GODDARD ENTERPRISES LIMITED

ANNUAL REPORT 2014

ONE Group
ONE Enterprise
ONE Set of Values

MANY Businesses
MANY Cultures
MANY People

GODDARD ENTERPRISES LIMITED

MISSION STATEMENT

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

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the SEVENTY-SIXTH 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, the 30th day of January, 2015 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 September 30, 2014.

3. To receive and consider the Consolidated Financial Statements of the Company for the year ended September 30, 2014, together with the Reports of the Directors and Auditor thereon.

4. To elect Directors.

5. To appoint an Auditor for the ensuing year and to authorise the Directors to fix its remuneration.

6. To receive a Presentation from Mr. Anthony H. Ali, Managing Director of the Company, on the Strategic Outlook for the Company for 2015.

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

By Order of the Board of Directors

Kathy-Ann Scantlebury

Kathy-Ann L. Scantlebury
Corporate Secretary

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

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

December 9, 2014

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
Mrs. Renee-Ann M. Kowlessar, CPA, CA	– 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

Governance Committee

Ms. Vere P. Brathwaite
Mr. A. Charles Herbert
Mr. Christopher G. Rogers
Mr. Stephen T. Worme

Audit Committee

Mr. A. Charles Herbert
Mrs. Renee-Ann M. Kowlessar
Mr. William P. Putnam

Compensation & Human Resources Committee

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

Company Secretary

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

Auditor

PricewaterhouseCoopers SRL

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 year ended September 30, 2014

(Expressed in Barbados Dollars)

	2014 $	Restated 2013 $	2012 $	2011 $	2010 $
Revenue – millions of dollars	**954.1**	962.6	999.1	949.3	877.8
Profit from operations before other gains/(losses) – net – millions of dollars	**50.1**	48.7	52.8	40.8	43.1
Profit from operations – millions of dollars	**64.7**	46.4	51.1	12.9	53.9
Income before taxation – millions of dollars	**59.0**	43.6	46.6	5.8	51.7
Earnings/(loss) per share – cents	**62.1**	35.3	41.2	(17.6)	46.1
Dividends per share – cents	**20.0***	14.0	18.0	12.0	18.0
Dividend cover (times covered)	**3.1**	2.5	2.3	(1.5)	2.6
Net asset value per share – dollars	**7.92**	7.54	7.57	7.30	7.77
Closing share price on BSE** – dollars	**6.31**	6.15	5.50	6.00	5.89
After tax return on shareholders' equity	**8.0%**	4.7%	5.7%	(2.3)%	6.2%
Price/earnings ratio	**10.2**	17.4	13.3	(34.1)	12.8

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

** Barbados Stock Exchange

The years 2010 to 2012 have not been restated and therefore are not comparable to the years 2013 and 2014.

Financial Highlights

SUMMARISED CONSOLIDATED BALANCE SHEETS – $MILLIONS

(Expressed in Barbados Dollars)

	2014 $	Restated 2013 $	Restated 2012 $	2011 $	2010 $
Trade receivables and prepaid expenses	**124.4**	122.9	121.3	129.4	105.6
Inventories	**165.5**	166.0	159.3	161.2	155.7
Other current assets	**90.3**	83.7	73.0	64.7	86.8
Total current assets	**380.2**	372.6	353.6	355.3	348.1
Less current liabilities	**(239.7)**	(253.0)	(236.9)	(248.5)	(226.3)
Working capital	**140.5**	119.6	116.7	106.8	121.8
Property, plant and equipment and investment property	**372.9**	370.6	371.3	363.7	348.8
Financial investments, intangible assets, investments in associated companies, deferred income tax assets, pension plan assets and long-term receivables	**167.1**	175.1	171.9	168.5	197.0
	680.5	665.3	659.9	639.0	667.6
Represented by:					
Shareholders' equity	**461.7**	453.5	448.8	437.1	463.8
Non-controlling interests	**103.6**	111.8	108.1	110.3	110.8
Long-term borrowings	**107.5**	90.6	95.1	85.7	86.6
Deferred income tax liabilities	**3.2**	3.5	3.9	3.7	4.9
Pension plan liabilities	**4.5**	5.9	4.0	2.2	1.5
	680.5	665.3	659.9	639.0	667.6

The years 2010 and 2011 have not been restated and therefore are not comparable to the years 2012 to 2014.

FINANCIAL HIGHLIGHTS

SUMMARISED CONSOLIDATED STATEMENTS OF INCOME – $MILLIONS

(Expressed in Barbados Dollars)

	2014 $	Restated 2013 $	2012 $	2011 $	2010 $
Revenue	**954.1**	962.6	999.1	949.3	877.8
Income before taxation:					
Parent company and subsidiaries	**52.4**	33.8	38.7	1.1	41.4
Share of income from associated companies	**6.6**	9.8	7.9	4.7	10.3
	59.0	43.6	46.6	5.8	51.7
Taxation	**(10.1)**	(9.7)	(12.7)	(11.1)	(12.3)
Non-controlling interests	**(12.5)**	(12.7)	(9.2)	(5.2)	(11.9)
Net income for the year attributable to equity holders of the Company	**36.4**	21.2	24.7	(10.5)	27.5

The years 2010 to 2012 have not been restated and therefore are not comparable to the years 2013 and 2014.

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 February 5, 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 15 year 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

Renee-Ann M. Kowlessar
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 US Fortune 500 companies. Before joining Goddard Enterprises Ltd. in 2013 as Managing Director, Mr. Ali worked with SM Jaleel & Co. Ltd. in Trinidad 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 as a Research Chemist, and later as the Business Development Manager, at National Silicates. He completed a post graduate degree in Executive Marketing from 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

Financial Year 2013/2014 Overview

The Board of Directors of Goddard Enterprises Limited ("GEL") is pleased to present the Group's financial review for the year ended September 30, 2014.

Consolidated Group Revenue and Profit from Operations for the year ended September 30, 2014 amounted to $954.1 million and $64.7 million respectively, compared with $962.6 million and $46.4 million in the previous year. Earnings per share was 62.1 cents compared with 35.3 cents in 2013.

These results were achieved in spite of the flat economies that we faced across the Caribbean for the better part of the year. Despite some signs of improvement, the Caribbean economies continue to be plagued with high unemployment rates, high debt burdens and challenging fiscal adjustment programmes. In some of the tourism-dependent economies there has been some marginal recovery in stay-over arrivals. According to the Caribbean Tourism Organization, increases have been seen in Grenada (18.6%), Cayman Islands (9.4%), Saint Lucia (6.0%) and Jamaica (1.6%), with Barbados, Saint Vincent and the Grenadines and Saint Kitts and Nevis all showing declines. The Caribbean region overall has experienced slight growth which should help provide some relief to these economies. However, the Caribbean debt crisis and minimal growth in foreign exchange inflows continue to constrict the overall regional economic performance. The Economic Commission of Latin America and the Caribbean has had to revise its 2014 growth rate estimate for the region downward from 2.7% to 2.2%.

Closer to home, the Barbados economy continues to struggle. The Government has implemented fiscal adjustment programmes while unemployment climbed to an estimated 11.7%. Barbados' economic fundamentals continue to be weak. Competitive and other structural shortcomings, and recently announced tax reforms, continue to paint a bleak outlook for the country. Gross public sector debt increased to 109.2% up from 105.2% one year ago. Based on this, no real growth in Gross Domestic Product is expected in 2015.

For the financial year ended September 30, 2014, Group revenue declined by 0.9% over the prior year to $954.1 million, generating a Gross Profit of $356.0 million, down from the prior year by 0.4%. Gross Profit expressed as a percentage of Sales was 37.3%, compared to 37.1% for the prior year. Selling, marketing and administrative expenses totaled $310.0 million, compared to $312.7 million in 2013 representing a decrease of 0.9%. Profit from operations before other gains/(losses) – net increased over prior year by 3.0% to $50.1 million.

Other gains/(losses) – net increased to $14.6 million compared to the prior year loss of $2.2 million representing a 753.2% increase. Income from our Associated Companies decreased by 33.0% to $6.6 million from $9.8 million in the prior year. This decline was as a result of poor performance by Sagicor General Insurance Inc. ("Sagicor") as well as losses incurred on a recently discovered fraud perpetrated on Globe Finance Inc. ("Globe").

Turning to the Group Consolidated Balance Sheet, our Working Capital Ratio increased to 1.59 from 1.47 in the prior year mainly due to a reduction in our current borrowings enabled by our improved results. Our Net Asset Value per share stood at $7.92 compared to $7.54 in 2013 representing an increase of 38 cents per share and our closing share price was $6.31 on the Barbados Stock Exchange at September 30, 2014.

Message from the Managing Director

2014 was a transformational year for the Group and the journey has just begun. We have conducted 360 degree behavioural analyses on all of our Executives to gain insight into our management style and culture. This programme is being rolled out to the General Management level across the entire organisation.

We implemented the first tier one Enterprise Resource Planning ("ERP") System called SAP at Hanschell Inniss Limited ("HIL"). This has been a substantial investment in technology that we hope will lead the way to unifying the distribution business across all companies. This System is expected to improve oversight of our processes and our access to information which will engender better decision making and improved operational efficiencies. We are committed to achieving these benefits as we roll-out this technology across the Group.

We have embarked on a new strategic plan for each of the Catering and Distribution Divisions with clear objectives for growth and return. We have disposed of a number of non-strategic assets in order to strengthen our overall position so that we are poised for growth when opportunities arise. Management has embraced the Economic Profit ("EP") System employed in the financial year 2014 and is continually looking for ways to increase earnings and streamline their respective balance sheets in order to meet their targets.

DIRECTORS' REPORT

As we move forward in what continues to be difficult times for the world economy, we believe our focus on our customers has, and will continue to, guide us through, and will provide the foundation which will fuel the growth and expansion that we hope will follow.

In terms of our Customer Focus therefore, it is the intention of the Group to harness opportunities not only to capture Customer Satisfaction indicators but to use current information systems to enable each Division's management team to have greater insight into customer needs and purchase patterns. Sales monitoring and measurement have become less overarching and more granular within the companies as we seek to understand the matching of customers and customer groups with product ranges, brand affinity and frequency of purchase. This ability to more accurately analyse sales information will help to build understanding of the motivation for purchase amongst our customer base across the Group.

During these times of economic uncertainty, we need to maintain vigilance on efficiency, productivity and cost containment to continue the improved performance we have begun. Thus, programmes on energy management and investments in alternative energy systems will be of critical importance as we seek more creative ways to reduce our overall costs to preserve our market competitiveness.

Last but perhaps more importantly, we need to change the mindset and culture of our Group to acting with URGENCY and striving for EXCELLENCE with the end objective of creating shareholder value. We have a number of advantages in our people, our geographic footprint and our partners, and looking towards 2015, we will continue to build on these core strengths. To these, we will add new competencies in innovation, technology and information systems that enable growth and excellence in execution. We will continue to build an organization focussed on value creation, and a culture where we not only talk about, but deliver on stakeholder improvement.

Mr. John Taylor, Divisional General Manager

MANUFACTURING & SERVICES

The Division produced an improved result for the year, driven by more favourable conditions internationally, which benefitted the companies operating more in regional and extra regional markets. In addition, several companies were able to improve operational efficiencies to meet increased demand from customers. We hope that this increased demand is maintained in 2015. The stabilisation of energy and some raw material prices helped the businesses to improve operating margins.

Our core brands, both in Manufacturing and Services, continue to grow, driven by more aggressive promotional activity and product innovation. During the year, several new products and services were introduced such as GO! for Kids pump and aerosol sprays, WONDER Bread 12 Grain Loaf, PURITY Bagels and FARMER'S CHOICE Riblets and Chicken Sticks. COCKSPUR Rum is now on sale in all five major Supermarket Chains in the United Kingdom, though efforts are focussed on improving profitability. TERRIFIC TILES has expanded its position as the number one tile supplier in Barbados. Sea Freight Agencies & Stevedoring Ltd. was awarded Agent of the Year by Geest Lines for outstanding service.

Two new business units were established during the year. The first, Wonder Bakery Ltd., a subsidiary of GEL, opened its doors in Saint Lucia in October and is now selling its products to all major retail outlets in the Castries area. Secondly, in Jamaica, a subsidiary of Caribbean Label Crafts Ltd. has been established specialising in digital printing for the food and beverage industry. The Jamaica subsidiary should be fully operational by the end of December, 2014. These are exciting new developments and complement our strategy of expanding our core operations in food and household products, packaging and shipping services throughout the wider Caribbean.

While growth and product innovation continue to be key focus areas for the Division, operational enhancements to increase efficiency and reduce costs are central to the expansion of our Barbados based businesses. A number of new initiatives are underway, including the use of renewable energy and the restructuring of some operational practices. In addition, our focus on improving health and safety practices continues and all operations were again audited externally during the year. Management teams have been tasked with continued improvement at their facilities.

Our staff is at the core of our business operations and we continue to invest in their training and development. Given the challenging environment in which we operate and the fact that most regional markets are not growing, our operations will continue to be challenged to innovate and reduce costs. At the same time however, we will also look to expand our markets, invest in plant improvements and secure acquisitions to complement growth.

During 2014, McBride (Caribbean) Ltd. celebrated its 25th Anniversary of operation in Barbados, testimony to the resilience of its brands and the consistent focus by management on quality and customer service over the years. Several of the company's distributors from the twenty-three markets across the Caribbean joined in the celebrations in Barbados.

