) Ltd.	St. Lucia	100%	–
Goddard Catering Group (Antigua) Limited	Antigua	51%	49%
Goddard Catering Group (Barbados) Limited	Barbados	51%	49%
Goddard Catering Group (Cayman) Ltd.	Cayman Islands	100%	–
Goddard Catering Group (Guatemala) S.A.	Guatemala	51%	49%
Goddard Catering Group (Jamaica) Limited	Jamaica	51%	49%
Goddard Catering Group (St. Lucia) Ltd.	St. Lucia	51%	49%
Goddard Catering Group Bogota Ltda.	Colombia	51%	49%
Goddard Catering Group Bonaire N.V.	Bonaire	51%	49%
Goddard Catering Group Caracas S.A.	Venezuela	51%	49%
Goddard Catering Group Curaçao, N.V.	Curaçao	51%	49%
Goddard Catering Group El Salvador, S.A. de C.V.	El Salvador	51%	49%
Goddard Catering Group GCM Ltd.	Cayman Islands	51%	49%
Goddard Catering Group Guayaquil S.A.	Ecuador	51%	49%
Goddard Catering Group Honduras, S.A.	Honduras	51%	49%
Goddard Catering Group Margarita, C.A.	Margarita	51%	49%
Goddard Catering Group St. Maarten N.V.	St. Maarten	51%	49%
Goddard Catering Group Uruguay S.A.	Uruguay	51%	49%
Goddard Enterprises (St. Lucia) Ltd.	St. Lucia	100%	–
Goddard Flite Kitchens (Cayman) Limited	Cayman Islands	100%	–
Goddard Flite Kitchens (St. Lucia) Ltd.	St. Lucia	100%	–
Goddards Shipping & Tours Limited	Barbados	100%	–
Haggatt Hall Holdings Limited	Barbados	67%	33%
Hanschell Inniss Holdings (Curaçao) N.V.	Curaçao	100%	–
Hipac Limited	Barbados	100%	–

(Expressed in thousands of Barbados Dollars)

34. Related party disclosures... continued

Company	Country of Incorporation	Effective Shareholder's Interests	Effective Non- Controlling Interests
Hutchinson (Antigua) Limited	Antigua	100%	–
Hutchinson Investments Limited	Antigua	100%	–
Inflite Holdings (Cayman) Limited	Cayman Islands	51%	49%
Inflite Holdings (St. Lucia) Ltd.	St. Lucia	51%	49%
International Brand Developers N.V.	Curaçao	69%	31%
Jamaica Dispatch Services Limited	Jamaica	51%	49%
Jonas Browne and Hubbard (Grenada) Limited	Grenada	52%	48%
Label Crafts Jamaica Limited	Jamaica	51%	49%
M & C Drugstore Limited	St. Lucia	100%	–
M & C General Insurance Company Limited	St. Lucia	100%	–
M & C Home Depot Limited	St. Lucia	100%	–
McBride (Caribbean) Limited	Barbados	100%	–
Minvielle & Chastanet Insurance Brokers (Barbados) Limited	Barbados	100%	–
Minvielle & Chastanet Insurance Brokers Limited	St. Lucia	100%	–
Minvielle & Chastanet Limited	St. Lucia	100%	–
O.D. Brisbane and Sons (Trading) Ltd.	St. Kitts	100%	
Paradise Springs – a division of Goddard Catering Group (St. Lucia) Ltd.	St. Lucia		
PBH Limited	Barbados	100%	–
Penrith Development Limited	Barbados	100%	–
Peter's Holdings Limited	St. Lucia	100%	-
Precision Packaging Inc.	Barbados	100%	–
Purity Bakeries – a division of Goddard Enterprises Limited	Barbados		
Sea Freight Agencies & Stevedoring Limited	Barbados	100%	–
Sunbilt Limited	St. Lucia	100%	–
The West Indies Rum Distillery Limited	Barbados	92%	8%
Wonder Bakery Limited	St. Lucia	70%	30%

All subsidiary undertakings are included in the consolidation. The total non-controlling interests for the year is $95,844 of which $52,600 is for group companies in the catering and ground handling division, $32,341 for group companies in the import, distribution and marketing division and $7,950 for group companies in the manufacturing and services division. The remaining non-controlling interests in respect of the remaining group companies is not considered to be material. See the consolidated statement of changes in equity for transactions with non-controlling interests.

