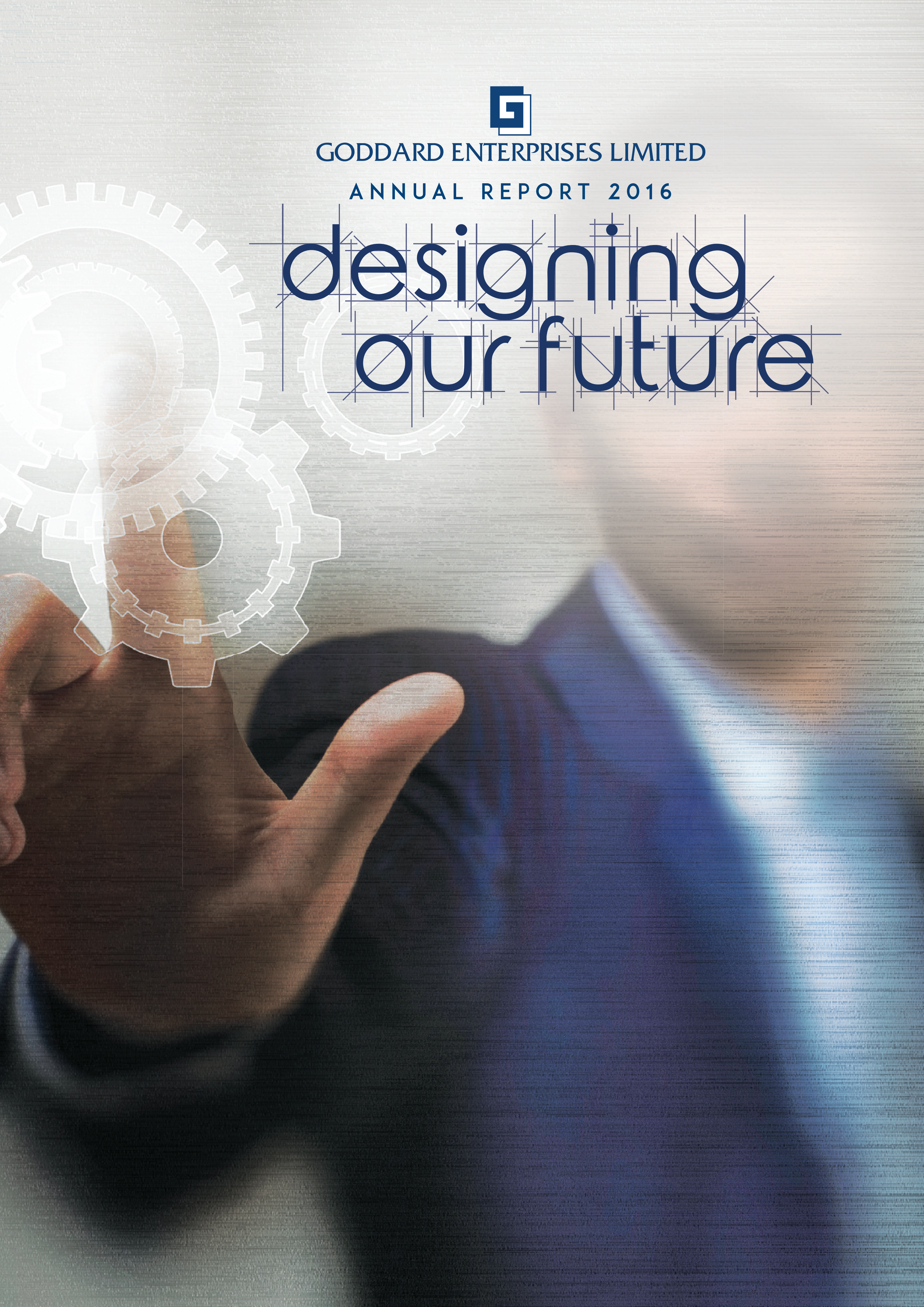
GODDARD ENTERPRISES LIMITED

ANNUAL REPORT 2016

designing our future



GODDARD ENTERPRISES LIMITED

Mission Statement

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

Contents

Notice of Meeting

NOTICE IS HEREBY GIVEN that the SEVENTY-EIGHTH 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, 27 January 2017 at 5.30 p.m. for the following purposes:-

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

2. To receive a Presentation from Mrs. C. Natasha Small, Chief Financial Officer of the Company, on the Overview of the Company's Financial Performance for the year ended 30 September 2016.

3. To receive a Presentation from Mr. Anthony H. Ali, Managing Director of the Company, on the Strategic Outlook for the Company for 2017.

4. To receive and consider the Consolidated Financial Statements of the Company for the year ended 30 September 2016, together with the Reports of the Directors and Auditors thereon.

5. To elect Directors.

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

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

6 December 2016

Corporate Information

Board of Directors

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

Management Committee

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

Corporate Governance Committee

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

Audit & Risk Committee

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

Compensation & Human Resources Committee

Mr. Ian K. D. Castilho – Chairman
Ms. Vere P. Brathwaite
Mr. A. Charles Herbert
Mr. Stephen T. Worme

Company Secretary

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

Auditors

Ernst & Young

Attorneys-At-Law

Clarke Gittens Farmer

Bankers

CIBC FirstCaribbean International Bank
(Barbados) Limited

Registered Office

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

Financial Highlights

For the year ended 30 September 2016

(Expressed in Barbados Dollars)

	2016 $	2015 $	2014 $	Restated 2013 $	2012 $
Revenue – millions of dollars	**767.5**	924.5	954.1	962.6	999.1
Profit from operations before other gains/(losses) – net – millions of dollars	**62.4**	55.3	50.1	48.7	52.8
Profit from operations – millions of dollars	**77.7**	82.1	64.7	46.4	51.1
Income before taxation – millions of dollars	**71.1**	73.5	59.0	43.6	46.6
Earnings/(loss) per share – cents	**64.9**	83.0	62.1	35.3	41.2
Dividends per share – cents	**22.0***	20.0*	20.0	14.0	18.0
Dividend cover (times covered)	**3.0**	4.2	3.1	2.5	2.3
Net asset value per share – dollars	**8.94**	8.35	7.92	7.54	7.57
Closing share price on BSE** – dollars	**8.30**	6.58	6.31	6.15	5.50
After tax return on shareholders' equity	**7.8%**	10.5%	8.0%	4.7%	5.7%
Price/earnings ratio	**12.8**	7.9	10.2	17.4	13.3

* Interim dividend per share – 7.0 cents
Final dividend per share – 15.0 cents (note 30)

** Barbados Stock Exchange

The year 2012 has not been restated and therefore is not comparable to the years 2013 to 2016.

Financial Highlights

SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – $MILLIONS

(Expressed in Barbados Dollars)

	2016 $	2015 $	2014 $	Restated 2013 $	2012 $
Trade receivables and prepaid expenses	**97.3**	114.7	124.4	122.9	121.3
Inventories	**115.5**	121.2	165.5	166.0	159.3
Other current assets	**138.5**	113.6	90.3	83.7	73.0
Total current assets	**351.3**	349.5	380.2	372.6	353.6
Less current liabilities	**(202.7)**	(213.4)	(239.7)	(253.0)	(236.9)
Working capital	**148.6**	136.1	140.5	119.6	116.7
Property, plant and equipment and investment property	**334.7**	337.4	372.9	370.6	371.3
Financial investments, intangible assets, investments in associated companies, due from associated companies, deferred income tax assets, pension plan assets and long-term receivables	**219.4**	209.8	167.1	175.1	171.9
	702.7	683.3	680.5	665.3	659.9
Represented by:					
Shareholders' equity	**503.9**	487.0	461.7	453.5	448.8
Non-controlling interests	**94.8**	95.8	103.6	111.8	108.1
Long-term liabilities	**91.1**	85.6	107.5	90.6	95.1
Deferred income tax liabilities	**4.0**	3.2	3.2	3.5	3.9
Pension plan liabilities	**8.9**	11.7	4.5	5.9	4.0
	702.7	683.3	680.5	665.3	659.9

Financial Highlights

SUMMARISED CONSOLIDATED STATEMENTS OF INCOME – $MILLIONS

(Expressed in Barbados Dollars)

	2016 $	2015 $	2014 $	Restated 2013 $	2012 $
Revenue	**767.5**	924.5	954.1	962.6	999.1
Income before taxation:					
Parent company and subsidiaries	**67.1**	70.2	52.4	33.8	38.7
Share of income from associated companies	**4.0**	3.3	6.6	9.8	7.9
	71.1	73.5	59.0	43.6	46.6
Taxation	**(14.6)**	(11.6)	(10.1)	(9.7)	(12.7)
Non-controlling interests	**(18.7)**	(13.4)	(12.5)	(12.7)	(9.2)
Net income for the year attributable to equity holders of the Company	**37.8**	48.5	36.4	21.2	24.7

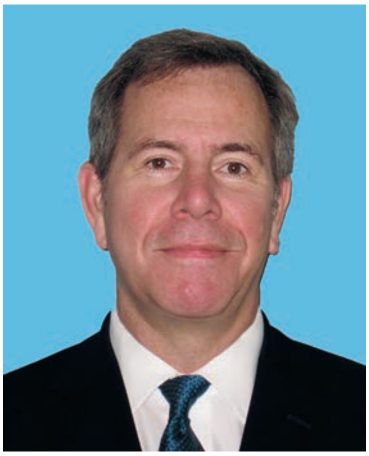
The year 2012 has not been restated and therefore is not comparable to the years 2013 to 2016.

Board of Directors

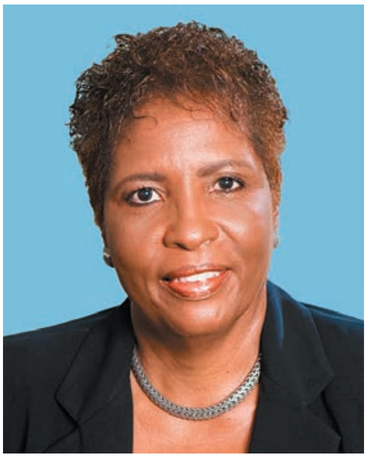
A. CHARLES HERBERT
CHAIRMAN

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

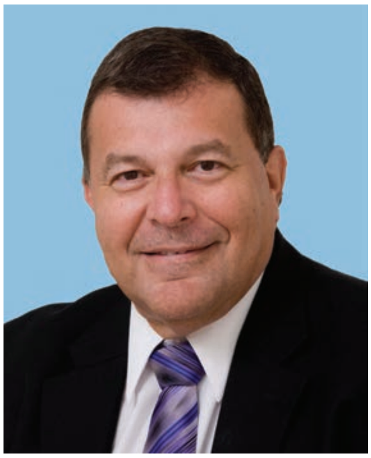
Charles Herbert became Chairman of the Goddard Group of Companies on 5 February 2013, following the retirement of Mr. Joseph N. Goddard. Mr. Herbert spent 15 years of his professional career with The Barbados Mutual Life Assurance Society, now Sagicor Life Inc. ("Sagicor"), and at the time of his resignation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



WILLIAM P. PUTNAM
DEPUTY CHAIRMAN



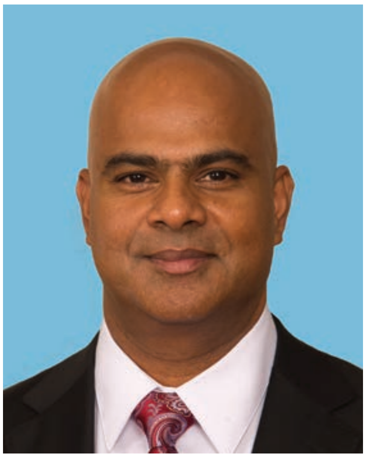
VERE P. BRATHWAITE
NON-EXECUTIVE DIRECTOR



IAN K. D. CASTILHO
NON-EXECUTIVE DIRECTOR

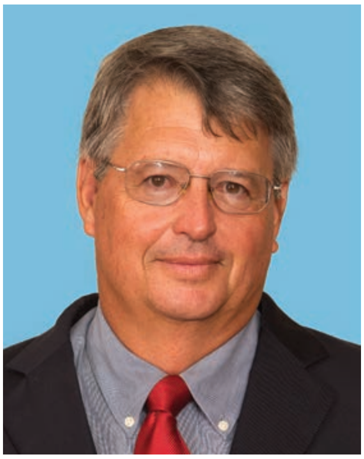
ANTHONY H. ALI, B.Sc. (Hons.), M.B.A.

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

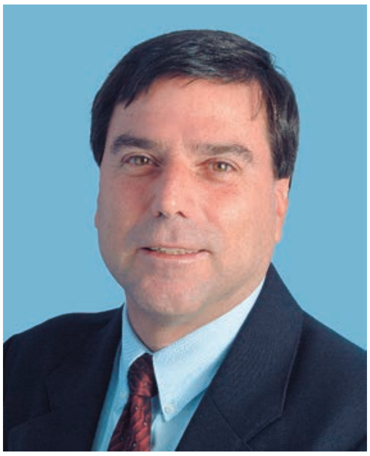


ANTHONY H. ALI
MANAGING DIRECTOR

J. DERECK FOSTER
NON-EXECUTIVE DIRECTOR

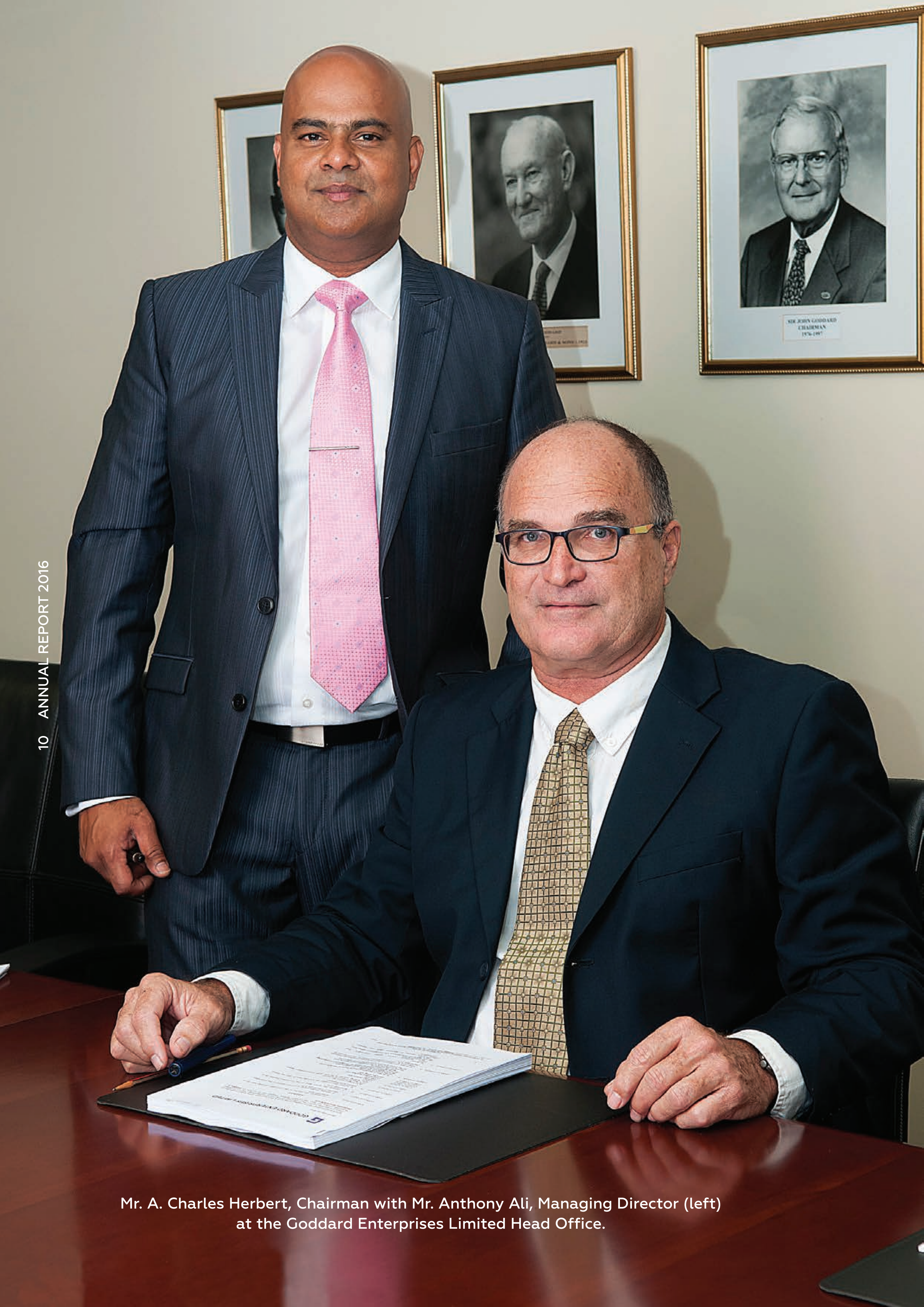


CHRISTOPHER G. ROGERS
NON-EXECUTIVE DIRECTOR



STEPHEN T. WORME
NON-EXECUTIVE DIRECTOR

KATHY-ANN L. SCANTLEBURY
CORPORATE SECRETARY



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

Directors' Report

Consolidated Financial Overview 2015/2016

The Board of Directors of Goddard Enterprises Limited ("GEL") is pleased to present the Group's Consolidated Financial Review for the year ended 30 September 2016.

Consolidated Group sales and profits for the year ended 30 September 2016 amounted to $767.5 million and $56.5 million, compared with $924.5 million and $61.9 million in the previous year, respectively. Earnings per share was 64.9 cents compared to 83.0 cents in 2015.

Global growth has been progressively weaker for the third consecutive year. This year in particular has seen the slowest growth since the Global Financial Crisis in 2008-2009 which continues to afflict countries in the Caribbean. The International Monetary Fund has projected a 3.1% growth rate for 2016, with an expected 1.4% growth in the Caribbean's tourism based economies. This represents a dramatic increase from the 0.8% growth that was observed in these countries in 2015. Countries like Trinidad and Tobago have seen the largest decline in Gross Domestic Product since 1992, while continued contraction in Suriname is predicted. The fate of the Caribbean continues to be in the hands of economic factors beyond its control and external circumstances including the still unknown impact of Brexit and the recent elections in the United States of America. The World Bank's Ease of Doing Business Index shows deterioration across all Caribbean countries except for Guyana and Jamaica. For the financial year ended 30 September 2016, Group revenue decreased by 17.0% below the prior year to $767.5 million. This decrease is attributed to the transfer of six of our Group's subsidiaries in the Food and Consumer Goods Distribution ("FCGD") sector to our 50:50 joint venture company Caribbean Distribution Partners Limited ("CDP"). The results of these companies which we previously reported for the first nine months in the Group's consolidated numbers last year, are now accounted for in the Group's share of income in associated companies. Revenue was also impacted by the divestment of O. D. Brisbane and Sons (Trading) Limited in Saint Kitts and Hutchinson (Antigua) Limited in Antigua. The decrease generated a Gross Profit of $44.5 million, which was up over the prior year by 17.7%. This increase was a result, in part, of the improvements achieved through the re-organization of some of our businesses into vertical lines rather than by geography as previously done and the implementation of a new reporting structure. Our selling, marketing and administrative expenses were 36.7% of revenue compared to 32.2% in 2015, mainly due to the exclusion of the revenue associated with the aforementioned FCGD companies from the Group's results.

Other gains/(losses) – net decreased by $11.4 million or 42.6% compared to the prior year. This negative impact was due to the one time gain associated with the transfer of the six subsidiaries into CDP in the prior year.

Our share of income of associated companies rose by $0.7 million as a result of an improved performance from CDP. The overall increase in taxation was as a result of an increase in the Group's taxable operating profit. Net income for the year of $56.5 million represents a decrease of 8.7% below the prior year.

Looking at the Group's consolidated balance sheet, our working capital ratio at 1.73 reflected adequate control over the number of days of inventories and trade receivables. The total assets of the Group's business was financed by 33.9% debt. Our net asset value per share now stands at $8.94 compared to $8.35 in 2015, an increase of $0.59 per share and our share price moved from $6.58 per share as of 30 September 2015 to $8.30 per share as of 30 September 2016.

Appreciation to Mrs. Jennifer Bradshaw-Wood, Divisional General Manager, Human Resources and Community Relations

Subsequent to the year-end, a change to GEL's Head Office structure was effected when the position of Divisional General Manager, Human Resources and Community Relations was made redundant. As a result, we bade farewell to Mrs. Jennifer Bradshaw-Wood, who served in that position for the past three years. Mrs. Bradshaw-Wood joined the GEL Group in 1997 and served as Human Resources Manager of Hanschell Inniss Limited prior to joining GEL's Head Office in 1999 as Group Human Resources Manager. We wish to place on record our sincerest appreciation to Mrs. Bradshaw-Wood for her service to the Group over the past 19 years and extend to her best wishes in her future endeavours.

Retirement of Mr. John S. Taylor, Divisional General Manager, Manufacturing and Services Division

Mr. John S. Taylor, Divisional General Manager, Manufacturing and Services Division, will retire from his position with the Company with effect from 31 December 2016. He joined the GEL Group in 1995 as General Manager of McBride (Caribbean)

Directors' Report... continued

Limited. In 1998, he was appointed as Managing Director of The West Indies Rum Distillery Limited, before becoming Divisional General Manager in 2000. Mr. Taylor has rendered dedicated service to the Company, the Board, having served on it from 1 April 2008 until 31 January 2012, and the Group as a whole. The Board places on record its sincerest appreciation to Mr. Taylor for his contribution to the Group over the past 21 years and wishes him a healthy and happy retirement.