McBRIDE (CARIBBEAN) LIMITED

25th Anniversary Celebrations

McBride (Caribbean) Limited ("McBride") commenced operations as an aerosol manufacturing company on August 28, 1989, a 50:50 joint venture partnership between British Petroleum and a local investor. McBride's journey has not been without challenges and setbacks, but it has survived and is well positioned with its new state of the art equipment to take advantage of current as well as future opportunities.

McBride's position and growth have been built on strong quality and customer centric brands – BOP, BEEP, SURETOX and GO! – with product categories of Insecticide, Insect Repellent, Air Freshener, Disinfectant Spray and Dish Washing Liquid.

McBride has had an export focus at the core of its growth strategy from its inception, as it was recognized that the local market alone could not sustain the business. Such a strategy remains key for the business, enabling the company to effectively manage its revenue earning risk, especially during challenging economic times like those experienced over the last four years. With 85% of its production being exported to twenty-three markets in the Caribbean, Central and South America and 15% sold locally, McBride is a net earner of valuable foreign exchange for the Barbados economy.

Future growth will be driven by penetrating new markets, the development of new products, contract manufacturing and brand acquisitions. McBride is an excellent business by any set of measurements – it is a gem and we will keep it polished.

Mr. A. Charles Herbert, Chairman of GEL, delivering remarks at McBride's 25th Anniversary celebrations.

Mr. John Taylor, Chairman, McBride, presents a long service award to Ms. Veronica Scott, for her 25 years' service.

Mr. Andrew Hassell, former General Manager, McBride, (right) presents a 25 year partnership award to Mr. Bill Frauenheim of Diversified CPC, USA.

Mr. Ricardo Strickland, General Manager, McBride, (left) presents a partnership award to Mr. Geoff Marshall of Robert McBride Hull, during the celebrations.

Mr. John Taylor, Chairman, McBride, presents a long service award to Ms. Heather Young for her over 20 years' service.

Mr. Ian Alleyne, Divisional General Manager
with Ms. Tracey Shuffler, Deputy Divisional General Manager

IMPORT DISTRIBUTION & MARKETING

The Import Distribution and Marketing Division recorded an improved result this financial year compared to the previous year. Even though revenue decreased from $631.2 million to $616.3 million, there was an increase in the profit contribution. The improvement occurred in the areas of Food and Building Supplies. However, the Automotive Sector showed a decline compared to the prior year.

During the year, contracts and client portfolios of the brokerage operations of Minvielle & Chastanet Insurance Brokers Limited in Antigua, Barbados, Dominica, Saint Lucia and Saint Vincent and the Grenadines were divested. In addition, Peter & Company Limited disposed of its property situated at Choc Estates, Castries, Saint Lucia. These events contributed to the Division's overall positive result for the financial year.

A critical review of the Division was performed by the GEL Management team. The review revealed that the Division's operations were concentrated in Barbados and the islands of the Organisation of Eastern Caribbean States where the markets are relatively small and the economies are currently challenged. It was decided that future expansion of the Division will be targeted at the larger economies of the English and non-English speaking Caribbean as well as countries of Central and South America.

It was also decided to reorganise the financial and reporting structures of the Division along type of business lines rather than by geography. This means that the three platforms of the Division – Food and Liquor, Building Supplies and Automotive – will each operate as a single business unit across the Division. This reorganisation is intended to lead to operating synergies resulting from bringing together similar operations. It will also allow for the development of Key Performance Indicators ("KPIs") for consistent monitoring of the performance of operations across the Division. This process will begin to take effect during the 2015 financial year.

In order to realise the benefits expected from these changes, it has become necessary to improve the information systems used throughout the Division. As noted earlier in the Report, a first tier ERP System, SAP, was implemented at HIL towards the end of the financial year. On successful completion of the implementation of this system, it is the intention to roll SAP out to the relevant operating companies across the Division.

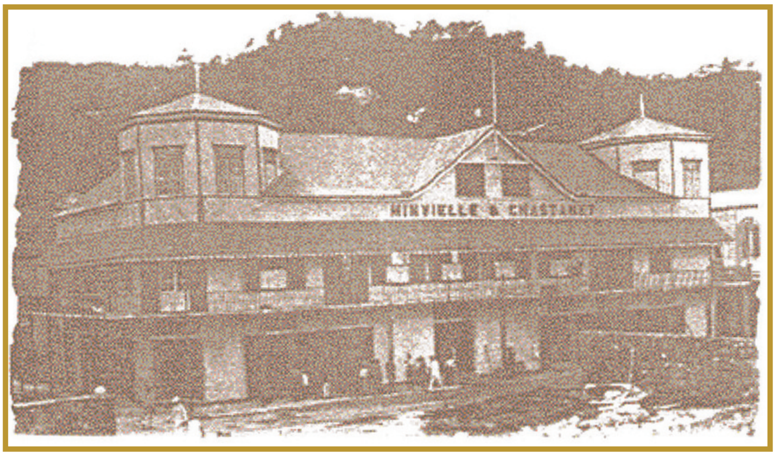
During the year, Minvielle & Chastanet Limited in Saint Lucia, celebrated its 150th Anniversary. The occasion was marked by a series of events involving management, staff and other key stakeholders which were well received by all.

THE M&C GROUP OF COMPANIES

150th Anniversary Celebrations

The M&C Group of Companies, originally established as Minvielle & Chastanet, began operations on September 5, 1864, and has distinguished itself as a vital and enduring presence in the economic and social life of Saint Lucia. Historically, the company differentiated itself as an enterprise with a pioneering spirit and great foresight, a legacy that persists today, even in times of adversity.

The firm of Minvielle & Chastanet evolved from an earlier business partnership, Du Boulay, Minvielle & Co. Having bought over Du Boulay's shares, Henry Minvielle went into partnership with Charles Chastanet. The legacy of this partnership is reflected in the name, Minvielle and Chastanet, known in the community as "M&C". Through a shifting of partnerships, marriages, and contracts, and with five generations of family members in the business, M&C continued to evolve.



M&C Head Office 1929-1948

The company remained a family owned business for many years with the exception of approximately ten years from 1973 when Booker McConnell Ltd. had majority shareholding. The company was bought back in 1983 by the Devaux family (descendants of Charles Chastanet) and the company remained in the family's hands until 2008, when GEL obtained majority shareholding.

The M&C Group of Companies is a diversified group, with seven businesses. It is one of Saint Lucia's largest employers, with a cumulative staff complement of five hundred and ten. As a member of the GEL Group, M&C maintains its acumen for excellence. The company continues to seek out new business opportunities, and prides itself on being able to offer customers a wide variety of products and services.

In addition to its contributions to the economic life of Saint Lucia, M&C has demonstrated a commitment to the community in which it operates, through a long history of philanthropic initiatives in social and cultural life. One hundred and fifty years after its inception, the M&C Group of Companies continues to expand and evolve, experiencing victories and adversities – always learning, adapting and growing stronger – a true testament to its hard working staff.

M&C marked its 150th Anniversary with specific focus on its staff, customers and all Saint Lucians, in particular the youth, through various initiatives. The 150th Anniversary celebrations offered the company an opportunity to recommit itself to the core values of the company's founding partners – striving for business excellence through strong partnerships, unwavering dedication to exemplary service and responsible corporate citizenship. All of these ideals are also shared by its parent company, GEL.

Staff and customer appreciation breakfast in celebration of M&C's 150th Anniversary.

Winners of the Islandwide Art Competition held in recognition of M&C's 150th Anniversary.

M&C supports sport through the M&C Games held in commemoration of 150 years.

M&C supports the Fine Arts as part of its 150th Anniversary celebrations.

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

CATERING AND GROUND HANDLING

The Catering and Ground Handling Division is pleased to report another positive year for 2014.

Our main focus continues to be on seeking new growth opportunities throughout the Caribbean and Latin America as well as beyond our traditional geographic areas of operation. Recent growth rates in Latin America have compensated for more conservative growth within the Caribbean region, and have provided more geographic diversity and positioned us well to take advantage of new expansion opportunities.

Our overall performance was however negatively affected by the continued economic challenges in Venezuela. These challenges impacted our results in Caracas and Isla Margarita which had to be translated at the SICAD II rate of Bs50 to US$1 compared to a rate of Bs6.30 in the previous financial year. We acquired Calloway Corporation ("Calloway"), a reputable and long standing airport and industrial catering company in Aruba in February 2014, which contributed positively to the Division's results. Calloway services all airlines out of the Queen Beatrix International Airport, operates several cafés and provides food service to Aruba's main prison. We are pleased to report that our company in Saint Thomas in the United States Virgin Islands recently acquired a contract to provide food service to the students and faculty of the University of the Virgin Islands from January 2015.

We continue to place maximum effort on exceeding Customer Satisfaction as this is the foundation to sustained long-term growth. We also continue to monitor our KPIs as a way of measuring our progress in Quality Control and Customer Satisfaction. Customer Service across all of our operations is measured and the data analysed in a systematic way to address any negative trends or adverse feedback. We are seeking to build on recent gains in efficiency and cost reduction by adopting new work methods and leveraging supplier relationships so as to deliver our products and services as well as procure supplies in the most efficient way. Access to better information technology is critical to this effort. We are also looking at ways to further streamline our menu development and our procurement channels to ensure that we eliminate wastage and reduce costs.

Across the Division, we focussed on energy reduction strategies, such as the installation of LED lighting in our catering units, the adoption of a wide range of conservation strategies, and research into photovoltaic power, to address increasing energy costs throughout the Division. We plan to install photovoltaic systems in our catering facilities where practical, beginning in Jamaica, Barbados and Saint Lucia in early 2015. These investments will lay the groundwork for enhanced efficiencies that will be necessary to succeed in the future.

We continue to focus on the development and growth of our Ground Handling operations located at both international airports in Jamaica and Saint Thomas. During the year, a significant investment was made in upgrading our ground support equipment which has positively improved both our reliability and availability ratios.

Looking to 2015, our focus will be placed on building our brand image with a reputation for exceptional service, quality, and value for money. To this end, we have taken steps to strengthen our Divisional management team by the recruitment of both a Group Human Resource Manager and a Facilities and Engineering Manager to better position ourselves to take advantage of growth opportunities and to address our cost base. We will strive to instill an entrepreneurial spirit within our management ranks to fully exploit the opportunities that may arise. We believe that we are well positioned to achieve sustained growth going forward.

GCG Events, our event catering business, continues to grow and is now operating successfully in Barbados, Grenada, Trinidad, Antigua, Jamaica and Guatemala. We plan to roll out the GCG EVENTS brand in more countries during 2015. In 2014, we provided services to various corporate functions, sports events, weddings, carnival and other festival parties and other functions. We are pleased to mention that subsequent to the fiscal year end, GCG Events planned and catered GCG's recently held 60th Anniversary celebrations.

GODDARD CATERING GROUP (BARBADOS) LTD.

60th Anniversary Celebrations

The Catering Division of GEL, now known as Goddard Catering Group (GCG) celebrated its 60th Anniversary on November 28, 2014 with a gala event at the Barbados Concorde Experience. The function which was organized and catered by GCG Events, the event catering arm of GCG (Barbados) Ltd. which was launched in 2008 following Cricket World Cup in 2007, was a great success. GCG Events showcased to the many invited guests its innovative and leading edge cuisine and its one stop shop capacity for event planning and execution.

GCG had its origins in 1954 when Trans Canada Airlines, the forerunner of Air Canada, requested cold sandwiches and meals from the Crane Hotel (the "Crane") for their flights at Seawell Airport. The Crane was at the time a part of a group of hotels owned by the Goddard family and managed by Fred and Flo Goddard. Between 1954 and 1967, the meals to the airlines were provided from the Crane until the increasing volume and the growing tourism market led to the decision to build a modern inflight catering unit (Barbados Flight Kitchen) at the Airport. That Airport based operation met the ever growing needs of a host of airlines servicing Barbados which, in addition to Air Canada, included British Airways, Pan American World Airways and various charter flights, and earned an enviable reputation for quality and service.

In 1974, expansion overseas led to the purchase of an inflight catering unit in Antigua. At the same time, through the vision of Mr. Philip Goddard, who by then had joined the company, a joint venture was established with the Marriott Corporation ("Marriott"). Marriott was then the leader in inflight catering around the world, and this partnership helped GCG to develop its operational know-how. GCG further expanded to Jamaica in 1981 through the purchase of operations at both Kingston and Montego Bay Airports. Later in 1986, GCG entered the Latin American market by the purchase of a catering unit in Guatemala. Today, from those humble beginnings, GCG, together with its joint venture partner LSG Sky Chefs Inc., has operations in twenty-three countries across the Caribbean and Latin America producing in excess of thirteen million meals a year for over seventy-five of the world's leading commercial airlines and corporate jet operators. With a dedicated team of over three thousand two hundred employees, GCG remains committed to the values laid down by the Goddard family all those years ago.

GCG also provides over eight million meals and related services to an assortment of customers both in the public and private sector including prisons, schools, government feeding programmes, and oil and gas platforms. The Group also operates restaurants and concessions in airports, seaports and malls across the Caribbean and Latin America.

In 2009, GCG Ground Services was established. GCG Ground Services provides a full suite of ground handling services to aircrafts, both above and below the wing, in Saint Thomas and at the Norman Manley and Sangster International Airports in Jamaica. It currently handles over twelve thousand flights annually with its five hundred employees.