(Expressed in thousands of Barbados Dollars)

34. Related party disclosures... continued

b) The Group's significant associates at 30 September 2015 were as follows:

Company	Country of Incorporation	Effective Shareholder's Interests
Sagicor General Insurance Inc.	Barbados	45%
Caribbean Distribution Partners Limited which holds the following subsidiaries and associate:	Trinidad and Tobago	50%
Bryden & Partners Limited	St. Lucia	100%
Bryden & Partners SVG Limited	St. Vincent	100%
Coreas Distribution Limited	St. Vincent	100%
Facey Trading Limited	Barbados	100%
Hand Arnold Trinidad Limited	Trinidad and Tobago	100%
Hanschell Inniss Limited	Barbados	100%
Hilbe Investments Limited	Barbados	100%
Independence Agencies Limited	Grenada	55%
Orange Wood Distributors Limited	St. Lucia	100%
Peter & Company Limited	St. Lucia	100%
Desinco Limited	Guyana	40%
Various interests held ultimately by Goddard Enterprises Limited	Various Caribbean and Latin American countries and Barbados	20% – 50%

c) The following transactions were carried out by the Group with related parties during the year:

	2015	2014
i) Sales of goods and services	**18,106**	11,695
ii) Purchases of goods and services	**1,840**	537
iii) Management fee income	**1,243**	640
iv) Insurance expense	**10**	10
v) Dividend income (note 17)	**4,767**	5,013

d) *Key management*

Key management comprises directors, divisional management and other senior Group personnel. Compensation to these individuals was as follows:

	2015	2014
Compensation		
Salaries and other short-term employee benefits	**7,115**	7,406
Share-based payments	**40**	36
	7,155	7,442

There were no loans to key management in 2015 and 2014.

(Expressed in thousands of Barbados Dollars)

35. Cash flows

The net change in non-cash working capital balances related to operations is as follows:

	2015	2014
(Increase)/decrease in trade and other receivables	**(22,807)**	2,918
Increase in prepaid expenses	**(2,676)**	(2,152)
(Increase)/decrease in due by associated companies	**(52,328)**	1,398
(Increase)/decrease in reinsurance assets	**(518)**	279
Decrease in inventories	**662**	682
(Decrease)/increase in trade and other payables	**(7,196)**	6,651
Increase in due to associated companies	**46,848**	673
Increase/(decrease) in insurance contracts	**562**	(391)
	(37,453)	10,058

Appendix A – Text of Resolution

WHEREAS:

a) On 30 September 1998, the shareholders of Goddard Enterprises Limited (the "Company") ratified the Company's Savings Related Employee Share Purchase Scheme which had been approved by the Board of Directors of the Company on 20 February 1996 and implemented on 1 October 1996 (the "Scheme"); and

b) The Scheme was established to enable all eligible full time employees of the Company and its subsidiaries in all countries in which the Group operates to build up a shareholding in the Goddard Group of companies through weekly or monthly savings of up to a maximum of 10% of their basic weekly or monthly pay and so be able to participate in the continued success and expansion of the Goddard Group as shareholders.

AND WHEREAS the Board of Directors of the Company considers it expedient that the Scheme should be extended to the Non-Executive Directors of the Company.

AND WHEREAS it is proposed to extend the Scheme to enable Non-Executive Directors of the Company to participate by purchasing shares in the Company under the Scheme up to a maximum value of BDS$40,000 per annum for each participating Non-Executive Director.

NOW BE IT RESOLVED AS FOLLOWS:

i) That the Non-Executive Directors of the Board of the Company be and are hereby authorised to participate in the Scheme and be and are hereby authorised to purchase shares in the Company under the Scheme up to a maximum value of BDS$40,000 per annum for each participating Non-Executive Director.

ii) That the Scheme be and is hereby amended to enable such participation by the Non-Executive Directors of the Company with effect from the end of the Meeting.

iii) That the Directors and Officers of the Company be and are hereby authorised to do all that is necessary to give effect to the foregoing resolution.

