GODDARD ENTERPRISES LIMITED

ANNUAL REPORT **2013**

From the ground **up**

A new perspective

GODDARD ENTERPRISES LIMITED

MISSION STATEMENT

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

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the SEVENTY-FIFTH Annual Meeting of the shareholders of Goddard Enterprises Limited (the "Company") will be held at the Errol Barrow Centre for Creative Imagination, The University of the West Indies, Cave Hill Campus, St. Michael on Friday, the 31st day of January, 2014 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 Financial Overview of the Company's performance for the year ended September 30, 2013.

3. To receive and consider the Consolidated Financial Statements of the Company for the year ended September 30, 2013, together with the Reports of the Directors and Auditor thereon.

4. To elect Directors.

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

6. To receive a Presentation from Mr. Anthony H. Ali, Managing Director of the Company, on the Strategic Outlook for the Company for 2014.

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

By Order of the Board of Directors

Kathy-Ann L. Scantlebury
Corporate Secretary

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

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

December 10, 2013

Corporate Information

Board of Directors

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

Management Committee

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

Governance Committee
Ms. Vere P. Brathwaite
Mr. A. Charles Herbert
Mr. Stephen T. Worme

Compensation & Human Resources Committee
Mr. Ian K. D. Castilho
Ms. Vere P. Brathwaite
Mr. A. Charles Herbert
Mr. Christopher G. Rogers

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

Attorneys-At-Law
Clarke Gittens Farmer

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

Audit Committee
Mr. A. Charles Herbert
Mr. William P. Putnam
Mr. Stephen T. Worme

Investment Committee
Mr. William P. Putnam
Mr. Anthony H. Ali
Mr. J. Dereck Foster
Mr. A. Charles Herbert

Auditor
PricewaterhouseCoopers SRL

Bankers
CIBC FirstCaribbean International Bank (Barbados) Limited

Financial Highlights

For the year ended September 30, 2013

(Expressed in Barbados Dollars)

	2013 $	2012 $	2011 $	2010 $	2009 $
Revenue – millions of dollars	**962.6**	999.1	949.3	877.8	889.0
Profit from operations before other gains/(losses) – net – millions of dollars	**48.7**	52.8	40.8	43.1	48.9
Profit from operations – millions of dollars	**46.5**	51.1	12.9	53.9	55.5
Income before taxation – millions of dollars	**43.6**	46.6	5.8	51.7	43.8
Earnings/(loss) per share – cents	**35.2**	41.2	(17.6)	46.1	38.0
Dividends per share – cents	**14.0***	18.0	12.0	18.0	16.0
Dividend cover (times covered)	**2.5**	2.3	(1.5)	2.6	2.4
Net asset value per share – dollars	**7.67**	7.57	7.30	7.77	7.44
Closing share price on BSE** – dollars	**6.15**	5.50	6.00	5.89	6.04
After tax return on shareholders' equity	**4.6%**	5.7%	(2.3)%	6.2%	5.2%
Price/earnings ratio	**17.5**	13.3	(34.1)	12.8	15.9

* Interim dividend per share – 6.0 cents
Final dividend per share – 8.0 cents (note 30)

** Barbados Stock Exchange

Financial Highlights

SUMMARISED CONSOLIDATED BALANCE SHEETS – $MILLIONS

(Expressed in Barbados Dollars)

	2013 $	2012 $	2011 $	2010 $	2009 $
Trade receivables and prepaid expenses	**122.9**	121.3	129.4	105.6	109.4
Inventories	**166.0**	159.3	161.2	155.7	145.8
Other current assets	**83.7**	73.0	64.7	86.8	72.7
Total current assets	**372.6**	353.6	355.3	348.1	327.9
Less current liabilities	**(250.9)**	(234.9)	(248.5)	(226.3)	(211.3)
Working capital	**121.7**	118.7	106.8	121.8	116.6
Property, plant and equipment and investment property	**370.6**	371.3	363.7	348.8	344.8
Financial investments, intangible assets, investments in associated companies, deferred income tax assets, pension plan assets and long-term receivables	**176.6**	172.3	168.5	197.0	186.0
	668.9	662.3	639.0	667.6	647.4
Represented by:					
Shareholders' equity	**461.3**	453.8	437.1	463.8	443.1
Non-controlling interests	**111.5**	107.5	110.3	110.8	106.0
Long-term borrowings	**90.6**	95.1	85.7	86.6	94.4
Deferred income tax liabilities	**3.8**	4.0	3.7	4.9	2.2
Pension plan liabilities	**1.7**	1.9	2.2	1.5	1.7
	668.9	662.3	639.0	667.6	647.4

Financial Highlights

SUMMARISED CONSOLIDATED STATEMENTS OF INCOME – $MILLIONS

(Expressed in Barbados Dollars)

	2013 $	2012 $	2011 $	2010 $	2009 $
Revenue	**962.6**	999.1	949.3	877.8	889.0
Income before taxation:					
Parent company and subsidiaries	**33.8**	38.7	1.1	41.4	41.6
Share of income from associated companies	**9.8**	7.9	4.7	10.3	2.2
	43.6	46.6	5.8	51.7	43.8
Taxation	**(9.6)**	(12.7)	(11.1)	(12.3)	(11.0)
Non-controlling interests	**(12.9)**	(9.2)	(5.2)	(11.9)	(10.2)
Net income for the year attributable to equity holders of the Company	**21.1**	24.7	(10.5)	27.5	22.6

Board of Directors

A. Charles Herbert
Chairman

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

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

Ian K.D. Castilho
Deputy Chairman

Vere P. Brathwaite
Non-Executive Director

J. Dereck Foster
Non-Executive Director

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

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

Anthony H. Ali
Managing Director

William P. Putnam
Non-Executive Director

Christopher G. Rogers
Non-Executive Director

Stephen T. Worme
Non-Executive Director

Kathy-Ann L. Scantlebury
Corporate Secretary

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

Financial Year 2012/2013 Overview

The Board of Directors of Goddard Enterprises Limited ("GEL") is pleased to present the Group's financial review for the year ended September 30, 2013.

Output in the region is projected to expand by 2.75% in 2013, the lowest rate in four years, with domestic demand remaining the main driver. It is anticipated that growth will edge up to 3% in 2014 as external demand strengthens gradually, but this growth level would still be below the average growth rate of the last decade.

The outlook for emerging markets is fair and although growth has slowed in some emerging markets, they seem only slightly impacted by the challenges facing the European countries. Other economies like the United Kingdom ("UK") and the United States of America ("USA") continue to show signs of improvement in job creation, stock market activity and overall economic growth as indicated by consistent stock market improvement over the last few years. In China, a key market for Latin America's commodity exports, growth is projected to decrease further to 7.25% in 2014 from 7.5% this year. Lower medium-term growth expectations for China have been a key contributor to the decline in commodity prices since the beginning of the year, although they remain at relatively high levels from a historical perspective.

In the Caribbean, fiscal, external and financial vulnerabilities remain significant in the tourism-dependent economies. Barbados' economic fundamentals continue to weaken, reflecting not only the tough global economy, but also reduced competitiveness and structural shortcomings. Barbados' narrow and open economy continues to suffer from the 2008 global financial crisis. Results for the first half of 2013 show that Barbados has fallen back into recession after a very weak recovery in 2010-2012, with average annual real Gross Domestic Product ("GDP") growth of just 0.4% in those years (slightly negative on a per capita basis). A decline in real GDP of about 0.5% in 2013 and a slow recovery in 2014-2015 have been projected.