Managing Director's Outlook

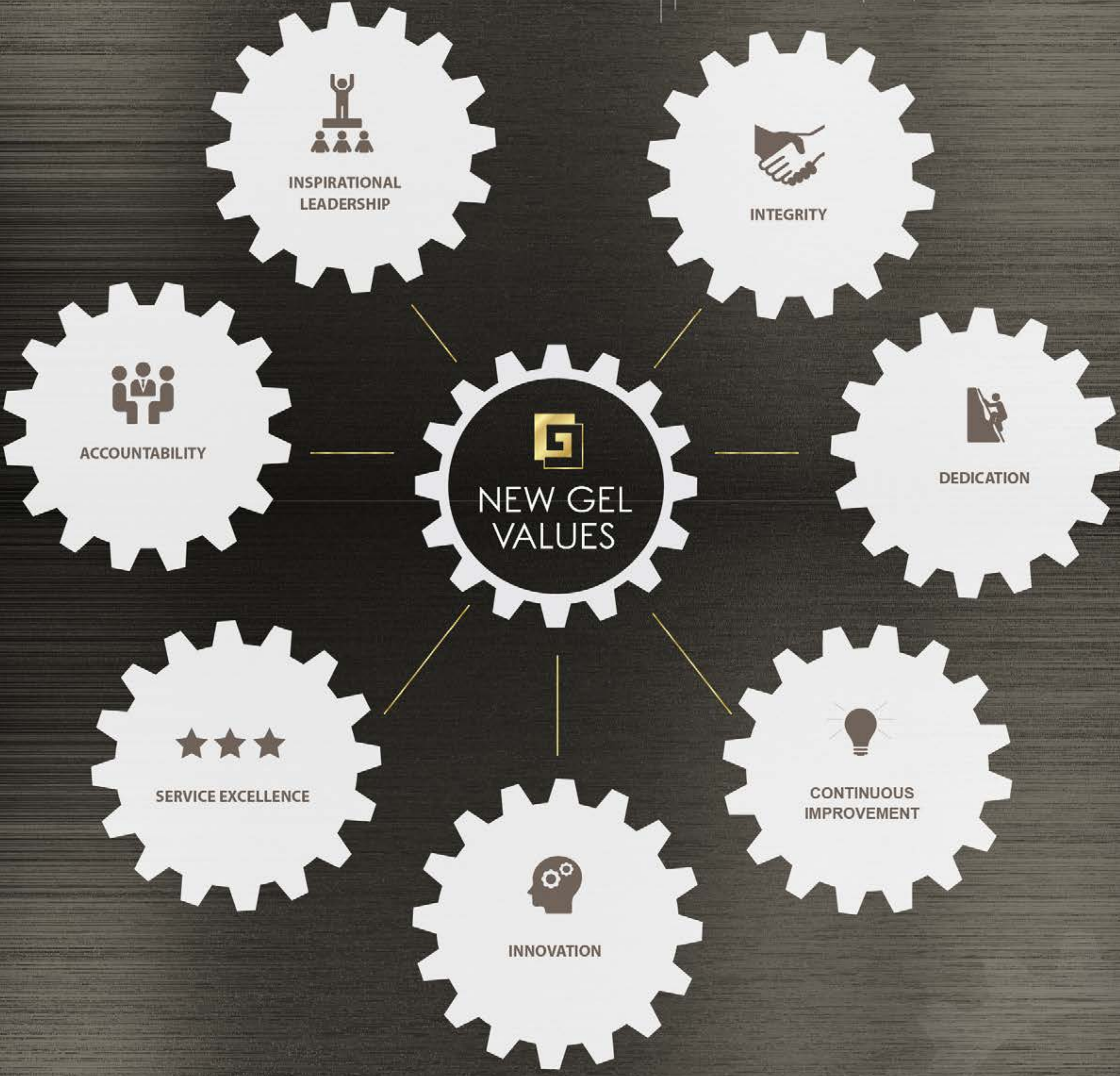
2016 has been a pivotal year for the Group. We began to shift our focus from one of introspection to one of being externally focused. We were able to crystalize our overall Corporate Strategy into 3 Rs: "Re-Organize, Reduce and Replicate". Over the last two years we focused internally on Re-Organizing into vertical industry channels and moved away from local country management. As a result, we now have business lines such as Automotive, Building Supplies, Food & Beverage ("CDP"), Manufacturing, Catering and Financial Services. We also Re-Organized the Catering Division into three new sections: Latin America, the Caribbean and Ground Handling. Regional Managers have been appointed for each section of the Division. The intent is to have Management concentrate on narrow lines of business to accelerate growth and attain synergies. We are pleased to indicate that this strategy is already bearing fruit. The second phase of the strategy – Reduce – is geared at eliminating waste, duplicated effort and layers of complexity while pushing decision-making down to the appropriate operational level. With this approach, we would then be able to determine which business lines represent opportunities for us to Replicate – the third step in our strategy. During 2016, a significant amount of time was spent preparing the subsidiaries so that we are now in a position to target accelerated growth.

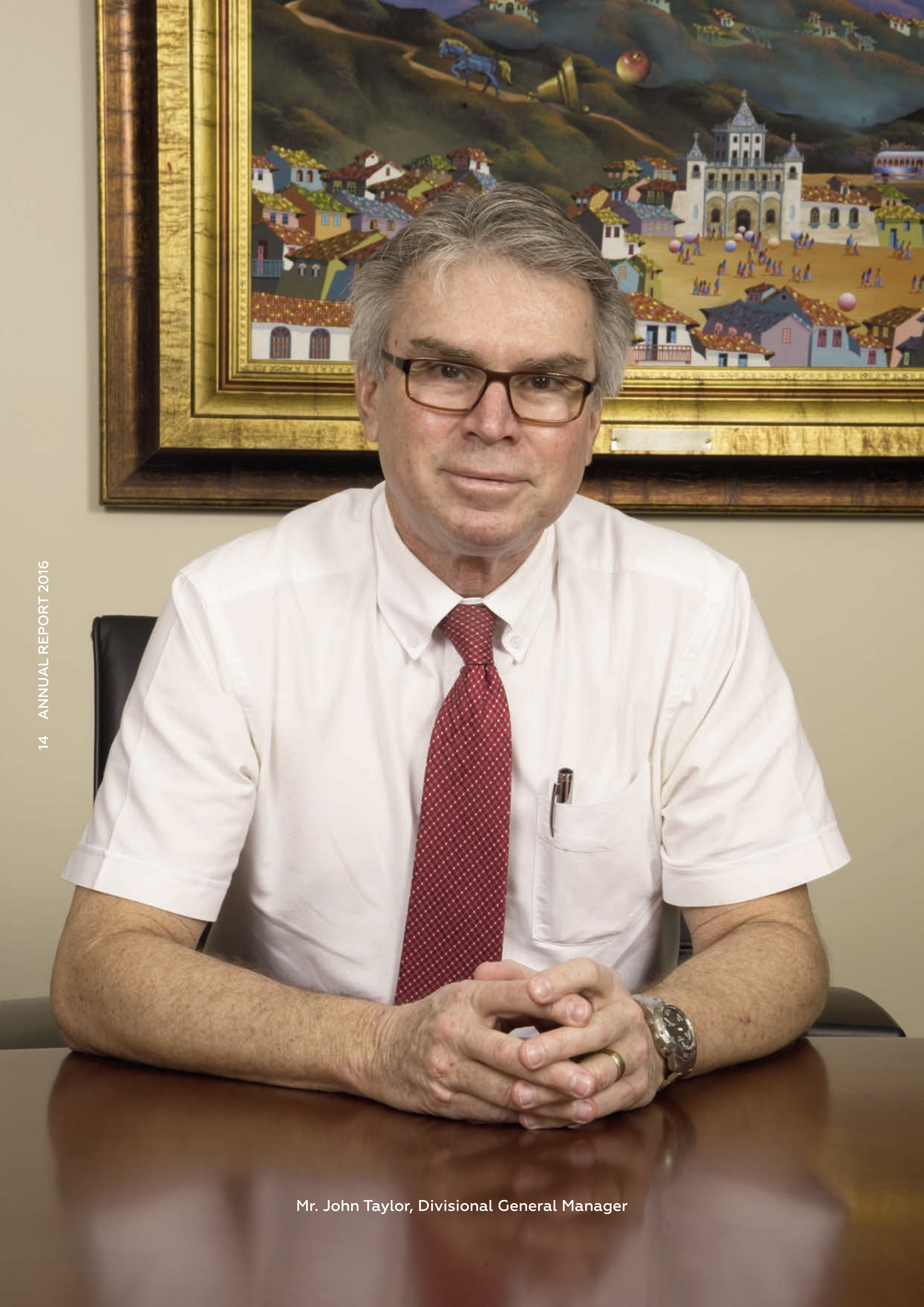
On the Organizational Development side, we continued to conduct 360 degree Leadership Behavioural Analysis on the Management team during the year. This analysis will assist us in developing the right type of leader that the Group needs in order to continue to deliver excellent service, drive innovation and push the strategic planning process down further into the organization. We recognize that our number one asset is PEOPLE and in order to maximize our return on this asset, we need the right leadership that cultivates an environment of employee engagement.

In 2015, we embarked on a programme of Energy Management and we have continued to invest in the process and equipment, including photovoltaic ("PV") systems, as we seek to manage our costs and to enhance our environmental consciousness.

We remain committed to creating a culture of Innovation and Entrepreneurship with a sense of Urgency. We will continually strive for Excellence while instilling a Passion for Customer Service to further enhance shareholder value.

CORPORATE VALUES





Mr. John Taylor, Divisional General Manager

Manufacturing and Services Division

The Division recorded sales marginally below last year but saw an improvement in profit. This improved profit was due mainly to increased operational efficiencies and the stabilisation of energy and raw material costs in our rum, food and household products businesses. In addition, our building supplies associate company was able to significantly expand sales which also led to improved profit.

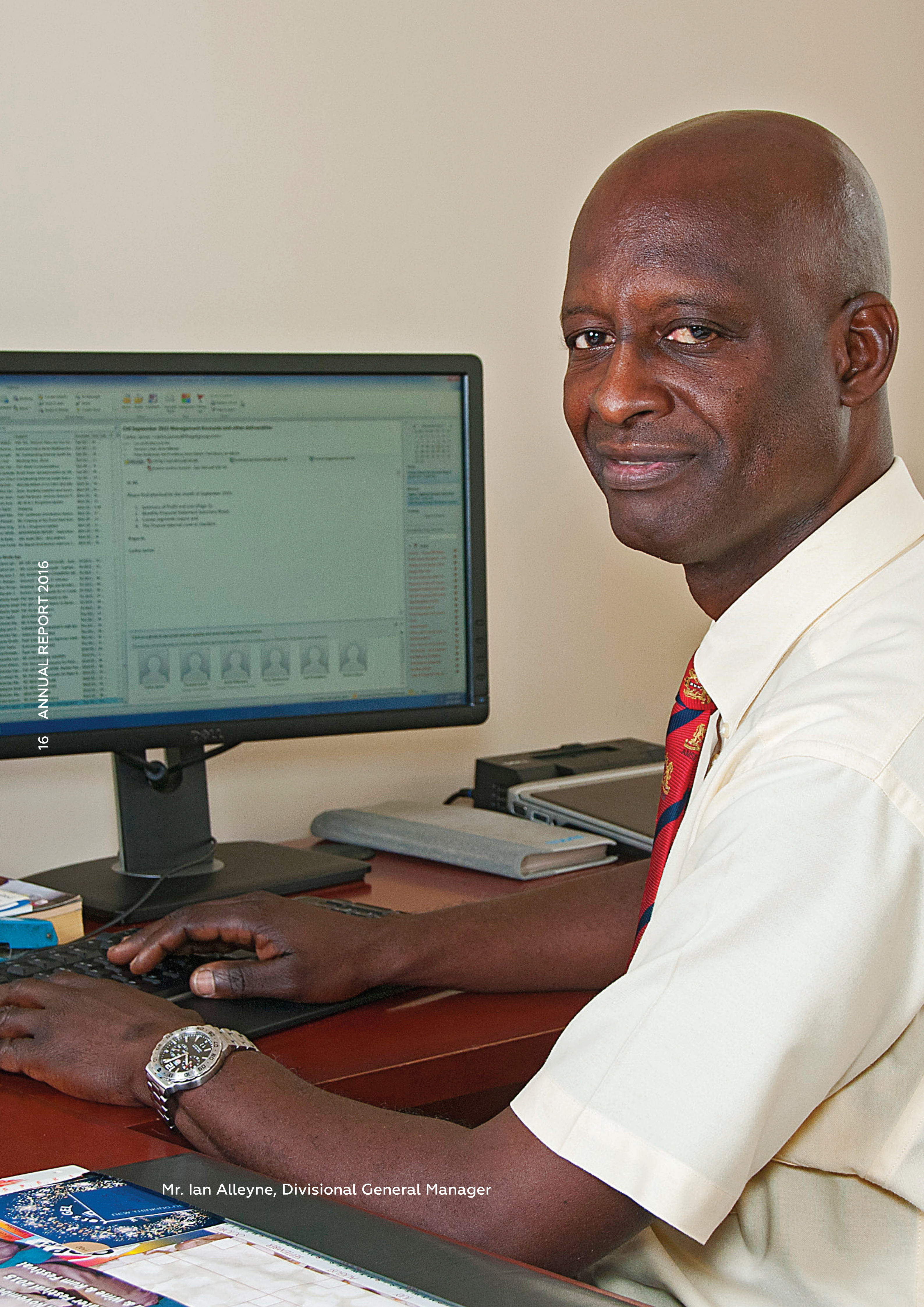
Our printing and packaging operations had a better year in comparison to last year as demand increased, while Management was able to settle operations and increase throughput. Our new label printing plant in Jamaica exceeded expectations as many producers there sought to upgrade their packaging and presentation.

The Division's rum operations continued to experience significant competition from subsidised United States of America producers in that market during the year. However, our United Kingdom and Barbados sales of branded product continued to grow. Market conditions through the Caribbean continued to be challenging and our sales of food and household products were largely flat. However, our sales of FARMER'S CHOICE premium meat products were up 3.7% for the year in Barbados and the Eastern Caribbean. During 2016, two new FARMER'S CHOICE products, pork nuggets and a premium line of canned cocktail sausages, were successfully launched. Through sales promotion efforts and product innovation, we continue to promote the sales of locally produced pork and chicken.

Our sales of PURITY and WONDER products increased in 2016, aided by the introduction of our new cassava bread under the WONDER brand. We also launched a cassava great cake. These products are completely new to the local market and are designed to encourage the local production of cassava as well as to provide a low gluten option for consumers. We also introduced a new line of PURITY sweet and savoury pastry products which have been well received.

With the threat of the Zika virus this year, sales of our insecticide aerosol products maintained their momentum from 2015, when sales increased significantly due to the chikungunya outbreak.

Although the year was a successful one for the Division, there are many challenges ahead. The Division will continue to work hard to increase efficiencies and reduce waste through the improvement of management information systems and the implementation of better operating practices.



Mr. Ian Alleyne, Divisional General Manager

Automotive, Building Supplies and Services Division

The Automotive, Building Supplies and Services Division performed admirably compared to the prior year with an increase in operating profit of 14.5%.

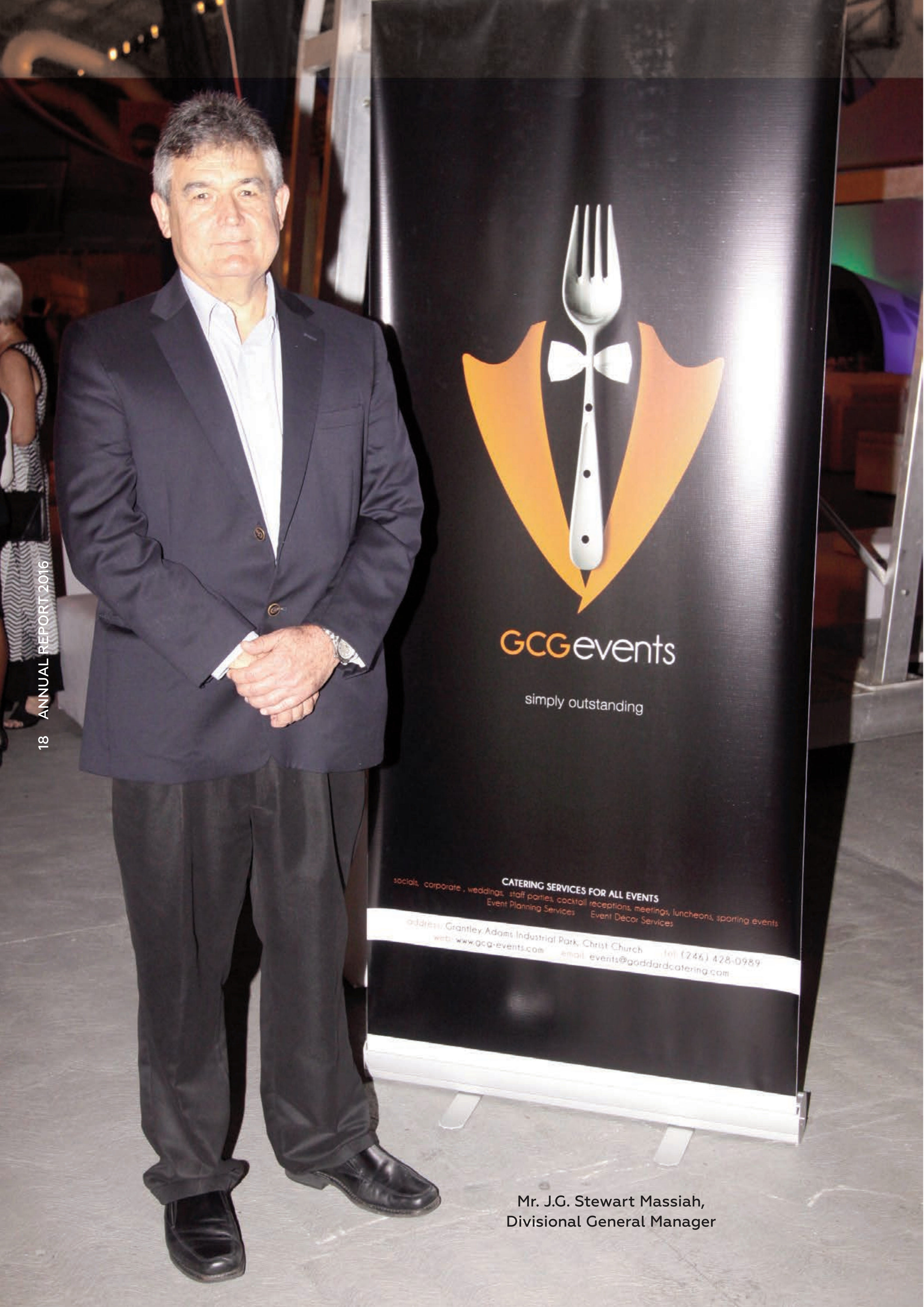
In the Automotive department, Courtesy Garage Limited in Barbados recorded an excellent performance with increases in both revenue and profitability compared to the prior year. The company increased its vehicle unit sales as well as its market share. It also achieved its sales and profit targets with respect to the arrangement it entered into in the previous year with Zhengzhou Nissan Automobile Company Limited, a company based in China. Fidelity Motors Limited in Jamaica had another year of steady improvement with an overall increase in revenue as well as in sales of vehicle units.

The Building Supplies department produced a year of impressive growth in profitability. Both Coreas Hazells Inc. in Saint Vincent and the Grenadines and M&C Home Depot Limited in Saint Lucia benefitted from joint purchasing and operating synergies resulting from the re-organization of the Division along business lines.

The Shipping department also had a good year. Goddards Shipping (Barbados) Limited (formerly Goddards Shipping & Tours Limited) and Sea Freight Agencies & Stevedoring Limited, both in Barbados, as well as the shipping division of Minvielle & Chastanet Limited in Saint Lucia, all recorded significant increases in both revenue and operating profit.

We also recorded positive improvement in revenue and profitability at our pharmacies in Saint Lucia and in Saint Vincent and the Grenadines.

The re-organization of the Division along business lines at the beginning of the financial year, as mentioned earlier, has had a positive effect on the operations and the profitability of the Division. Our focus during the coming financial year will be on growth facilitated by taking advantage of the opportunities that will be on offer.



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

Catering and Ground Handling Division

The Catering and Ground Handling Division posted satisfactory results in 2016 despite continued challenges in several of our markets. The overall performance was impacted by competitive pressures, lower oil prices in Trinidad and Tobago with the resultant pressure on margins and by the adverse market conditions in Venezuela. Our results in Venezuela are now being translated at the DICOM rate of Bolivars 658.89 to US$1.00 compared with the SIMADI rate of Bolivars 199.42 to US$1.00 in the prior year. Operations in Caracas and Isla Margarita continue to be adversely impacted by the scarcity of raw materials. Our team is doing an excellent job in keeping the operations going under these conditions.

The Division, which is geographically spread across 21 countries in the Caribbean and Latin America, employs 3,800 associates and prepared in excess of 23,000,000 meals across its businesses in the year. In addition, it serviced over 110,000 flights for the year.

During the year, the Goddard Catering Group ("GCG") team at the Division's Head Office in Florida was further strengthened with the addition of three new positions: Regional Managers for the Catering Operations of each of Latin America and the Caribbean and a Manager of Ground Handling Operations. In addition, a Lean Manufacturing Specialist based in Colombia, who will work to improve our productivity and streamline our processes, was also added to our team.

We continue our efforts to reduce our energy costs and plan to further invest in PV systems in the Group in the coming year. In addition, we have dedicated attention and allocated resources to increase our focus on the environment and sustainability.

The Group was recognized by several customers during 2016 for outstanding quality and service. GCG Honduras, S.A. won the Crystal Award for 2015 from United Airlines at the 2015 Quality 1st Awards Dinner, while GCG Bogota Ltda. and GCG (Jamaica) Limited won the Silver and Bronze Awards respectively. Virgin Atlantic Airways presented GCG (Barbados) Limited with the prestigious Passenger Recognition Award and GCG (Antigua) Limited with the Culinary Excellence Award. The review of Key Performance Indicators ("KPIs") continues to be a key element in driving improvement in quality and customer service.

The GCG team conducted a successful Food Safety Conference in Florida, including certification in HACCP, during September 2016 which was attended by over 50 employees. HACCP, Safety and Security continue to receive the focus and attention of both Management and associates across the Division.

GCG's team members participate in a training session at the Food Safety Conference in Florida.

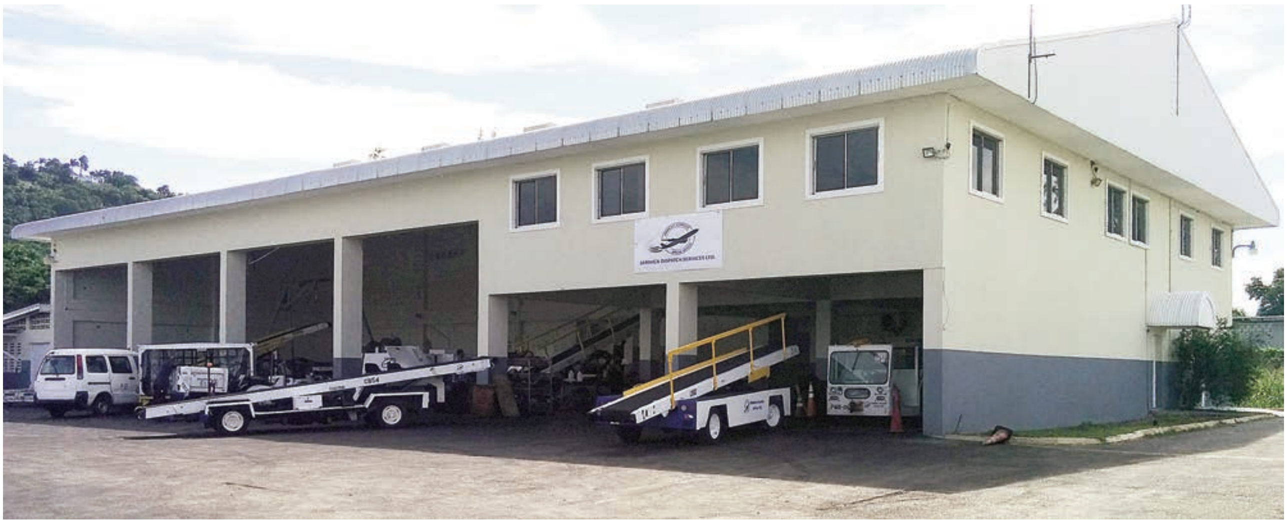
Proud graduates of the Food Safety Conference.