GCG Events' Live Kitchen delights at the 60th Anniversary celebrations.

A remarkable view from GCG Events' Live Kitchen stations at the 60th Anniversary celebrations.

Martini Glass Ceviche, a first class culinary delight, from GCG Events.

Another GCG Events' culinary delight, Mango Crème Brûlée.

An invited guest at the 60th Anniversary celebrations enjoying GCG Events' offerings.

Mrs. C. Natasha Small, Chief Financial Officer

FINANCIAL SERVICES

Sagicor, our associated company in which we have a 45% shareholding, has shown a marginal increase in Gross Written Premiums for the year. Markets in which the company operates are increasingly aggressive with pricing. Investment Income was up 14.4% over the prior period due to an increase in dividend income. The company's overall loss ratio for all classes of insurance was low at 39.4% at September 30, 2014 which underlines the fundamental strength of the overall book and highlights the prudence and discipline in risk selection by the company's underwriters.

Globe continues to perform according to plan despite less than favourable economic conditions and an external fraud that have impacted profits for 2014. The economic environment continues to provide several challenges as continued job retrenchment will have a negative effect on loan impairments, although Globe’s experience is considerably better than industry standards. Areas of focus will be the continued expansion of the vehicle lease portfolio and growth of the Barbados Association of Retired Persons Globe credit card and Foreign Exchange services, which have all now been fully launched.

Bridgetown Cruise Terminals Inc. continues to perform in line with projections. It is currently operating under a short-term lease with the Barbados Port Inc. pending the establishment of the new Sugar Point Cruise Facility.

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

HUMAN RESOURCES & COMMUNITY RELATIONS

To build on our 2014 performance highlighted earlier as well as to ensure that our continuing strategic objectives outlined are achieved, we need to rapidly respond to an ever changing environment. We believe that how successful we are at this, depends not only on how equipped and motivated our staff is, but on their sustained contribution to the organisation's growth.

People Development

Our employees are instrumental in the realisation of our organisational vision and goals. Our continued success depends upon the quality and commitment of our staff in pursuing our collective vision and achieving key deliverables. We are therefore committed to developing our people and maximising the opportunity for everyone to be able to contribute to our success.

Towards the end of 2013, we conducted a survey to measure the level of Employee Engagement across the GEL Group. The Survey results will be shared with all members of staff and a plan will be developed by management to address the issues raised and evident in the Survey. It is anticipated that implementation of the plan will commence during 2015. The Survey results will provide the platform on which we can improve organisational practices and behaviours to ensure that all employees are aligned to the organisation's objectives and to promote a sustainable high performance culture where employees strive for EXCELLENCE in all that they do. We aim at developing an environment that is conducive to attracting and retaining the best talent and are committed to developing our people through training programmes and developmental initiatives that support EXCELLENCE.

Community Relations and Corporate Social Responsibility

Hubbard's Managers finance donation to the Dorothy Hopkins Home

The forty residents of the Dorothy Hopkins Home now have the use of a Frigidaire 13-cycle washing machine, thanks to the management team of Jonas Browne & Hubbard (Grenada) Ltd. ("Hubbard's"). This initiative emerged as a result of the work of participants of the Certificate in Management course at Hubbard's.

Secretary to the Board of Trustees, Ms. Hermoine Hood (left) accepting the gift on behalf of the Home from Mr. Wilky James, Hubbard's Assistant Manager, Hardware. Looking on are Mrs. Ellen Radix, MIS Manager and Mr. Lennox Richardson, Manager, Lumber each of Hubbard's.

GCG Guatemala supports the Captain Victor Manuel Barrios School

Over one hundred "at risk" children from dysfunctional families living on the outskirts of the city benefitted from a generous donation of six computers to their school. The staff and management of GCG Guatemala S.A. ("GCG Guatemala") were pleased to assist with the education of the young people who are in need. Both staff and students of the School expressed gratitude for the donation and were anxious to put the computers to good use.

Mr. Ever Santis, General Manager, (third from right) along with Mr. Luis Del Cid, Purchasing Manager, Mr. Julio Cesar, I.T. Services Provider, Mr. Otto Alvarez, Financial Controller, all of GCG Guatemala, with students of the Captain Victor Manuel Barrios School and School Representatives, Mrs. Vallejos and Mr. De Leon.

Help for Flood Victims from the Saint Lucia Group

Christmas Eve 2013 was devastating for many in Saint Lucia when the island was hit by torrential rains and floods. Many homes were ravaged including those of two staff members of GCG (Saint Lucia) Ltd., ("GCG Saint Lucia") one of whom lost everything.

Staff got together and raised funds and the amount collected was matched by both GCG Saint Lucia and GCG's Head Office, to provide some level of relief to the affected employees.

In the true Goddard spirit, sister company, Peter & Company Ltd. ("PCL") pitched in and assisted both employees with food hampers. The two employees expressed their gratitude for the generosity of all involved.

Mr. Tandi Flood, Human Resources Manager, and Ms. Janelle Aurelien, Financial Controller, of GCG (Saint Lucia), with Ms. Pamela James, Recipient (right).

PCL and M&C General Insurance Co. Ltd. bring Nutrition to the students of the Soufriere Combined Primary School

Students of the Soufriere Combined Primary School received some nutritious beverages compliments of PCL and M&C General Insurance Co. Ltd. The two companies, cognisant of the important role that nutrition plays in a child's development, presented Ovaltine Malted Drink Mix and Dutch Lady Whole Milk Powder products to the School's Principal in the presence of some students.

Mr. Royer Felix, General Manager of M&C General Insurance Co. Ltd. (right) and Ms. Chenelle Bailey, Brand Manager of PCL handing nutritious beverages to Mr. Felix Gills, Principal of the School.

Caribbean Label Crafts Ltd. offers BCC Scholarship

The Graphic Design Programme at the Barbados Community College (BCC) benefitted from its association with Caribbean Label Crafts Ltd. (CLC) when CLC presented a Scholarship to an aspiring graphic designer who had completed the Programme. CLC's Scholarship comprised of a cash award and the opportunity for its winner to complete a two month internship at the company. BCC's students who were pursuing a full time Bachelor of Fine Arts degree in Graphic Design were eligible for consideration. After a rigorous selection

Mr. Kwame Francis, winner of the 2014 CLC Graphic Design Scholarship (left), with Mr. Gregory Coles, Manager Sales & Customer Service, CLC.

process, Mr. Kwame Francis was adjudged winner of the Scholarship from three finalists. Judges said that 'his work showed that he has a great creative thought process, and was able to express a different style through his portfolio, as it suited the various assignments.'

NIFCA's Literary Arts

GEL's Head Office continued its long running sponsorship of the Literary Arts Competition component of the National Independence Festival of Creative Arts ("NIFCA") where local writers excelled in authoring poetry and prose. There has been a steady increase in participation since GEL got involved and writers are exploring and utilising their skills to write screen plays, while more books are emerging. This year, two young ladies were awarded the top prizes. The George Lamming award was presented to Ms. Celia Greaves, while Ms. Aprille Thomas was awarded the Kamau Brathwaite award.

Barbados Defence Force Band

GEL assisted the Barbados Defence Force Band in 2013 by producing and sponsoring a programme of Christmas music which was broadcasted in five islands on Christmas Day, 2013.

Following the programme, Mr. Anthony Ali, GEL's Managing Director, presented the Band's Director, Captain

Immediately following the presentation of the DVD, Mr. Anthony Ali, Managing Director, GEL (second left), chatting with Captain Alfred Taylor while Captain Lubin Maxwell and Warrant Officer Brian Cole (right) look on.

Alfred Taylor, with the master copy of the DVD which the Defence Force plans to use to raise funds to assist the Band with training for members. The fees that they received from working on the programme will be used to purchase new instruments and equipment. They also intended to use part of the funds to help some of the legionnaires, retired soldiers, who require accommodation and meals support.

St. Mary's Talk Sessions

Students of Class Four at St. Mary's Primary School who were about to head to Secondary School for the first time this year received some valuable lessons, when members of the GEL team visited the School to share tips on the transition from primary to secondary school.

Mrs. Rhonda Howell, Human Resources Manager of Hipac Ltd. and Mr. Michael Best, After Sales Manager of Courtesy Garage Ltd., in separate sessions with the children, gave valuable information and insight as to what to expect as they move into their new schools.

In our photo Mrs. Rhonda Howell, HR Manager of HIPAC Ltd., interacts with students during one of the sessions.

GEL has adopted the School and assists it in various ways. The now annual talk sessions, where senior executives from the company share thoughtful insights with students on the transition process, are a highlight for the students.

Another part to GEL's assistance programme with the School, is the awarding of scholarships annually to two students for excellent work ethic and positive attitude at school. The students are presented with their trophies during the graduation ceremonies. In addition to their plaques, the two winners in 2014, Alisha Nash and Renaco Griffith, received a cash contribution to assist in the purchase of their new uniforms and school supplies as they make the transition to Secondary School.

The Scholarship Winners being presented with their Scholarship Plaques by Mrs. Anne Marshall, Finance Manager, The West Indies Rum Distillery Ltd.

CORPORATE GOVERNANCE OVERVIEW

The Board of Directors adheres to the belief that good corporate governance is essential to the efficient and prudent operation of the Group's business. Accordingly, 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 of Directors presently consists of nine 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.

To assist with carrying out its mandate, the Board has established three Standing Committees namely: the Audit Committee, the Corporate Governance Committee and the Compensation and Human Resources Committee. The Charters for each of these Committees can be viewed on the Company's website: www.goddardenterprisesltd.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.

New Corporate Governance Initiatives adopted during the year

Advisory Committees

This year, as part of its thrust to ensure enhanced oversight of the Company's operations, the Board formed three new ad hoc Advisory Committees namely: the Catering, Import Distribution and Manufacturing Advisory Committees. Each Committee is chaired by the Managing Director with Members of the Board serving thereon. Each of the Advisory Committees has reported to the Board positive progress with the Objectives set for the year 2014.

Board Evaluation and Assessment

Following the end of the financial year, the Board undertook its annual evaluation exercise aimed at assessing the effectiveness of its performance as a whole. The evaluation process took the form of a self-assessment by means of an online survey. The Board invited feedback on, among other things, its function, leadership and committee structure.

During the year, the Board also updated its Skills Matrix profile, which delineates individual director's core competencies, knowledge, experience and skills.

The Board has committed to addressing, in 2015, those areas which have been identified as requiring strengthening during the Board evaluation and Directors' skills assessment exercises.

Board and Committee Attendance

The attendance at both the Board and Committee Meetings held during the year is shown in Appendix A at page 104 of this Report. The Board is pleased to report an excellent attendance record of its Members for the 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, three directors, Ms. Vere Brathwaite, Mr. Ian Castilho and Mrs. Renee-Ann Kowlessar, retire by rotation, and being eligible, offer themselves for re-election for a term expiring at the close of the third annual meeting following their election.

Appointment of Auditor

The Company's Auditor, PricewaterhouseCoopers SRL ("PwC"), retires at the close of the seventy-sixth annual meeting. Following the shareholders' meeting last year and your permission to put the GEL Group's External Audit and Taxation Services for the financial years ending September 30, 2015 to 2019 out to tender, the Audit Committee (the "Committee") invited and considered Proposals from four audit firms namely PwC, Deloitte, KPMG and Ernst & Young.

Each audit firm then made a Presentation to the Committee. Each of the Proposals and Presentations was analysed by the Committee using a comprehensive checklist of pre-set criteria relating to: (i) capability and qualification; (ii) audit methodology; (iii) ability to resolve technical issues given the Group's size; (iv) independence; and (v) fees proposed for services.

On completion of the exercise, the Committee made a recommendation to the Board that Ernst & Young be recommended to shareholders for appointment as the Group's Auditor. This recommendation was based on the consistently high scores attributed to Ernst & Young on the various line items for each of the pre-set criteria used by the Committee to evaluate the Proposals and Presentations. We are pleased to report that the Board has accepted the Committee's recommendation.

Your Directors therefore recommend that Ernst & Young, Chartered Accountants, be appointed as the Company's Auditor for the ensuing year ending September 30, 2015 at a fee to be negotiated. Your Directors also recommend that they be authorised to negotiate the Auditor's fee on a Group basis.

Dividend Declaration

The Directors have declared a dividend of twenty cents per common share on the issued and outstanding shares of the Company for the year ended September 30, 2014, which compares to a dividend of fourteen cents per common share paid to shareholders for the year ended September 30, 2013. An interim dividend of six cents having been paid on August 29, 2014, the Board declared a final dividend of fourteen cents per share on the issued and outstanding shares of the Company at its meeting held on December 9, 2014. The final dividend will be paid on February 27, 2015.

Appreciation

In closing, we take this opportunity to thank our shareholders, customers, suppliers, management and staff for your support and loyalty during the just concluded financial year. As we move forward in a world that has been frought with uncertainty given the prolonged economic recession, we shall continue to count on your support and patronage.