For the financial year ended September 30, 2013, Group revenue decreased by 3.7% over the prior year to $962.6 million. This decrease generated a Gross Profit of $357.3 million, which was up over the prior year by 1.6%. Gross Profit expressed as a percentage of Sales was 37.1%, which was above the 35.2% achieved in 2012. This was accomplished despite an economic environment plagued by spiralling costs, increased competitive activity and high volatility in financial markets. Our selling, marketing and administrative expenses were $312.7 million, compared to $303.0 million in 2012, which represented an increase of 3.2%. These expenses were due to cost-of-living allowances and mandatory salary adjustments in some of the territories where we operate. They included restructuring costs and one-time charges of $3.4 million incurred on the implementation of a new Economic Profit ("EP") Incentive Programme and the introduction of an Enterprise Resource Planning System. Profit from Operations before Other (losses)/gains – net decreased over prior year by 7.8% to $48.7 million.

Other (losses)/gains – net increased by $0.6 million on a prior year loss of $1.6 million. This represented a 36.1% increase, which was attributable mainly to hyper-inflationary adjustments made in our Venezuelan operations. Overall Net Income for the year of $34.0 million evidenced a marginal improvement of 0.2% over the prior year, despite a 6.4% decline in Income before Taxation. The overall reduction in the taxation charge of 24.2% was a result of reduced profits seen in our businesses in St. Lucia, a high tax jurisdiction in which we operate.

Our share of Income after Taxation from our Associated Companies rose by $1.9 million to $9.8 million as a result of improved performance by Globe Finance Inc. as well as some of our Associated Companies within our Manufacturing Division.

With regard to the Group Consolidated Balance Sheet, our working capital ratio at 1.49 was marginally below prior year's ratio and reflected adequate management control over the number of days of inventories and trade receivables. The total assets of the Group's business was financed by 37.7% debt, which was well within conservative financial guidelines and consistent with the previous year's experience. Our Net Asset Value per share now stands at $7.67 compared to $7.57 in 2012, an increase of 10 cents per share, and our share price, which moved from $5.50 as at September 30, 2012 to $6.15 as at September 30, 2013, has shown some signs of recovery.

During the year, our former Managing Director, Mr. Martin J.K. Pritchard, retired. The Board commissioned a recruitment firm and issued it with the mandate to locate candidates for the position of Managing Director/Chief Executive Officer who possessed international experience and strategic thinking capability. We were pleased to attract and hire Mr. Anthony H. Ali, who joined the GEL Group on August 1, 2013. Mr. Ali has already started to make his mark and the Board is very pleased with the contribution that he has made to date. We are confident that he will lead the Group in re-examining its strategy and increasing its focus on the key operations that can contribute the most to our future recovery and growth.

Managing Director's Outlook

As we look forward to 2014, we recognize that we will continue to operate in an uncertain economic environment but take the view that such uncertainty also presents many opportunities. During the coming year, we intend to focus on enhancing our efficiency, maximising our productivity and improving our cost control mechanisms to ensure that we are poised to capitalize on opportunities as they arise. Such focus will also ensure that we are well positioned by the time the markets return to more predictable performance levels. More importantly, given our strong Balance Sheet we will also seek, during this period, to re-invent ourselves, to keep true to the values that have brought us to this point and to create a strategic road map which will allow us to solidify our position in the key markets in which we operate. Contemporaneously, we will establish strategies that target growth initiatives with concentration on channels and economies that meet our growth expectations.

In the new financial year, we also intend to tighten our corporate governance practices and policies while aligning management skills, competencies and compensation to shareholder expectations with the end goal of maximising shareholder value. Our success thus far has been predicated on the commitment of our people, our diversification over a broad range of industries and our geographic expansion, which have buffered some of the uncertainty we have seen in the last few years. We will continue to build on our core strengths but will also supplement them with innovation, investment in new technologies and information systems that enable growth. We will focus our efforts on our number one asset, our people, and foster, throughout the entire organization, a culture of value creation, a sense of urgency and a climate of continued stakeholder engagement.

We now turn to the detailed reports by Division as reported on by the Divisional General Managers.

Mr. John Taylor, Divisional General Manager

The Manufacturing and Services Division as a whole produced an improved result for the year. Overall sales increased by 5.1% over the 2012 level, and Net Income before Taxation improved by 34.8%. However, most of this improvement was due to the progress being made in turning around our rum operations, though these operations continue to perform well below expectations. Most other companies in the Division showed modest improvements in sales and operating profit, despite difficult market conditions. During the new financial year, we will continue to focus on market share growth, cost reductions and operating efficiency improvements across the Division.

Purity Bakeries improved its sales and operating profit moderately during the year. It was able to absorb increases in some input costs by making further improvements in plant efficiencies. During the year, a number of new products were launched and found favour with a wide range of consumers. We continue to expand non-traditional distribution channels in an effort to increase the avenues by which consumers can purchase Purity's products.

McBride (Caribbean) Ltd. produced a result in line with last year. There was modest growth in several important markets, while others, such as Jamaica and the Dominican Republic, were impacted by poor economic conditions and regulatory changes respectively. The BOP brand, now available in three fragrances, continues to be the market leader across the Caribbean. We are also achieving good growth from GO! insect repellent and BEEP disinfectant spray in all markets in which these products are available.

HIPAC Limited managed to increase sales during the year but produced an operating profit very similar to last year given increases in raw material inputs. In line with our strategy, export sales increased by 14% and the intake of local pork and chicken increased by 82% and 23% respectively. As sales of FARMER'S CHOICE and EVE meat products continue to grow, there are concomitant challenges with the capacity of the existing plant. Plans for a new plant have been prepared and development costs estimated. We are currently in discussions with Government regarding its strategy for the local pork and chicken industries, since this will have a significant impact on the future of the company.

The West Indies Rum Distillery Ltd. improved its operating profit for the year, but still recorded a significant loss. Sales to the USA market continued to decline but efforts to develop alternative markets, where pricing is more attractive, did yield some positive results. Operating efficiencies in the distillery improved while volume in the bottling plant increased by 5%. As a result although sales revenues were flat, gross profit improved by 2.7%. This business still has its challenges but efforts to reposition bulk rum contracts to more profitable markets will continue, as will measures to further reduce operating costs.

International Brand Developers N.V., which owns the COCKSPUR and J&R white rum brands, had a very difficult start to the year, particularly in the UK market, where the business experienced difficulty controlling its costs. However, in the second half of the year, significant improvements were made and the UK market achieved considerable growth overall. COCKSPUR rum is now listed in all of the six largest supermarket chains in the UK and is achieving credible growth. The Barbados market continued to face challenges, though the brands recorded modest growth during the review year.

National Rums of Jamaica Ltd. was able to overcome some of the issues which caused several production interruptions last year. As a result, the company was able to meet its contractual commitments and produced a much improved result over the prior year. Efforts at delineating a long-term plan for the ferti-irrigation operations to meet the new requirements of the Jamaican Authorities are ongoing.