Management Proxy Circular

Company No. 1330

Management is required by the Companies Act, Chapter 308 of the Laws of Barbados (the "Companies Act") to send forms of proxy with the notice convening the meeting. In complying with those provisions, management is deemed to be soliciting proxies within the meaning of the Companies Act.

This Management Proxy Circular accompanies the notice of the seventy-seventh annual meeting of the shareholders of Goddard Enterprises Limited (the "Company") to be held on Friday, 29 January 2016 at 5.30 p.m. at the Walcott Warner Theatre, Errol Barrow Centre for Creative Imagination, The University of the West Indies, Cave Hill Campus, St. Michael (the "meeting") and is furnished in connection with the solicitation by the management of the Company of proxies for use at the meeting, or any adjournment thereof. It is expected that the solicitation will be primarily by mail. The cost of the solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

A shareholder who is entitled to vote at the meeting has the right by means of the enclosed form of proxy to appoint a person to represent him at the meeting and may do so by inserting the name of such person in the space indicated on the form. The completed proxy form must be returned to the Company no later than 4.00 p.m. on Thursday, 28 January 2016.

A proxy given by a shareholder for use at the meeting may be revoked by the shareholder at any time prior to its use. A proxy may be revoked in any manner permitted by law, including by an instrument in writing executed by the shareholder or his attorney in writing. If the shareholder is a company, the written instrument of revocation must be executed under its corporate seal or by any duly authorised officer or attorney of the company. The instrument of revocation must be deposited at the office of the Company, Top Floor, The Goddard Building, Haggatt Hall, St. Michael, Barbados at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the meeting on the day of the meeting, or adjournment thereof. Upon deposit in either manner, the proxy is revoked.

RECORD DATE AND VOTING SHARES

The Directors of the Company have not fixed a record date for determining the shareholders who are entitled to receive notice of the meeting. Therefore, in accordance with the Companies Act, the statutory record date applies. Accordingly, only shareholders of record at the close of business on the day immediately preceding the day on which the notice of the meeting is given will be entitled to receive notice of the meeting. Only such registered holders of shares of the Company will be entitled to vote at the meeting. In the event of a poll, each shareholder is entitled to one vote for each share held. As at the date hereof, there are 58,339,306 common shares of the Company issued and outstanding.

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDITORS' REPORT

The Consolidated Financial Statements of the Company for the year ended 30 September 2015 and the Auditors' Report thereon are included in the 2015 Annual Report.

ELECTION OF DIRECTORS

The Board of Directors of the Company currently comprises eight members. The number of Directors to be elected at this meeting is three.

The names of the persons proposed as nominees for election as Directors of the Company, and for whom it is intended that votes will be cast for their election as Directors pursuant to the form of proxy herewith enclosed, are as follows:

Nominee for Director	Present Principal Occupation
Mr. Anthony H. Ali	Managing Director
Mr. J. Dereck Foster	Non-Executive Director
Mr. William P. Putnam	Non-Executive Director

Messrs. J. Dereck Foster and William P. Putnam, two of the above nominees, are currently Directors of the Company and will retire at the close of the meeting in accordance with article 4.4 of the by-laws of the Company but being qualified, are eligible for re-election. Messrs. J. Dereck Foster and William P. Putnam were each re-elected to the Board at the seventy-fourth annual meeting of the shareholders held on 31 January 2013 for a term of three years.

Mr. Anthony H. Ali, the other nominee, is also a current Director of the Company and was first appointed to the Board on 6 August 2013 to fill the vacancy created by the resignation of Mr. Martin Pritchard, former Managing Director of GEL. Mr. Pritchard was re-elected to the Board at the seventy-fourth annual meeting of the shareholders held on 31 January 2013 for a term of three years and resigned from the Board on 30 April 2013 simultaneously on his retirement from executive duties within the Goddard Group. In accordance with the Companies Act, Mr. Anthony H. Ali holds office for the unexpired term of his predecessor of two and a half years and therefore will retire at the close of the meeting. The shareholders are being asked to elect Mr. Anthony H. Ali to the Board of Directors.