On behalf of the Board of Directors

A. Charles Herbert	Anthony H. Ali
Chairman	Managing Director

December 9, 2014

Analysis of Common Shareholders

as at September 30, 2014

Category	Number of shareholders	%	Number of common shares held	%
Group Employees	500	25	1,425,746	2
Local Individuals	1,161	58	8,400,350	15
Non-Resident Persons	206	10	15,815,365	27
Local Companies and Institutions	151	7	32,668,949	56
Totals	**2,018**	**100**	**58,310,410**	**100**

Additional Information for the year ended September 30, 2014 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 36 to 39.

b) Directors' interest in the share capital of Goddard Enterprises Limited as at September 30, 2014:

Names of Directors	Number of common shares held beneficially at September 30, 2014
A. C. Herbert	105,226
I. K. D. Castilho	1,654
A. H. Ali	3,000
V. P. Brathwaite (Ms.)	Nil
J. D. Foster	Nil
R. M. Kowlessar (Mrs.)	Nil
W. P. Putnam	495,534
C. G. Rogers	1,000
S. T. Worme	2,000

c) No change in Directors' beneficial interests took place between September 30, 2014 and December 9, 2014 except that Redland Ltd., a company controlled by Mr. A. Charles Herbert, acquired 42,878 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 December 9, 2014.

Shareholders		Number of common shares held
Neptune Investments Limited		3,410,526
Corona Investments Limited		3,090,916
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	
	Tropical Battery – a division of Courtesy Garage Limited	
	Tropical Sales (1979) Ltd.	
Baking:	Purity Bakeries – a division of Goddard Enterprises Limited	
	Wonder Bakery Ltd. – St. Lucia	70%
General Trading:	Bryden and Partners Limited – St. Lucia	67%
	Corea & Co. (1988) Limited – St. Vincent	
	Coreas Hazells Inc. – St. Vincent	
	Hanschell Inniss Limited	
	Hutchinson (Antigua) Limited – Antigua	
	Independence Agencies Limited – Grenada	55%
	Jonas Browne and Hubbard (Grenada) Limited – Grenada	52%
	M&C Home Depot Limited – St. Lucia	
	O. D. Brisbane and Sons (Trading) Limited – St. Kitts	
	Orange Wood Distributors Limited – St. Lucia	67%
	Peter & Company Limited – St. Lucia	
	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.	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	


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:	GEL Holdings (St. Lucia) Ltd. – St. Lucia	
	Goddard Enterprises (St. Lucia) Ltd. – St. Lucia	
	Goddard Flite Kitchens (Cayman) Limited – Cayman Islands	
	Goddard Flite Kitchens (St. Lucia) Ltd. – St. Lucia	
	Hanschell Inniss Holdings (Curaçao) N.V. – Curaçao	
	Hilbe Investments Limited	
	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 Ltd.	51%
	Label Crafts Jamaica Limited – Jamaica	51%
Real Estate:	Haggatt Hall Holdings Limited	67%
	PBH Limited	
	Penrith Development Limited	
	Peter's Holdings Limited – St. Lucia	
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%
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 & 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 & Tobago	31%
	Tobago Inflite Catering Ltd. – Trinidad & Tobago	26%
Rum Distillery:	National Rums of Jamaica Limited – Jamaica	31%
Tiles & Waste Disposal:	Anti-Septic Limited – Trading as Terrific Tiles	50%

pwc

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Goddard Enterprises Limited

We have audited the accompanying consolidated financial statements of **Goddard Enterprises Limited** and its subsidiaries, which comprise the consolidated balance sheet as of September 30, 2014 and the consolidated statements of income, comprehensive income, changes in equity and 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.

Auditor's 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 about 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 auditor's 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 September 30, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers SRL

December 17, 2014
Bridgetown, Barbados

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CONSOLIDATED BALANCE SHEET

As of September 30, 2014

(Expressed in thousands of Barbados Dollars)

	Notes	2014	Restated 2013	Restated as at October 1, 2012
Current assets				
Cash	6	**74,392**	65,310	55,583
Trade and other receivables	7	**111,294**	112,017	108,988
Prepaid expenses		**13,107**	10,900	12,285
Due by associated companies	8	**6,694**	8,092	7,768
Reinsurance assets	9	**6,380**	6,659	6,977
Current income tax assets		**2,741**	3,656	2,697
Inventories	10	**165,543**	166,007	159,267
		380,151	372,641	353,565
Current liabilities				
Borrowings	11	**95,860**	118,289	105,151
Trade and other payables	12	**126,405**	117,946	112,732
Due to associated companies	8	**4,025**	3,352	3,119
Current income tax liabilities		**3,045**	2,669	4,844
Insurance contracts	13	**10,342**	10,733	11,032
		239,677	252,989	236,878
Working capital		**140,474**	119,652	116,687
Property, plant and equipment	14	**355,615**	353,555	357,827
Investment property	15	**17,328**	17,029	13,496
Intangible assets	16	**35,068**	41,781	44,815
Investments in associated companies	17	**75,195**	73,846	68,446
Financial investments	18	**41,653**	41,121	40,375
Deferred income tax assets	19	**10,014**	10,656	9,071
Pension plan assets	20	**3,463**	4,624	5,149
Long-term trade and other receivables	7	**1,735**	3,042	4,064
		680,545	665,306	659,930
Borrowings	11	**107,500**	90,581	95,072
Deferred income tax liabilities	19	**3,171**	3,484	3,948
Pension plan liabilities	20	**4,538**	5,927	4,002
Net assets employed		**565,336**	565,314	556,908
Financed by:				
Equity				
Capital and reserves attributable to equity holders of the Company				
Share capital	21	**43,829**	44,557	43,842
Other reserves	22	**91,823**	100,899	107,080
Retained earnings		**326,069**	308,030	297,862
		461,721	453,486	448,784
Non-controlling interests		**103,615**	111,828	108,124
		565,336	565,314	556,908

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

Approved by the Board of Directors on December 9, 2014.

A.C. Herbert
Chairman

A. H. Ali
Managing Director

Consolidated Statement of Changes in Equity

For the year ended September 30, 2014

(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 at October 1, 2012 (as previously reported)	43,842	107,080	302,842	107,538	561,302
Effect of restatements (note 36)	–	–	(4,980)	586	(4,394)
Balance at October 1, 2012 (restated)	43,842	107,080	297,862	108,124	556,908
Net income for the year	–	–	21,189	12,744	33,933
Other comprehensive loss	–	(6,274)	(1,021)	259	(7,036)
Total comprehensive income for the year	–	(6,274)	20,168	13,003	26,897
Disposal of a subsidiary company	–	–	–	4	4
Fair value of net liabilities transferred to non-controlling interests	–	–	215	(215)	–
Fair value of assets disposed of by non-controlling interests	–	–	–	(3,674)	(3,674)
Increase in advances to non-controlling interests	–	–	–	1,978	1,978
Value of employee services	–	93	–	–	93
Issue of common shares	715	–	–	–	715
Dividends declared	–	–	–	(7,392)	(7,392)
Dividend – Final 2012 (11 cents per share) (note 30)	–	–	(6,608)	–	(6,608)
Dividend – Interim 2013 (6 cents per share) (note 30)	–	–	(3,607)	–	(3,607)
	715	93	(10,000)	(9,299)	(18,491)
Balance at September 30, 2013	44,557	100,899	308,030	111,828	565,314
Balance at October 1, 2013 (as previously reported)	44,557	100,899	315,845	111,510	572,811
Effect of restatements (note 36)	–	–	(7,815)	318	(7,497)
Balance at October 1, 2013 (restated)	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 September 30, 2014	**43,829**	**91,823**	**326,069**	**103,615**	**565,336**

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

Consolidated Statement of Income

For the year ended September 30, 2014

(Expressed in thousands of Barbados Dollars)

	Notes	2014	Restated 2013
Revenue		954,111	962,625
Cost of sales	24	(598,108)	(605,364)
Gross profit		356,003	357,261
Underwriting income		4,119	4,084
Selling, marketing and administrative expenses	24	(309,996)	(312,671)
Profit from operations before the following		50,126	48,674
Other gains/(losses) – net	25	14,579	(2,232)
Profit from operations		64,705	46,442
Finance costs	27	(12,287)	(12,641)
		52,418	33,801
Share of income of associated companies	17	6,569	9,804
Income before taxation		58,987	43,605
Taxation	28	(10,084)	(9,672)
Net income for the year		48,903	33,933
Attributable to:			
Equity holders of the Company		36,402	21,189
Non-controlling interests		12,501	12,744
		48,903	33,933
Earnings per share attributable to the equity holders of the Company during the year (expressed in cents per share)			
– basic	29	62.1	35.3
– diluted	29	61.0	35.2

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2014

(Expressed in thousands of Barbados Dollars)

	2014	Restated 2013
Net income for the year	48,903	33,933
Other comprehensive income:		
Items net of tax that may be recycled to income in the future:		
Unrealised gains/(losses) on available-for-sale financial investments:		
– Group	751	1,346
– Associated companies	–	(448)
(Gains)/losses transferred to income on disposal of available-for-sale financial investments:		
– Group	(651)	(138)
– Associated companies	251	140
Impairment of financial investments	302	195
Currency translation differences	(18,939)	(5,764)
Hyperinflationary adjustments	907	4,983
Items net of tax that will not be recycled to income in the future:		
Increase/(decrease) in revaluation surplus:		
– Group	34	(4,252)
– Associated companies	(295)	(50)
Remeasurement of employee benefits:		
– Group	(178)	(2,138)
– Associated companies	199	(910)
Other comprehensive loss for the year	(17,619)	(7,036)
Total comprehensive income for the year	31,284	26,897
Attributable to:		
Equity holders of the Company	27,747	13,894
Non-controlling interests	3,537	13,003
	31,284	26,897

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

Consolidated Statement of Cash Flows

For the year ended September 30, 2014

(Expressed in thousands of Barbados Dollars)

	2014	Restated 2013
Cash flows from operating activities		
Income before taxation	58,987	43,605
Adjustments for:		
Depreciation	22,293	23,469
Amortisation of intangible assets	1,981	1,946
Impairment of intangible assets	–	1,088
Disposal of intangible assets	4,732	–
Impairment of financial investments	302	195
(Gain)/loss on disposal of property, plant and equipment	(3,313)	68
Gain on disposal of financial investments	(671)	(186)
Exchange adjustments	(13,241)	(3,248)
Gain arising on acquisition of a subsidiary	(102)	–
Hyperinflationary adjustments	537	3,267
Interest income	(1,649)	(1,611)
Finance costs incurred	12,287	12,641
Share of income of associated companies	(6,569)	(9,804)
Pension plan expense	3,279	2,982
Employee share schemes expenses	118	93
Fair value gains on revaluation of investment property	(175)	(24)
Operating profit before working capital changes	78,796	74,481
Net change in non-cash working capital balances related to operations (note 35)	10,058	(3,133)
Cash generated from operations	88,854	71,348
Interest received	1,649	1,603
Finance costs paid	(12,287)	(12,641)
Income and corporation taxes paid	(9,111)	(14,478)
Pension plan contributions paid	(3,245)	(3,244)
Net cash from operating activities	65,860	42,588
Cash flows from investing activities		
Acquisition of interest in subsidiaries (net)	(2,598)	(7,698)
Investment in subsidiary by non-controlling interest	167	–
Purchase of property, plant and equipment	(31,943)	(31,271)
Proceeds on disposal of property, plant and equipment	10,584	8,463
Purchase of financial investments	(12,116)	(11,592)
Proceeds on disposal of financial investments	12,301	12,222
Long-term loans made	–	(84)
Proceeds from repayment of long-term loans	1,268	877
Unsecured and secured loans (made)/received	(1,422)	12
Dividends received from associated companies	5,013	2,484
Net cash used in investing activities	(18,746)	(26,587)
Cash flows from financing activities		
Issue of common shares	717	715
Repurchase of common shares	(12,188)	–
Long-term loans received	20,823	11,297
Repayments of long-term loans	(11,713)	(10,437)
Dividends paid to non-controlling interests	(13,846)	(7,392)
Loans (repaid)/received from non-controlling interests	(468)	1,978
Dividends paid to shareholders	(8,159)	(10,215)
Net cash used in financing activities	(24,834)	(14,054)
Net increase in cash and cash equivalents	22,280	1,947
Cash and cash equivalents – beginning of year	28,202	26,255
Cash and cash equivalents – end of year (note 6)	50,482	28,202

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

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Notes to the Consolidated Financial Statements

September 30, 2014

(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 waste disposal, laundry services, financing, property rentals, investments and general insurance. (See pages 36-39). The Group operates throughout the Caribbean and Central and South America.

The address of the Company's registered office is 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 December 9, 2014.

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 2014 financial year

The following standards have been adopted by the Group in the 2014 financial year and have a material impact on the Group:

Amendment to IAS 1 Financial statement presentation regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

Revision to IAS 19 Employee benefits. The changes on the Group's accounting policies have been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). See note 36 for the impact on the financial statements.

Amendment to IFRS 7 Financial instruments: Disclosures on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

IFRS 10 Consolidated financial statements – builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. See note 4 for the impact on the financial statements.

IFRS 12 Disclosures of interests in other entities – includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. See note 17 for the impact of the adoption on the financial statements.

IFRS 13 Fair value measurement – aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. This standard has no significant impact on the Group's financial results.

2. Significant accounting policies... continued

a) Basis of preparation... continued

New standards, and amendments and interpretations to published standards that are not yet effective and have not been early adopted

Management has reviewed the new standards, amendments and interpretations to existing standards that are not yet effective and have determined that the following are relevant to the Group's operations. The Group has not early adopted the new standards, amendments and interpretations.