Caribbean Label Crafts Ltd. increased sales and profit for the year. In addition, several new projects came on stream with major international spirit companies in the wider Caribbean and Central America. As a result, sales grew by 12% and operating profit also increased. In addition to the increased volume of labels for the conventional flexographic presses, sales of digitally printed labels from the new press installed last year continued to grow ahead of expectations. During the coming year we expect to complete the remodelling and expansion of the plant to better meet customer needs.

Precision Packaging Inc. had a disappointing year. Sales were flat on last year and profit declined due to lower demand locally for higher value packaging. In addition, increased resin prices and a major resin supply interruption in the third quarter of the year, significantly impacted costs. On the positive side, progress is being made with equipment modifications and operator training to improve the printing process and offer higher quality packaging options to major customers.

Goddards Shipping & Tours Ltd. had a much improved year. The cruise services side of the business significantly improved its performance as several new initiatives were successful in attracting additional passengers. Management's success at better cost control also contributed to the improved result. Moreover, Tropical Shipping's improving market share led to higher revenues in the stevedoring side of the business.

Sea Freight Agencies & Stevedoring Ltd. marginally improved its result for the year. In line with declining economic activity in Barbados, the overall volume of imports declined. However, our shipping line partners remained very competitive and the company was able to increase its market share.

Country Road Investments Inc. trading as Tropical Laundries had a very disappointing year, despite recording a marginally improved operating result over prior year. Sales of commercial laundry services declined due to a general reduction in hotel rooms and occupancies. In addition, revenue from the retail side of the business, although higher than last year, did not meet expectations and hotels are requiring more frequent and overnight laundering of towels and linen, necessitating additional overtime costs in the business. We expect an improvement in the coming year as the business is restructured to better deal with these challenges.

Anti-Septic Ltd. trading as Terrific Tiles was able to improve its operating profit, despite a decline in sales revenue, due to an increase in gross profit and reduced expenses. These reduced expenses were mainly as a result of having the full use of the new warehouse in Black Rock, St. Michael. A full renovation of the tile and finishes showroom and the parking area in Eagle Hall, St. Michael is underway and should be completed in early 2014.

IMPORT DISTRIBUTION & MARKETING

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

The Import, Distribution and Marketing Division felt the impact of the recession which has engulfed the region since 2008. Sales declined by 7% compared to prior year, mainly as a result of the implementation of Value Added Tax ("VAT") in Saint Lucia in October 2012, which led to a significant reduction in the demand for products and services. The Division's profitability was below the previous year by 6%.

Hanschell Inniss Limited in Barbados recorded another year of improved performance. Sales increased by 5% over the prior year, which resulted in a much better profit position at year-end.

Coreas Hazells Inc. in Saint Vincent and the Grenadines had a disappointing result this year. Sales improved by 8% but poor control over inventories and expenses resulted in a significant reduction in the net profit of the company compared to prior year.

Peter & Company Limited in Saint Lucia recorded declines in both revenue and profitability during the year. The company was negatively affected by the implementation of VAT and sales were below prior year by 18%. Effective October 1, 2013, the management structure of the Auto division was reorganized and it is expected that the renovated auto facility at Vide Boutielle will be fully functional by January 1, 2014, with upgraded facilities and enhanced NISSAN signage and branding.

Minvielle & Chastanet Limited in Saint Lucia was also seriously affected by the VAT implementation at the beginning of the financial year. There was a 12% decline in revenue, compared to the previous year, which was seen mainly in food and liquor distribution, building supplies and the pharmaceutical stores. Effective September 30, 2013, the company disposed of its 51% shareholding in Solar Dynamics (EC) Limited.

Independence Agencies Limited in Grenada had a marginal decrease in sales for the year. However, good control of expenses and improved gross profit margins resulted in an increase in net profits compared to the previous year.

Jonas Browne and Hubbard (Grenada) Limited registered an improved level of performance this year. Revenue increased by 5% on prior year. This, together with strong expense control and the maintenance of gross profit margins, resulted in an improved bottom line. The insurance subsidiary **Grenadian General Insurance Company Ltd.** returned a result comparable to that of the previous year.

Hutchinson (Antigua) Limited did not perform as well as it did in the previous year. Sales declined by 10% which, coupled with a significant increase in electricity costs, resulted in a reduction in profits.

O.D. Brisbane and Sons (Trading) Limited in Saint Kitts and Nevis had another tough year of operation. There was a marginal improvement in sales, however, an increase in expenses and pressure on gross profit margins resulted in another negative bottom line performance this year.

Courtesy Garage Limited in Barbados had a satisfactory improvement in its level of performance. Revenue was up by 35% mainly as a result of additional sales of vehicle units. The HYUNDAI brand now forms an integral part of the operations of the company.

Fidelity Motors Limited in Jamaica operated in harsh economic conditions and had a challenging year. The value of the Jamaican dollar at year-end decreased by 15% compared to the value at the same time in the previous year. The devaluation, together with an increase in the duties on vehicles and very competitive pricing in the marketplace on new vehicle units, led to a significant decline in profitability compared to prior year.

Minvielle & Chastanet Insurance Brokers Limited based in Saint Lucia, with an office in Barbados, recorded another year of good performance with revenue and profits similar to those of the previous year.

M&C General Insurance Company Limited in Saint Lucia recorded revenue and profits comparable with prior year even though the company has been experiencing severe pressure on premium rates as a result of competition. The company was recently awarded a B++ rating by the Insurance Rating Agency, AM Best.

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

The Catering and Ground Handling Division produced an improved result over prior year despite significant challenges from adverse economic market conditions which affected Airline load factors and tourism numbers in the Caribbean.

The Division benefitted from the contribution of its Latin American operations which are less dependent on tourism and were thereby less affected by the negative market trends. In addition, inflight meal service remained a featured expectation of the travelling public in the competitive and growing Latin American Airline market. However, the Division continues to be exposed to difficult economic and market conditions in Venezuela, epitomised by shortages of basic goods and supplies, high inflation and an inability to obtain approval to remit funds to Head Office. We expect continued devaluation of the Venezuelan Bolívar against the United States Dollar ("US$") in the new financial year.

During the new year, the Division intends to focus on maximising the benefits from its group procurement, distribution and logistics strategies. We expect to see growth in the Event and Industrial Catering business segments which remain our main areas of focus. In addition, we continue to target key strategies such as quality improvement and innovation, HACCP, safety and security procedures, productivity improvement and wastage reduction through our Lean Manufacturing strategies.

We intend to further address rising energy costs strategically through the adoption of technologies that can reduce our consumption. We have already embarked upon this programme and intend to recruit a dedicated resource to work on this initiative across the Division.

Our Ground Handling operations in Jamaica and Saint Thomas performed reasonably well, in competitive markets, during the year and we continue to seek new opportunities for growth.

In South America, **Goddard Catering Group (GCG) Uruguay, S.A.** achieved a reduced result over prior year mainly due to the closure of Pluna Airlines, the discontinuation of services in March 2013 by Iberia, which had direct flights to Madrid, and service level reductions by other Airline customers. The company continues to make progress in growing its Industrial Catering operations, despite a challenging market and competitive pressures.

GCG Paraguay S.A. produced a similar result to prior year, despite significant volume and service level reductions by a major Airline customer. However, these reductions were offset by significant growth in the Industrial Catering side of the business. The company's facility is being improved to cope with the increased Industrial Catering volume.