It is proposed that the term of office for each of Messrs. Anthony H. Ali, J. Dereck Foster and William P. Putnam will expire at the close of the third annual meeting of shareholders following his election or until his successor is elected or appointed.

The management of the Company does not contemplate that any of the three persons named above will, for any reason, become unable or unwilling to serve as a director.

RE-APPOINTMENT OF AUDITORS

It is proposed to nominate the firm of Ernst & Young, Chartered Accountants, the present Auditors of the consolidated financial statements of the Company, as the Auditors of the Company to hold office until the next annual meeting of shareholders.

FIXING OF REMUNERATION OF NON-EXECUTIVE DIRECTORS

Remuneration of the Company's Non-Executive Directors was last fixed at the annual meeting of shareholders held on 30 January 2009. Since 2009, the Directors' duties and responsibilities have increased tremendously. International best practice supports the view that the remuneration of directors is a key factor which enables a company to attract and retain directors who possess the knowledge and experience required to contribute effectively to a company's strategic growth and development.

During the year, the Board of Directors of the Company, through the Corporate Governance Committee (the "Committee") reviewed the remuneration of the Company's Non-Executive Directors as part of the strengthening of the Company's corporate governance framework. The Committee conducted a survey which reviewed all components of directors' remuneration including retainers, board and committee meeting attendance fees, equity compensation and other relevant considerations. This survey canvassed both locally and regionally listed companies of comparable size and business to that of the Company.

The Committee made the following recommendations:

i) The Company's current policy of not paying board fees to Company Executives who serve on the parent or subsidiary boards should be maintained.
ii) Increased retainers and increased meeting attendance fees should be paid.
iii) A retainer for the Chairman of a Committee of the Board should be introduced.
iv) A fee equivalent to that of a Committee meeting attendance fee should be paid to Non-Executive Directors who serve on boards of the Company's joint venture companies for each joint venture board meeting attended.
v) A travel allowance should be paid to a Non-Executive Director of the Board for each occasion when travel is required outside of the jurisdiction of residence of the said Non-Executive Director, for attendance at board or committee meetings of the Company, its subsidiary and/or associated companies, notwithstanding the length of stay and/or the number of meetings to be attended.

In light of the above, the Committee recommended to the Board that a proposal be placed before the Company's shareholders, for approval in accordance with the by-laws of the Company, that the Company's Non-Executive Directors should be remunerated in the following proposed terms:

Management Proxy Circular... continued

Retainer/Fee/Allowance	Existing	Proposed
Board Chairman Retainer	BDS$12,000 per annum	BDS$32,000 per annum
Non-Executive Director Retainer	BDS$ 9,000 per annum	BDS$16,000 per annum
Committee Chairman Retainer	NIL	BDS$ 8,000 per annum
Board Meeting Attendance Fee	BDS$ 1,500 per meeting attended	BDS$ 2,000 per meeting attended
Committee Meeting Attendance Fee	BDS$ 1,000 per meeting attended	BDS$ 1,200 per meeting attended
Joint Venture Board Meeting Attendance Fee	NIL	BDS$ 1,200 per meeting attended
Travel Allowance	NIL	BDS$ 2,000 per travel occasion

The Board's 2016 meeting schedule shows ten board and five committee meetings. For comparative purposes, Directors' fees for these meetings, assuming current membership and full attendance at each meeting, would be BDS$276,000 calculated using the current fee structure and BDS$418,000 calculated under the proposed new fee structure. This represents an increase of BDS$142,000 for the coming year in relation to the Company's Board and Committee meetings.

The Board considered the Committee's recommendations set out above at its meeting held on 1 December 2015. The Board accepted the recommendations on the basis that the proposed increases to retainers and fees and the introduction of a travel allowance: i) are consistent with comparable companies in the region; and ii) are justified having regard to the Company's size and risk profile, the frequency of meetings and the time required to prepare for and deliberate at meetings.

The Board recommends that the Company's Non-Executive Directors' remuneration be fixed as set out above.