Amendments to IAS 36 (effective January 1, 2014) Impairment of assets on the recoverable amount disclosures for non-financial assets. This amendment removes certain disclosures of the recoverable amount of cash generating units which were included in IAS 36 by the issue of IFRS 13. The Group is yet to assess the full impact of the disclosures.

IFRS 9 Financial instruments (effective January 1, 2018) – addresses the classification, measurement and recognition of financial assets and financial liabilities requiring financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost depending on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The Group is yet to assess the full impact of the disclosures.

New standards and interpretations to existing standards effective in the 2014 financial year, but not relevant

IFRS 11 Joint arrangements – focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

IFRIC 20 Stripping costs in the production phase of a surface mine – This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities reporting under IFRS to write-off existing stripping assets to opening retained earnings if the assets cannot be contributed to an identifiable component of an ore body.

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 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

2. Significant accounting policies... continued

b) Consolidation... continued

i) Subsidiaries... continued
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.

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.

2. Significant accounting policies... continued

d) Foreign currency translation... continued

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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
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 balance sheet 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 statement of income. Accordingly, Venezuela was classified as a hyperinflationary economy in 2014 and 2013. The inflation indices used to prepare the restated financial information are those published by the Central Bank of Venezuela. These indices for 2014 and 2013 are 718.30 and 442.30 respectively.

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 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.

2. Significant accounting policies... continued

e) Property, plant and equipment... continued

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 balance sheet 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 balance sheet. 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 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.

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.

2. Significant accounting policies... continued

g) Intangible assets... continued

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 balance sheet 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 balance sheet.

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.

2. Significant accounting policies... continued

i) Financial assets... continued

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 balance sheet.

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 balance sheet 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 balance sheet 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 balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the consolidated balance sheet 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 balance sheet 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 balance sheet. 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 balance sheet 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 balance sheet 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.

Notes to the Consolidated Financial Statements

September 30, 2014

(Expressed in thousands of Barbados Dollars)

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 balance sheet 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 balance sheet 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 September 30, 2014.

Effect of a 5% depreciation of	Effect on equity	Effect on net income
Jamaican dollar	187	(95)
Latin American currencies	(611)	(411)

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 balance sheet 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), the New York Stock Exchange (NYSE) and the Cayman Islands Stock Exchange (CSX).

If the BSE, NYSE 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 $805 (2013 – $784) 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.

Notes to the Consolidated Financial Statements

September 30, 2014

(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:

	2014		2013	
	$	%	$	%
Cash	**74,392**	**34**	65,310	31
Trade and other receivables	**113,029**	**53**	115,059	55
Due by associated companies	**6,694**	**3**	8,092	4
Financial investments (debt securities and fixed deposits)	**21,850**	**10**	20,840	10
Reinsurance assets	**737**	**–**	643	–
	216,702	**100**	209,944	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, 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 balance sheet date.

Customer	2014	2013
British Airways (rated BB by Standard & Poor's)	**912**	1,070
Virgin Atlantic Airways (unrated)	**1,594**	1,592
Caribbean Airlines (unrated)	**1,577**	1,149
Taca International Airlines (rated B+ by Fitch)	**1,843**	1,833
Whyte & Mackay Ltd. (unrated)	**318**	1,759
Alstons Marketing Ltd. (unrated)	**1,552**	864
Santa Barbara Airlines (unrated)	**187**	914
KLM Dutch Airlines (unrated)	**1,065**	868

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 balance sheet 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 September 30, 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
At September 30, 2013					
Borrowings	125,022	14,244	38,710	70,020	247,996
Trade and other payables	99,579	–	–	–	99,579
Due to associated companies	3,352	–	–	–	3,352
Insurance contracts	2,011	–	–	–	2,011
	229,964	14,244	38,710	70,020	352,938
Off financial statement exposures:					
Guarantees and letters of credit	44,383	–	–	–	44,383
Total	274,347	14,244	38,710	70,020	397,321

(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 balance sheet 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 September 30, 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**
At September 30, 2013					
Cash	65,310	–	–	–	65,310
Trade and other receivables	104,190	1,486	2,057	152	107,885
Due by associated companies	8,092	–	–	–	8,092
Reinsurance assets	643	–	–	–	643
Financial investments (debt securities and fixed deposits)	15,943	1,714	2,227	2,909	22,793
	194,178	3,200	4,284	3,061	204,723

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 2014 and 2013 the Group's borrowings at variable rates were denominated in Barbados, Eastern Caribbean and United States 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 September 30, 2014, 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 $219 (2013 – $215) 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 Currency Administration Commission (CADIVI) which has issued a number of regulations governing the modalities of currency sales in Venezuela at official exchange rates. During the year, Venezuela amended its currency exchange legislation to create a new mechanism, known as SICAD II, which permits foreign exchange barter and cash transactions. SICAD II 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 Bs. 6.30 to US$1.00 in the prior year to a conversion rate of Bs. 50.00 to US$1.00 at year end. The Group

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

v) Country risk... continued

has used the SICAD II exchange rate to convert the net assets of its Venezuelan subsidiaries resulting in a translation loss of $16,132 which was recognised in the consolidated statement of comprehensive income. The revenues, operating income and balance sheet 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 amounts represent 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 balance sheet 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
2014				
Available-for-sale securities:				
Debt securities	421	–	–	421
Equity securities	9,577	7,892	–	17,469
	9,998	7,892	–	17,890
2013				
Available-for-sale securities:				
Debt securities	544	96	–	640
Equity securities	9,575	8,460	–	18,035
	10,119	8,556	–	18,675

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 balance sheet 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 balance sheet. Total capital is calculated as 'equity' as shown on the consolidated balance sheet plus total debt.

	2014	2013
Total debt	354,886	352,981
Total capital	920,222	918,295
Debt to capital ratio	28:72	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 per cent (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 September 30, 2014.

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 September 30, 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 September 30, 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.

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

	2014	2013
Regulatory capital held	2,370	2,370
Minimum regulatory capital	555	555

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

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 risk 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 March 30, 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 includes, but not limited to:

4. Critical accounting estimates and judgements... continued

Consolidation of flight kitchen operations... continued

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.

As a result of GEL's control of the business arrangement, we continue to consolidate the results of the catering and ground handling division whilst our minority partner accounts for the arrangement as an associate through equity accounting.

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
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
Investments 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

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5. Segmental reporting... continued

Operating segments... continued

	Import, distribution and marketing	Manufacturing and services	Catering and ground handling	Financial services	Eliminations/ unallocated	Total
Restated 2013						
Revenue						
External sales	618,969	135,437	212,303	–	(4,084)	962,625
Inter-segment sales	12,191	54,078	1,570	–	(67,839)	–
Associated companies' sales	–	88,887	82,741	152,519	(324,147)	–
Total revenue	631,160	278,402	296,614	152,519	(396,070)	962,625
Segment result						
Profit from operations	16,426	15,364	31,331	–	(14,447)	48,674
Other (losses)/gains – net	1,850	1,103	(3,184)	–	(2,001)	(2,232)
Finance costs	(7,305)	(1,306)	(182)	–	(3,848)	(12,641)
Share of income of associated companies	–	1,895	2,676	5,233	–	9,804
Income before non-controlling interests and taxation	10,971	17,056	30,641	5,233	(20,296)	43,605
Non-controlling interests	(798)	(2,240)	(15,701)	–	18,739	–
Income before taxation	10,173	14,816	14,940	5,233	(1,557)	43,605
Taxation						(9,672)
Net income for the year						33,933
Other information						
Operating assets	403,924	108,406	100,568	–	109,642	722,540
Intangible assets	28,422	9,879	3,480	–	–	41,781
Investments in associated companies	–	20,904	9,767	43,175	–	73,846
Unallocated corporate assets	–	–	–	–	80,128	80,128
Consolidated corporate assets	432,346	139,189	113,815	43,175	189,770	918,295
Capital expenditure	10,301	2,954	7,558	–	10,458	31,271
Depreciation	9,140	6,495	6,804	–	1,030	23,469
Amortisation of intangible assets	1,118	620	208	–	–	1,946
Impairment of intangible assets	1,088	–	–	–	–	1,088
Employee numbers	2,049	674	2,390	–	49	5,162

(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:

	2014	Restated 2013
Total income before non-controlling interests and taxation for reportable segments	77,599	63,901
Eliminations/unallocated		
Unallocated group companies	(18,616)	(20,362)
Intercompany eliminations	4	66
Total eliminations/unallocated	(18,612)	(20,296)
Total income before taxation	58,987	43,605

Reportable segment assets are reconciled to total assets as follows:

	2014	Restated 2013
Total assets for reportable segments	718,345	728,525
Unallocated assets		
Operating assets for unallocated group companies	124,943	109,642
Current income tax assets	2,741	3,656
Investment property	17,328	17,029
Financial investments	41,653	41,121
Deferred income tax assets	10,014	10,656
Pension plan assets	3,463	4,624
Long-term trade and other receivables	1,735	3,042
Total unallocated assets	201,877	189,770
Total assets	920,222	918,295

Geographical information

	External sales		Non-current assets	
	2014	2013	2014	Restated 2013
Barbados	245,010	238,118	222,751	219,945
St. Lucia	190,335	207,975	98,305	111,228
Grenada	101,818	94,889	52,695	53,313
Other Caribbean	188,890	177,163	85,072	79,690
Latin America	63,946	85,137	26,118	25,077
Other	164,112	159,343	–	–
Total	954,111	962,625	484,941	489,253

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.

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5. Segmental reporting... continued

Geographical segments	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
Investments 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

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(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Geographical segments... continued

	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
Restated 2013					
Revenue					
External sales	334,092	514,153	118,464	(4,084)	962,625
Inter-segment sales	58,360	9,479	–	(67,839)	–
Associated companies' sales	170,224	131,337	22,586	(324,147)	–
Total revenue	562,676	654,969	141,050	(396,070)	962,625
Segment result					
Profit from operations	25,772	15,414	22,262	(14,774)	48,674
Other (losses)/gains – net	3,572	105	(3,908)	(2,001)	(2,232)
Finance costs	(2,786)	(6,007)	–	(3,848)	(12,641)
Share of income of associated companies	6,086	1,971	1,747	–	9,804
Income before non-controlling interests and taxation	32,644	11,483	20,101	(20,623)	43,605
Non-controlling interests	(3,138)	(5,929)	(9,672)	18,739	–
Income before taxation	29,506	5,554	10,429	(1,884)	43,605
Taxation					(9,672)
Net income for the year					33,933
Other information					
Operating assets	193,013	363,547	56,338	109,642	722,540
Intangible assets	9,981	31,662	138	–	41,781
Investments in associated companies	56,372	13,209	4,265	–	73,846
Unallocated corporate assets	–	–	–	80,128	80,128
Consolidated corporate assets	259,366	408,418	60,741	189,770	918,295
Capital expenditure	7,852	8,635	4,326	10,458	31,271
Depreciation	9,441	10,278	2,720	1,030	23,469
Amortisation of intangible assets	620	1,326	–	–	1,946
Impairment of intangible assets	–	1,088	–	–	1,088
Employee numbers	1,121	2,716	1,276	49	5,162

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6. Cash and cash equivalents

	2014	2013
Cash	74,392	65,310
Bank overdraft (note 11)	(23,910)	(37,108)
	50,482	28,202

Significant concentrations of cash are as follows:

	2014	2013
CIBC FirstCaribbean International Bank (unrated)	24,392	20,329
CIBC (Long Term Issue Credit Rating A+ by Standard & Poor's)	25,725	12,289
Banesco Banco Universal, C.A. (rated B by Fitch)	231	12,096

In the prior year the Group was unable to obtain approval to remit funds held with Banesco Banco Universal, C.A., in Venezuela to Head Office due to regulatory restrictions. With the introduction of the SICAD II mechanism during the year, the Group was able to obtain approval to purchase US dollars and the excess funds held with Banesco Banco Universal C.A. were remitted to the Head Office (note 3(a)(v)).

7. Trade and other receivables

	2014	2013
Trade receivables	94,114	96,594
Other receivables	25,336	24,513
Trade and other receivables	119,450	121,107
Less: Provision for impairment of receivables	(9,750)	(10,671)
Trade and other receivables – net	109,700	110,436
Loans receivable (other)	3,082	4,337
Loans receivable (mortgages)	247	286
Total	113,029	115,059
Less: Long-term portion – loans receivable	(1,735)	(3,042)
Current portion	111,294	112,017

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.