GCG Quito S.A. posted a marginally better result in comparison with prior year, despite the increased cost of operations resulting from the move to the new Quito International Airport in February 2013. The new kitchen, which was completed on time, is located 18km east of Quito. We are pleased to report that there has been no adverse impact from the move on any of our customers. The new facility affords the company adequate capacity to grow its Industrial and Restaurant Catering operations.

GCG Guayaquil S.A. posted an improved result over the prior year, as continued focus on the Industrial Catering side of the business resulted in more volume. The company is also engaged in the export of processed fruit and vegetables to the Galapagos Islands for *Lindblad Expeditions – National Geographic.* The Airline Catering business continues to feel the effects of low volumes.

GCG Colombia Ltda. produced a marginally improved result over prior year. The company continued to provide services to several long-haul and premium air carriers. The Colombian economy continues to grow and our Industrial Catering business has developed satisfactorily. The company was presented with a silver award in the United Airlines' Quality First Programme for 2012.

GCG Caracas S.A. had another acceptable result despite difficult market conditions. The local currency, the Venezuelan Bolívar, was trading at 6.30 against the US$ at the end of the financial year, with the parallel market trading in excess of 45. We have been unable to access US$ to pay for imported equipment and supplies and to repatriate funds. Further currency devaluation is forecasted for the new financial year.

GCG Margarita C.A. had another poor result due to the difficult prevailing market conditions in Venezuela, the continued decline in tourism and the absence of charter flights from Europe. We expect one European charter flight for the winter season and are hopeful that, provided certain planned flights take place, we will see an improved performance this year.

In Central America, GCG El Salvador S.A. produced an improved performance due to increased volume, enhanced procurement of raw materials and better cost control. Our facility expansion project is now underway in order to position the business to meet the space requirements of the increased volume.

GCG Honduras S.A. posted an improved performance, as both the Airline sector and the Airport Terminal concessions achieved results which were above plan. Our new sandwich and coffee concession at the Terminal opened in late 2012. During the year, the company was awarded several quarterly awards for quality and service from United Airlines.

GCG Guatemala S.A. produced a better result in comparison with the prior year, due mainly to tight control by management of its raw material and labour costs and other operational expenses. The Industrial Catering business continued to feel the adverse effects of competition and the restructuring by customers of their businesses. Management is focused on growing the Industrial and Event Catering business segments through several new initiatives, including the recruitment of a Marketing and Sales Manager. The company won a bronze award in the United Airlines' Quality First Programme for 2012.

In Barbados, Airport Restaurants (1996) Ltd., which operates the Terminal Concessions and Event Catering under the GCG EVENTS brand, had another challenging year as Airport Terminal sales continued to be adversely affected by the downturn in departing passengers. Event Catering, which facilitates a variety of events including weddings, sports events and corporate functions, produced promising sales growth as we continued to gain a loyal customer base.

In Trinidad & Tobago, Allied Caterers Ltd. and Katerserv Ltd. posted a marginally better result despite a challenging year. The Airline Catering market remained soft with double catering by one major Airline and reduced service levels by other customers affecting our revenue base. The company lost two offshore contracts to a competitor during the year but remains focused on improving its quality and service levels.

Tobago Inflite Catering Ltd. continued to operate with only one customer, with a resultant reduction in profit. We hope to gain another European customer for the 2013 winter season.

GCG Grenada Ltd. produced a better result than prior year, but continued to struggle with revenue growth and cost control due to low passenger throughput at the Maurice Bishop International Airport. Management is working to address the rent base with the relevant Authorities and has improved the control of labour and operating costs. It is hoped that passenger throughput will improve with the opening of Sandals LaSource Grenada in December 2013.

GCG (St. Lucia) Ltd. had a significantly reduced performance over the prior year due in part to inventory adjustments mainly in its PARADISE water business. This situation has been corrected and the necessary controls strengthened. The company's Airline business was affected by reduced business from both British Airways and Virgin Atlantic Airways during the summer.

GCG (Antigua) Ltd. produced a lower result, compared to last year, due to the reduction in flights from both British Airways and Virgin Atlantic Airways during the summer. The company continued to record significant growth in revenue from Event Catering. The new Airport Terminal is nearing completion and our kitchen facility will have to be relocated in 2014-2015.

GCG Cayman Ltd. posted a decline in profit which was driven mainly by the reduction in value of its investment property, which is currently rented.

GCG St. Thomas Corp. had another difficult year highlighted by the continued decline in Airline Catering revenue, as most flights either only took catering in business class or are double-provisioned from the USA mainland.

GCG Virgin Islands Inc., trading as the Delly Deck Restaurant, had a poor year due in part to the weakness in the Virgin Islands' economy. A turnaround plan was developed and implemented and is already having a positive impact on sales.

GCG (Jamaica) Ltd. had a much improved performance as the full impact of its restructuring exercise was realized. We saw improved business in Montego Bay during the year, mainly attributed to European carriers, including Transaero from Russia. The Kingston Flight Kitchen has benefitted from increased flight activity from Fly Jamaica but this was offset by service level reductions from our major customer. The Airport Terminal operations continue to be challenged by a decline in passenger throughput. GCG EVENTS was successfully launched during the year and the company has catered several high profile weddings as well as corporate and social functions.

Jamaica Dispatch Services Ltd. produced a satisfactory result. We continued to re-invest in new equipment, to improve maintenance and to enhance the facilities.

GCG St. Maarten N.V. performed in line with expectations, despite a difficult year. Discussions were ongoing with the Airport Authority over the re-location of the facility. The GRAB 'n' GO location at the Airport was closed in July 2013 as the company was not awarded a new concession.

GCG Curaçao N.V. and GCG Bonaire N.V. both performed to expectations in line with the agreements with KLM.

GCG Events Curaçao N.V., a new business, was opened in September 2013 in Curaçao. The company operates a food concession in the flagship Kooyman Mega Store, part of a home improvement chain.

GCG Bermuda Ltd. produced results which were in line with expectations and the agreement with British Airways. The company continues to be the main provider of catering to the Corporate Jet market in Bermuda.

Mrs. Natasha Small, Chief Financial Officer

Sagicor General Insurance Inc., our associated company in which we have a 45% shareholding, reported a marginal increase of 2.5% in Gross Written Premiums over prior year. Growth was restricted by the challenging and highly competitive industry environment along with the stagnant economies in Barbados and the Eastern Caribbean territories in which we operate. For the year, the company achieved an overall loss ratio of 39.7% and a return on equity of 15%.

Globe Finance Inc. showed a marked improvement over prior year with our share of net earnings increasing by 44.4%. The overall interest rate spread was maintained and credit losses continue to be well within acceptable industry standards. The management of credit risk will continue to receive focus during the new financial year. In addition, we will expand our vehicle lease portfolio and continue to seek new areas of business.

Bridgetown Cruise Terminals Inc., in which we have a 20% interest, reported a 9.5% reduction in net earnings for the year. This decline was mainly due to a 15% fall off in passenger arrivals into Barbados. The lease between the Barbados Port Inc. ("BPI") and the company for the operation of the cruise terminal facilities which commenced on January 1, 1994 expires on December 31, 2013. Agreement has been reached in principle with BPI to enter into a new lease with the company for a three year period with an option to renew for an additional three years. This new arrangement features a reduced per passenger payment from BPI to the company.