Our Ground Handling operations in Saint Thomas, United States Virgin Islands ("USVI") and in Jamaica had a reasonable year, despite significant competitive pressures that impacted margins. In Jamaica we invested in the refurbishment of our new Central Operations Facility in Montego Bay which allowed for a more efficient operation.

GCG EVENTS, our event catering business, was successfully launched in Saint Lucia during August 2016 and has been well received in the marketplace. This brings to nine the countries in which GCG EVENTS operates. We continue to focus on the development of this brand and intend to roll out a new website and social media strategy in 2017.

Staff at the launch of GCG EVENTS in Saint Lucia.

Catering and Ground Handling... continued



Jamaica Dispatch Services Ltd's new Montego Bay Headquarters in Jamaica.

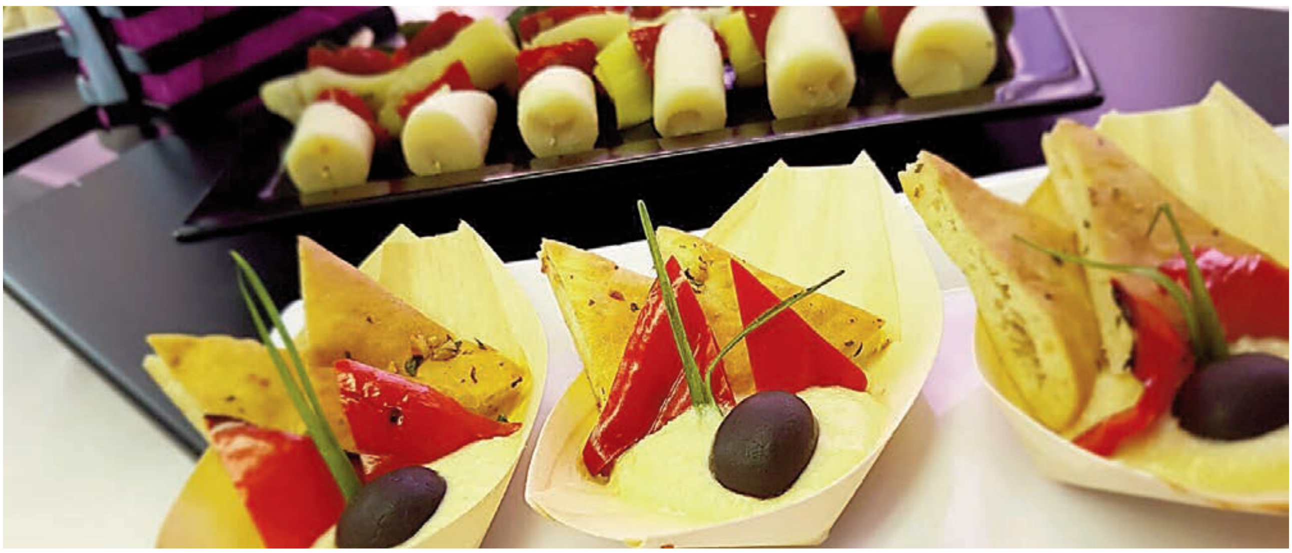
Our Industrial Catering operations continue to grow in a competitive environment across Latin America and the Caribbean. We have implemented strategies to ensure that customer feedback is captured and actioned and that robust processes are in place across the Group to innovate and continuously improve our quality and service standards.

Procurement continues to receive close attention to ensure that high quality goods and services are purchased at competitive prices. Lean Manufacturing will receive renewed focus during the new year with the addition of a Lean Manufacturing Specialist to the team as mentioned earlier. Several initiatives are planned for implementation during the year to improve productivity and processes.

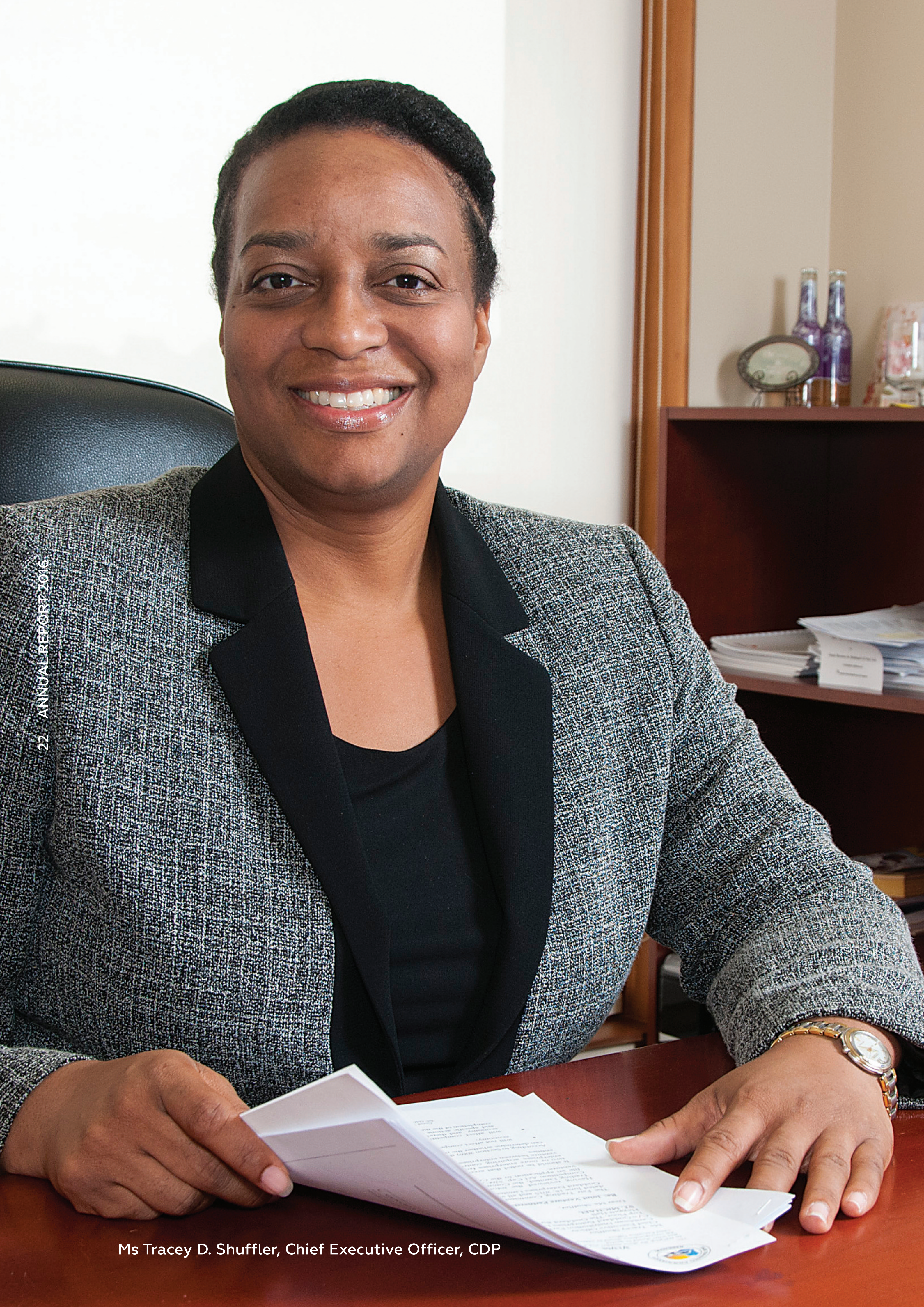
GCG (St. Lucia) Ltd sold its bottled water business in March 2016 as part of its realignment strategy. In September 2016, GCG (Jamaica) Limited sold its 25% interest in Express Catering Ltd, which operates food and beverage concessions post security at the Donald Sangster International Airport in Montego Bay, to the majority partner Margaritaville St. Lucia Ltd.

Management continues to focus on the execution of GCG's strategic plan. We remain committed to the growth and the development of our Human Resources and will be implementing GEL's strategy during 2017 across the Division.

GCG would like to thank its Management and associates across the Division for their commitment and efforts during the past year.



Airport Executive Lounge Presentation – Mediterranean Boat prepared by GCG's team.



Ms Tracey D. Shuffler, Chief Executive Officer, CDP

Caribbean Distribution Partners Limited

Caribbean Distribution Partners Limited ("CDP"), our joint venture with Agostini's Limited, completed its first financial year with mixed results across the companies. Many of our countries of operation continue to have challenging economies. Barbados' economy is languishing under a heavy debt burden with little growth, despite improved tourism. There was a marked downturn in Trinidad and Tobago, occasioned by the falling price of oil to which its economy is closely aligned. Consumer spending was impacted by gradual devaluation of the Trinidad and Tobago dollar and concern over impacts at a national level. The markets of the Organisation of Eastern Caribbean States have showed some small gains with marginal growth returning to some of the economies and the return of cautious optimism.

Against this background, the CDP companies have performed below what we had budgeted for the year but with an improved sales and profit performance on last year. Better margin management mitigated against the shortfall in sales against budget with almost all of the companies reporting improved gross profit percentages.

Hand Arnold Trinidad Limited, based in Trinidad and Tobago, delivered a strong result for the year due to much improved margin management and strong sales, despite the effects of the economy and currency slide in the last several months of the financial year. The team must be commended for their efforts in a difficult market. The ongoing development and expansion of the CDP owned MOO! brand of liquid milks against international rivals by the team has been encouraging.

Barbados based Hanschell Inniss Limited has shown some improvement in the fundamentals of the business but will have to continue to build sales, improve efficiencies and strengthen talent in order to realize the latent potential of the business in a competitive market. During the latter half of the year, the EVE brand, principally managed out of Barbados for a number of our markets, has shown good recovery. A major expansion of the warehouse, located at Fontabelle, is planned to facilitate the expansion of major brands being marketed and distributed by the company.

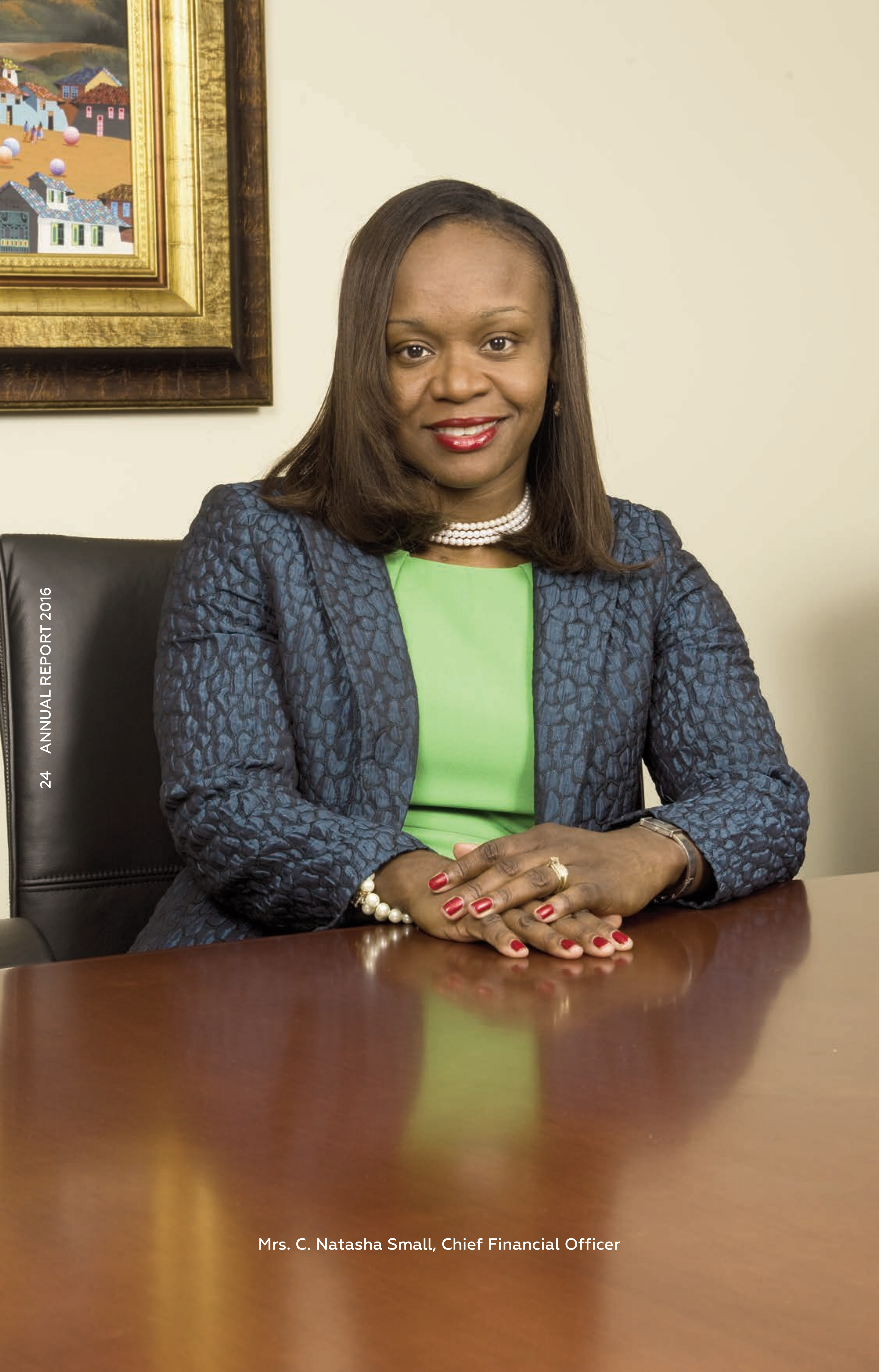
Peter & Company Limited, based in Saint Lucia, completed its merger of operations into one expanded distribution location based at Cul De Sac. This move will allow for more efficient warehousing and distribution operations and is expected to improve operating expenses which for the last year were too high for the sales base of the organization.

Coreas Distribution Limited, in Saint Vincent and the Grenadines, delivered a commendable result, particularly considering the unfortunate absence of their Food Mart retail operation, which was destroyed by fire just before the start of the financial year. Despite this, its sales and profits held well during the year as the company strengthened its position as market leader in the FCGD sector.

Grenada based Independence Agencies Limited, operating in a stagnant economy, struggled with the impact of the loss of a significant agency early in the second quarter of the financial year. The acquisition of distribution rights for the CDP owned SWISS brand of pastas and condiments has shown promise since coming into its portfolio of brands. In anticipation of expanded operations, an extension is being constructed at its warehouse facilities.

Desinco Limited, based in Guyana, in which we have a minority interest, has had a good year as the company expands and grows with the addition of CDP owned, managed and associated brands. This operation too, will eventually need additional warehouse space on its premises at Eccles.

CDP made two acquisitions towards the end of the financial year: Vemco Limited and Pepsi-Cola Trinidad Bottling Company Limited. The former is the owner and manufacturer of one of the strongest and fastest growing regional brands, SWISS. The export potential of this brand is significant and we aim to continue to build sales on this front. The latter, purchased in early November 2016, has the rights to distribute the PEPSI, MOUNTAIN DEW, OCEAN SPRAY and 7-UP brands in Trinidad and Tobago as well as in Barbados. In addition to these brands, CDP owns the rights to distribute PEARDRAX and CYDRAX in these markets as well. The development of this beverage distribution company will grow as new beverage brands are added in the coming months.



Mrs. C. Natasha Small, Chief Financial Officer

Financial Services Division

Sagicor General Insurance Inc., our associated company in which we have a 45% shareholding, has shown a commendable 5% increase in gross written premiums up to September 2016 over the same period in 2015, although the market continues to be extremely aggressive. With the introduction of several new initiatives such as DrivePal Plus, Classic Car, and recently Safer PSVs, the company has realized some increased profitability in spite of the reduced rates and increased competition throughout the market. Investment income has also increased slightly compared to the previous year. There has been a reduction in net claims incurred for the period, and as a result, the overall loss ratio at 30 September 2016 has decreased to 43.85% as compared to 47.25% recorded at 30 September 2015.

Globe Finance Inc. continued to exercise a cautious and conservative approach to new business development during 2016. The overall economic environment continues to present challenges in all sectors and loan impairments continue to receive attention. The company's focus on growth is being maintained on our foreign exchange, credit card and corporate vehicle leasing product lines.

Bridgetown Cruise Terminals Inc. ("BCTI") increased its revenue during the year by 4.2% due to a 4% increase in cruise passenger arrivals. However, profit before tax fell by 14.3% to $1.5 million due mainly to an increase in administrative expenses. The lease for the cruise facility with the Barbados Port Inc. ("BPI") is due to expire on 31 December 2016. BCTI has signalled its intention to obtain an extension of the lease and is in discussion with the BPI in this regard.

Information Technology

Update on new system implementations

Work continues on the implementation of a new application system at Courtesy Garage Limited. Initial plans to roll out the system, which is currently used in Jamaica, proved unworkable due to the specific needs of the Barbadian subsidiary. The business has changed course and is instead preparing to implement an alternative application in the coming calendar year. A major upgrade is also planned for Purity Bakeries in the Manufacturing and Services Division. This will be a re-implementation of existing software which will improve the current transactional processes that have become inefficient over time. The bakery is more than half-way through a detailed process re-engineering exercise in preparation for the implementation in the coming year.

Establishing Information Technology ("IT") Governance

In keeping with our strategy to establish best practice standards at GEL, Group IT has completed a comprehensive review and revision of IT disaster recovery procedures and the revised policies have been deployed across the Group. In addition, a system for reporting to check compliance in the subsidiaries is being rolled out. The next steps on the roadmap are to focus on IT risk and to develop a framework based on industry standards for the Group.

Progress towards Digital Media

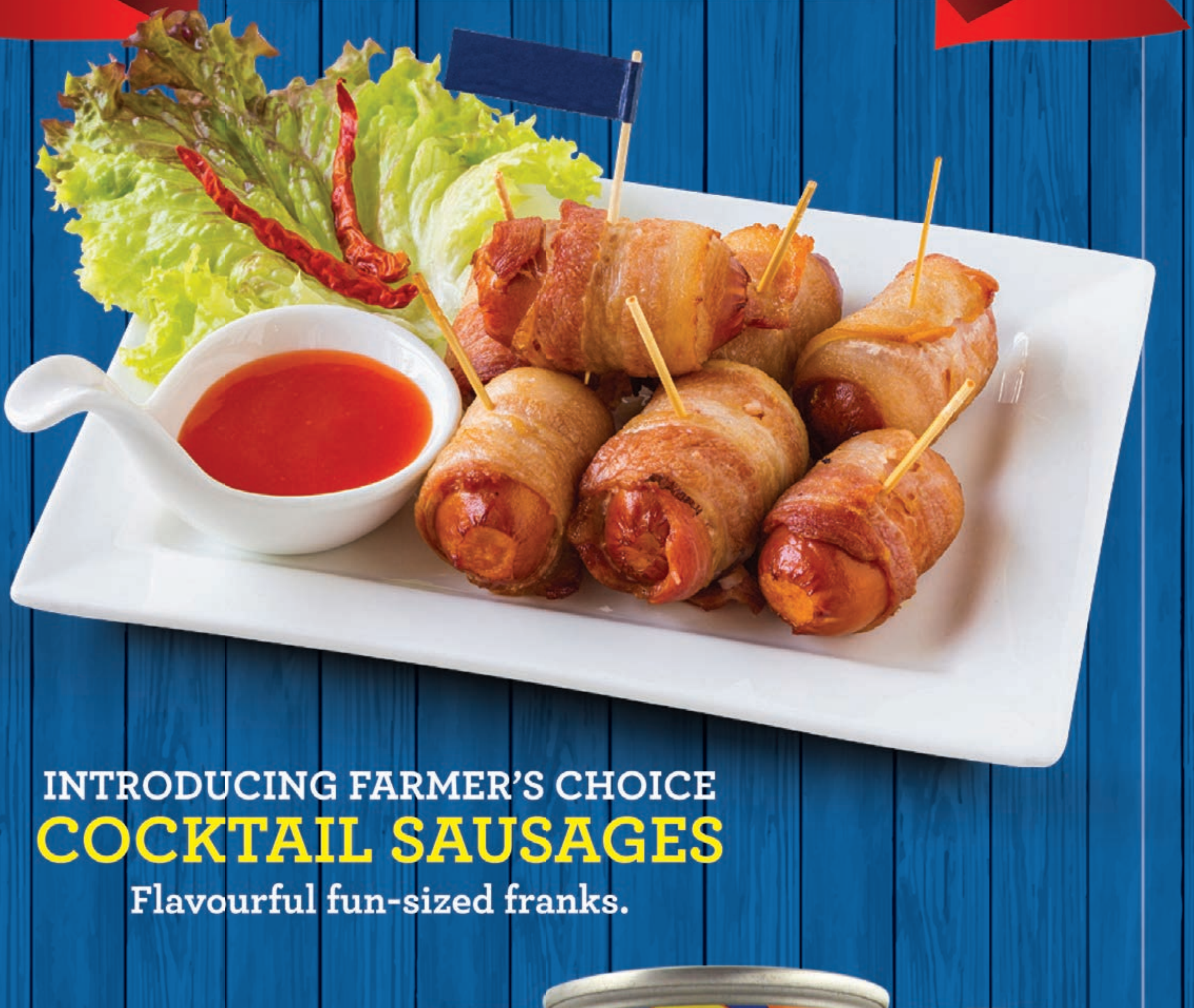
Work is underway on a digital strategy in the Hardware and Building Supplies sectors with projects aimed at improving customer loyalty. After considering a Group wide strategy, we settled on a plan to pilot a digital project in one Division that, if successful, could be replicated across the other subsidiaries. The focus will be on improving customer intimacy through social media and a customer loyalty platform.

Creating value through IT

Group IT is working with our Manufacturing and Services Division to derive more value out of the data we collect. With the introduction of business intelligence dashboards at Purity Bakeries and Wonder Bakery Limited in Saint Lucia, we are able to monitor key KPIs on a daily basis, allowing the subsidiaries to react quickly to issues that arise in their production pipeline, and to measure efforts at improving efficiency. The process has highlighted areas where mobile technology can further improve logistics. This technology is to be developed in the coming year.

Group IT has reaped benefits of improved efficiency from internal changes. A pilot of a Lean IT system in Barbados has helped the team improve performance yielding an over 40% increase in the number of IT jobs completed and halving the number of jobs outstanding for over 30 days. Given the positive benefits of this technique, Group IT is working on a roadmap to roll out this change across the rest of the Group.