(Expressed in thousands of Barbados Dollars)

7. Trade and other receivables... continued

a) Trade receivables

Total fully performing trade receivables without external ratings:

	2014	2013
New customers (<6 months)	1,525	2,630
Existing customers (>6 months) – no past defaults	24,026	22,939
Existing customers (>6 months) – some past defaults fully recovered	27,688	29,639
	53,239	55,208

Counterparties with external ratings:

	2014	2013
British Airways (rated BB by Standard & Poor's)	911	1,377
American Airlines (rated B+ by Standard & Poor's)	986	810
US Airways (rated B+ by Standard & Poor's)	220	237
Delta Air Lines (rated BB by Standard & Poor's)	1,812	1,570
Continental Airlines (rated BB by Standard & Poor's)	841	637
Air Canada (rated B- by Standard & Poor's)	245	605
UPS (rated A+ by Standard & Poor's)	4	8
	5,019	5,244
Total fully performing trade receivables	58,258	60,452

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 September 30, 2014, trade receivables of $26,747 (2013 – $26,101) were past due but not impaired. The ageing of these trade receivables is as follows:

	2014	2013
Up to 3 months	14,858	19,116
3 to 6 months	7,673	5,055
6 to 12 months	4,216	1,930
	26,747	26,101

As of September 30, 2014, trade receivables of $9,109 (2013 – $10,041) were impaired and provided for. A portion of these receivables is expected to be recovered. The ageing of these trade receivables is as follows:

	2014	2013
3 to 6 months	183	277
6 to 12 months	2,602	340
Over 12 months	6,324	9,424
	9,109	10,041
Total trade receivables	94,114	96,594

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(Expressed in thousands of Barbados Dollars)

7. Trade and other receivables... continued

b) Other receivables

	2014	2013
Total fully performing other receivables	12,124	9,478

Other receivables that are less than three months past due are not considered impaired. As of September 30, 2014, other receivables of $12,571 (2013 – $14,405) were past due but not impaired. The ageing of these other receivables is as follows:

	2014	2013
Up to 3 months	3,256	6,786
3 to 6 months	2,311	1,562
6 to 12 months	1,260	1,089
Over 12 months	5,744	4,968
	12,571	14,405

As of September 30, 2014, other receivables of $641 (2013 – $630) were impaired and provided for. A portion of these receivables is expected to be recovered. The ageing of these other receivables is as follows:

	2014	2013
3 to 6 months	3	–
6 to 12 months	77	–
Over 12 months	561	630
	641	630
Total other receivables	25,336	24,513

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

	2014	2013
Balance – beginning of year	10,671	9,978
Provision for impairment of receivables	1,932	1,647
Less: Receivables written off during the year as uncollectible	(2,059)	(323)
Unused amounts reversed	(305)	(206)
Exchange adjustment	(489)	(125)
Subsidiary disposed of during the year	–	(300)
Balance – end of year	9,750	10,671

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 $430 (2013 – $690).

The Group only holds collateral in respect of loans receivable (mortgages). The estimated fair value of this collateral at year end was $704 (2013 – $704).

Loans receivable (other) include an amount of $522 which is repayable in annual instalments of $175.

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:

	2014	2013
Loans receivable (mortgages)	6%	6%

8. Due by/to associated companies

These amounts are interest free, unsecured and without stated terms of repayment.

9. Reinsurance assets

	2014	2013
Outstanding claims	737	643
Deferred reinsurance costs	5,643	6,016
	6,380	6,659

10. Inventories

	2014	2013
Finished goods	140,851	143,114
Raw materials	24,823	23,299
Work in progress	1,011	552
	166,685	166,965
Less: Provision for obsolescence	(1,142)	(958)
Total	165,543	166,007

The cost of inventories written down and recognised as an expense and included in cost of sales amounted to $4,019 (2013 – $5,742).

11. Borrowings

	2014	2013
Non-current		
Bank term loans at interest rates between 4.16% – 9.85% (2013 – 4.19% – 8.05%) repayable in regular instalments maturing at various intervals through 2020 (2013 – through to 2020) – see note (a)	107,500	90,581
Current		
Bank term loans at interest rates between 4.16% – 9.85% (2013 – 4.19% – 8.05%) repayable in regular instalments maturing at various intervals through 2020 (2013 – through to 2020) – see note (a)	31,802	39,611
Short-term loans repayable on demand – see note (b)	7,714	9,136
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 6.00% – 10.25%) (2013 – 6.75% – 26.00%) (note 6) – see note (a)	23,910	37,108
	95,860	118,289
Total	203,360	208,870

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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 subsidiary and associated companies.

b) The short-term loans are unsecured and bear interest at rates varying between 3% and 8% (2013 – 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 hypothecary obligation and mortgage debentures stamped up to a limit of $42,614 over the fixed and floating assets of subsidiary companies, guarantee and postponement of claims from a related company, and assignment of fire insurance policies over property and equipment to the bank.

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.

Grenada: A registered demand mortgage over the fixed and floating assets stamped to secure $741 and assignment of fire and perils insurance coverage on a commercial property.

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 balance sheet date are as follows:

	2014	2013
No exposure	178,062	179,859
Less than 1 year	21,346	22,464
1 – 5 years	3,952	6,547
	203,360	208,870

The fair value of the Group's fixed rate borrowings was $135,504 at the year end (2013 – $128,849).

(Expressed in thousands of Barbados Dollars)

11. Borrowings... continued

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

	2014	2013
Barbados dollar	82,136	88,956
East Caribbean dollar	81,008	82,748
Jamaica dollar	7,782	172
US dollar	32,434	36,994
	203,360	208,870

12. Trade and other payables

	2014	Restated 2013
Trade payables	57,517	55,547
Accrued liabilities	68,888	62,399
	126,405	117,946

13. Insurance contracts

	2014	2013
Provision for losses and loss adjustment expenses	2,167	2,011
Unearned premiums	8,175	8,722
	10,342	10,733

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14. Property, plant and equipment

	Freehold land and buildings	Construction in progress	Leasehold buildings	General equipment	Total
At September 30, 2012					
Cost or valuation	247,810	18,949	48,080	273,551	588,390
Accumulated depreciation	(1,922)	–	(29,460)	(199,181)	(230,563)
Net book amount	245,888	18,949	18,620	74,370	357,827
Year ended September 30, 2013					
Opening net book amount	245,888	18,949	18,620	74,370	357,827
Exchange differences	(140)	–	(924)	(953)	(2,017)
Additions	5,744	7,560	1,555	16,412	31,271
Disposals	(3,097)	–	(2)	(5,432)	(8,531)
Reclassifications	26,543	(26,509)	–	(34)	–
Hyperinflationary revaluation	–	–	817	898	1,715
Depreciation charge (note 24)	(3,000)	–	(2,440)	(18,029)	(23,469)
Subsidiary disposed of during year	–	–	(4)	(18)	(22)
Revaluation surplus	290	–	–	–	290
Transfer to investment property (note 15)	(3,509)	–	–	–	(3,509)
Closing net book amount	268,719	–	17,622	67,214	353,555
At September 30, 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 September 30, 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 September 30, 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

(Expressed in thousands of Barbados Dollars)

14. Property, plant and equipment... continued

Depreciation expense of $4,713 (2013 – $5,554) and $17,580 (2013 – $17,915) respectively has been included in cost of sales and selling, marketing and administrative expenses.

Operating lease rental expenses amounting to $3,186 (2013 – $3,989) have been included in selling, marketing and administrative expenses.

Land and buildings up to a total value of $103,730 (2013 – $108,210) have been provided as security for various bank borrowings.

During the year, the Group capitalised borrowing costs amounting to $Nil (2013 – $742) on qualifying assets. In the prior year, borrowing costs were capitalised at the rate of 7.5%.

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 September 30, 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

	2014	2013
Balance – beginning of year	17,029	13,496
Transfer from property, plant and equipment (note 14)	–	3,509
Fair value gains on revaluation of investment property (note 25)	175	24
Exchange adjustment	124	–
Balance – end of year	17,328	17,029

The Group's investment properties are situated in Barbados, Cayman Islands and Guatemala. These were revalued as of September 30, 2014 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 $1,449 (2013 – $1,597) and direct operating expenses totalled $154 (2013 – $121) for the year.

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16. Intangible assets

	Goodwill	Trade names	Customer relationships	Supplier relationships	Total
At September 30, 2012					
Cost	34,056	16,254	19,108	1,195	70,613
Accumulated amortisation and impairment	(18,158)	(3,237)	(3,316)	(1,087)	(25,798)
Net book amount	15,898	13,017	15,792	108	44,815
Year ended September 30, 2013					
Opening net book amount	15,898	13,017	15,792	108	44,815
Impairment of intangible assets	(1,088)	–	–	–	(1,088)
Amortisation charge	–	(676)	(1,259)	(11)	(1,946)
Closing net book amount	14,810	12,341	14,533	97	41,781
At September 30, 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 September 30, 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 September 30, 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**

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	Disposal	Balance end of year
Import, distribution and marketing	12,597	(2,942)	9,655
Manufacturing and services	1,243	–	1,243
Catering and ground handling	970	–	970
	14,810	(2,942)	11,868

(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.

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 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.

	2014	
	Discount factor	Residual growth rate
Import, distribution and marketing	10.6% – 15.7%	2%
Manufacturing and services	14%	2%

17. Investments in associated companies

The Group's investments in associates consist of a 45% investment in Sagicor General Insurance Inc., located and incorporated in Barbados, which in the opinion of the Directors is material to the Group. 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 balance sheet for the associates:

	2014	Restated 2013
Assets:		
Current assets	**249,313**	251,520
Non-current assets	**313,914**	292,655
	563,227	544,175
Liabilities:		
Current liabilities	**301,336**	297,669
Non-current liabilities	**85,758**	73,551
	387,094	371,220
Net assets	**176,133**	172,955
Average proportion of the Group's ownership	**43%**	43%
Carrying amount of investments	**75,195**	73,846

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17. Investments in associated companies... continued

Summarised statement of income for the associates:

	2014	Restated 2013
Revenue	316,182	324,147
Income before taxation	21,119	32,334
Taxation	(6,235)	(7,084)
Net income for the year	14,884	25,250
Other comprehensive income	411	(3,268)
Total comprehensive income	15,295	21,982
Group's share of income for the year	6,569	9,804
Dividends received for the year	5,013	2,484

18. Financial investments

	2014	2013
Available-for-sale:		
Debt securities (listed)	421	640
Equity securities (listed)	17,469	18,035
Equity securities (unlisted)	2,334	2,246
	20,224	20,921
Loans and receivables:		
Debt securities (unlisted)	18,828	16,317
Fixed deposits	2,601	3,883
	21,429	20,200
Total	41,653	41,121

Significant concentrations of financial investments are as follows:

	2014	2013
Debt securities and fixed deposits:		
Government of St. Lucia Bonds (unrated)	2,714	3,388
Government of St. Lucia Treasury Bills (unrated)	2,367	–
Government of St. Vincent Treasury Bills (unrated)	1,111	–
East Caribbean Financial Holding Co. – Bank of St. Lucia (unrated)	2,472	2,407
Grenada Co-Operative Bank Limited Fixed Deposit (unrated)	1,095	1,937
RBTT Fixed Deposit (unrated)	–	741
First Citizens Investment Services Ltd. (unrated)	5,353	5,128
EC Home Mortgage Bank Bonds (unrated)	3,302	4,141
Equity securities:		
Banks Holdings Limited (unrated)	1,901	1,933
CIBC FirstCaribbean International Bank (unrated)	781	868
OAM Asian Recovery Fund (unrated)	4,776	4,497
OAM European Value Fund (unrated)	3,086	2,922
Mutual Financial Services Inc. (unrated)	1,385	1,318
Sagicor Financial Corporation (unrated)	682	767

(Expressed in thousands of Barbados Dollars)

18. Financial investments... continued

Debt securities carry fixed interest rates ranging from 1.5% to 6% (2013 – 1.5% to 5.75%) and maturity dates between 2014 and 2057 (2013 – 2013 and 2057).

No debt securities were past due at the consolidated balance sheet date.

The Group's loans and receivables as disclosed in the consolidated balance sheet approximate their fair value.

Loans and receivables amounting to $5,689 (2013 – $5,548) were used as securities for the statutory deposits and motor insurance fund for the Group's insurance company.

19. Deferred income tax assets/(liabilities)

	2014	Restated 2013
Deferred income tax assets (net) – beginning of year	7,172	5,123
Disposal of subsidiary company	–	(360)
Deferred income tax charge to other comprehensive income	(440)	574
Deferred income tax release (note 28)	717	1,858
Exchange adjustment	(606)	(23)
Deferred income tax assets (net) – end of year	6,843	7,172
Represented by:		
Deferred income tax assets	10,014	10,656
Deferred income tax liabilities	(3,171)	(3,484)
	6,843	7,172

The deferred income tax assets consist of the following components:

	2014	Restated 2013
Delayed tax depreciation	21,178	21,322
Taxed provisions	5,279	4,374
Pension plan assets net of liabilities	1,853	2,702
Unutilised tax losses	22,437	25,290
Other	212	933
	50,959	54,621
Deferred income tax assets at applicable corporation tax rates	10,014	10,656

The deferred income tax liabilities consist of the following components:

	2014	Restated 2013
Accelerated tax depreciation	(16,408)	(16,956)
Taxed provisions	(420)	77
Pension plan assets net of liabilities	(778)	(1,399)
Unutilised tax losses	2,983	1,832
Other	102	234
	(14,521)	(16,212)
Deferred income tax liabilities at applicable corporation tax rates	(3,171)	(3,484)

(Expressed in thousands of Barbados Dollars)

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

	2014	Restated 2013
Deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	8,634	8,062
Deferred income tax assets to be recovered within 12 months	1,380	2,594
	10,014	10,656
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after more than 12 months	(2,158)	(2,043)
Deferred income tax liabilities to be settled within 12 months	(1,013)	(1,441)
	(3,171)	(3,484)

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

	2014	Restated 2013
Delayed tax depreciation	449	276
Unutilised tax losses	11,940	13,320
Intangible assets	(7,994)	(8,635)
	4,395	4,961
Deferred income tax assets at applicable corporation tax rates	1,307	1,483

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 September 30, 2011. Interim actuarial valuations of the plans were performed as of September 30, 2014.