Almond Casuarina Beach Club operated its Almond Casuarina Hotel under lease to Couples Resorts out of Jamaica for most of the financial year. Subsequent to year-end, agreement in principle was reached with Sandals Resorts for them to purchase the Hotel. This investment was fully written off in a prior year and hence no further losses have been recorded in our Group during the financial year.

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

The period under review continued to be challenging for the Division. The introduction of two new pieces of legislation, the Safety and Health at Work Act, No. 12 of 2005 of the Laws of Barbados and the Employment Rights Act, No. 9 of 2012 of the Laws of Barbados ("ERA"), both of which came into force in early 2013, resulted in revisions to Human Resources ("HR") policies, procedures and processes to ensure compliance. Group Managers and Supervisors have completed training in the ERA and its implications, while health and safety training is ongoing. Corporate HR continues to add value to the Group through a variety of initiatives aimed at improving the organizational and management structures and productivity as well as generally enhancing the employees' and companies' performance.

A Group Employee Survey has been commissioned to measure employee engagement, satisfaction and culture. The results of this survey will provide valuable information to assist the organization in developing a highly motivated and engaged workforce, whose actions reflect the culture and values of the organization.

Management Succession Planning

This Programme continued to contribute to the organization's effort to create strong bench strength for key critical leadership positions throughout the Group. In July 2013, a third group of senior managers started the 18 month High Achievers' Programme ("HAP") facilitated by the Cave Hill School of Business of the University of the West Indies ("CHSB"). These participants were selected from subsidiary companies from across the region, based on their consistent performance and leadership potential.

Training and Development

The introduction of a Leadership 360° Feedback Tool to develop our most senior managers' leadership skills and competencies will enhance and strengthen the leadership within the organization.

Coaching, mentoring and individual developmental plans for our leaders will result from the introduction of this process. We continued to facilitate skills improvement through focussed training in a number of technical and non-technical areas throughout the Group. This includes the Executive Diploma in Management, in collaboration with CHSB and the Technical and Vocational Education and Training Council. This online Programme allows our employees throughout the region to participate.

Performance Management System

The Group's Performance Management System continued to be used across the Group to monitor employees' performance and to ensure that performance gaps were identified and corrective steps taken through training, coaching or mentoring to fill these gaps. The recently introduced Economic Profit Incentive Plan will encourage companies to fully implement the Performance Management System. We will continue to work with those companies experiencing challenges in implementing the System.

Human Resources Audit

In addition to tracking the progress of previous HR Audits completed across the Group, three additional HR Audits were completed during 2013, at Courtesy Garage Ltd. and Precision Packaging Inc. both in Barbados and Allied Caterers Limited in Trinidad. The results of these Audits have provided information on the current HR practices, programmes and organizational climates of each company. The operational and HR units have collaborated to develop plans to effect necessary improvements arising from the recommendations. The Division facilitated the Strategic Planning exercises for a number of departments within Head Office.

Relationship with Employee Representatives

Generally, relations with the Worker Representative organizations continued to be cordial throughout the Group.

Community Relations and Corporate Social Responsibility

During the past year, the GEL Group continued its focus on the five main areas identified for its Corporate Social Responsibility. Those five areas were Charity, Education, Culture, Youth and Sports and Community Development. We highlight a few of our initiatives undertaken during the review year.

Education

St. Mary's Primary School

Under the banner of Education, GEL focused its efforts on primary and tertiary education. We continued our sponsorship of the St. Mary's Primary School by engaging students there who were about to transition from the primary to the secondary level. We facilitated inter-active sessions between management team members from various GEL subsidiaries with these students. The facilitators addressed life skills and assisted students in understanding required expectations as they head out to the various secondary schools after sitting the Common Entrance Examination.

Mr. Christopher Symmonds, Sales & Distribution Manager, Purity Bakeries, as he conducts a session with students of St. Mary's Primary School.

Another aspect of the continued association with the St. Mary's Primary School was the award of scholarships to two outstanding children as chosen by a panel comprising teachers and GEL personnel. The criteria were not only based on academic ability but also on the student's extra-curricular activities and contribution to the School, among other factors. The scholarships assist students with the acquisition of uniforms and school supplies for secondary school and are awarded at the School's graduation ceremony.

Ms. Sharon Lynch, HR Manager, Caribbean Label Crafts Ltd., makes a presentation to the two scholarship awardees for 2013.

Cave Hill School of Business

In 2007, GEL and the CHSB signed a Memorandum of Understanding for a 10 year period. In 2013, we witnessed the opening of the GEL Room within the CHSB. This Room features state-of-the-art multimedia technology geared to equip students with modern technological methods of learning. The relationship with the CHSB continues to benefit GEL participants of the HAP and other Executive Development Programmes.

Mr. A. Charles Herbert, Chairman of GEL, Dr. Charmaine Gardner, Chairman, Cave Hill School of Business (CHSB), and Sir Hilary Beckles, Principal of the University of the West Indies, Cave Hill Campus, at the naming ceremony of the GEL Room at CHSB.

Community Development

Community Independence Celebrations Secretariat

At the national level, GEL continued its community outreach programme with the sponsorship of the Community Independence Celebrations Secretariat ("CICS") launch which signals the start to the preparations of celebrations for Independence. This Programme also encompasses visits by the Parish Ambassadors to a number of the Group's subsidiaries, accompanied by members of the press, and serves to share career knowledge with the young Parish Ambassadors.

Mr. Curtis Gibbons (left), National Co-ordinator, Community Independence Celebrations Secretariat, and Ms. Celia Toppin (right), Deputy Permanent Secretary in the Ministry of Culture, Sports and Youth, witness the presentation to Mr. Stephen Lashley, Minister of Culture, Sports and Youth, from Mrs. Jennifer Bradshaw-Wood, GEL Divisional General Manager, Human Resources and Community Relations.

Mr. Ricardo Strickland (left), General Manager, McBride (Caribbean) Limited, engages the 2013 Parish Ambassadors, after their tour of McBride's plant.

Assistance for the National Trust in Saint Vincent

The Saint Vincent National Trust ("Trust") benefitted from a cash donation from Coreas Hazells Inc. ("CHI") to assist it in its quest to achieve UNESCO World Heritage Site status for several areas in Saint Vincent and the Grenadines.

The donation was made during the celebration of the 33rd anniversary of Saint Vincent's Independence. The Managing Director of CHI used the opportunity to encourage other private companies to support the work of the Trust as it strives to preserve the heritage of Saint Vincent and the Grenadines.

Mr. Garth Williams, Manager, Coreas & Co. (1988) Ltd., handing over a cheque to Mrs. Louise Mitchell-Joseph, Chairman of the National Trust, while staff of Coreas Hazells Inc. look on.

Culture

NIFCA Literary Arts Competition

GEL continued its sponsorship of the National Independence Festival of Creative Arts Literary Arts Competition organized with the National Cultural Foundation. An increase in the quality of entries, including more movie scripts and novellas, was attributed directly to the continuing sponsorship by GEL. This is also a direct result of the participation of schools in this Programme following a challenge from GEL to extend the Programme to the schools to encourage more children to read and write creatively.

Mrs. Jennifer Bradshaw-Wood (left), GEL Divisional General Manager, Human Resources and Community Relations, and Ms. Andrea Wells (right), Chief Cultural Officer, National Cultural Foundation (NCF) sign the Literary Arts sponsorship contract, as Ms. Ayesha Gibson Gill (standing), Cultural Officer, Literary Arts, NCF observes.