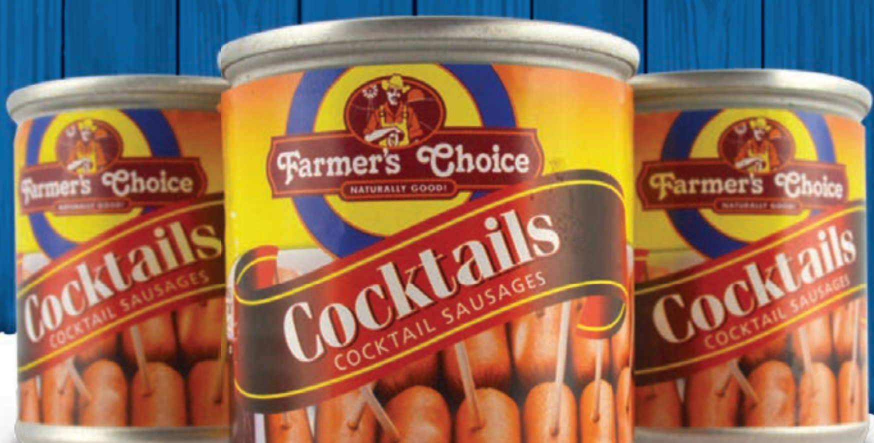
Cocktails can liven up any event.



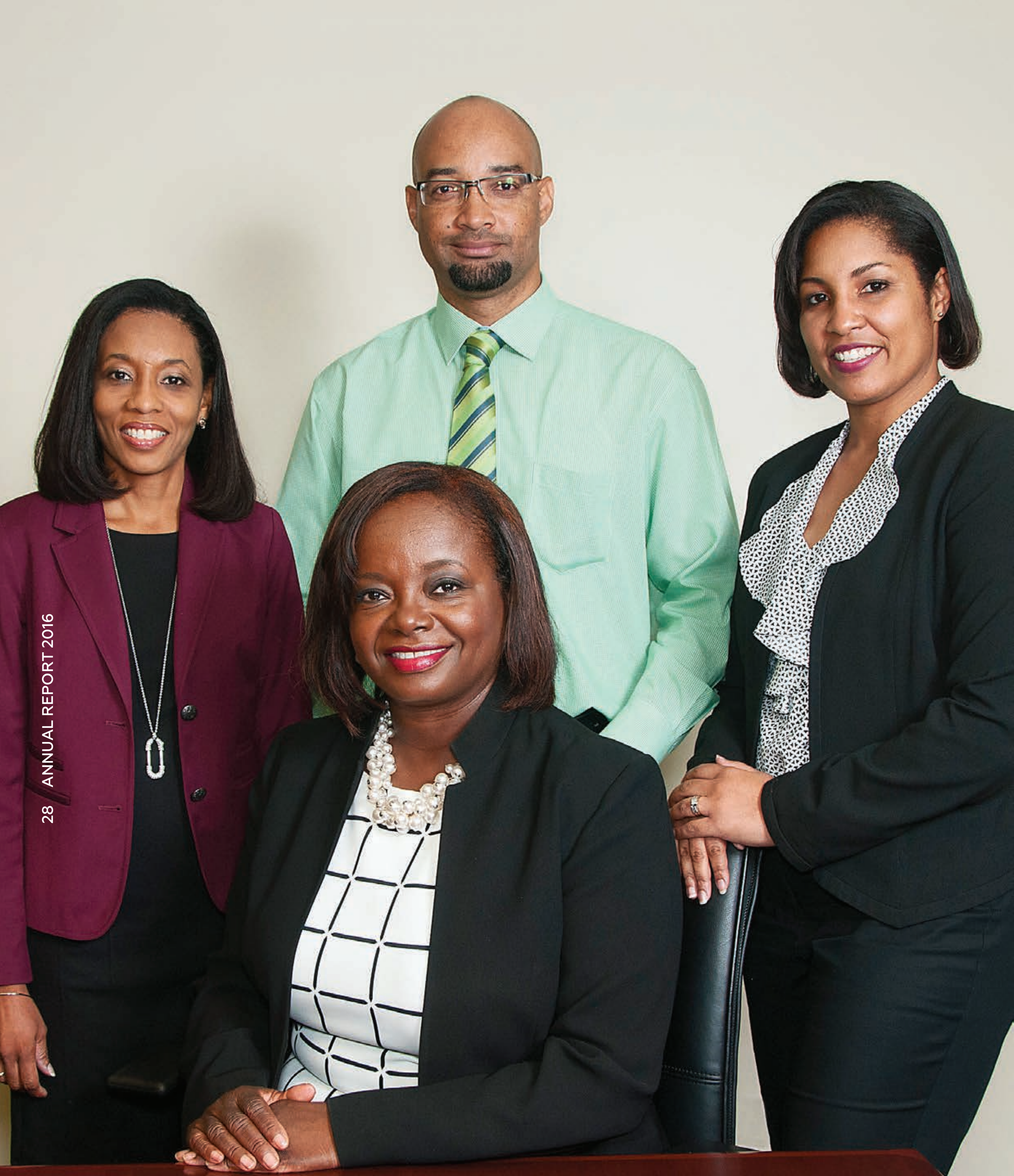
INTRODUCING FARMER'S CHOICE

COCKTAIL SAUSAGES

Flavourful fun-sized franks.



Farmer's Choice®
NATURALLY GOOD!



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

Human Resources & Community Relations

For the period under review the new company strategy was rolled out to the leaders, with a focus in the area of People on: Re-tooling our management, Re-engaging our associates and Rewarding excellent performance. In aligning with this strategy we rolled out the 360 degree Leadership Behavioural Evaluations to the Executives in the Group for a second year with a view to identifying areas of high performance and acting towards growth, improvement and development as we worked to re-tool our Leadership. Additionally, 18 leaders from across the Group recently participated in an impactful and practical one day training session on negotiation skills.

We have also placed a renewed focus on employee engagement. We view this as the key driver of our Company's success as we see ourselves as investing in people, not just businesses. To this end we are working towards assessing engagement levels through a second survey and will be implementing initiatives that will drive a culture of engagement across our Group. Our employees' success is our Company's success!

Training & Development

We facilitated on-line and face-to-face developmental programmes across the Group for Management and staff during the year in review. A number of training sessions in both technical and non-technical areas were hosted. These included the Management Skills Certificate which targeted Supervisory and Middle Management staff, done in conjunction with the Cave Hill School of Business and the Technical and Vocational Education and Training Council. For this cohort, participants will be eligible to attain their Caribbean Vocational Qualifications and their National Vocational Qualifications following on-the-job assessments. During the year we also conducted programme assessments by attaining feedback from the participants and their managers on their post training performance.

With a view to offering consistency and ease of access of learning across the Group we offered two on-line leadership development courses in the areas of motivation and coaching. Participants from Aruba, Jamaica, Saint Lucia, Trinidad and Tobago and Barbados attended the training via a private GEL on-line training room with the international provider.

With a view to equipping our Human Resources ("HR") professionals across the Group with the skills to more effectively and strategically support the business in attaining its goals, 25 HR managers, officers and co-ordinators participated in one week of training in the areas of conflict resolution, negotiation skills as well as change management.

Performance Management

Performance Management continues to be a priority for the Group with the current system being used as the tool for two-way performance discussions between employees and managers, including identifying areas for improvement, future goal setting and developmental planning. Performance Appraisal training was conducted throughout the Group for both Management and staff during the course of the year.

HR Audit

An HR audit was completed at McBride (Caribbean) Limited in Barbados during 2016. The HR audits examine the organizational climate, as well as current HR practices and programmes. In addition, implementation plans are developed through collaboration with Group HR to address any gaps identified. Results are also communicated to the Management and staff of the company.

Industrial Relations ("IR")

Our IR climate across the Group remained sound and relationships with workers' representatives continued to be cordial.

Health & Safety

We tracked accidents and incidents across the Group on a monthly basis with a view to understanding the health and safety landscape, and developing a Safety Culture which will mean a more proactive approach to incident prevention.

CORPORATE SOCIAL RESPONSIBILITY

Charity, Youth and Sports, Community Development, Education and Culture – these are the five areas on which GEL's Corporate Social Responsibility programme remains focused. It is these five areas where there is a perceived need in our many communities and we continue to assist where possible.

Following are some of the charitable donations and sponsorships that have been undertaken in the past year:

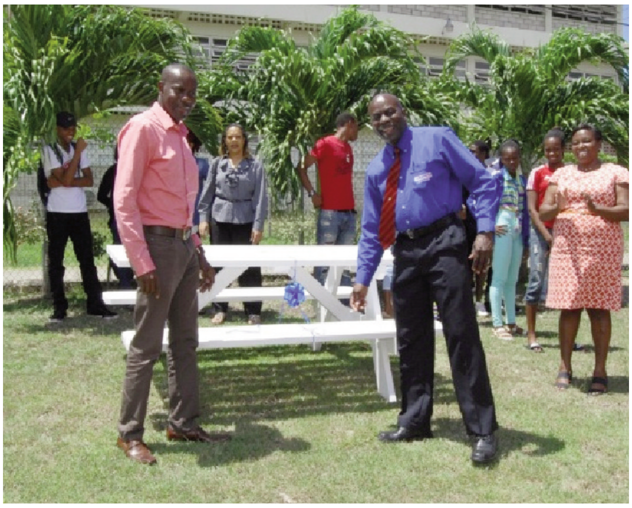
CHARITY

GCG Saint Lucia reaches out to fire and flood victims

GCG (St. Lucia) Ltd gave some much needed assistance to families who were displaced by a fire that razed their homes in the town of Soufriere. The company donated 50 cases of water to affected families.

Courtesy Garage donates to UWI Open Campus

Courtesy Garage Limited continued its on-going relationship with the Open Campus of the University of the West Indies ("UWI") when the UWI Open Campus was presented with two benches for students' use at lunch time. Mr. Ryan H. Byer, Officer-in-Charge, UWI Open Campus, thanked the company for its timely donation.



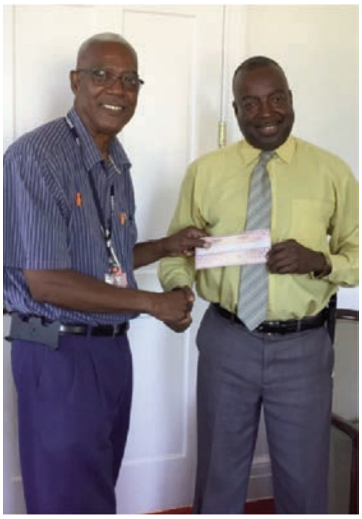
Mr. David Carrington, HR Manager of Courtesy Garage Ltd, (right), makes the donation to Mr. Ryan Byer of the UWI Open Campus.

GEL donates to children's homes in Barbados

During the planning of the 2015 Christmas party for employees of GEL in Barbados, the Activities Committee decided to request that staff of each GEL Group company in Barbados donate foodstuff, toys, books and clothing to a number of children's homes in Barbados. The response was outstanding with the result that several items were donated to Sterling Children's Home, the Marina Brewster Centre, the Nightingale Children's Home, Sayers Court Children's Home and Campwood Children's Home. The presentation was made during Christmas week last year.

Mr. Colin St. Hill of the Child Care Board of Barbados (centre) is flanked by Mrs. Julie Reece, Executive Secretary, and Mr. Anthony H. Ali, Managing Director, both of GEL, at the presentation of the barrels of donated items.

YOUTH AND SPORTS



Left to Right: Mr. Jahmal Dryer, General Manager, GCG Saint Thomas Corporation, hands over the sponsorship cheque to USVI's Lieutenant Governor Osbert E. Potter.

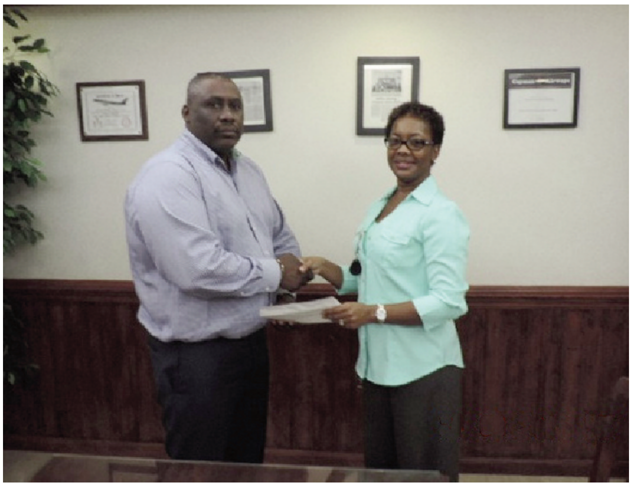
GCG Saint Thomas sponsors the 2016 Freedom Schools Virgin Islands Summer Programme

During the year in review, GCG Saint Thomas Corporation sponsored two participants of the 2016 Freedom Schools Virgin Islands Summer Programme. The Children's Defense Fund ("CDF") Freedom School is a direct service initiative that seeks to ensure that all children receive a healthy start through an integrated reading curriculum. This curriculum is taught with the assistance of strong community partnerships that include young children, parents, community organizations and leaders, working with CDF's personnel. The programme was initiated by the United States Virgin Islands' Lieutenant Governor Osbert E. Potter as a pilot programme to benefit Virgin Islands' students.

COMMUNITY DEVELOPMENT

GCG GCM assists with the 50th Anniversary Celebrations of Barbados' Independence

Barbadians have been making a contribution to the development and economy of the Cayman Islands for well over 50 years. GCG GCM Ltd ("GCG GCM") in Grand Cayman was therefore pleased to join in commemorating the 50th Anniversary of Barbados' Independence by making a contribution to Mrs. Juliette Gooding-Michelin, Honorary Consul of the Barbadian Consulate for the Cayman Islands. This gesture showed the company's support and participation in the celebration of this significant milestone for



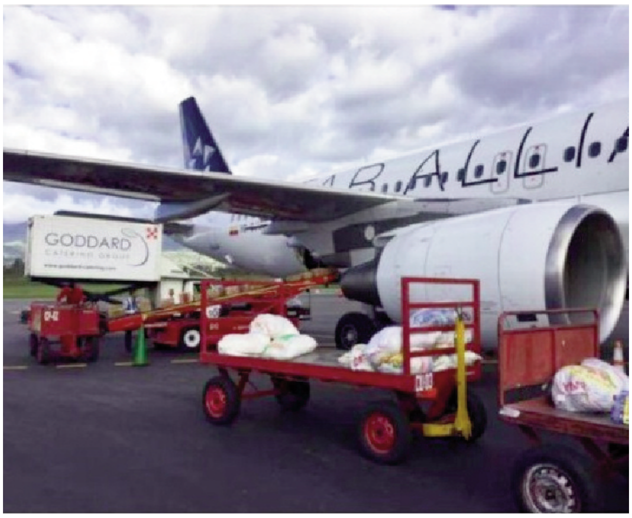
Mr. Anthony Franklin, Executive Chef and Operations Manager, GCG GCM Ltd, making a presentation to Mrs. Juliette Gooding-Michelin, Honorary Consul of the Barbadian Consulate for the Cayman Islands.

Barbados and allowed the company to continue to make a positive contribution to these islands.

GCG assists victims of the 2016 Ecuador Earthquake

An earthquake of severe intensity occurred on 16 April 2016 in Ecuador. It was centered around the towns of Muisne and Pedernales in a sparsely populated part of the country, and was felt strongly in the capital of Quito. A state of emergency was declared. By 24 April 2016, the fatality count had reached 654, with 8,340 persons reported as injured.

The GCG team launched plans for immediate action to assist the victims and assisted flight operations with humanitarian aid. In addition, the GCG team, including employees of GCG Guayaquil S.A. and GCG Quito S.A. lent their support by donating beds, mattresses, non-perishable food items, clothing and toys to the relief effort.



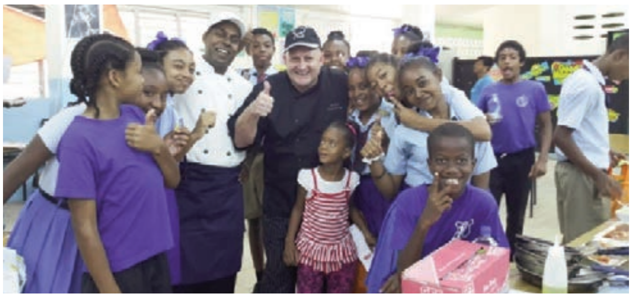
GCG Guayaquil S.A. servicing a donation flight as part of the relief effort.

EDUCATION

Career Day at R.C. Maracas Primary School, Trinidad

Katerserv Limited ("Katerserv") of Trinidad and Tobago was invited to attend a Career Day at the Roman Catholic Primary School in Maracas which was held on 19 February 2016.

Members of Katerserv's team described careers in the field of culinary arts to the eager students and demonstrated in a live cooking session, how to prepare chicken kebabs and various styles of tortilla wraps, which were both displayed and sampled by the students.



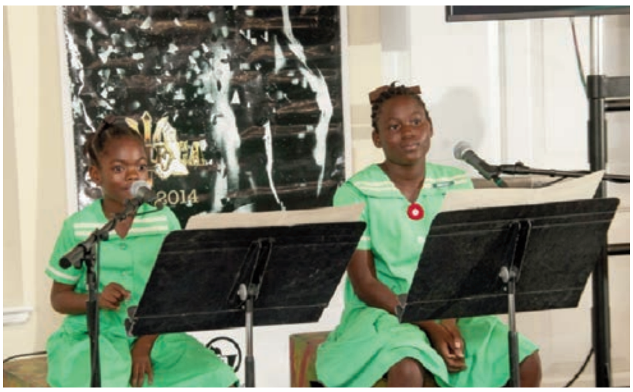
Chef Jan Kuska (centre) and Sous Chef David Harbansingh (4th from left), both of Katerserv Limited, enjoying the moment with Maracas Roman Catholic students on Career Day.

CULTURE

GEL sponsors the NIFCA Literary Arts Competition

The Head Judge of the National Independence Festival of Creative Arts ("NIFCA") Literary Arts 2016 Competition – Mr. Peter 'Adonijah' Alleyne – has praised GEL for its continued sponsorship of the NIFCA Literary Arts Competition. He was speaking at the GEL NIFCA Literary Arts Gala ("Gala") held to showcase some of the works of those literary artistes who won medals in the competition.

The national competition has allowed a number of writers to showcase their works and have them examined and critiqued by literary luminaries. This year's competition saw the highest number of published books entered – 14 in total – and children as young as seven years of age read their winning works at the Gala.



All Saints Primary School student Kera Walkes (left) as she reads her poem 'Footsteps to 50' while fellow student, Merci Pierre awaits her turn to read her poem 'What's in a Name - The Story of St. Peter'.

Corporate Governance Overview

The Board of Directors

The Board of Directors of the Company (the "Board") espouses best practices in corporate governance. The Board has developed strong corporate governance policies and procedures which are continuously reviewed and strengthened to ensure their soundness to enhance the prudent operation of the Group's businesses.

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

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

The Board Committee Structure

The Board has established three standing Committees to assist it with achieving its mandate. These Committees are the Audit and Risk, Corporate Governance and Compensation and Human Resources Committees. The Charters for each of these Committees can be viewed on the Company's Website: www.goddardenterpriseslimited.com. The members of each of the said three Committees are as listed earlier in the Report at page 4 and have also been listed on the Company's Website.

Each Committee has worked assiduously during 2016 to attain its objectives which were mandated by the Board for the year.

Evaluation of the Board

During the 2016 financial year, the Board conducted evaluation exercises at the end of each Board meeting. Each evaluation exercise was completed by the use of a short confidential questionnaire to gauge the effectiveness of each Board meeting and to measure such indicators as the timeliness of circulation of Board papers and the Board's accomplishment of work compared with that targeted on the Board meeting agenda. The Board continuously garners feedback and addresses priority areas.

In November 2016, following the end of the current financial year, the Board undertook its annual evaluation exercise aimed at assessing the effectiveness of the Board's performance as a whole. The evaluation process took the form of a self-assessment by means of an on-line survey. This year, the survey was more comprehensive than in prior years and challenged the Board to assess some additional areas which were not previously addressed. The Board has identified key areas requiring improvement and on which it intends to devote its focus in the coming year.

Meeting Attendance

The attendance at both the Board and Committee meetings held during the year is shown in Appendix A at page 112 of this Report. The Board is pleased to report another good attendance record by 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, (the "Companies Act"), three directors, Messrs. A. Charles Herbert, Christopher G. Rogers and Stephen T. Worme, 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.

Messrs. A. Charles Herbert, Christopher G. Rogers and Stephen T. Worme were each re-elected to the Board at the seventy-fifth annual meeting of the shareholders held on 31 January 2014 for a term of three years.

Re-Appointment of Incumbent Auditors

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

Share Repurchase

Prior to year-end, on 8 September 2016, the Company repurchased and cancelled 2,117,394 of its own shares. On cancellation of these shares, the Company's issued and outstanding share capital stood at 56,394,670 common shares.

Dividends

The Directors have declared a dividend of 22 cents per share on the issued and outstanding shares of the Company for the year ended 30 September 2016 which is a higher level of dividend than that paid to shareholders for the year ended 30 September 2015. An interim dividend of seven cents having been paid on 31 August 2016, the Board declared a final dividend of fifteen cents per share on the issued and outstanding shares of the Company at its meeting held on 6 December 2016. The final dividend will be paid on 28 February 2017.

Appreciation

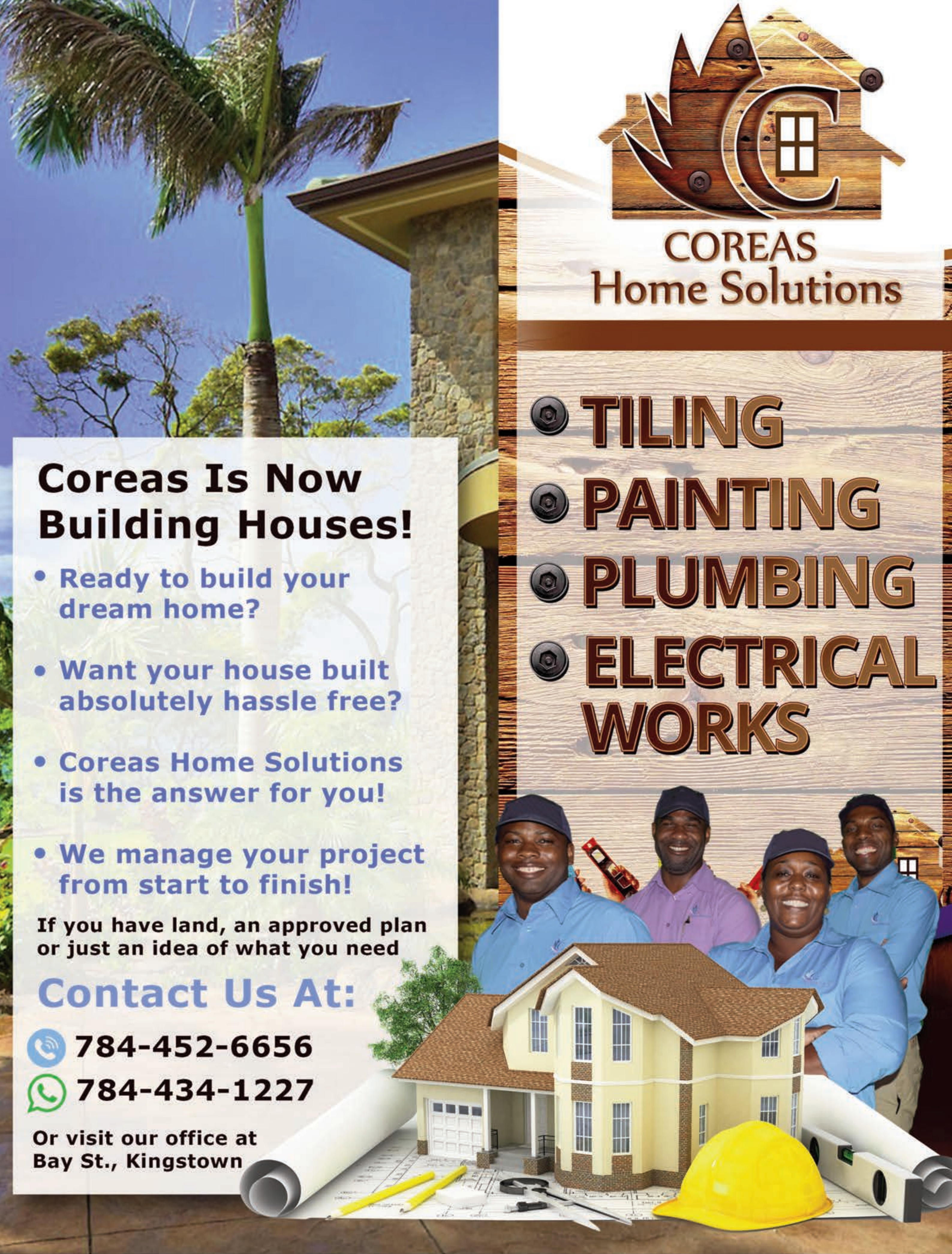
We wish to acknowledge the patronage of our customers and the support of our shareholders during the just concluded financial year.