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

Pension plan assets

	2014	Restated 2013
Fair value of plan assets	66,986	44,512
Present value of funded obligations	(63,523)	(38,931)
	3,463	5,581
Amount not recognised because of limit placed on the economic value of surplus	–	(957)
Net assets – end of year	3,463	4,624

(Expressed in thousands of Barbados Dollars)

20. Pension plans... continued

Pension plan liabilities

	2014	Restated 2013
Fair value of plan assets	73,558	94,235
Present value of funded obligations	(78,096)	(100,162)
Net liabilities – end of year	(4,538)	(5,927)

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

	2014	Restated 2013
Fair value of plan assets – beginning of year	138,747	132,227
Contributions – employer and employee	4,824	4,885
Benefits paid	(5,323)	(6,709)
Plan administration expenses	(238)	(296)
Remeasurements:		
Return on plan assets	2,534	8,640
Fair value of plan assets – end of year	140,544	138,747

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

	2014	Restated 2013
Present value of funded obligations – beginning of year	139,093	129,811
Current service cost	4,532	4,522
Interest cost	10,464	9,711
Benefits paid	(5,323)	(6,709)
Remeasurements:		
Experience (gains)/losses	(7,147)	1,758
Present value of funded obligations – end of year	141,619	139,093

The movement in the net liability recognised in the consolidated balance sheet is as follows:

	2014	Restated 2013
Net (liability)/asset – beginning of year	(1,303)	1,147
Net pension expense included in the consolidated statement of income	(3,279)	(2,982)
Remeasurements included in the consolidated statement of comprehensive income	262	(2,712)
Contributions paid	3,245	3,244
Net liability – end of year	(1,075)	(1,303)

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

	2014	Restated 2013
Current service cost	2,952	2,882
Net interest on the net defined benefit liability/asset	15	(196)
Plan administration expenses	238	296
Amount not recognised because of limit placed on the economic value of surplus	74	–
Net amount recognised in the consolidated statement of income	3,279	2,982

(Expressed in thousands of Barbados Dollars)

20. Pension plans... continued

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

	2014	Restated 2013
Remeasurements:		
(Gains)/losses from change in assumptions	(98)	6,826
Experience gains	(7,049)	(5,068)
Return on plan assets excluding amounts included in interest expense	7,916	1,267
Amount not recognised because of limit placed on the economic value of surplus	(1,031)	(313)
Net amount recognised in the consolidated statement of comprehensive income	(262)	2,712

Principal actuarial assumptions used for accounting purposes were as follows:

	2014	Restated 2013
Discount rate	7.5% - 7.8%	7.0% - 7.8%
Expected return on plan assets	7.5% - 7.8%	7.0% - 7.8%
Future promotional salary increases	3.0% - 4.5%	3.0% - 4.5%
Future inflationary salary increases	1.5% - 3.8%	3.0% - 3.8%
Future pension increases	2.0% - 3.8%	1.5% - 3.8%
Proportion of employees opting for early retirement	0.0%	0.0%
Future changes in NIS ceiling	2.0% - 5.0%	1.5% - 4.5%
Mortality	UPM94	UPM94

Plan assets are comprised as follows:

	2014	2013
Bonds Fund	8.4%	8.2%
Equity Fund	69.3%	70.1%
Balanced Fund	22.5%	21.9%
Other	(0.2)%	(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 September 30, 2015 are $3,092.

The Group also operates defined contribution plans for eligible employees. Pension costs for the year in respect of the defined contribution plans amounted to $3,033 (2013 – $3,121).

(Expressed in thousands of Barbados Dollars)

20. Pension plans... continued

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%	125,910	168,979
Salary growth rate	0.5%	151,928	139,840
Life expectancy	1 year	144,932	–

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 balance sheet.

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

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

	2014	2013
Common shares	**43,829**	44,557

	2014		2013	
	Number of shares	$	Number of shares	$
Balance – beginning of year	**60,124,689**	**44,557**	59,976,694	43,842
Shares repurchased during the year – see (a)	**(1,950,095)**	**(1,445)**	–	–
Shares issued during the year – see (b) & (c)	**135,816**	**717**	147,995	715
Balance – end of year	**58,310,410**	**43,829**	60,124,689	44,557

Changes during the year were as follows:

a) In December 2013, the Company repurchased 1,950,095 shares from Chasmin Investments Ltd. at a price of $6.25 each.

b) In November 2013, employees of the Company and its Barbados subsidiary companies were offered shares in part payment of bonus payable in December 2013, as permitted by law. A total of 74,796 shares were issued at a price of $5.23 each. Subsequently, in May 2014, 53,020 shares were allotted under the Employee Share Purchase Scheme at $5.23 per share. These shares qualified for the 2014 interim dividend paid in August 2014.

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21. Share capital... continued

c) During the year, 8,000 employee share options were exercised at a price of $6.04. 16,917 share options expired during the year (note 23).

22. Other reserves

	Financial investments reserve	Revaluation surplus	Translation reserve	Share-based payments reserve	Statutory reserve	Total
Balance at October 1, 2012	2,688	110,612	(9,888)	1,336	2,332	107,080
Other comprehensive income/(loss):						
Unrealised gains/(losses) on available-for-sale financial investments:						
– Group	1,346	–	–	–	–	1,346
– Associated companies	(448)	–	–	–	–	(448)
(Gains)/losses transferred to income on disposal of available-for-sale financial investments:						
– Group	(138)	–	–	–	–	(138)
– Associated companies	140	–	–	–	–	140
Impairment of financial investments	195	–	–	–	–	195
Currency translation differences	–	–	(3,739)	–	–	(3,739)
Hyperinflationary revaluations	–	2,540	–	–	–	2,540
Share of revaluation surplus:						
– Group	–	(1,497)	–	–	–	(1,497)
– Associated companies	–	(50)	–	–	–	(50)
Revaluation on acquisition of non-controlling interest	–	(4,623)	–	–	–	(4,623)
Other comprehensive income/(loss) for the year	1,095	(3,630)	(3,739)	–	–	(6,274)
Value of employee services:						
– Other share-based plans	–	–	–	93	–	93
Balance at September 30, 2013	3,783	106,982	(13,627)	1,429	2,332	100,899

(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 October 1, 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 September 30, 2014	**4,436**	**107,184**	**(23,676)**	**1,547**	**2,332**	**91,823**

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.

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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:

	2014		2013	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding – beginning of year	74,537	6.252	188,637	6.301
Granted	–	–	22,727	5.500
Exercised (note 21 (c))	(8,000)	6.040	(5,000)	6.040
Expired	(16,917)	7.720	(131,827)	6.200
Outstanding – end of year	49,620	5.787	74,537	6.252

Terms of the options outstanding at September 30:

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

	Exercise price $	Number 2014	Number 2013
Expiry date			
October 1, 2013	7.72	–	16,917
October 1, 2014	6.04	21,836	29,836
October 1, 2015	5.90	3,390	3,390
October 1, 2016	6.00	1,667	1,667
October 1, 2017	5.50	22,727	22,727
		49,620	74,537

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 (2013 – $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% (2013 – 15%), an average option life of 4.5 years (2013 – 4.5 years) and an annual risk-free interest rate of 6% (2013 – 6%).

24. Expenses by nature

	2014	Restated 2013
Depreciation (note 14)	22,293	23,469
Employee benefits expense (note 26)	189,884	186,151
Changes in inventories of finished goods and work in progress	(3,794)	(7,180)
Raw materials and consumables used	565,252	573,971
Transportation	2,422	2,359
Advertising costs	12,950	13,338
Provision for impairment of receivables	2,057	2,131
Other expenses	117,040	123,796
Total cost of sales and selling, marketing and administrative expenses	908,104	918,035

(Expressed in thousands of Barbados Dollars)

24. Expenses by nature... continued

	2014	Restated 2013
Cost of sales	598,108	605,364
Selling and marketing expenses	67,050	69,276
Administrative expenses	242,946	243,395
	309,996	312,671
	908,104	918,035

25. Other gains/(losses) – net

	2014	2013
Gain on disposal of financial investments	671	186
Gain/(loss) on disposal of property, plant and equipment	3,313	(68)
Interest income	1,649	1,611
Rental income	6,141	3,375
Dividends from other companies	318	328
Amortisation charge (note 16)	(1,981)	(1,946)
Impairment of intangible assets (note 16)	–	(1,088)
Gain on disposal of assets of subsidiary company	5,242	–
Gain arising on acquisition of a subsidiary company	102	–
Loss arising on disposal of subsidiary companies	–	(40)
Impairment of financial investments	(302)	(195)
Fair value gains on revaluation of investment property (note 15)	175	24
Gain on wind-up of pension plan	–	24
Hyperinflationary adjustment	(749)	(4,443)
	14,579	(2,232)

26. Employee benefits expense

	2014	Restated 2013
Salaries and other employee benefits	189,766	186,058
Share-based payments	118	93
	189,884	186,151

27. Finance costs

	2014	2013
Interest expense:		
Bank borrowings	6,770	7,788
Dividend on redeemable preference shares	2,108	2,108
Other borrowings	3,409	2,745
	12,287	12,641

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28. Taxation

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

	2014	Restated 2013
Current income tax	10,801	11,530
Deferred income tax (note 19)	(717)	(1,858)
	10,084	9,672

The Group's effective tax rate of 17.1% (2013 – 22.2%) differs from the statutory Barbados tax rate of 25% (2013 – 25%) as follows:

	2014	Restated 2013
Income before taxation	58,987	43,605
Taxation calculated at 25% (2013 – 25%)	14,747	10,901
Effect of different tax rates in other countries	96	(237)
Tax effect of different tax rates on deferred tax assets and liabilities	(260)	29
Tax effect of associates' results reported net of taxes	(1,538)	(2,212)
Income not subject to taxation	(4,245)	(1,063)
Expenses not deductible for tax purposes	4,119	3,998
Taxation allowances	(2,423)	(1,866)
Decrease in deferred tax assets not recognised	112	(72)
Amount over provided in prior years	(416)	(417)
Amounts (under)/over provided in current year	(336)	199
Irrecoverable tax on foreign income	263	292
Tax effect of change in tax rate	(42)	199
Effect of losses utilised	(52)	(100)
Effect of losses expired	59	21
	10,084	9,672

(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	469	2017
2009	923	2015
2009	4,265	2018
2010	40	2015
2010	1,419	2016
2010	3,190	2019
2011	241	2016
2011	907	2017
2011	3,181	2020
2012	1,545	2015
2012	631	2017
2012	630	2018
2012	11,436	2021
2013	469	2016
2013	217	2018
2013	5,149	2019
2013	532	2022
2014	316	2020
2014	1,764	2023
	37,360	

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.

	2014	Restated 2013
Net income for the year attributable to equity holders of the Company	36,402	21,189
Weighted average number of common shares in issue (thousands)	58,600	60,057
Basic earnings per share	62.1¢	35.3¢

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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.

	2014	Restated 2013
Net income for the year attributable to equity holders of the Company	36,402	21,189
Dividend on redeemable preference shares	1,265	–
Net income used to determine diluted earnings per share	37,667	21,189
Weighted average number of common shares in issue (thousands)	58,600	60,057
Adjustments for share options (thousands)	52	79
Adjustments for convertible preference shares (thousands)	3,097	–
Weighted average redeemable number of common shares for diluted earnings per share	61,749	60,136
Diluted earnings per share	61.0¢	35.2¢

30. Dividends per share

The dividends paid in 2014 and 2013 were $8,159 ($0.08 per share final for 2013 and $0.06 per share interim for 2014) and $10,215 ($0.11 per share final for 2012 and $0.06 per share interim for 2013).

At the Directors' meeting of December 9, 2014, a final dividend in respect of the 2014 financial year of fourteen cents was declared. These 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 $16,117 (2013 – $13,154) in favour of the Comptroller of Customs covering delivery of goods prior to payment of duty.

b) As of the consolidated balance sheet 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 $924 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 financial statements, amounted to $35,415 (2013 – $51,072) 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:

	2014	2013
Not later than 1 year	**1,624**	2,250
Later than 1 year and no later than 5 years	**6,670**	8,224

b) The Group has erected buildings on land originally leased at Grantley Adams Industrial Park from the Barbados Investment and Development Corporation. The lease dated October 25, 2011 has a 25 year term to April 30, 2034 with an option to renew for a further 25 years. The annual rent is $92.

c) 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.

	2014	2013
Not later than 1 year	**88**	78
Later than 1 year and no later than 5 years	**269**	227
	357	305

d) 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:

	2014	2013
Not later than 1 year	**48**	48
Later than 1 year and no later than 5 years	**190**	190
	238	238

e) Lease of land at Bois D'Orange, St. Lucia for 10 years, entered into on the acquisition of Sunbilt Limited on October 1, 2005:

	2014	2013
Not later than 1 year	**400**	400
Later than 1 year and no later than 5 years	**–**	400
	400	800

f) 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:

	2014	2013
Not later than 1 year	**966**	920
Later than 1 year and no later than 5 years	**1,584**	1,802
	2,550	2,722

(Expressed in thousands of Barbados Dollars)

33. Business combinations

Calloway Corporation N.V.

On February 1, 2014, the Group acquired 51% interest in Calloway Corporation N.V., a provider of inflight catering services at a cost of $2,448. This resulted in a gain on acquisition of $102.