Sports

Volleyball Sponsorship

During the year, GEL maintained its sponsorship of Volleyball both locally and regionally. The conduct of the Barbados Volleyball Association's tournament this year is worthy of emulation by other sporting bodies. The management of the Association ensured that the highest standards were adhered to during the volleyball matches.

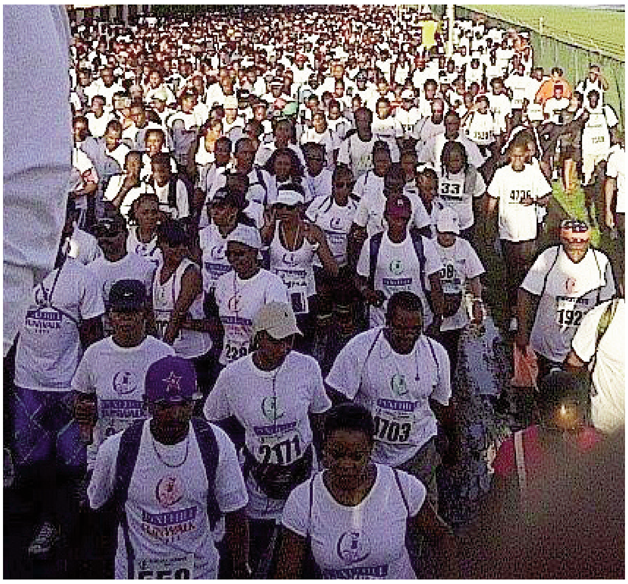
Ms. Mona Crawford, 2013 Division 1 GEL Knock Out and League Champions Deacons Volleyball Club Captain receiving the team trophy from Mr. Christopher Symmonds, Sales & Distribution Manager, Purity Bakeries.

Peter & Company Ltd. supports Pine Hill Fun Walk for 14th Year

'Loads of fun and a good work-out' were the words used to describe the Pine Hill Fun Walk which this year saw its 14th year of sponsorship by Peter & Company Ltd in Saint Lucia.

What started out with 1,000 walkers in 1997, has now grown to accommodate 5,100 walkers in 2013 and is recognized as the island's most anticipated outdoor sporting event.

This year, the Fun Walk started at 6:30 a.m. from the Vigie Playing Field and walkers travelled to the Pigeon Island National Landmark Park, where the event culminated with a health fair with invited local gyms, spas and wellness associations mounting exhibitions. This gave the walkers an opportunity to ask questions, gain healthy lifestyle tips and sample the products on display.



Participants at the Pine Hill Fun Walk sponsored by Peter & Company Ltd.

CK's SuperValu Sponsors Football Team in Grenada

Honved United Football Club ("Honved"), a restructured football team from the South of Grenada, is now attracting players mainly from the secondary schools and has also attracted sponsorship from CK's SuperValu, located in the same area.

A household name in Grenada since the 1960's, Honved has made tremendous progress with its transition in the past years and has been rebuilding the club.

With its players now averaging twenty-one years, Honved is likely to be a formidable force in the Grenada Football Association's First Division in 2013. CK's SuperValu believes that this club will make everyone proud and will serve as good ambassadors for its brand.

Mr. Brian Sylvester (left), Sales & Marketing Manager, Independence Agencies Ltd., hands over uniforms to the Manager of Honved United Football Club.

Corporate Governance Overview

The Board of Directors believes that good corporate governance is essential to the efficient and prudent operation of the GEL Group's business. To this end, it has developed strong corporate governance policies and procedures which are continually reviewed and strengthened to ensure their soundness in keeping with best practice.

The maximum number of directors permitted by the Company's Articles of Continuance is fifteen and the minimum is five. The Board of Directors presently consists of eight Members, all of whom, with the exception of the Managing Director, are Non-Executive Directors. This year, the Board of Directors, at its meeting held on February 5, 2013, appointed Mr. A. Charles Herbert, Non-Executive Director, Chairman of the Board. In addition, Mr. Anthony H. Ali was appointed to the Board and as Managing Director of GEL with effect from August 6, 2013, to fill the casual vacancy created on the resignation from the Board of the former Managing Director, Mr. Martin J.K. Pritchard.

The Board's mandate encompasses 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 Board's mandate also encompasses the consideration of managerial reports on the performance of the Group's operations, the consideration, approval and monitoring of investment opportunities and major capital expenditure, the review and approval of financial statements and their disclosure, the approval of dividends and the review and monitoring of internal controls, risk management and legal and regulatory compliance.

To assist with carrying out its mandate, the Board has established four standing Committees namely: the Audit, Compensation and Human Resources, Corporate Governance and Investment Committees. Several ad hoc Committees have also been established to serve such as the Buildings, Communications and Pension Committees. Each Committee reports to the Board, is directed by its own chairperson and has its own charter established by the Board. These charters are continuously reviewed, assessed and amended where necessary, to ensure that both the Committee's mandate is observed and the Company's objectives achieved. The Corporate Secretary acts as secretary to each Committee. Written Committee reports highlighting the Committee's activities and recommendations together with the recorded minutes of all Committee meetings are circulated to the Board at the next Board meeting following the Committee meeting. This facilitates the monitoring of the Committee's proceedings and actions and the consideration by the Board of any Committee recommendations.

The Audit Committee assists the Board in ensuring an effective system of financial reporting, internal control and risk management. In carrying out its mandate, it provides a direct link between the external and internal auditors on the one hand, and the Board on the other, and assists the Board in ensuring that the external audit is conducted in a thorough, objective and cost-effective manner. This Committee also reviews the internal and external audit annual work plans in accordance with the Internal Audit Charter to promote accountability and transparency in the Group's financial operations and the maintenance of effective financial controls. The Audit Committee is mainly responsible for the review of audit reports submitted by the internal and external auditors and the prompt implementation of the recommendations and management action plans relative to those reports. It also reviews the performance and the value-for-money benefit of the external auditor, for both statutory audit and non-audit work, annually examines the independence of the external auditor and ensures that the external audit is submitted to competitive tender. This Committee comprises three members appointed by the Board, all of whom are non-executive directors, and met four times for the year. The Internal Auditor and members of GEL's senior management team may attend meetings at the invitation of the Chairman of this Committee.

The Compensation and Human Resources Committee assists the Board with the fixing and review of executive compensation and benefits and the development and review of corporate human resource principles, policies and strategies. This Committee's primary responsibilities include: (i) recommending the compensation of the Management Committee members to the Board; (ii) evaluating the performance of the Managing Director and other Management

Committee members; (iii) overseeing the Company's stock option and purchase plans and other executive incentive plans; (iv) reviewing the competitive position of and recommending changes to the plans, systems and practices of the Company with respect to compensation and benefits; (v) reviewing the financial performance of the major benefit plans; and (vi) recommending to the Board suggested changes to the incentive compensation and equity based plans. This Committee consists of four members appointed by the Board, all of whom are non-executive directors, and held ten meetings during the year.

During the year, this Committee engaged a third-party independent consultant to introduce, at certain levels of management in the Group, a variable compensation scheme based on Economic Profit, a management tool by which to measure Group performance going forward.