In closing, we wish to express sincerest gratitude to our Management and Staff across the Group for their commitment, hard work and dedication during the past year.

On behalf of the Board of Directors

A. Charles Herbert	Anthony H. Ali
Chairman	Managing Director

6 December 2016


COREAS
Home Solutions
TILING
PAINTING
PLUMBING
ELECTRICAL WORKS
Coreas Is Now Building Houses!
• Ready to build your dream home?
• Want your house built absolutely hassle free?
• Coreas Home Solutions is the answer for you!
• We manage your project from start to finish!
If you have land, an approved plan or just an idea of what you need
Contact Us At:
784-452-6656
784-434-1227
Or visit our office at
Bay St., Kingstown

Analysis of Common Shareholders

As at 30 September 2016

Category	Number of shareholders	%	Number of common shares held	%
Group Employees	464	23	1,474,117	3
Local Individuals	1,209	59	7,928,933	14
Non-Resident Persons	216	11	13,653,419	24
Local Companies and Institutions	148	7	33,338,201	59
Totals	**2,037**	**100**	**56,394,670**	**100**

Additional Information for the year ended 30 September 2016 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 37 to 40.

b) Directors' interest in the share capital of Goddard Enterprises Limited as at 30 September 2016:

Names of Directors	Number of common shares held beneficially at 30 September 2016
A. C. Herbert	159,097
W. P. Putnam	502,027
A. H. Ali	18,141
V. P. Brathwaite (Ms.)	NIL
I. K. D. Castilho	4,900
J. D. Foster	6,493
C. G. Rogers	7,493
S. T. Worme	16,143

c) No change in Directors' beneficial interests took place between 30 September 2016 and 6 December 2016.

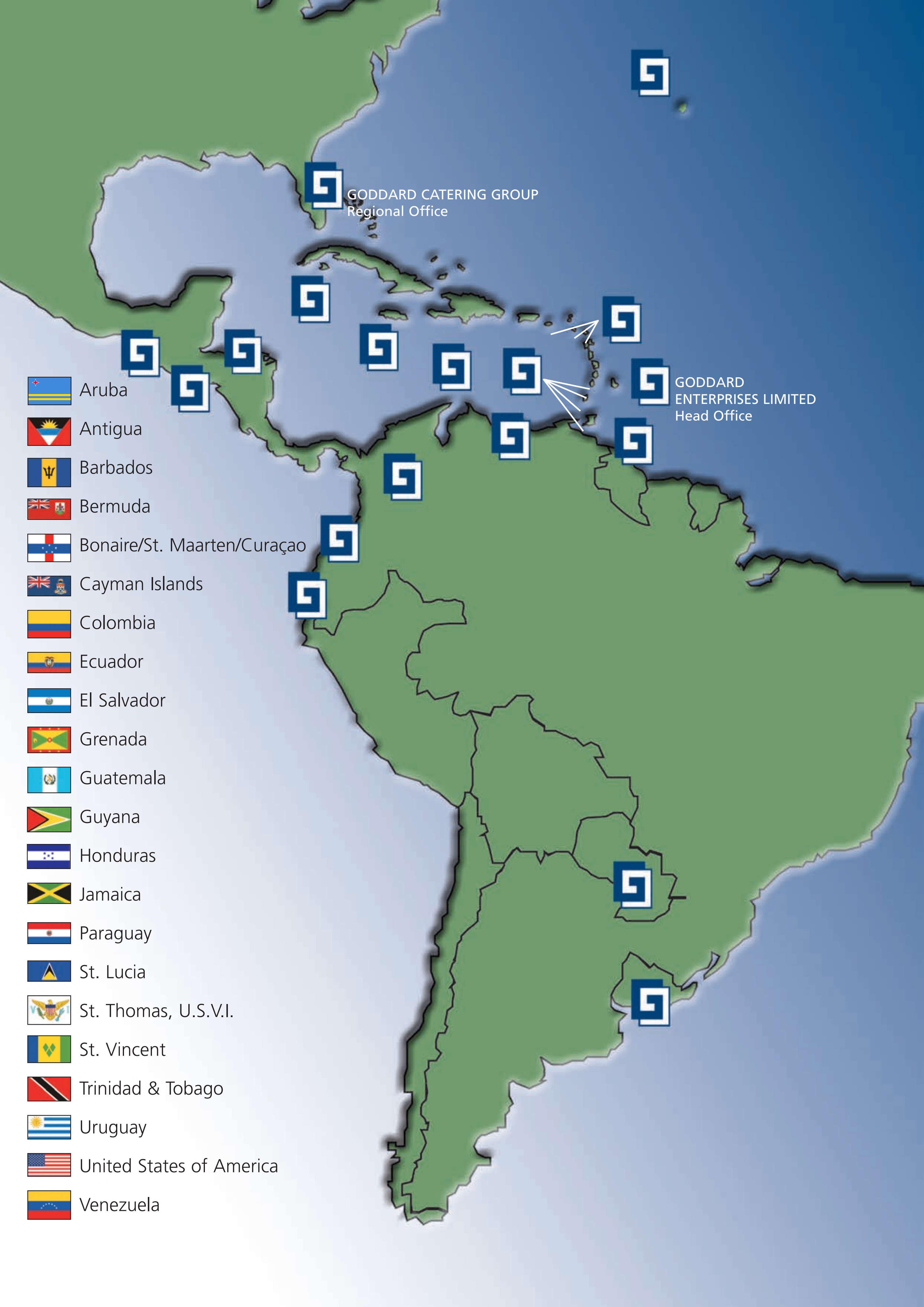
d) Particulars of any person, other than a Director, holding more than 5% of the share capital of Goddard Enterprises Limited and the amount of interest so held as at 6 December 2016.

Shareholders		Number of common shares held
Corona Investments Limited		3,147,144
Neptune Investments Limited		3,435,591
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 Inc. – Cayman Islands	
	Goddard Catering Group Curaçao, N.V. – Curaçao	51%
	Goddard Catering Group El Salvador, S.A. de C.V. – El Salvador	51%
	Goddard Catering Group GCM Ltd. – Cayman Islands	51%
	Goddard Catering Group (Guatemala) S.A. – Guatemala	51%
	Goddard Catering Group Guayaquil S.A. – Ecuador	51%
	Goddard Catering Group Honduras, S.A. – Honduras	51%
	Goddard Catering Group (Jamaica) Limited – Jamaica	51%
	Goddard Catering Group Margarita, C.A. – Margarita	51%
	Goddard Catering Group (St. Lucia) Ltd. – St. Lucia	51%
	Goddard Catering Group St. Maarten N.V. – St. Maarten	51%
	Goddard Catering Group Uruguay S.A. – Uruguay	51%
Automotive:	Courtesy Garage Limited	99%
	Fidelity Motors Limited – Jamaica	
	Peter's Holdings Limited – Trading as Peter and Company Auto – St. Lucia	
	Tropical Battery – a division of Courtesy Garage Limited	
	Tropical Sales (1979) Ltd.	
Baking:	Purity Bakeries – a division of Goddard Enterprises Limited	
	Wonder Bakery Limited – St. Lucia	70%
General Trading:	Corea & Co. (1988) Limited – St. Vincent	
	Coreas Hazells Inc. – St. Vincent	
	Jonas Browne and Hubbard (Grenada) Limited – Grenada	52%
	M&C Home Depot 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. – Curaçao	51%
	GODCA S.A. – El Salvador	51%
	Inversiones Ibero Caribe S.A.S. – Colombia	51%
Insurance:	M&C General Insurance Company Limited – St. Lucia	
	Minvielle & Chastanet Insurance Brokers Limited – St. Lucia	
	Minvielle & Chastanet Insurance Brokers (Barbados) Limited	
Investments:	Catering Services Caribbean Limited – St. Lucia	51%
	GEL Holdings (St. Lucia) Ltd. – St. Lucia	
	Goddard Enterprises (St. Lucia) Ltd. – St. Lucia	
	Goddard Flite Kitchens (Cayman) Limited – Cayman Islands	


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

Subsidiary Companies

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

Investments:	Goddard Flite Kitchens (St. Lucia) Ltd. – St. Lucia	
	Hanschell Inniss Holdings (Curaçao) N.V. – Curaçao	
	Hutchinson Investments Limited – Antigua	
	Inflite Holdings (Cayman) Limited – Cayman Islands	51%
	Inflite Holdings (St. Lucia) Ltd. – St. Lucia	51%
	International Brand Developers N.V. – Curaçao	75%
	Minvielle & Chastanet Limited – St. Lucia	
Meat Processing:	Hipac Limited	
Packaging:	Precision Packaging Inc.	
Pharmaceuticals:	M&C Drugstore Limited – St. Lucia	
Printing & Print Brokers:	Caribbean Label Crafts Limited	51%
	Label Crafts Jamaica Limited – Jamaica	51%
Real Estate:	Haggatt Hall Holdings Limited	67%
	PBH Limited	
	Penrith Development Limited	
Rum Distillery:	The West Indies Rum Distillery Limited	92%
Shipping Agents & Stevedoring:	Admiral Shipping Limited – St. Lucia	
	Goddards Shipping (Barbados) Limited	
	Sea Freight Agencies & Stevedoring Limited	

Associated Companies

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

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

GODDARD ENTERPRISES LIMITED

Consolidated Financial Statements

Ernst & Young
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Building a better working world

AUDITORS' REPORT

To the Shareholders of Goddard Enterprises Limited

We have audited the accompanying consolidated financial statements of **Goddard Enterprises Limited** (the "Company") which comprise the consolidated statement of financial position as at 30 September 2016 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Goddard Enterprises Limited** as of 30 September 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter
This report is made solely to the Company's shareholders, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Ernst & Young

CHARTERED ACCOUNTANTS
Barbados
6 December 2016

Consolidated Statement of Financial Position

As at 30 September 2016

(Expressed in thousands of Barbados Dollars)

	Notes	2016	2015
Current assets			
Cash	6	**101,338**	70,242
Trade and other receivables	7	**78,618**	101,752
Prepaid expenses		**18,639**	12,967
Due by associated companies	8	**25,253**	33,963
Reinsurance assets	9	**6,060**	6,898
Current income tax assets		**3,425**	2,476
Inventories	10	**115,469**	121,173
Held for sale assets	14	**2,511**	–
		351,313	349,471
Current liabilities			
Borrowings	11	**76,419**	95,180
Trade and other payables	12	**107,593**	101,396
Due to associated companies	8	**3,629**	2,230
Current income tax liabilities		**5,569**	3,700
Insurance contracts	13	**9,529**	10,904
		202,739	213,410
Working capital		**148,574**	136,061
Property, plant and equipment	14	**306,025**	319,969
Investment property	15	**28,684**	17,432
Intangible assets	16	**24,817**	24,979
Investments in associated companies	17	**123,656**	126,858
Due by associated companies	8	**6,666**	8,671
Financial investments	18	**47,293**	37,640
Deferred income tax assets	19	**7,032**	9,605
Pension plan assets	20	**2,243**	1,324
Long-term trade and other receivables	7	**7,678**	790
		702,668	683,329
Borrowings	11	**91,102**	85,623
Deferred income tax liabilities	19	**3,963**	3,210
Pension plan liabilities	20	**8,885**	11,649
Net assets employed		**598,718**	582,847
Financed by:			
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	21	**44,004**	44,634
Other reserves	22	**72,054**	75,581
Retained earnings		**387,834**	366,788
		503,892	487,003
Non-controlling interests		**94,826**	95,844
		598,718	582,847

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

Approved by the Board of Directors on 6 December 2016.

A.C. Herbert
Chairman

A. H. Ali
Managing Director

Consolidated Statement of Changes in Equity

For the year ended 30 September 2016

(Expressed in thousands of Barbados Dollars)

	Attributable to equity holders of the Company				
	Share capital (Note 21)	Other reserves (Note 22)	Retained earnings	Non-controlling interests	Total
Balance as at 1 October 2014	43,829	91,823	326,069	103,615	565,336
Net income for the year	–	–	48,449	13,422	61,871
Other comprehensive (loss)/income	–	(16,383)	4,737	(2,728)	(14,374)
Total comprehensive income for the year	–	(16,383)	53,186	10,694	47,497
Investment in subsidiary company	–	–	–	600	600
Disposal of subsidiary company	–	–	–	(6,982)	(6,982)
Fair value of assets disposed of by non-controlling interests	–	–	–	(8,485)	(8,485)
Increase in advances to non-controlling interests	–	–	–	1,767	1,767
Value of employee services	–	141	–	–	141
Issue/(repurchase) of common shares – net	805	–	(786)	–	19
Dividends declared	–	–	–	(5,365)	(5,365)
Dividend – Final 2014 (14 cents per share) (note 30)	–	–	(8,180)	–	(8,180)
Dividend – Interim 2015 (6 cents per share) (note 30)	–	–	(3,501)	–	(3,501)
	805	141	(12,467)	(18,465)	(29,986)
Balance as at 30 September 2015	44,634	75,581	366,788	95,844	582,847
Balance as at 1 October 2015	44,634	75,581	366,788	95,844	582,847
Net income for the year	–	–	37,809	18,652	56,461
Other comprehensive (loss)/income	–	(3,548)	7,834	748	5,034
Total comprehensive income for the year	–	(3,548)	45,643	19,400	61,495
Investment in subsidiary company	–	–	–	3,493	3,493
Decrease in advances to non-controlling interests	–	–	–	(1,981)	(1,981)
Value of employee services	–	21	–	–	21
(Repurchase)/issue of common shares – net	(630)	–	(12,323)	–	(12,953)
Dividends declared	–	–	–	(21,930)	(21,930)
Dividend – Final 2015 (14 cents per share) (note 30)	–	–	(8,178)	–	(8,178)
Dividend – Interim 2016 (7 cents per share) (note 30)	–	–	(4,096)	–	(4,096)
	(630)	21	(24,597)	(20,418)	(45,624)
Balance as at 30 September 2016	**44,004**	**72,054**	**387,834**	**94,826**	**598,718**

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

Consolidated Statement of Income

For the year ended 30 September 2016

(Expressed in thousands of Barbados Dollars)

	Notes	2016	2015
Revenue		**767,460**	924,469
Cost of sales	24	**(425,982)**	(574,576)
Gross profit		**341,478**	349,893
Underwriting income		**2,714**	3,182
Selling, marketing and administrative expenses	24	**(281,811)**	(297,780)
Profit from operations before the following		**62,381**	55,295
Other gains/(losses) – net	25	**15,357**	26,761
Profit from operations		**77,738**	82,056
Finance costs	27	**(10,642)**	(11,857)
		67,096	70,199
Share of income of associated companies	17	**4,039**	3,293
Income before taxation		**71,135**	73,492
Taxation	28	**(14,674)**	(11,621)
Net income for the year		**56,461**	61,871
Attributable to:			
Equity holders of the Company		**37,809**	48,449
Non-controlling interests		**18,652**	13,422
		56,461	61,871
Earnings per share attributable to the equity holders of the Company during the year (expressed in cents per share)			
– basic	29	**64.9**	83.0
– diluted	29	**64.4**	81.1

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

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2016

(Expressed in thousands of Barbados Dollars)

	Notes	2016	2015
Net income for the year		56,461	61,871
Other comprehensive income/(loss):			
Items net of tax that may be recycled to income in the future:			
Unrealised gains/(losses) on available-for-sale financial investments:			
– Group		1,111	(975)
– Associated companies		–	3
(Gains)/losses transferred to income on disposal of available-for-sale financial investments:			
– Group		(12)	(1,037)
– Associated companies		7	(588)
Reversal of impairment of financial investments		–	(213)
Currency translation differences			
– Group		(419)	(6,065)
– Associated companies		(1,036)	(473)
Hyperinflationary adjustments		211	547
Items net of tax that will not be recycled to income in the future:			
Increase/(decrease) in revaluation surplus:			
– Group		2,048	1,119
– Associated companies		(450)	(272)
Remeasurement of employee benefits:			
– Group	37	3,087	(6,717)
– Associated companies	37	487	297
Other comprehensive income/(loss) for the year		5,034	(14,374)
Total comprehensive income for the year		61,495	47,497
Attributable to:			
Equity holders of the Company		42,095	36,803
Non-controlling interests		19,400	10,694
		61,495	47,497

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

Consolidated Statement of Cash Flows

For the year ended 30 September 2016

(Expressed in thousands of Barbados Dollars)

	Notes	2016	2015
Cash flows from operating activities			
Income before taxation		71,135	73,492
Adjustments for:			
Depreciation	14	23,124	23,297
Amortisation of intangible assets	16	1,267	1,684
Impairment of intangible assets	16, 25	206	3,892
Reversal of impairment of financial investments	25	–	(213)
Loss/(gain) on disposal of property, plant and equipment	25	2,759	(65)
Gain on disposal of financial investments	25	(7,231)	(1,154)
Exchange adjustments		40	(3,834)
Gain on disposal of subsidiary companies	25	(53)	(20,782)
Hyperinflationary adjustments		(389)	286
Interest income	25	(2,411)	(1,484)
Finance costs incurred		10,642	11,857
Share of income of associated companies	17	(4,039)	(3,293)
Pension plan expense	20	3,400	2,615
Employee share schemes expenses	26	21	141
Fair value gains on revaluation of investment property	15, 25	(137)	(107)
Operating profit before working capital changes		98,334	86,332
Net change in non-cash working capital balances related to operations	35	33,623	(37,453)
Cash generated from operations		131,957	48,879
Interest received		2,411	1,484
Finance costs paid		(10,642)	(11,857)
Income and corporation taxes paid		(11,067)	(9,456)
Pension plan contributions paid	20	(3,526)	(2,687)
Net cash from operating activities		109,133	26,363
Cash flows from investing activities			
Acquisition of interest in subsidiary companies		(6,303)	(8,091)
Proceeds on transfer of GEL companies to CDP	17	–	23,284
Investment in subsidiary by non-controlling interest		3,493	600
Proceeds from reduction in stated capital of an associated company		–	300
Increase in investment in an associated company		(317)	–
Proceeds from disposal of subsidiary companies		9,606	–
Purchase of property, plant and equipment	14	(25,882)	(23,374)
Proceeds on disposal of property, plant and equipment		5,231	6,599
Purchase of financial investments		(14,749)	(11,631)
Proceeds on disposal of financial investments		13,419	14,780
Loan made to an associated company		–	(8,671)
Proceeds from repayment of loan to an associated company		2,005	–
Long-term loans advanced		(8,522)	(32)
Proceeds from repayment of long-term loans		1,220	969
Unsecured and secured loans (made)/received		(580)	272
Dividends received from associated companies	17	6,564	4,767
Net cash used in investing activities		(14,815)	(228)
Cash flows from financing activities			
Issue of common shares	21	1,022	910
Repurchase of common shares		(13,975)	(891)
Long-term loans received		8,375	2,570
Repayments of long-term loans		(10,550)	(10,087)
Dividends paid to non-controlling interests		(21,930)	(5,365)
Loans (repaid)/received to/from non-controlling interests		(1,981)	1,767
Dividends paid to shareholders		(12,274)	(11,681)
Net cash used in financing activities		(51,313)	(22,777)
Net increase in cash and cash equivalents		43,005	3,358
Cash and cash equivalents – beginning of year		53,840	50,482
Cash and cash equivalents – end of year	6	96,845	53,840

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

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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, and island tours. Associated companies are involved in general trading, waste disposal, laundry services, financing, property rentals, investments and general insurance. (See pages 35-38.) The Group operates throughout the Caribbean and Central and South America.

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

The Company is listed on the Barbados Stock Exchange.

These consolidated financial statements have been approved for issue by the Board of Directors on 6 December 2016. The Board of Directors has the power to amend these consolidated financial statements after issue, if required.

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 2016 financial year

i) New accounting policies/improvements adopted

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 September 2015. There were no new interpretations or standards which became effective in the current year.

ii) Standards in issue not yet effective

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Group's financial statements. These standards and interpretations will be applicable to the Group at a future date and will be adopted when they become effective. The Group is currently assessing the impact of adopting these standards and interpretations.

IAS 1 – Disclosure Initiative – Amendments to IAS 1 (effective 1 January 2016)

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements.

The amendments clarify the following:

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

2. Significant accounting policies... continued

a) Basis of preparation... continued

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

IAS 1 – Disclosure Initiative – Amendments to IAS 1 (effective 1 January 2016)... continued

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

IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (effective 1 January 2016)

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

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

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10.

The amendments to IFRS 10 clarify that the exemption (in IFRS 10.4) from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

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

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

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective 1 January 2016)

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

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

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

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

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

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

2. Significant accounting policies... continued

a) Basis of preparation... continued

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

IAS 7 Disclosure Initiative – Amendments to IAS 7 (effective 1 January 2017)

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12 (effective 1 January 2017)

The IASB issued the amendments to IAS 12 Income Taxes to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)

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

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

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

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

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

IFRS 9 Financial Instruments (effective 1 January 2018)

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. In subsequent phases, the Board will address impairment and hedge accounting. The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting.

IFRS 2 Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2 (effective 1 January 2018)

The IASB issued amendments to IFRS 2 Share-based Payment in relation to the classification and measurement of share-based payment transactions. The amendments address three main areas:

- The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction
- The classification of a share-based payment transaction with net settlement features for withholding tax obligations.