ADOPTION OF RESOLUTION IN SUPPORT OF THE EXTENSION OF THE SCHEME TO NON-EXECUTIVE DIRECTORS

The Board recommends that Non-Executive Directors of the Company be allowed to participate in the Company's Savings Related Employee Share Purchase Scheme (the "Scheme"). The Scheme was implemented by the Company in 1998 and currently allows Group employees to purchase shares in the Company up to a maximum value of 10% of their basic annual salary. It is proposed that Non-Executive Directors be allowed to purchase shares in the Company up to a maximum of BDS$40,000 per annum for each participating Non-Executive Director. The Board is of the opinion that the proposed extension of the Scheme to include participation by Non-Executive Directors of the Company is expedient and in the interest of the Company at this time.

The Directors recommend that shareholders vote in favour of this extension of the Scheme by adopting the resolution which will be proposed at the meeting.

DISCRETIONARY AUTHORITY

Management knows of no matter to come before the meeting other than the matters referred to in the Notice of Meeting enclosed herewith. However, if any other matter which is not now known to management should properly come before the meeting or any adjournment thereof, the shares represented by proxies in favour of management nominees will be voted on any such matter in accordance with the best judgment of the proxy holders.

Similar discretionary authority is deemed to be conferred with respect to any amendment to any matter identified in the Notice of Meeting.

The contents of this Management Proxy Circular and the sending thereof to all the holders of shares of the Company have been approved by the Directors of the Company.

No director's statement is submitted pursuant to section 71(2) of the Companies Act.

No auditor's statement is submitted pursuant to section 163 (1) of the Companies Act.

No shareholder's statement is submitted pursuant to sections 112 (a) and 113 (2) of the Companies Act.

1 December 2015

Kathy-Ann Scantlebury

Kathy-Ann L. Scantlebury
Corporate Secretary

Appendix B – Board and Committee Meeting Attendance for 2015

NAME OF DIRECTOR	BOARD MEETINGS ATTENDED FOR THE YEAR	COMMITTEE MEETINGS ATTENDED FOR THE YEAR	TOTAL	OVERALL PERCENTAGE
Mr. A. Charles Herbert, Chairman	10 of 10	16 of 17	26 of 27	96%
Mr. Ian K. D. Castilho, Deputy Chairman	9 of 10	9 of 9	18 of 19	95%
Mr. Anthony H. Ali, Managing Director	9 of 10	11 of 11	20 of 21	95%
Ms. Vere P. Brathwaite	10 of 10	10 of 10	20 of 20	100%
Mr. J. Dereck Foster	7 of 10	7 of 9	14 of 19	74%
Mr. William P. Putnam	10 of 10	10 of 10	20 of 20	100%
Mr. Christopher G. Rogers	10 of 10	9 of 9	19 of 19	100%
Mr. Stephen T. Worme	9 of 10	11 of 11	20 of 21	95%

Proxy

Goddard Enterprises Limited
Company No. 1330

The undersigned shareholder(s) of Goddard Enterprises Limited (the "Company") hereby appoint(s)

. . . .

of . . . .

or failing him . . . .

of . . . .

as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the 77th annual meeting of the shareholders of the Company to be held on 29 January 2016 and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same powers as if the undersigned were present at the said meeting or such adjournment or adjournments thereof.

. . . .
Name of Shareholder(s)

. . . .
Signature of Shareholder(s)

. . . .
Date (DD/MM/YYYY)

Notes

1. (a) A shareholder who is entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxy holder, or one or more alternate proxy holders, none of whom need be shareholders, to attend and act at the meeting in the manner and to the extent authorised by the proxy and with the authority conferred by the proxy.

   (b) In the case of a shareholder who is a body corporate or association, votes at meetings of shareholders may be given by an individual authorised by a resolution of the directors or governing body of that body corporate or association to represent it at meetings of shareholders of the Company.

2. A proxy must be executed in writing by the shareholder or his attorney authorised in writing.

3. Proxy appointments are required to be deposited at the registered office of the Company no later than 4:00 p.m. on Thursday, 28 January 2016.

GODDARD ENTERPRISES LIMITED

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