The Corporate Governance Committee assists the Board in ensuring corporate fairness, transparency and accountability in the pursuit of the Company's goals and objectives. In so doing, this Committee has responsibility for, and from time to time, makes recommendations to the Board in relation to: (i) the enhancement of the Group's system of corporate governance by establishing, monitoring and reviewing the principles of good governance; (ii) the creation of appropriate procedures and codes of conduct for the Company and the adoption thereof by all subsidiaries; (iii) the promotion of high standards of corporate governance based on principles of openness, integrity and accountability taking into account the legal and regulatory environment in which the Company operates; and (iv) the review of the Board's complement and mix and its succession planning. This Committee consists of three members appointed by the Board, all of whom are non-executive directors, and met seven times for the year.

The Investment Committee assists the Board in formulating and reviewing the overall investment policies and strategies of the Company. In so doing, this Committee's primary responsibilities include: (i) establishing investment guidelines in furtherance of the Company's policies and strategies; (ii) overseeing the Company's investments and assets and monitoring the performance of those investments and assets for compliance with the investment policies, strategies and guidelines for ensuring that set performance targets have been realised or surpassed; (iii) critically assessing potential transactions and business development proposals; (iv) defining the strategic parameters, including but not limited to, return on investment objectives and risk tolerance levels to be considered on assessing potential investments and new business development opportunities; (v) participating in the selection of and approval for appointment of the Company's external investment professionals and in the periodic evaluation of the said professionals; and (vi) establishing the statement of investment principles for the Company's pension plans and monitoring the investment of the funds thereof in accordance with those principles and the Company's investment policies. This Committee comprises four members appointed by the Board, all of whom are non-executive directors with the exception of the Managing Director, and met four times for the year.

Board Evaluation

Subsequent to the financial year-end, the Board undertook its first evaluation exercise of the Board itself, the Board Chairman and all Board Committees and their chairpersons, with a view to assessing the effectiveness of the Board's performance as a whole. The evaluation exercise took the form of a self-assessment by means of a series of confidential questionnaires. The Board also assessed and delineated, by use of a Skills Matrix profile, its individual Director's core competencies, knowledge, experience and skills. The findings of both the Board evaluation and Directors' skills assessment and the identified avenues for enhancing the Company's corporate governance architecture are being reviewed by the Board for its action.

Re-Election, Resignation and Appointment 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, Mr. A. Charles Herbert, Non-Executive Chairman and Messrs. Christopher G. Rogers and Stephen T. Worme, Non-Executive Directors, retire by rotation this year, and being eligible, offer themselves for re-election for a term expiring at the close of the third annual meeting following their election.

The Company's by-laws provide for the appointment of a director by a quorum of directors of the Board to fill a vacancy among the directors of the Company. The Companies Act provides that a director so appointed by the Board to fill a vacancy holds office for the unexpired term of his predecessor.

On April 30, 2013, Mr. Martin J.K. Pritchard, former Managing Director of GEL, retired from executive duties within the Goddard Group of Companies and simultaneously tendered his resignation from the Board. Mr. Pritchard had been re-elected director for a three year term at last year's annual meeting. The Board wishes to place on record its sincerest appreciation to Mr. Pritchard for his near 32 years' service to the Group and for his significant contribution to the Board through the years. We wish him a happy and healthy retirement.

On August 6, 2013, Mr. Anthony H. Ali was appointed Managing Director of GEL and director of the Company to fill the vacancy created on the board on the retirement of Mr. Pritchard.

On August 6, 2013, Mr. Roger A. Edghill resigned his position as Non-Executive Director of the Company.

Mr. Edghill was first elected a Director of the Company on January 29, 2010 and was last re-elected to the Board at the seventy-third annual meeting of shareholders held on January 31, 2012, for a term of three years. We wish to sincerely thank Mr. Edghill for his contribution to the Board's deliberations during his tenure as Director and extend to him best wishes in his future endeavours.

On December 10, 2013, the Board appointed Mrs. Renee Kowlessar, Business Performance Management Executive, Director of the Company with effect from January 1, 2014, to fill the vacancy created on the Board on the resignation of Mr. Edghill.

This year, our former Chairman, Mr. Joseph N. Goddard, retired from the Board. The Board would like to again thank Mr. Goddard for his outstanding and invaluable contribution to the GEL Group and the Board collectively. We extend best wishes to him for a happy and healthy retirement.

Condolences

On August 7, 2013, the Board was saddened to learn of the passing of Mr. Patrick David Patterson. Mr. Patterson served as a Director of GEL from September 29, 1972 until his resignation on April 30, 2001. He rendered 46 years of loyal and dedicated service to the GEL Group, serving in various managerial capacities within the Group, and in particular at Goddards Shipping & Tours Ltd. The Board recalls the outstanding contribution made by Mr. Patterson both to its deliberations and to the Group as a whole and expresses condolences to his family.

Dividend Declaration

The Directors have declared a dividend of fourteen cents per common share on the issued and outstanding shares of the Company for the year ended September 30, 2013, which compares to a dividend of eighteen cents per common share paid to shareholders for the year ended September 30, 2012. An interim dividend of six cents having been paid on August 30, 2013, the Board declared a final dividend of eight cents per share on the issued and outstanding shares of the Company at its meeting held on December 10, 2013. The final dividend will be paid on February 28, 2014.

Share Repurchase

Subsequent to year-end, on December 6, 2013, the Company repurchased 1,950,095 of its own common shares. On cancellation of these shares, the Company's issued and outstanding share capital will be 58,174,594 common shares.

Appointment of Auditor

The Company's Auditor, PricewaterhouseCoopers SRL, retires at the close of the seventy-fifth annual meeting and offers its services for the ensuing year at a fee to be determined. Your Directors recommend that they be authorised to negotiate the Auditor's fee on a Group basis.

Completion of The Goddard Building

During the year, construction of the new four storey office building at Haggatt Hall, St. Michael, a joint venture project between GEL and Sagicor Life Inc., was completed. The Building has been named "The Goddard Building" in tribute to the tremendous legacy of the Company's founding fathers as well as to honour all members of the Goddard family who have made an indelible contribution to the growth, leadership and success of GEL over the years. The Goddard Building features several energy conservation techniques, many of which are the first for Barbados. GEL re-located its offices to the Goddard Building in May 2013. We are pleased to report that as at the date of this Report, the Building is fully tenanted.

Acknowledgements

We wish to acknowledge the patronage of our customers, the loyalty of our suppliers and the support of our shareholders over the year just gone. We sincerely thank the management and staff of our Group for their service and commitment during the past financial year and count on your continued support and contribution in the coming year.

On behalf of the Board of Directors

A. Charles Herbert	Anthony H. Ali
Chairman	Managing Director

December 16, 2013

The Goddard Building, Haggatt Hall

One of a Kind in the Caribbean

The Goddard Building can be dubbed a True Green Building because of the many energy saving features that have been incorporated into its design. It has been stated that this building is the only one in the Caribbean at present to have incorporated all of these features into one structure.

Starting with the very visible, the Building carries Occupancy Sensor Controlled lighting and air conditioning, which both automatically go off when there is no one in the room. On the outside, the lighting to the Building is timer controlled, supplying lighting to the Building from dusk to midnight. In the event of the loss of electrical power, the Building's standby generator will activate to supply 100% stand-by power to the Building.