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies... continued

a) Basis of preparation... continued

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

IFRS 2 Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2 (effective 1 January 2018)... continued

- The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

IFRS 16 Leases (effective 1 January 2019)
IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

iii) Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after 1 January 2016.

IFRS	Subject of Amendment
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal
IFRS 7	Financial Instruments: Disclosures – Servicing contracts
IFRS 7	Financial Instruments: Disclosures – Applicability of the offsetting disclosures to condensed interim financial statements
IAS 19	Employee Benefits – Discount rate: regional market issue
IAS 34	Interim Financial Reporting – Disclosure of information 'elsewhere in the interim financial report'

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.

2. Significant accounting policies... continued

b) Consolidation... continued

i) Subsidiaries... continued

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

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

ii) Transactions and non-controlling interests

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

iii) Associates

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

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

c) Segment reporting

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

d) Foreign currency translation

i) Functional and presentation currency

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

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

iv) Hyperinflationary accounting

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

To determine the existence of hyperinflation, the Group assesses the qualitative characteristics of the economic environment of the country, such as the trends in inflation rates over the previous three years. The financial statements of companies whose functional currency is the currency of a hyperinflationary economy are adjusted to reflect the changes in purchasing power of the local currency, such that all items in the statement of financial position not expressed in current terms (non-monetary items) are restated by applying a general price index at the financial statement closing date, and all items of income and expense, profit and loss are restated monthly by applying appropriate adjustment factors. The difference between initial and adjusted amounts is included in other gains/(losses) – net in the consolidated statement of income. Accordingly, Venezuela was classified as a hyperinflationary economy in 2016 and 2015. The inflation indices used to prepare the restated financial information are those published by the Central Bank of Venezuela until September 2015. The index for 2015 was 141.53. During year 2016, the Central Bank of Venezuela has not published an official index. In this regard, the company used the average index of 456.78, published in one of the most reputable economic studies of the country.

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.

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:

2. Significant accounting policies... continued

e) Property, plant and equipment... continued

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

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

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

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

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

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

f) Investment property

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

g) Intangible assets

i) Goodwill

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

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

ii) Other intangible assets

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

2. Significant accounting policies... continued

g) Intangible assets... continued

ii) Other intangible assets... continued

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

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

h) Impairment of non-financial assets

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

i) Financial assets

The Group classifies its financial assets in the following categories:

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

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

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

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

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

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

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

2. Significant accounting policies... continued

i) Financial assets... continued

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

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

j) Inventories

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

k) Trade receivables

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

l) Cash and cash equivalents

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

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

m) Trade payables

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

n) Borrowings

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

2. Significant accounting policies... continued

n) Borrowings... continued

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

o) Current and deferred income tax

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

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

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

p) Employee benefits

i) *Pension obligations*

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

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

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

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.

2. Significant accounting policies... continued

q) Share-based payments

The Group operates various cash-settled share-based 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.

r) 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.

s) Revenue recognition

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

i) Sales of goods – wholesale and retail

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

ii) Sales of services

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

iii) Interest income

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

iv) Dividend income

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

v) Royalty and rental income

Royalty and rental income is recognised on an accrual basis.

vi) *Premium income*

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

t) Leases

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

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

2. Significant accounting policies... continued

u) Insurance contracts

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

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

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

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

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

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

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

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

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

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.

2. Significant accounting policies... continued

u) Insurance contracts... continued

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

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

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

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

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

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

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

v) 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.

w) Non-current assets held for sale
Non-current assets classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition, management has committed to the sale, and the sale is expected to be completed within one year from the date of classification.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Company retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss after taxes is reported separately in the consolidated statement of comprehensive income.

2. Significant accounting policies... continued

w) Non-current assets held for sale... continued

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Assets and liabilities classified as held for distribution are presented separately as current items in the statement of financial position.

3. Risk management

a) Financial risk factors

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

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

i) Market risk

1) Foreign exchange risk

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

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

The table below illustrates the theoretical impact on equity and net income of a 5% depreciation in the Jamaican dollar and Latin American currencies when compared to the Barbados dollar as at 30 September 2016.

Effect of a 5% depreciation of	Effect on equity	Effect on net income
Jamaican dollar	138	(550)
Latin American currencies	(338)	(585)

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

2) Price risk

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

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

If the BSE and CSX had increased or decreased by 5% with all other variables held constant, the financial investments reserve within equity would increase or decrease by $483 (2015 – $431) as a result of gains or losses on equity securities classified as available-for-sale financial assets.

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

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.

The maximum exposure to credit risk is as follows:

	2016		2015	
	$	%	$	%
Cash	**101,338**	**41**	70,242	29
Trade and other receivables	**86,296**	**35**	102,542	43
Due by associated companies	**31,919**	**13**	42,634	18
Financial investments (debt securities and fixed deposits)	**28,021**	**11**	22,493	9
Reinsurance assets (outstanding claims)	**663**	**–**	2,018	1
	248,237	**100**	239,929	100

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

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

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

Customer	2016	2015
British Airways PLC (rated BB by Standard & Poor's)	**833**	1,148
Virgin Atlantic Airways (unrated)	**1,856**	2,392
Caribbean Airlines (unrated)	**1,318**	1,476
TACA International Airlines (unrated)	**1,660**	1,781
Alstons Marketing Ltd. (unrated)	**–**	1,403

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

iii) Liquidity risk

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

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

iii) Liquidity risk... continued

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 September 2016					
Borrowings	80,500	24,197	33,414	52,026	190,137
Trade and other payables	106,622	–	–	–	106,622
Due to associated companies	3,629	–	–	–	3,629
Insurance contracts	1,957	–	–	–	1,957
	192,708	24,197	33,414	52,026	302,345
Off financial statement exposures:					
Guarantees and letters of credit	18,420	–	–	–	18,420
Total	211,128	24,197	33,414	52,026	320,765
At 30 September 2015					
Borrowings	102,651	13,602	37,542	60,251	214,046
Trade and other payables	101,264	–	–	–	101,264
Due to associated companies	2,230	–	–	–	2,230
Insurance contracts	3,631	–	–	–	3,631
	209,776	13,602	37,542	60,251	321,171
Off financial statement exposures:					
Guarantees and letters of credit	20,228	–	–	–	20,228
Total	230,004	13,602	37,542	60,251	341,399

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

iii) Liquidity risk... continued

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 September 2016					
Cash	**101,338**	**–**	**–**	**–**	**101,338**
Trade and other receivables	**78,198**	**943**	**4,188**	**2,792**	**86,121**
Due by associated companies	**25,692**	**1,669**	**4,982**	**2,913**	**35,256**
Reinsurance assets	**663**	**–**	**–**	**–**	**663**
Financial investments (debt securities and fixed deposits)	**20,334**	**1,920**	**5,636**	**1,141**	**29,031**
	226,225	**4,532**	**14,806**	**6,846**	**252,409**
At 30 September 2015					
Cash	70,242	–	–	–	70,242
Trade and other receivables	100,433	580	3	–	101,016
Due by associated companies	34,472	1,742	5,226	3,048	44,488
Reinsurance assets	2,018	–	–	–	2,018
Financial investments (debt securities and fixed deposits)	17,331	2,535	1,320	3,428	24,614
	224,496	4,857	6,549	6,476	242,378

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 2016 and 2015 the Group's borrowings at variable rates were denominated in Barbados dollars and Colombian pesos. To manage against interest rate risk, the Group negotiates the best rates possible and where possible considers factors such as refinancing, renewing options and alternative financing. In a period of low interest rates the Group negotiates for fixed rates on borrowings for a period of at least five years.

At 30 September 2016, 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 $257 (2015 – $184) lower or higher, mainly as a result of higher or lower finance costs on floating rate borrowings.

v) Country risk

Venezuela has an exchange control mechanism in place, managed by the National Center of Foreign Trade ((“DIPRO”), before CENCOEX) which has issued a number of regulations governing the modalities of currency sales in Venezuela at an official exchange rate of Bolivars 13.5 to US$1.00. During the year 2016, Venezuela amended its currency exchange legislation to create a new mechanism, known as DICOM (before SIMADI) which permits foreign exchange barter and cash transactions. DICOM allows both individuals and entities to buy and sell foreign currency with fewer restrictions than that managed by the DIPRO. Under this mechanism the Bolivars has devalued significantly, moving from a conversion rate of Bolivars 199.42 to US$1.00 in the prior year to a

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

v) Country risk... continued

conversion rate of Bolivars 658.89 to US$1.00 at year end. The Group has used the DICOM exchange rate to convert the net assets of its Venezuelan subsidiaries resulting in a translation loss of $218 (2015 – $1,343) which was recognised in the consolidated statement of comprehensive income. The revenues, operating income and statement of financial position totals of the entities located in Venezuela are not considered significant to the Group. However management is currently seeking avenues by which to mitigate any further exchange risk.

b) Fair value of financial assets and liabilities

Fair value 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 consolidated financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

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

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

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

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

	Level 1	Level 2	Level 3	Total
2016				
Available-for-sale securities:				
Equity securities	**1,739**	**7,974**	**–**	**9,713**
2015				
Available-for-sale securities:				
Equity securities	1,554	7,144	–	8,698

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

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

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

c) Capital risk management

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

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

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

During 2016 and 2015, the Group's strategy was to achieve a debt to capital ratio of 33:67. The debt to capital ratios at 30 September 2016 and 2015, are as follows:

	2016	2015
Total debt	**306,689**	313,892
Total capital	**905,407**	896,739
Debt to capital ratio	**25:75**	26:74

Statutory compliance

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

Section 34 of the Insurance Act states that a general insurer will be deemed to be insolvent if its assets do not exceed the sum of its liabilities by the greater of $148 or twenty percent (20%) of its premium income in respect of its general insurance business in its last preceding financial year. Premium income of a company shall be assessed as the net amount, after deductions for any premiums paid by the company for reinsurance in that year in respect of all general insurance business carried on by the company. The company was deemed solvent as of 30 September 2016.

Section 80 of the Insurance Act requires that a general insurer (carrying on motor vehicle and insurance business other than long-term insurance) shall deposit with the Registrar either the greater of $56 or an amount equal to 40% of its net premium income in respect of business transacted during the last preceding financial year. The company was in compliance with this requirement as of 30 September 2016 and 2015.

Section 88 of the Insurance Act requires that the company establishes a motor vehicle insurance fund equal to its liability and contingency reserves for motor vehicle insurance business less amounts held on deposit with the Registrar. The company was in compliance with this requirement as of 30 September 2016 and 2015.

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

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

c) Capital risk management... continued

Statutory compliance... continued
The table below summarises the minimum required capital and the regulatory capital held by the company.

	2016	2015
Regulatory capital held	2,370	2,370
Minimum regulatory capital	555	555

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

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

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

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

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

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

4. Critical accounting estimates and judgements

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

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

Property, plant and equipment
Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

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

On 30 March 1997 Goddard Enterprises Limited (GEL) and SC International Services Inc. (now LSG/Sky Chefs Inc.) entered into a business arrangement to manage the operations of the companies within the Catering and Ground Handling Division at the time. On 5 November 2015 the two parties signed a Restated Master Joint Venture Agreement that has an initial term through 30 September 2035, with an automatic ten year extension. The ownership structure is 51:49, with GEL being the majority shareholder. GEL is deemed to have control of this arrangement as GEL directs the relevant activities which include, but are not limited to:

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

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

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

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

Impairment of intangible assets

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

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

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

4. Critical accounting estimates and judgements... continued

Impairment of financial assets
Management makes judgements at each reporting date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

Employee benefits
In conducting valuation exercises to measure the effect of all employee benefit plans throughout the Group, management uses judgement and assumptions in determining discount rates, salary increases, NIS ceiling increases, pension increases, and the rate of return on the assets of the plans.

Deferred taxes
In calculating the provision for deferred taxation, management uses judgement to determine the probability that future taxable profits will be available to facilitate utilisation of temporary tax differences which may arise.

Property, plant and equipment
Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

5. Segmental reporting

As a result of restructuring within the Group, the operating segments were realigned during the year. The revised segments are based on the reports reviewed by the Board of Directors which are used to make strategic decisions. The Group is divided into five 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. Certain comparative figures have been reclassified to conform to the presentation adopted in the current year for the revised segments.

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

	Automotive, building supplies and services	Caribbean Distribution Partners Ltd.	Manufacturing and services	Catering and ground handling	Financial services	Eliminations/ unallocated	Total
2016							
Revenue							
External sales	351,036	–	168,092	251,046	–	(2,714)	767,460
Inter-segment sales	1,312	–	3,475	1,026	–	(5,813)	–
Associated companies' sales	–	425,212	51,430	69,760	153,229	(699,631)	–
Total revenue	352,348	425,212	222,997	321,832	153,229	(708,158)	767,460
Segment result							
Profit from operations	23,551	–	17,399	39,094	–	(17,663)	62,381
Other gains/(losses) – net	1,895	–	289	8,604	–	4,569	15,357
Finance costs	(5,539)	–	(388)	(102)	–	(4,613)	(10,642)
Share of income of associated companies	–	1,112	1,398	812	717	–	4,039
Income before non-controlling interests and taxation	19,907	1,112	18,698	48,408	717	(17,707)	71,135
Non-controlling interests	(1,512)	–	5	(25,170)	–	26,677	–
Income before taxation	18,395	1,112	18,703	23,238	717	8,970	71,135
Taxation							(14,674)
Net income for the year							56,461
Other information							
Operating assets	281,770	–	109,959	118,320	–	158,208	668,257
Intangible assets	19,372	–	1,244	4,201	–	–	24,817
Investment in associated companies	–	55,110	20,304	8,065	40,177	–	123,656
Unallocated corporate assets	–	–	–	–	–	88,677	88,677
Consolidated corporate assets	301,142	55,110	131,507	130,586	40,177	246,885	905,407
Capital expenditure	7,641	–	7,105	11,044	–	92	25,882
Depreciation	6,342	–	5,696	9,502	–	1,584	23,124
Amortisation of intangible assets	1,075	–	–	192	–	–	1,267
Impairment of intangible assets	206	–	–	–	–	–	206
Employee numbers – subsidiary companies only	1,348	–	690	3,016	–	51	5,105

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Operating segments... continued

	Automotive, building supplies and services	Caribbean Distribution Partners Ltd.	Manufacturing and services	Catering and ground handling	Financial services	Eliminations/ unallocated	Total
2015							
Revenue							
External sales	581,979	–	131,620	214,052	–	(3,182)	924,469
Inter-segment sales	9,412	–	46,032	1,098	–	(56,542)	–
Associated companies' sales	–	100,037	60,099	87,718	149,818	(397,672)	–
Total revenue	591,391	100,037	237,751	302,868	149,818	(457,396)	924,469
Segment result							
Profit from operations	20,576	–	16,992	31,318	–	(13,591)	55,295
Other gains/(losses) – net	1,346	–	422	678	–	24,315	26,761
Finance costs	(6,734)	–	(570)	(18)	–	(4,535)	(11,857)
Share of income of associated companies	–	(153)	396	1,247	1,803	–	3,293
Income before non-controlling interests and taxation	15,188	(153)	17,240	33,225	1,803	6,189	73,492
Non-controlling interests	(1,894)	–	124	(17,351)	–	19,121	–
Income before taxation	13,294	(153)	17,364	15,874	1,803	25,310	73,492
Taxation							(11,621)
Net income for the year							61,871
Other information							
Operating assets	310,486	–	110,380	96,884	–	158,675	676,425
Intangible assets	20,653	–	1,243	3,083	–	–	24,979
Investments in associated companies	–	53,729	19,426	9,084	44,619	–	126,858
Unallocated corporate assets	–	–	–	–	–	68,477	68,477
Consolidated corporate assets	331,139	53,729	131,049	109,051	44,619	227,152	896,739
Capital expenditure	8,051	–	5,359	9,820	–	144	23,374
Depreciation	8,700	–	5,594	6,884	–	2,119	23,297
Amortisation of intangible assets	1,492	–	–	192	–	–	1,684
Impairment of intangible assets	3,892	–	–	–	–	–	3,892
Employee numbers – subsidiary companies only	1,341	–	676	2,520	–	50	4,587

(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:

	2016	2015
Total income before non-controlling interests and taxation for reportable segments	**88,842**	67,303
Eliminations/unallocated		
Unallocated group companies	**(17,733)**	6,123
Intercompany eliminations	**26**	66
Total eliminations/unallocated	**(17,707)**	6,189
Total income before taxation	**71,135**	73,492

Reportable segment assets are reconciled to total assets as follows:

	2016	2015
Total assets for reportable segments	**658,522**	669,587
Unallocated assets		
Operating assets for unallocated group companies	**158,208**	158,675
Current income tax assets	**3,425**	2,476
Investment property	**28,684**	17,432
Financial investments	**47,293**	37,640
Deferred income tax assets	**7,032**	9,605
Pension plan assets	**2,243**	1,324
Total unallocated assets	**246,885**	227,152
Total assets	**905,407**	896,739

Geographical information

	External sales		Non-current assets	
	2016	2015	2016	2015
Barbados	**189,775**	224,275	**217,882**	224,814
St. Lucia	**91,983**	165,347	**85,521**	89,459
Grenada	**80,047**	100,787	**46,589**	47,339
Other Caribbean	**140,404**	198,541	**112,221**	110,177
Latin America	**120,805**	85,285	**35,313**	26,910
Other	**144,446**	150,234	**–**	–
Total	**767,460**	924,469	**497,526**	498,699

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

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

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

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Geographical segments

	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
2016					
Revenue					
External sales	276,311	360,179	133,684	(2,714)	767,460
Inter-segment sales	5,059	754	–	(5,813)	–
Associated companies' sales	296,796	378,426	24,409	(699,631)	–
Total revenue	578,166	739,359	158,093	(708,158)	767,460
Segment result					
Profit from operations	29,998	25,694	24,352	(17,663)	62,381
Other gains/(losses) – net	1,646	8,450	692	4,569	15,357
Finance costs	(1,164)	(4,777)	(88)	(4,613)	(10,642)
Share of income of associated companies	(325)	3,242	1,122	–	4,039
Income before non-controlling interests and taxation	30,155	32,609	26,078	(17,707)	71,135
Non-controlling interests	(2,326)	(12,121)	(12,230)	26,677	–
Income before taxation	27,829	20,488	13,848	8,970	71,135
Taxation					(14,674)
Net income for the year					56,461
Other information					
Operating assets	173,300	280,079	56,670	158,208	668,257
Intangible assets	8,059	15,310	1,448	–	24,817
Investments in associated companies	59,163	60,180	4,313	–	123,656
Unallocated corporate assets	–	–	–	88,677	88,677
Consolidated corporate assets	240,522	355,569	62,431	246,885	905,407
Capital expenditure	11,591	8,771	5,428	92	25,882
Depreciation	8,089	8,095	5,356	1,584	23,124
Amortisation of intangible assets	640	627	–	–	1,267
Impairment of intangible assets	–	206	–	–	206
Employee numbers – subsidiary companies only	935	2,290	1,829	51	5,105

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Geographical segments... continued

	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
2015					
Revenue					
External sales	322,994	511,149	93,508	(3,182)	924,469
Inter-segment sales	50,286	6,256	–	(56,542)	–
Associated companies' sales	197,354	178,302	22,016	(397,672)	–
Total revenue	570,634	693,748	115,524	(455,437)	924,469
Segment result					
Profit from operations	24,992	26,798	17,096	(13,591)	55,295
Other gains/(losses) – net	1,838	426	182	24,315	26,761
Finance costs	(2,384)	(4,938)	–	(4,535)	(11,857)
Share of income of associated companies	1,435	861	997	–	3,293
Income before non-controlling interests and taxation	25,881	23,147	18,275	6,189	73,492
Non-controlling interests	(2,250)	(8,403)	(8,468)	19,121	–
Income before taxation	23,631	14,744	9,807	25,310	73,492
Taxation					(11,621)
Net income for the year					61,871
Other information					
Operating assets	172,543	301,661	43,546	158,675	676,425
Intangible assets	8,700	16,141	138	–	24,979
Investment in associated companies	64,554	58,570	3,734	–	126,858
Unallocated corporate assets	–	–	–	68,477	68,477
Consolidated corporate assets	245,797	376,372	47,418	227,152	896,739
Capital expenditure	6,923	11,373	4,934	144	23,374
Depreciation	8,692	10,108	2,378	2,119	23,297
Amortisation of intangible assets	640	1,044	–	–	1,684
Impairment of intangible assets	–	3,892	–	–	3,892
Employee numbers – subsidiary companies only	911	2,284	1,342	50	4,587

(Expressed in thousands of Barbados Dollars)

6. Cash and cash equivalents

	2016	2015
Cash	101,338	70,242
Bank overdraft (note 11)	(4,493)	(16,402)
	96,845	53,840

Significant concentrations of cash are as follows:

	2016	2015
CIBC FirstCaribbean International Bank (unrated)	26,747	20,186
CIBC (Long Term Issuer Credit Rating A+ by Standard & Poor's)	45,651	25,094

7. Trade and other receivables

	2016	2015
Trade receivables	58,571	60,642
Other receivables	21,237	43,021
Trade and other receivables	79,808	103,663
Less: Provision for impairment of receivables	(3,047)	(3,482)
Trade and other receivables – net	76,761	100,181
Loans receivable (other)	9,379	2,150
Loans receivable (mortgages)	156	211
	86,296	102,542
Less: Long-term portion – loans receivable	(7,678)	(790)
Current portion	78,618	101,752

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

a) Trade receivables

Total fully performing trade receivables without external ratings:

	2016	2015
New customers (<6 months)	1,210	3,947
Existing customers (>6 months) – no past defaults	26,115	18,307
Existing customers (>6 months) – some past defaults fully recovered	13,781	19,158
	41,106	41,412

(Expressed in thousands of Barbados Dollars)

7. Trade and other receivables... continued

a) *Trade receivables... continued*

Counterparties with external ratings:

	2016	2015
British Airways PLC (rated BB by Standard & Poor's)	817	1,148
American Airlines Inc. (rated BB- by Standard & Poor's)	719	699
US Airways Inc. (rated BB- by Standard & Poor's)	–	194
Delta Air Lines Inc. (rated BB+ by Standard & Poor's)	1,502	1,332
United Airlines Inc. (rated BB- by Standard & Poor's)	312	790
Air Canada (rated BB- by Standard & Poor's)	115	128
United Parcel Service Inc. (rated A+ by Standard & Poor's)	2	3
	3,467	4,294
Total fully performing trade receivables	44,573	45,706

Trade receivables that are less than three months past due are not considered impaired. Based on historical information and customer relationships some trade receivables which are greater than three months past due but not greater than twelve months are not considered impaired. As of 30 September 2016, trade receivables of $11,430 (2015 – $11,908) were past due but not impaired. The ageing of these trade receivables is as follows:

	2016	2015
Up to 3 months	6,658	6,509
3 to 6 months	2,384	3,631
6 to 12 months	2,388	1,768
	11,430	11,908

As of 30 September 2016, trade receivables of $2,568 (2015 – $3,028) were impaired and provided for. A portion of these receivables is expected to be recovered. The ageing of these trade receivables is as follows:

	2016	2015
3 to 6 months	140	1,094
6 to 12 months	604	338
Over 12 months	1,824	1,596
	2,568	3,028
Total trade receivables	58,571	60,642

(Expressed in thousands of Barbados Dollars)

7. Trade and other receivables... continued

b) Other receivables

	2016	2015
Total fully performing other receivables	7,755	28,658

Other receivables that are less than three months past due are not considered impaired. As of 30 September 2016, other receivables of $13,003 (2015 – $13,909) were past due but not impaired. The ageing of these other receivables is as follows:

	2016	2015
Up to 3 months	2,657	3,388
3 to 6 months	2,559	4,252
6 to 12 months	1,934	1,277
Over 12 months	5,853	4,992
	13,003	13,909

As of 30 September 2016, other receivables of $479 (2015 – $454) were impaired and provided for. A portion of these receivables is expected to be recovered. The ageing of these other receivables is as follows:

	2016	2015
Over 12 months	479	454
Total other receivables	21,237	43,021

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

	2016	2015
Balance – beginning of year	3,482	9,750
Provision for impairment of receivables	1,092	1,520
Less: Receivables written off during the year as uncollectible	(398)	(2,816)
Unused amounts reversed	(536)	(198)
Exchange adjustment	(40)	(676)
Subsidiaries disposed of during the year	(597)	(4,098)
Subsidiaries acquired during the year	44	–
Balance – end of year	3,047	3,482

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 $623 (2015 – $198).