The fair values of the assets and liabilities of Calloway Corporation N.V. at acquisition were as follows:

	Carrying amount	Fair value
Current assets		
Cash	45	45
Trade and other receivables	2,236	2,236
Prepaid expenses	4	4
Inventories	218	218
	2,503	2,503
Current liabilities		
Borrowings	176	176
Trade and other payables	1,870	1,870
	2,046	2,046
Working capital	457	457
Property, plant and equipment	4,543	4,543
	5,000	5,000

The cash outlay arising on this acquisition was as follows:

Group's share of fair value of net assets		2,550
Gain on acquisition		(102)
Purchase consideration paid		2,448
Less: Cash and cash equivalents on acquisition	45	
Borrowings assumed on acquisition	(176)	131
		2,579

The revenue and net income included in the consolidated statement of income since February 1, 2014 contributed by Calloway Corporation N.V. was $7,338 and $257 respectively.

Jonas Browne and Hubbard (Grenada) Ltd.

During 2014, 1,195 shares were purchased in Jonas Browne and Hubbard (Grenada) Ltd. at a cost of $19. This increased the shareholding from 52.13% to 52.21%

(Expressed in thousands of Barbados Dollars)

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%
Bryden and Partners Limited	St. Lucia	67%	33%
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%	–
GODCA S.A.	El Salvador	51%	49%
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%	–
Hanschell Inniss Limited	Barbados	100%	–
Hilbe Investments Limited	Barbados	100%	–
Hipac Limited	Barbados	100%	–
Hutchinson (Antigua) Limited	Antigua	100%	–
Hutchinson Investments Limited	Antigua	100%	–
Independence Agencies Limited	Grenada	55%	45%
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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014

(Expressed in thousands of Barbados Dollars)

34. Related party disclosures... continued

Company	Country of Incorporation	Effective Shareholder's Interests	Effective Non- Controlling Interests
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%	–
Orange Wood Distributors Limited	St. Lucia	67%	33%
Paradise Springs – a division of Goddard Catering Group (St. Lucia) Ltd.	St. Lucia	51%	49%
PBH Limited	Barbados	100%	–
Penrith Development Limited	Barbados	100%	–
Peter & Company Limited	St. Lucia	100%	–
Peter's Holdings Limited	St. Lucia	100%	–
Precision Packaging Inc.	Barbados	100%	–
Purity Bakeries - a division of Goddard Enterprises Limited			
Sea Freight Agencies & Stevedoring Limited	Barbados	100%	–
Sunbilt Limited	St. Lucia	100%	–
The West Indies Rum Distillery Limited	Barbados	92%	8%
Tropical Battery – a division of Courtesy Garage Limited	Barbados	99%	1%
Tropical Sales (1979) Ltd.	Barbados	100%	–
W B Hutchinson & Co. (St. Lucia) Limited	St. Lucia	100%	–
Wonder Bakery Ltd.	St. Lucia	70%	30%

All subsidiary undertakings are included in the consolidation. The total non-controlling interests for the year is $103,615 of which $45,984 is for group companies in the catering and ground handling division, $46,925 for group companies in the import, distribution and marketing division and $8,466 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.

b) The Group's significant associates at September 30, 2014 were as follows:

Company	Country of Incorporation	Effective Shareholder's Interests
Sagicor General Insurance Inc.	Barbados	45%
Various interests held ultimately by Goddard Enterprises Limited	Various Caribbean and Latin American countries and Barbados	20% – 50%

(Expressed in thousands of Barbados Dollars)

34. Related party disclosures... continued

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

	2014	2013
i) Sales of goods and services	11,695	6,655
ii) Purchases of goods and services	537	669
iii) Management fee income	640	760
iv) Insurance expense	10	9
v) Dividend income (note 17)	5,013	2,484

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

	2014	2013
Compensation		
Salaries and other short-term employee benefits	7,406	6,951
Share-based payments	36	25
	7,442	6,976

There were no loans to key management in 2014 and 2013.

35. Cash flows

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

	2014	Restated 2013
Decrease/(increase) in trade and other receivables	2,918	(2,920)
(Increase)/decrease in prepaid expenses	(2,152)	1,385
Decrease/(increase) in due by associated companies	1,398	(324)
Decrease in reinsurance assets	279	318
Decrease/(increase) in inventories	682	(6,740)
Increase in trade and other payables	6,651	5,214
Increase in due to associated companies	673	233
Decrease in insurance contracts	(391)	(299)
	10,058	(3,133)

36 Restatements

Change in accounting policy

The Group has adopted IAS 19 (revised 2011), 'Employee benefits' on October 1, 2012. The revised employee benefits standard introduces changes to the recognition, measurement, presentation and disclosure of post employment benefits. The standard also requires net interest expense/income to be calculated as the product of the net defined benefit liability/asset and the discount rate as determined at the beginning of the year. The effect of this is to remove the previous concept of recognising an expected return on plan assets.

Notes to the Consolidated Financial Statements

September 30, 2014

(Expressed in thousands of Barbados Dollars)

36 Restatements... continued

Vacation pay accrual

The Group's trade and other payables and retained earnings were restated to recognise the cost of accumulated vacation benefits earned over time and capable of being carried forward, as required by IAS 19.

The effects of the change to the accounting policy and the revision to the vacation pay accrual are shown in the following tables:

Impact on the consolidated balance sheet:

	2013 $	Adopt IAS 19 (revised 2011) $	Vacation pay accrual $	As restated 2013 $
Assets				
Investments in associated companies	75,004	(1,158)	–	73,846
Deferred income tax assets	9,558	1,098	–	10,656
Pension plan assets	6,074	(1,450)	–	4,624
Liabilities				
Trade and other payables	115,860	–	2,086	117,946
Deferred income tax liabilities	3,763	(279)	–	3,484
Pension plan liabilities	1,747	4,180	–	5,927
Equity				
Retained earnings	315,845	(5,762)	(2,053)	308,030
Non-controlling interests	111,510	351	(33)	111,828

	October 1, 2012 $	Adopt IAS 19 (revised 2011) $	Vacation pay accrual $	As restated October 1, 2012 $
Assets				
Investments in associated companies	68,697	(251)	–	68,446
Deferred income tax assets	8,285	786	–	9,071
Pension plan assets	6,052	(903)	–	5,149
Liabilities				
Trade and other payables	110,774	–	1,958	112,732
Deferred income tax liabilities	4,013	(65)	–	3,948
Pension plan liabilities	1,869	2,133	–	4,002
Equity				
Retained earnings	302,842	(3,025)	(1,955)	297,862
Non-controlling interests	107,538	589	(3)	108,124

(Expressed in thousands of Barbados Dollars)

36 Restatements... continued

Impact on the consolidated statement of income:

	For the year ended September 30, 2013 $	Adopt IAS 19 (revised 2011) $	Vacation pay accrual $	As restated for the year ended September 30, 2013 $
Employee benefits expense	186,141	(118)	128	186,151
Share of income of associated companies	9,802	2	–	9,804
Income before taxation	43,613	120	(128)	43,605
Taxation	(9,625)	(47)	–	(9,672)
Total net income for the year	33,988	73	(128)	33,933

Impact on the consolidated statement of comprehensive income:

	For the year ended September 30, 2013 $	Adopt IAS 19 (revised 2011) $	Vacation pay accrual $	As restated for the year ended September 30, 2013 $
Other comprehensive income:				
Items that will not be recycled to income in the future:				
Remeasurement of employee benefits				
– Group	–	(2,138)	–	(2,138)
– Associated companies	–	(910)	–	(910)
	–	(3,048)	–	(3,048)
Total comprehensive income for the year	30,000	(2,975)	(128)	26,897

(Expressed in thousands of Barbados Dollars)

36 Restatements... continued

Impact on the consolidated statement of changes in equity:

	Retained earnings $	Non-Controlling interests $
Balance as at October 1, 2012 as previously reported	302,842	107,538
Effect of restatements:		
Vacation pay accrual	(1,955)	(3)
Actuarial (losses)/gains on employee benefits - Group	(3,642)	605
Deferred income tax credit/(charge) on actuarial losses – Group	868	(16)
Actuarial losses on employee benefits – Associated companies	(251)	–
Balance as at October 1, 2012 as restated	297,862	108,124
Net income for the year as previously reported - September 30, 2013	21,135	12,853
Effect of restatements:		
Vacation pay accrual	(99)	(29)
Actuarial gains/(losses) on employee benefits – Group	203	(85)
Deferred income tax (charge)/credit on actuarial losses – Group	(52)	5
Actuarial gains on employee benefits – Associated companies	2	–
Net income for the year as restated	21,189	12,744
Other comprehensive income for the year as previously reported - September 30, 2013	1,868	418
Effect of change in accounting policy:		
Remeasurement of employee benefits – Group	(2,549)	(163)
Deferred income tax credit on remeasurement of employee benefits - Group	570	4
Remeasurement of employee benefits – Associated companies	(910)	–
Other comprehensive income for the year as restated	(1,021)	259
Total comprehensive income for the year as previously reported - September 30, 2013	23,003	13,271
Effect of restatements:		
Vacation pay accrual	(99)	(29)
Actuarial gains/(losses) on employee benefits - Group	203	(85)
Deferred income tax (charge)/credit on actuarial losses – Group	(52)	5
Actuarial gains on employee benefits – Associated companies	2	–
Remeasurement of employee benefits – Group	(2,549)	(163)
Deferred income tax credit on remeasurement of employee benefits – Group	570	4
Remeasurement of employee benefits – Associated companies	(910)	–
Total comprehensive income for the year as restated	20,168	13,003
Balance as at September 30, 2013 as previously reported	315,845	111,510
Effect of restatements	(7,815)	318
Balance as at September 30, 2013 as restated	308,030	111,828

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-sixth annual meeting of the shareholders of Goddard Enterprises Limited (the "Company") to be held on Friday, January 30, 2015 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, January 29, 2015.

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 58,310,410 common shares of the Company issued and outstanding.

PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT

The Consolidated Financial Statements of the Company for the year ended September 30, 2014 and the Auditor's Report thereon are included in the 2014 Annual Report.

ELECTION OF DIRECTORS

The Board of Directors of the Company currently comprises nine 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
Ms. Vere P. Brathwaite	Non-Executive Director
Mr. Ian K. D. Castilho	Deputy Chairman
Mrs. Renee-Ann M. Kowlessar	Non-Executive Director

Ms. Vere P. Brathwaite, Mr. Ian K. D. Castilho and Mrs. Renee-Ann M. Kowlessar are currently directors of the Company and will retire at the close of the seventy-sixth annual meeting in accordance with article 4.4 of the by-laws of the Company but being qualified, are eligible for re-election. Ms. Brathwaite and Mr. Castilho were each last re-elected to the Board at the seventy-third annual meeting of shareholders held on January 31, 2012 for a term of three years each. Mrs. Kowlessar was first appointed to the Board on January 1, 2014 to fill a casual vacancy arising on the resignation of Mr. Roger Edghill and for his unexpired term of one year. It is proposed that the term of office for each of Ms. Brathwaite, Mr. Castilho and Mrs. Kowlessar will expire at the close of the third annual meeting of shareholders following his or her election or until his or her successor is elected or appointed.

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

APPOINTMENT OF AUDITOR

Following on your permission to put the Group's External Audit and Taxation Services for the financial years ending September 30, 2015 to 2019 out to tender, the Audit Committee (the "Committee") invited and considered proposals and presentations from four audit firms namely PricewaterhouseCoopers SRL, Deloitte, KPMG and Ernst & Young. Each proposal and presentation was analysed by the Committee using a comprehensive checklist of pre-set criteria. On completion of the exercise, the Committee recommended to the Board that Ernst & Young, Chartered Accountants, be recommended to shareholders for appointment as the Company's Auditor, and the Board has accepted this recommendation.

It is therefore proposed to nominate the firm of Ernst & Young, Chartered Accountants, for appointment as the Auditor of the Company to hold office until the next annual meeting of shareholders.

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.

December 9, 2014

Kathy-Ann L. Scantlebury
Corporate Secretary

Appendix A – Goddard Enterprises Limited
Board and Committee Meeting Attendance for 2014

NAME OF DIRECTOR	BOARD MEETINGS ATTENDED FOR THE YEAR	COMMITTEE MEETINGS ATTENDED FOR THE YEAR	TOTAL	OVERALL PERCENTAGE
Mr. A. Charles Herbert, Chairman	8 of 8	24 of 24	32 of 32	100%
Mr. Ian K. D. Castilho, Deputy Chairman	8 of 8	11 of 11	19 of 19	100%
Mr. Anthony H Ali, Managing Director	8 of 8	13 of 15	21 of 23	91%
Ms. Vere P. Brathwaite	8 of 8	12 of 12	20 of 20	100%
Mr. J. Dereck Foster	8 of 8	11 of 11	19 of 19	100%
Mrs. Renee-Ann M. Kowlessar	8 of 8	16 of 17	24 of 25	96%
Mr. William P. Putnam	8 of 8	16 of 17	24 of 25	96%
Mr. Christopher G. Rogers	8 of 8	11 of 11	19 of 19	100%
Mr. Stephen T. Worme	8 of 8	10 of 11	18 of 19	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 76th annual meeting of the shareholders of the Company to be held on the 30th day of January, 2015 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, the 29th day of January, 2015.

GODDARD ENTERPRISES LIMITED

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