The Group only holds collateral in respect of loans receivable (mortgages). The estimated fair value of this collateral at year end was $306 (2015 – $306).

Loans receivable (other) include interest bearing loans repayable no later than seven years.

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:

	2016	2015
Loans receivable (other)	4.25%–7%	7%
Loans receivable (mortgages)	6%	6%

8. Due by/to associated companies

These amounts are interest free, unsecured and due on demand with the exception of an amount of $8,571 (2015 – $9,904) due by an associated company which carries interest at a rate of 5.5% and is repayable over six years.

9. Reinsurance assets

	2016	2015
Outstanding claims	663	2,018
Deferred reinsurance costs	5,397	4,880
	6,060	6,898

10. Inventories

	2016	2015
Finished goods	91,911	94,212
Raw materials	22,362	27,082
Work in progress	1,988	617
	116,261	121,911
Less: Provision for obsolescence	(792)	(738)
Total	115,469	121,173

The cost of inventories written down and recognised as an expense and included in cost of sales amounted to $3,743 (2015 – $5,233).

11. Borrowings

	2016	2015
Non-current		
Bank term loans at interest rates between 3.75% – 12.86% (2015 – 4.50% – 9.85%) repayable in regular instalments maturing at various intervals through 2026 (2015 – through to 2020) – see note (a)	91,102	85,623
Current		
Bank term loans at interest rates between 3.75% – 12.86% (2015 – 4.16% – 9.85%) repayable in regular instalments maturing at various intervals through 2026 (2015 – through to 2020) – see note (a)	32,674	38,945
Short-term loans repayable on demand – see note (b)	6,818	7,399
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 4.50% – 11.25%) (2015 – 5.25% – 10.25%) (note 6) – see note (a)	4,493	16,402
	76,419	95,180
Total	167,521	180,803

(Expressed in thousands of Barbados Dollars)

11. Borrowings... continued

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

b) The short-term loans are unsecured and bear interest at rates varying between 3% and 5% (2015 – 3% and 5%) 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 $74,641, 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. Lucia: A mortgage debenture stamped up to a limit of $7,930 over the fixed and floating assets of subsidiary companies.

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

Jamaica: A registered first demand debenture providing a fixed and floating charge over assets stamped for $94 with power to up-stamp and assignment of fire and perils insurance over business assets.

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

	2016	2015
No exposure	**141,166**	156,351
Less than 1 year	**22,578**	21,710
1 – 5 years	**2,871**	2,742
Over 5 years	**906**	–
	167,521	180,803

The fair value of the Group's fixed rate borrowings was $137,203 at the year end (2015 – $133,502).

(Expressed in thousands of Barbados Dollars)

11. Borrowings... continued

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

	2016	2015
Barbados dollar	**64,661**	65,712
East Caribbean dollar	**63,047**	75,456
Jamaica dollar	**6,529**	7,201
US dollar	**32,434**	32,434
Colombian Peso	**850**	–
	167,521	180,803

12. Trade and other payables

	2016	2015
Trade payables	**38,811**	39,496
Accrued liabilities	**68,782**	61,900
	107,593	101,396

13. Insurance contracts

	2016	2015
Provision for losses and loss adjustment expenses	**1,957**	3,631
Unearned premiums	**7,572**	7,273
	9,529	10,904

(Expressed in thousands of Barbados Dollars)

14. Property, plant and equipment

	Freehold land and buildings	Leasehold buildings	General equipment	Total
At 30 September 2014				
Cost or valuation	276,029	52,907	291,204	620,140
Accumulated depreciation	(12,744)	(32,881)	(218,900)	(264,525)
Net book amount	263,285	20,026	72,304	355,615
Year ended 30 September 2015				
Opening net book amount	263,285	20,026	72,304	355,615
Exchange differences	(623)	(574)	(1,251)	(2,448)
Additions	2,802	1,520	19,052	23,374
Disposals	–	–	(6,534)	(6,534)
Reclassifications	840	(840)	–	–
Revaluations	–	–	725	725
Hyperinflationary revaluation	–	108	153	261
Depreciation charge (note 24)	(3,569)	(2,139)	(17,589)	(23,297)
Subsidiary acquired during year	(17,523)	(3,384)	(6,820)	(27,727)
Closing net book amount	245,212	14,717	60,040	319,969
At 30 September 2015				
Cost or valuation	263,949	45,373	253,404	562,726
Accumulated depreciation	(18,737)	(30,656)	(193,364)	(242,757)
Net book amount	245,212	14,717	60,040	319,969
Year ended 30 September 2016				
Opening net book amount	245,212	14,717	60,040	319,969
Exchange differences	23	(207)	(106)	(290)
Additions	2,690	1,118	22,074	25,882
Disposals	(6,291)	–	(1,699)	(7,990)
Reclassifications	1,359	(1,353)	(6)	–
Revaluations	2,048	–	–	2,048
Hyperinflationary revaluation	–	231	369	600
Transfer to assets held for sale	(2,511)	–	–	(2,511)
Transfer to investment property	(11,035)	–	–	(11,035)
Depreciation charge (note 24)	(4,176)	(1,644)	(17,304)	(23,124)
Subsidiary acquired during the year	–	2,969	3,551	6,520
Subsidiaries disposed of during year	(2,154)	(1,424)	(466)	(4,044)
Closing net book amount	225,165	14,407	66,453	306,025
At 30 September 2016				
Cost or valuation	246,428	46,755	267,354	560,537
Accumulated depreciation	(21,263)	(32,348)	(200,901)	(254,512)
Net book amount	225,165	14,407	66,453	306,025

(Expressed in thousands of Barbados Dollars)

14. Property, plant and equipment... continued

Depreciation expense of $4,757 (2015 – $4,686) and $18,367 (2015 – $18,611) respectively has been included in cost of sales and selling, marketing and administrative expenses.

Operating lease rental expenses amounting to $5,801 (2015 – $3,186) have been included in selling, marketing and administrative expenses.

The following is the historical cost carrying amount of freehold land and building carried at revalued amounts as at 30 September:

	2016	2015
Cost	146,012	144,478
Accumulated depreciation	(16,816)	(14,596)
	129,196	129,882

Land and buildings up to a total value of $75,622 (2015 – $84,240) have been provided as security for various bank borrowings.

During the year, a subsidiary in St. Vincent agreed to dispose of two of its properties. In accordance with IFRS 5, these properties have been transferred to held for sale assets at a value of $2,511.

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

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

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

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

15. Investment property

	2016	2015
Balance – beginning of year	17,432	17,328
Fair value gains on revaluation of investment property (note 25)	137	107
Transfer from freehold land and buildings	11,035	–
Exchange adjustment	80	(3)
Balance – end of year	28,684	17,432

(Expressed in thousands of Barbados Dollars)

15. Investment property... continued

The Group's investment properties are situated in Barbados, Cayman Islands, Guatemala and St. Vincent. These were revalued as of 30 September 2016 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 $2,411 (2015 – $1,356) and direct operating expenses totalled $317 (2015 – $126) for the year.

16. Intangible assets

	Goodwill	Trade names	Customer relationships	Supplier relationships	Total
At 30 September 2014					
Cost	30,625	13,791	19,108	162	63,686
Accumulated amortisation and impairment	(18,757)	(3,931)	(5,854)	(76)	(28,618)
Net book amount	11,868	9,860	13,254	86	35,068
Year ended 30 September 2015					
Opening net book amount	11,868	9,860	13,254	86	35,068
Disposal of intangible assets	(21)	(917)	(3,575)	–	(4,513)
Amortisation and impairment charge	(3,892)	(531)	(1,142)	(11)	(5,576)
Closing net book amount	7,955	8,412	8,537	75	24,979
At 30 September 2015					
Cost	24,314	12,462	11,712	162	48,650
Accumulated amortisation and impairment	(16,359)	(4,050)	(3,175)	(87)	(23,671)
Net book amount	7,955	8,412	8,537	75	24,979
Year ended 30 September 2016					
Opening net book amount	**7,955**	**8,412**	**8,537**	**75**	**24,979**
Acquisition of intangible asset	**1,311**	**–**	**–**	**–**	**1,311**
Amortisation and impairment charge	**(206)**	**(484)**	**(772)**	**(11)**	**(1,473)**
Closing net book amount	**9,060**	**7,928**	**7,765**	**64**	**24,817**
At 30 September 2016					
Cost	**25,625**	**12,462**	**11,712**	**162**	**49,961**
Accumulated amortisation and impairment	**(16,565)**	**(4,534)**	**(3,947)**	**(98)**	**(25,144)**
Net book amount	**9,060**	**7,928**	**7,765**	**64**	**24,817**

(Expressed in thousands of Barbados Dollars)

16. Intangible assets... continued

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

	Allocation beginning of year	Impairment	Additions	Balance end of year
Automotive, building supplies and services	5,742	(206)	–	5,536
Manufacturing and services	1,243	–	–	1,243
Catering and ground handling	970	–	1,311	2,281
	7,955	(206)	1,311	9,060

The recoverable amount of a cash-generating unit is determined based on its value-in-use calculations. These calculations use pre-tax cash flow projections prepared by management for the next five years. During the year the carrying value of one cash-generating unit within the automotive, building supplies and services division was reduced to its estimated recoverable amount through recognition of an impairment loss of $206 in respect of goodwill to reflect declining property values. This loss has been included in other gains/(losses) – net in the consolidated statement of income.

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

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

	2016	
	Discount factor	Residual growth rate
Automotive, building supplies and services	11.64% – 12.87%	2.0% – 2.5%
Manufacturing and services	13.27%	2.0%
Catering and ground handling	10.0%	2.5%

17. Investments in associated companies

The movement in investments in associated companies is as follows:

	2016	2015
Investments in associated companies – beginning of year	**126,858**	75,195
Reduction in stated capital	**–**	(300)
Investments made during the year	**317**	54,468
Exchange differences	**(2)**	2
Share of net income less dividends received for the year (see below)	**(2,525)**	(1,474)
Other comprehensive income	**(992)**	(1,033)
Investments in associated companies – end of year	**123,656**	126,858

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

(Expressed in thousands of Barbados Dollars)

17. Investments in associated companies... continued

The following tables illustrate the summarised financial information of the Group's investments in associated companies:

Summarised statement of financial position for the associated companies:

	CDP	Sagicor General	Other	Total
2016				
Assets				
Current assets	139,822	137,849	125,641	403,312
Non-current assets	84,371	94,245	191,580	370,196
	224,193	232,094	317,221	773,508
Liabilities				
Current liabilities	66,626	122,233	140,249	329,108
Non-current liabilties	40,371	38,652	89,840	168,863
	106,997	160,885	230,089	497,971
Net assets	117,196	71,209	87,132	275,537
Average proportion of the Group's ownership	47%	45%	42%	45%
Carrying amount of investments	55,110	32,044	36,502	123,656

	CDP	Sagicor General	Other	Total
2015				
Assets				
Current assets	147,172	148,061	140,484	435,717
Non-current assets	79,799	91,129	201,201	372,129
	226,971	239,190	341,685	807,846
Liabilities				
Current liabilities	90,317	120,300	156,183	366,800
Non-current liabilties	22,075	37,698	96,776	156,549
	112,392	157,998	252,959	523,349
Net assets	114,579	81,192	88,726	284,497
Average proportion of the Group's ownership	47%	45%	41%	45%
Carrying amount of investments	53,729	36,536	36,593	126,858

(Expressed in thousands of Barbados Dollars)

17. Investments in associated companies... continued

Summarised statement of income for the associated companies:

	CDP	Sagicor General	Other	Total
2016				
Revenue	425,212	129,572	144,847	699,631
Income before taxation	4,961	2,154	10,063	17,178
Taxation	(2,726)	(1,525)	(3,164)	(7,415)
Net income for the year	2,235	629	6,899	9,763
Other comprehensive income	540	(1,317)	(2,088)	(2,865)
Total comprehensive income	2,775	(688)	4,811	6,898
Group's share of income for the year	1,112	283	2,644	4,039
Group's share of dividends received for the year	–	(4,500)	(2,064)	(6,564)

	CDP	Sagicor General	Other	Total
2015				
Revenue	100,037	125,222	172,413	397,672
Income before taxation	(772)	5,175	7,369	11,772
Taxation	606	(2,397)	(1,156)	(2,947)
Net income for the year	(166)	2,778	6,213	8,825
Other comprehensive income	(1,614)	320	(1,499)	(2,793)
Total comprehensive income	(1,780)	3,098	4,714	6,032
Group's share of income for the year	(153)	1,250	2,196	3,293
Group's share of dividends received for the year	–	(1,781)	(2,986)	(4,767)

18. Financial investments

	2016	2015
Available-for-sale:		
Equity securities (listed)	9,713	8,698
Equity securities (unlisted)	9,559	6,449
	19,272	15,147
Loans and receivables:		
Debt securities (unlisted)	25,350	19,858
Fixed deposits	2,671	2,635
	28,021	22,493
Total	47,293	37,640

(Expressed in thousands of Barbados Dollars)

18. Financial investments... continued

Significant concentrations of financial investments are as follows:

	2016	2015
Debt securities and fixed deposits:		
Government of St. Lucia Bonds (unrated)	6,422	3,753
Government of St. Lucia Treasury Notes (unrated)	2,737	1,626
Government of St. Vincent Treasury Notes (unrated)	2,593	1,111
East Caribbean Financial Holding Co. – Bank of St. Lucia (unrated)	2,565	2,528
Grenada Co-Operative Bank Limited Fixed Deposit (unrated)	1,165	1,129
First Citizens Investment Services Ltd. (unrated)	7,191	5,543
EC Home Mortgage Bank Bonds (unrated)	–	741
Government of Antigua Treasury Notes (unrated)	1,722	1,111
Equity securities:		
CIBC FirstCaribbean International Bank (unrated)	911	760
OAM Asian Recovery Fund (unrated)	5,041	4,321
OAM European Value Fund (unrated)	2,888	2,775
Mutual Financial Services Inc. (unrated)	1,461	1,423
Sagicor Financial Corporation (unrated)	717	678
Mirexus Biotechnologies Inc. (unrated)	7,000	4,000

Debt securities carry fixed interest rates ranging from 1.5% to 7.15% (2015 – 1.5% to 7.15%) and maturity dates between 2017 and 2057 (2015 – 2016 and 2057).

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

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

Loans and receivables amounting to $8,334 (2015 – $6,460) were used as securities for the statutory deposits and motor insurance fund for the Group's insurance company.

19. Deferred income tax assets/(liabilities)

	2016	2015
Deferred income tax assets (net) – beginning of year	6,395	6,843
Disposal of subsidiary companies	171	(581)
Deferred income tax (charge)/release to other comprehensive income	(604)	1,708
Deferred income tax charge (note 28)	(2,835)	(1,495)
Exchange adjustment	(58)	(80)
Deferred income tax assets (net) – end of year	3,069	6,395
Represented by:		
Deferred income tax assets	7,032	9,605
Deferred income tax liabilities	(3,963)	(3,210)
	3,069	6,395

(Expressed in thousands of Barbados Dollars)

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

The deferred income tax assets consist of the following components:

	2016	2015
Delayed tax depreciation	15,285	16,181
Taxed provisions	5,319	4,744
Pension plan assets net of liabilities	5,604	9,105
Unutilised tax losses	11,824	16,929
Other	(41)	112
	37,991	47,071
Deferred income tax assets at applicable corporation tax rates	7,032	9,605

The deferred income tax liabilities consist of the following components:

	2016	2015
Accelerated tax depreciation	(17,970)	(13,970)
Taxed provisions	(252)	(226)
Pension plan assets net of liabilities	1,038	1,220
Unutilised tax losses	224	14
Other	(943)	88
	(17,903)	(12,874)
Deferred income tax liabilities at applicable corporation tax rates	(3,963)	(3,210)

	2016	2015
Deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	5,741	8,865
Deferred income tax assets to be recovered within 12 months	1,291	740
	7,032	9,605
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after more than 12 months	(3,161)	(2,763)
Deferred income tax liabilities to be settled within 12 months	(802)	(447)
	(3,963)	(3,210)

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

	2016	2015
Delayed tax depreciation	96	482
Unutilised tax losses	8,341	9,274
Intangible assets	(6,713)	(7,354)
	1,724	2,402
Deferred income tax assets at applicable corporation tax rates	431	645

(Expressed in thousands of Barbados Dollars)

20. Pension plans

The Company and certain of its subsidiary companies have established a mixture of defined benefit and defined contribution pension plans. These pension plans are regulated by the relevant legislation in the territories in which they are registered.

The benefits that members receive at retirement under the defined contribution plans depend on their account balances at retirement and the cost of purchasing an annuity. Most of the defined benefit pension plans are non-contributory and allow for additional voluntary contributions with benefits dependent on either the career average salary or the final average salary in the last three years of membership. The defined benefit plans are fully integrated with the benefits provided by any national insurance or social security schemes in the different countries that are covered by the plans. Annual valuations of the defined benefit pension plans are performed by independent actuaries and the companies' contributions are adjusted according to the actuaries' recommendations. The last full actuarial valuations of the plans were performed as of 30 September 2014. Interim actuarial valuations of the plans were performed as of 30 September 2016.

The defined benefit pension plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk, market risk arising in the relevant sectors.

The parent company, Goddard Enterprises Limited ("GEL"), is responsible for the establishment of the plans and oversight of their administration. GEL's Board of Directors has delegated the responsibility of management and administration of the plans and the investment of the plans' assets to Pension Trustee Committees ("PTCs"). A separate trust fund has been established for each plan to receive and invest contributions and pay benefits due under each plan. All benefits are calculated and paid out in accordance with the rules of the pension plans. Funds are physically held by trustees appointed in accordance with the Trust Deeds. Each year the PTCs review the level of funding such as asset-liability matching. The PTCs decide their contributions based on the results of their reviews. The plan assets include significant investments in quoted equity shares and bonds.

In respect of the defined contribution pension plans operated by the Group, the amounts recognised in the consolidated statement of income are $2,670 (2015 – $3,092).

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

Pension plan assets

	2016	2015
Fair value of plan assets	19,955	21,359
Present value of funded obligations	(17,712)	(20,035)
Net assets – end of year	2,243	1,324

Pension plan liabilities

	2016	2015
Fair value of plan assets	102,684	99,944
Present value of funded obligations	(111,569)	(111,593)
Net liabilities – end of year	(8,885)	(11,649)

(Expressed in thousands of Barbados Dollars)

20. Pension plans... continued

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

	2016	2015
Fair value of plan assets – beginning of year	121,303	140,544
Employer contributions	3,526	2,687
Employee contributions	1,341	1,440
Benefits paid	(5,278)	(5,035)
Disposal of subsidiary companies	(1,558)	(16,074)
Assets transferred out	(3,610)	–
Plan administration expenses	(326)	(159)
Remeasurements:		
Return on plan assets	7,241	(2,100)
Fair value of plan assets – end of year	122,639	121,303

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

	2016	2015
Present value of funded obligations – beginning of year	131,628	141,619
Current service cost	2,443	2,305
Contributions paid	1,341	1,440
Interest cost	9,680	9,426
Benefits paid	(5,278)	(5,035)
Disposal of subsidiary companies	(1,424)	(15,176)
Liabilities transferred out	(3,610)	–
Remeasurements:		
Experience gains	(5,499)	(2,951)
Present value of funded obligations – end of year	129,281	131,628

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

	2016	2015
Net liability – beginning of year	(10,325)	(1,075)
Net pension expense included in the consolidated statement of income	(3,400)	(2,615)
Remeasurements included in the consolidated statement of comprehensive income	3,691	(8,425)
Contributions paid	3,526	2,687
Disposal of subsidiary companies	(134)	(897)
Net liability – end of year	(6,642)	(10,325)

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

	2016	2015
Current service cost	2,443	2,305
Net interest on the net defined benefit liability/asset	631	150
Plan administration expenses	326	160
Net amount recognised in the consolidated statement of income	3,400	2,615

(Expressed in thousands of Barbados Dollars)

20. Pension plans... continued

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

	2016	2015
Remeasurements:		
Experience gains	**(5,499)**	(2,951)
Return on plan assets excluding amounts included in interest expense	**1,808**	11,376
Net amount recognised in the consolidated statement of comprehensive income	**(3,691)**	8,425

The principal actuarial assumptions for the Group's plans are influenced significantly by the territories that each plan serves. The specific assumptions used for accounting purposes were as follows:

	2016	2015
Discount rate	**7.5% - 7.8%**	7.5% - 7.8%
Expected return on plan assets	**7.5% - 7.8%**	7.5% - 7.8%
Future promotional salary increases	**3.0% - 5.0%**	3.0% - 5.0%
Future inflationary salary increases	**2.0% - 3.8%**	2.0% - 3.8%
Future pension increases	**2.0% - 3.8%**	2.0% - 3.8%
Proportion of employees opting for early retirement	**0.0%**	0.0%
Future changes in NIS ceiling	**2.0% - 5.0%**	2.0% - 5.0%
Mortality	**UPM94**	UPM94

Plan assets are comprised as follows:

	2016	2015
Bonds Fund	**10.6%**	9.0%
Equity Fund	**76.2%**	66.6%
Balanced Fund	**11.5%**	22.4%
Other	**1.7%**	2.0%
Total	**100.0%**	100.0%

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

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

Expected contributions to the defined benefit pension plans for the year ending 30 September 2017 are $2,652.

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

(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%	16,427	21,011
Salary growth rate	0.5%	4,406	4,025
Life expectancy	1 year	6,352	–

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

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

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

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

	2016	2015
Less than 1 year	**4,256**	4,971
Between 1 - 2 years	**4,563**	5,248
Between 2 - 5 years	**17,546**	19,192
Over 5 years	**41,043**	45,270
	67,408	74,681

(Expressed in thousands of Barbados Dollars)

21. Share capital

Authorised

The Company is authorised to issue:

i) an unlimited number of one class of shares of no par value designated common shares.
ii) 960,000 of one class of shares of no par value designated preference shares.

Common shareholders are entitled to attend and vote at all shareholders' meetings and have one vote for each share owned.

Issued

	2016	2015
Common shares	**44,004**	44,634

	2016		2015	
	Number of shares	$	Number of shares	$
Balance – beginning of year	**58,339,306**	**44,634**	58,310,410	43,829
Shares repurchased during the year – see (a)	**(2,117,394)**	**(1,652)**	(139,069)	(105)
Shares issued during the year – see (b) & (c)	**172,758**	**1,022**	167,965	910
Balance – end of year	**56,394,670**	**44,004**	58,339,306	44,634

Changes during the year were as follows:

a) During the year, the Company repurchased 2,117,394 (2015 – 139,069) common shares at a price of $6.60 (2015 – $6.40) per share.

b) In November 2015, employees of the Company and its Barbados subsidiary companies were offered shares in part payment of bonus payable in December 2015, as permitted by law. A total of 75,137 shares were issued at a price of $5.61 each. These shares qualified for the 2015 final dividend paid in February 2016. Subsequently, in May 2016, 95,954 shares were allotted under the employee share purchase scheme at $6.16 per share. These shares qualified for the 2016 interim dividend paid in August 2016.

c) During the year, 1,667 employee share options were exercised at a price of $6.00 and 1,272 (2015 - 21,836) share options expired during the year (note 23).

(Expressed in thousands of Barbados Dollars)

22. Other reserves

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

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30 September 2016

(Expressed in thousands of Barbados Dollars)

22. Other reserves... continued

	Financial investments reserve	Revaluation surplus	Translation reserve	Share-based payments reserve	Statutory reserve	Total
Balance at 1 October 2015	1,626	97,231	(27,340)	1,688	2,376	75,581
Other comprehensive income/(loss):						
Unrealised gains on available-for-sale financial investments	1,111	–	–	–	–	1,111
Gains transferred to income on disposal of available-for-sale financial investments:						
– Group	(12)	–	–	–	–	(12)
– Associated companies	7	–	–	–	–	7
Currency translation differences:						
– Group	–	–	(353)	–	–	(353)
– Associated companies	–	–	(1,036)	–	–	(1,036)
Hyperinflationary revaluations	–	108	–	–	–	108
Transfers to statutory reserves	–	–	–	–	13	13
Share of revaluation surplus:						
– Group	–	(1,980)	–	–	–	(1,980)
– Associated companies	–	(450)	–	–	–	(450)
Disposal of subsidiary companies	(15)	(941)	–	–	–	(956)
Other comprehensive income/(loss) for the year	1,091	(3,263)	(1,389)	–	13	(3,548)
Value of employee services:						
– Other share-based plans	–	–	–	21	–	21
Balance at 30 September 2016	**2,717**	**93,968**	**(28,729)**	**1,709**	**2,389**	**72,054**

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

(Expressed in thousands of Barbados Dollars)

23. Share option plan

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

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

	2016		2015	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding – beginning of year	**3,848**	**5.849**	49,620	5.787
Exercised (note 21 (c))	**(1,667)**	**6.000**	(23,936)	5.535
Expired	**(1,272)**	**5.900**	(21,836)	6.040
Outstanding – end of year	**909**	**5.501**	3,848	5.849

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

	Exercise price $	Number 2016	Number 2015
Expiry date			
1 October 2015	**5.90**	**–**	1,272
1 October 2016	**6.00**	**–**	1,667
1 October 2017	**5.50**	**909**	909
		909	3,848

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 (2015 – $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% (2015 – 10%), an average option life of 4.5 years (2015 – 4.5 years) and an annual risk-free interest rate of 5.5% (2015 – 6.0%).

24. Expenses by nature

	2016	2015
Depreciation (note 14)	**23,124**	23,297
Employee benefits expense (note 26)	**182,225**	187,719
Changes in inventories of finished goods and work in progress	**6,681**	22,255
Raw materials and consumables used	**384,064**	514,937
Transportation	**2,021**	2,618
Advertising costs	**10,666**	11,778
Provision for impairment of receivables	**1,120**	1,520
Other expenses	**97,892**	108,232
Total cost of sales and selling, marketing and administrative expenses	**707,793**	872,356

(Expressed in thousands of Barbados Dollars)

24. Expenses by nature... continued

	2016	2015
Cost of sales	425,982	574,576
Selling and marketing expenses	41,926	61,283
Administrative expenses	239,885	236,497
	281,811	297,780
	707,793	872,356

25. Other gains/(losses) – net

	2016	2015
Gain on disposal of financial investments	7,231	1,154
(Loss)/gain on disposal of property, plant and equipment	(2,759)	65
Interest income	2,411	1,484
Rental income	8,425	6,607
Dividends from other companies	131	232
Amortisation charge (note 16)	(1,267)	(1,684)
Impairment of intangible assets (note 16)	(206)	(3,892)
Gain arising on disposal of subsidiary companies	53	20,782
Reversal of impairment of financial investments	–	213
Fair value gains on revaluation of investment property (note 15)	137	107
Gain on wind-up of pension plan	45	41
Insurance refund	2,000	–
Write back of deposit liability	–	1,945
Hyperinflationary adjustments	(844)	(293)
	15,357	26,761

26. Employee benefits expense

	2016	2015
Salaries and other employee benefits	182,204	187,578
Share-based payments	21	141
	182,225	187,719

27. Finance costs

	2016	2015
Interest expense:		
Bank borrowings	5,514	6,612
Dividend on redeemable preference shares	2,108	2,108
Other borrowings	3,020	3,137
	10,642	11,857

(Expressed in thousands of Barbados Dollars)

28. Taxation

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

	2016	2015
Current income tax	11,839	10,126
Deferred income tax (note 19)	2,835	1,495
	14,674	11,621

The Group's effective tax rate of 20.6% (2015 – 15.8%) differs from the statutory Barbados tax rate of 25% (2015 – 25%) as follows:

	2016	2015
Income before taxation	71,135	73,492
Taxation calculated at 25% (2015 – 25%)	17,783	18,373
Effect of different tax rates in other countries	737	(5,745)
Tax effect of different tax rates on deferred tax assets and liabilities	(53)	(374)
Tax effect of associated companies' results reported net of taxes	(902)	(776)
Income not subject to taxation	(4,086)	(11,955)
Expenses not deductible for tax purposes	4,840	15,562
Taxation allowances	(3,889)	(3,522)
Decrease in deferred tax assets not recognised	25	182
Amounts (over)/under provided in prior years	(240)	205
Amounts under provided in current year	(13)	(647)
Irrecoverable tax on foreign income	209	247
Tax effect of change in tax rate	41	(1)
Effect of losses incurred	104	72
Effect of losses expired	118	–
	14,674	11,621

(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
2008	201	2017
2009	86	2018
2010	234	2019
2011	1,174	2020
2011	789	2017
2012	10,963	2021
2012	426	2018
2013	301	2022
2013	1,794	2019
2014	1,425	2023
2014	692	2020
2015	1,955	2022
2016	125	2023
2016	224	2022
	20,389	

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.

	2016	2015
Net income for the year attributable to equity holders of the Company	**37,809**	48,449
Weighted average number of common shares in issue (thousands)	**58,290**	58,340
Basic earnings per share	**64.9¢**	83.0¢

(Expressed in thousands of Barbados Dollars)

29. Earnings per share... continued

Diluted

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

	2016	2015
Net income for the year attributable to equity holders of the Company	37,809	48,449
Dividend on redeemable preference shares	1,265	1,265
Net income used to determine diluted earnings per share	39,074	49,714
Weighted average number of common shares in issue (thousands)	58,290	58,340
Adjustments for share options (thousands)	1	12
Adjustments for convertible preference shares (thousands)	2,382	2,983
Weighted average redeemable number of common shares for diluted earnings per share (thousands)	60,673	61,335
Diluted earnings per share	64.4¢	81.1¢

30. Dividends per share

The dividends paid in 2016 and 2015 were $12,274 ($0.14 per share – final for 2015; and $0.07 per share – interim for 2016) and $11,681 ($0.14 per share – final for 2014; and $0.06 per share – interim for 2015).

At the Directors' meeting of 6 December 2016, a final dividend in respect of the 2016 financial year of $0.15 per share 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 $11,464 (2015 – $9,498) in favour of the Comptroller of Customs covering delivery of goods prior to payment of duty.

b) As of the consolidated statement of financial position date, certain subsidiaries of the Company have been assessed and reassessed for income tax for income years 2001 through 2004 amounting to $2,481 including interest. Objections to these assessments have been lodged. The subsidiaries were also assessed additional taxes of $856 for income years 1998 to 2000 and 2002 and are awaiting correspondence from the Inland Revenue Department.

c) Certain subsidiaries became defendants in various legal claims and proceedings during the ordinary course of business. Provisions have been established where necessary based on the professional advice received.

d) Clarendon Distillers Limited ("CDL"), a subsidiary of our associated company National Rums of Jamaica Limited, received Notices of Assessment from the Tax Administration Jamaica ("TAJ") in respect of Special Consumption Tax and General Consumption Tax. The assessments together with penalties and interest thereon amount to approximately $248,850 at year end. CDL has filed letters of objection with TAJ on the basis that the assessments are without foundation. The Directors of CDL are of the opinion that the company will not suffer any significant loss as a result of these assessments. Accordingly no provision has been made for these assessments. The Group's effective ownership in NRJ is 30.6%.

(Expressed in thousands of Barbados Dollars)

32. Commitments

Capital commitments

Approvals for capital expenditure to be incurred over the next year, for which no provision has been made in these consolidated financial statements, amounted to $44,428 (2015 – $40,958) at the year-end date.

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:

	2016	2015
Not later than 1 year	**1,561**	1,367
Later than 1 year and no later than 5 years	**6,857**	5,408
	8,418	6,775

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

	2016	2015
Not later than 1 year	**94**	91
Later than 1 year and no later than 5 years	**158**	215
	252	306

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

	2016	2015
Not later than 1 year	**48**	48
Later than 1 year and no later than 5 years	**190**	190
	238	238

d) Lease of land at Bois D'Orange, St. Lucia which expires in October 2021:

	2016	2015
Not later than 1 year	**356**	33
Later than 1 year and no later than 5 years	**1,096**	–
	1,452	33

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

	2016	2015
Not later than 1 year	**791**	758
Later than 1 year and no later than 5 years	**1,369**	1,147
	2,160	1,905

(Expressed in thousands of Barbados Dollars)

33. Business combinations

Inversiones Ibero Caribe S.A.S. ("Ibero Caribe")

On 1 November 2015, a 51% subsidiary of the Company acquired 100% of the outstanding shares in Ibero Caribe, a hospital, industrial and event caterer in Colombia, for $7,128. This resulted in goodwill of $1,311.

	Carrying amount	Fair value
Current assets		
Cash	825	825
Trade and other receivables	1,818	1,818
Prepaid expenses	70	70
Inventories	329	329
	3,042	3,042

	Carrying amount	Fair value
Current liabilities		
Borrowings	1,021	1,021
Trade and other payables	2,166	2,166
Current income tax liabilities	153	153
	3,340	3,340
Working capital	(298)	(298)
Property, plant and equipment	6,520	6,520
Financial investments	16	16
	6,238	6,238
Borrowings	421	421
Total net assets	5,817	5,817

The cash outflow arising on this acquisition was as follows:

Fair value of net assets	5,817
Goodwill arising on aquisition (note 16)	1,311
Purchase consideration paid	7,128
Less: Cash and cash equivalents assumed on acquisition	(825)
Net outflow on acquisition	6,303

The revenue and net income included in the consolidated statement of income since 1 November 2015 contributed by Ibero Caribe was $18,557 and $411 respectively.

(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%	–
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%	–
GEL Holdings (St. Lucia) Ltd.	St. Lucia	100%	–
Goddard Catering Group Ltd.	Cayman Islands	100%	–
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 (Barbados) Limited	Barbados	100%	–
Haggatt Hall Holdings Limited	Barbados	67%	33%
Hanschell Inniss Holdings (Curaçao) N.V.	Curaçao	100%	–
Hipac Limited	Barbados	100%	–
Hutchinson Investments Limited	Antigua	100%	–
Inflite Holdings (Cayman) Limited which holds 100% interest in the following subsidiaries:	Cayman Islands	51%	49%
Calloway Corporation N.V.	Aruba		
Fontana Project - S.A.	Uruguay		
GCG Events Curaçao N.V.	Curaçao		
GCG Ground Services, LLC	St. Thomas		
Goddard Catering Group (Guatemala) S.A.	Guatemala		
Goddard Catering Group Bogota Ltda.	Colombia		
Goddard Catering Group Bonaire N.V.	Bonaire		
Goddard Catering Group Caracas S.A.	Venezuela		
Goddard Catering Group Curaçao, N.V.	Curaçao		
Goddard Catering Group El Salvador, S.A. de C.V.	El Salvador		
Goddard Catering Group GCM Ltd.	Cayman Islands		
Goddard Catering Group Guayaquil S.A.	Ecuador		
Goddard Catering Group Honduras, S.A.	Honduras		
Goddard Catering Group Margarita, C.A.	Margarita		
Goddard Catering Group St. Maarten N.V.	St. Maarten		
Goddard Catering Group Uruguay S.A.	Uruguay		
Inversiones Ibero Caribe S.A.S.	Colombia		
Inflite Holdings (St. Lucia) Ltd. which holds 100% interest in the following subsidiaries:	St. Lucia	51%	49%
Airport Restaurants (1996) Limited	Barbados		
Goddard Catering Group (Antigua) Limited	Antigua		
Goddard Catering Group (Barbados) Limited	Barbados		
Goddard Catering Group (Jamaica) Limited	Jamaica		
Goddard Catering Group (St. Lucia) Ltd.	St. Lucia		
Jamaica Dispatch Services Limited	Jamaica		
International Brand Developers N.V.	Curaçao	69%	31%
Jonas Browne and Hubbard (Grenada) Limited	Grenada	52%	48%
Label Crafts Jamaica Ltd.	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%	–

(Expressed in thousands of Barbados Dollars)

34. Related party disclosures... continued

Company	Country of Incorporation	Effective Shareholder's Interests	Effective Non-Controlling Interests
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%	–
PBH Limited	Barbados	100%	–
Penrith Development Limited	Barbados	100%	–
Peter's Holdings Limited	St. Lucia	100%	–
Precision Packaging Inc.	Barbados	100%	–
Purity Bakeries – a division of Goddard Enterprises Limited	Barbados	–	–
Sea Freight Agencies & Stevedoring Limited	Barbados	100%	–
Sunbilt Limited	St. Lucia	100%	–
The West Indies Rum Distillery Limited	Barbados	92%	8%
Wonder Bakery Limited	St. Lucia	70%	30%

All subsidiary undertakings are included in the consolidation. The total non-controlling interests for the year is $94,826 of which $50,838 is for group companies in the catering and ground handling division, $33,079 for group companies in the automotive, building supplies and services division and $7,880 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.

During the year, the Group disposed of two of its subsidiaries, namely O. D. Brisbane and Sons (Trading) Limited and Hutchinson (Antigua) Limited. The resulting gains on disposal, which are included in other gains/(losses) – net in the Group's consolidated statement of income, are as follows:

	O. D. Brisbane and Sons (Trading) Limited	Hutchinson (Antigua) Limited	Total
Sales proceeds	3,553	5,463	9,016
Less carrying value of net assets disposed	3,502	5,461	8,963
Gain on disposal	51	2	53

Cash inflows arising on disposal of subsidiaries were as follows:

	O. D. Brisbane and Sons (Trading) Limited	Hutchinson (Antigua) Limited	Total
Sales proceeds	3,553	5,463	9,016
Less cash and cash equivalents disposed of:			
Cash	2	1	3
Bank overdraft	(543)	(50)	(593)
	(541)	(49)	(590)
Net inflows on disposal	4,094	5,512	9,606

(Expressed in thousands of Barbados Dollars)

34. Related party disclosures... continued

b) The Group's significant associates at 30 September 2016 were as follows:

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

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

	2016	2015
i) Sales of goods and services	**69,902**	18,106
ii) Purchases of goods and services	**7,982**	1,840
iii) Management fee income	**1,729**	1,243
iv) Dividend income (note 17)	**6,564**	4,767

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash with the exception of a balance of $8,571 (2015 – $9,904) which bears interest at a rate of 5.5% (note 8). There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 September 2016, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2015 – nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

d) *Key management*

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

	2016	2015
Compensation		
Salaries and other short-term employee benefits	**7,069**	6,706
Post-employment benefits	**371**	409
Share-based payments	**48**	40
	7,488	7,155

There were no loans to key management in 2016 and 2015.

(Expressed in thousands of Barbados Dollars)

35. Cash flows

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

	2016	2015
Decrease/(increase) in trade and other receivables	**22,651**	(22,807)
Increase in prepaid expenses	**(5,710)**	(2,676)
Decrease/(increase) in due by associated companies	**8,701**	(52,328)
Decrease/(increase) in reinsurance assets	**838**	(518)
Decrease in inventories	**1,731**	662
Increase/(decrease) in trade and other payables	**5,276**	(7,196)
Increase in due to associated companies	**1,511**	46,848
(Decrease)/increase in insurance contracts	**(1,375)**	562
	33,623	(37,453)

36. Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by material non-controlling interests:

Company	Country of Incorporation	% Interest 2016	% Interest 2015
Inflite Holdings (Cayman) Limited	Cayman Islands	49%	49%
Inflite Holdings (St. Lucia) Ltd.	St. Lucia	49%	49%
Jonas Browne and Hubbard (Grenada) Limited	Grenada	48%	48%

Summarised statement of financial position:

	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
2016			
Assets			
Current assets	51,956	32,452	21,524
Non-current assets	51,176	31,738	61,146
	103,132	64,190	82,670
Liabilities			
Current liabilities	29,610	15,550	14,049
Non-current liabilities	1,204	782	–
	30,814	16,332	14,049
Net assets	72,318	47,858	68,621
Attributable to non-controlling interests	33,042	17,796	32,678

(Expressed in thousands of Barbados Dollars)

36. Material partly-owned subsidiaries... continued

Summarised statement of financial position... continued:

	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
2015			
Assets			
Current assets	50,040	40,460	23,491
Non-current assets	43,350	27,410	58,088
	93,390	67,870	81,579
Liabilities			
Current liabilities	20,950	12,418	14,471
Non-current liabilities	4,122	7,274	–
	25,072	19,692	14,471
Net assets	68,318	48,178	67,108
Attributable to non-controlling interests	33,358	19,242	31,957

Summarised statement of other comprehensive income:

	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
2016			
Revenue	170,904	81,008	79,713
Net income for the year	16,852	20,288	2,291
Other comprehensive income	1,334	(502)	–
Total comprehensive income	18,186	19,786	2,291
Attributable to non-controlling interests	7,418	10,680	1,091

	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
2015			
Revenue	134,320	80,638	76,572
Net income for the year	16,736	10,550	2,037
Other comprehensive income	(5,304)	(1,438)	–
Total comprehensive income	11,432	9,112	2,037
Attributable to non-controlling interests	4,388	4,965	973

(Expressed in thousands of Barbados Dollars)

37. Income tax effects relating to other comprehensive income/(loss)

	Gross $	Tax $	Net of Tax $
2016			
Remeasurement of employee benefits:			
– Group	3,691	(604)	3,087
– Associated companies	883	(396)	487
All other components of other comprehensive income	1,460	–	1,460
Other comprehensive income for the year	6,034	(1,000)	5,034

	Gross $	Tax $	Net of Tax $
2015			
Remeasurement of employee benefits:			
– Group	(8,425)	1,708	(6,717)
– Associated companies	115	182	297
All other components of other comprehensive loss	(7,954)	–	(7,954)
Other comprehensive loss for the year	(16,264)	1,890	(14,374)

38. Subsequent event disclosure

Subsequent to the year end, the Company signed an agreement to dispose of its shares in The West Indies Rum Distillery Limited. The transaction will include the minority investment in National Rums of Jamaica Limited and does not include its shares in International Brand Developers N.V.

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-eighth annual meeting of the shareholders of Goddard Enterprises Limited (the "Company") to be held on Friday, 27 January 2017 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, 26 January 2017.

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 56,394,670 common shares of the Company issued and outstanding.

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDITORS' REPORT

The Consolidated Financial Statements of the Company for the year ended 30 September 2016 and the Auditors' Report thereon are included in the 2016 Annual Report.

ELECTION OF DIRECTORS

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

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

Nominee for Director	Present Principal Occupation
Mr. A. Charles Herbert	Chairman
Mr. Christopher G. Rogers	Non-Executive Director
Mr. Stephen T. Worme	Non-Executive Director

Messrs. A. Charles Herbert, Christopher G. Rogers and Stephen T. Worme are currently Directors of the Company and will retire at the close of the seventy-eighth annual meeting in accordance with article 4.4 of the by-laws of the Company but being qualified, are eligible for re-election. Each of Messrs. Herbert, Rogers and Worme was last re-elected to the Board at the seventy-fifth annual meeting of the shareholders held on 31 January 2014 for a term of three years.

It is proposed that the term of office for each of Messrs. Herbert, Rogers and Worme will expire at the close of the third annual meeting of shareholders following his election or until his successor is elected or appointed.

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

RE-APPOINTMENT OF AUDITORS

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

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.

6 December 2016

Kathy-Ann L. Scantlebury
Corporate Secretary

Appendix A _
Board and Committee Meeting Attendance for 2016

NAME OF DIRECTOR	BOARD MEETINGS ATTENDED FOR THE YEAR	COMMITTEE MEETINGS ATTENDED FOR THE YEAR	TOTAL	OVERALL PERCENTAGE
Mr. A. Charles Herbert, Chairman	11 of 11	18 of 18	29 of 29	100%
Mr. William P. Putnam, Deputy Chairman	11 of 11	7 of 7	18 of 18	100%
Mr. Anthony H. Ali, Managing Director	11 of 11	13 of 13	24 of 24	100%
Ms. Vere P. Brathwaite	10 of 11	11 of 11	21 of 22	95%
Mr. Ian K. D. Castilho	7 of 11	5 of 6	12 of 17	71%
Mr. J. Dereck Foster	7 of 11	N/A	7 of 11	64%
Mr. Christopher G. Rogers	10 of 11	5 of 5	15 of 16	94%
Mr. Stephen T. Worme	11 of 11	13 of 13	24 of 24	100%

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 78th annual meeting of the shareholders of the Company to be held on 27 January 2017 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, 26 January 2017.

GODDARD ENTERPRISES LIMITED

P.O. Box 502, Bridgetown BB11000, Barbados, West Indies.
Tel: (246) **430-5700** Fax: (246) **436-8934**