Some of the other features not easily seen, but nonetheless there, include a photovoltaic system, a system of rain water harvesting, where the water is collected and stored utilising a sophisticated drainage system and an on-site sewage plant that treats wastewater from the Building before storing it for use in the automatic irrigation system and in the flushing of toilets in the Building. In addition, in the washrooms there are low volume water use fixtures which minimise the water usage for all purposes in these rooms.

All of these features and others make this Building unique, a one of a kind in the Caribbean.

Analysis of Common Shareholders

as at September 30, 2013

Category	Number of shareholders	%	Number of common shares held	%
Group Employees	550	27	1,696,900	3
Local Individuals	1,100	55	8,021,234	13
Non-Resident Persons	191	10	17,782,411	30
Local Companies and Institutions	156	8	32,624,144	54
Totals	**1,997**	**100**	**60,124,689**	**100**

Additional Information required in accordance with the Barbados Stock Exchange Listing Agreement

For the year ended September 30, 2013

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 30 to 33.

b) Directors' interest in the share capital of Goddard Enterprises Limited as at September 30, 2013:

Names of Directors	Number of common shares held beneficially at September 30, 2013
A. C. Herbert	61,025
I. K. D. Castilho	1,654
A. H. Ali	Nil
V. P. Brathwaite (Ms.)	Nil
J. D. Foster	Nil
W. P. Putnam	495,534
C. G. Rogers	1,000
S.T. Worme	2,000

c) No change in Directors' beneficial interests took place between September 30, 2013 and December 10, 2013.

d) Particulars of any person, other than a director, holding more than 5% of the share capital of Goddard Enterprises Limited and the amount of interest so held as at December 10, 2013.

Shareholder		Number of common shares held
Neptune Investments Limited		3,349,121
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:	Goddard Catering Group (Antigua) Limited – Antigua	51%
	Goddard Catering Group (Barbados) Limited	51%
	Goddard Catering Group Bogota Ltda. – Colombia	51%
	Goddard Catering Group Bonaire N.V. – Bonaire	51%
	Goddard Catering Group Caracas S.A. – Venezuela	51%
	Goddard Catering Group (Cayman) Ltd. – Cayman Islands	
	Goddard Catering Group Curaçao, N.V. – Curaçao	51%
	Goddard Catering Group El Salvador, S.A. de C.V. – El Salvador	51%
	Goddard Catering Group GCM Ltd. – Cayman Islands	51%
	Goddard Catering Group (Guatemala) S.A. – Guatemala	51%
	Goddard Catering Group Guayaquil S.A. – Ecuador	51%
	Goddard Catering Group Honduras, S.A. – Honduras	51%
	Goddard Catering Group (Jamaica) Limited – Jamaica	51%
	Goddard Catering Group Margarita, C.A. – Margarita	51%
	Goddard Catering Group (St. Lucia) Ltd. – St. Lucia	51%
	Goddard Catering Group St. Maarten N.V. – St. Maarten	51%
	Goddard Catering Group Uruguay S.A. – Uruguay	51%
Automotive:	Courtesy Garage Limited	99%
	Fidelity Motors Limited – Jamaica	
	Tropical Battery – a division of Courtesy Garage Limited	
	Tropical Sales (1979) Ltd.	
Baking:	Purity Bakeries – a division of Goddard Enterprises Limited	
General Trading:	Bryden and Partners Limited – St. Lucia	67%
	Corea & Co. (1988) Limited – St. Vincent	
	Coreas Hazells Inc. – St. Vincent	
	Hanschell Inniss Limited	
	Hutchinson (Antigua) Limited – Antigua	
	Independence Agencies Limited – Grenada	55%
	Jonas Browne and Hubbard (Grenada) Limited – Grenada	52%
	M&C Home Depot Limited – St. Lucia	
	O.D. Brisbane and Sons (Trading) Limited – St. Kitts	
	Orange Wood Distributors Limited – St. Lucia	67%
	Peter & Company Limited – St. Lucia	
	Sunbilt Limited – St. Lucia	
	W B Hutchinson & Co. (St. Lucia) Limited – St. Lucia	
Ground Handling:	GCG Ground Services LLC – St. Thomas, United States Virgin Islands	51%
	Jamaica Dispatch Services Limited – Jamaica	51%
Industrial & Restaurant Catering:	Airport Restaurants (1996) Limited	51%
	Fontana Project – S.A. – Uruguay	51%
	GCG Events Curacao N.V.	51%
	GODCA S.A. – El Salvador	5%
Insurance:	M&C General Insurance Company Limited – St. Lucia	
	Minvielle & Chastanet Insurance Brokers Limited – St. Lucia	
	Minvielle & Chastanet Insurance Brokers (Barbados) Limited	

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

Subsidiary Companies

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

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

Associated Companies

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

Financing:	Globe Finance Inc.	49%
General Insurance:	Sagicor General Insurance Inc.	45%
Hotels:	Casuarina Beach Club Ltd.	32%
Laundry Services:	Country Road Investments Inc. – Trading as Tropical Laundries	50%
Property Rentals:	Bridgetown Cruise Terminals Inc.	20%
Restaurant, Airline, Airport and Industrial Catering:	Allied Caterers Limited – Trinidad & Tobago	31%
	GCG Services Ltd.	34%
	GCG Virgin Islands, Inc. – Trading as The Delly Deck – St. Thomas, USVI	38%
	Goddard Catering Group Bermuda Limited – Bermuda	20%
	Goddard Catering Group Paraguay S.A. – Paraguay	47%
	Goddard Catering Group Quito, S.A. – Ecuador	36%
	Goddard Catering Group St. Thomas Corporation – St. Thomas, USVI	38%
	Goddard Catering Group (Grenada) Limited – Grenada	26%
	Island Grill (Barbados) Limited	36%
	Island Grill (St. Lucia) Ltd. – St. Lucia	36%
	Katerserv Ltd. – Trinidad & Tobago	31%
	Tobago Inflite Catering Ltd. – Trinidad & Tobago	26%
Rum Distillery:	National Rums of Jamaica Limited – Jamaica	31%
Tiles & Waste Disposal:	Anti-Septic Limited – Trading as Terrific Tiles	50%

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Goddard Enterprises Limited

We have audited the accompanying consolidated financial statements of **Goddard Enterprises Limited** and its subsidiaries set out on pages 35 to 89, which comprise the consolidated balance sheet as of September 30, 2013 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Goddard Enterprises Limited** as of September 30, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers SRL

December 16, 2013
Bridgetown, Barbados

PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies
T: +246-626-6700, F: +246-436-1275, www.pwc.com/bb

Consolidated Balance Sheet

As of September 30, 2013

(Expressed in thousands of Barbados Dollars)

	Notes	2013	2012
Current assets			
Cash	6	65,310	55,583
Trade and other receivables	7	112,017	108,988
Prepaid expenses		10,900	12,285
Due by associated companies	8	8,092	7,768
Reinsurance assets	9	6,659	6,977
Current income tax assets		3,656	2,697
Inventories	10	166,007	159,267
		372,641	353,565
Current liabilities			
Borrowings	11	118,289	105,151
Trade and other payables	12	115,860	110,774
Due to associated companies	8	3,352	3,119
Current income tax liabilities		2,669	4,844
Insurance contracts	13	10,733	11,032
		250,903	234,920
Working capital		121,738	118,645
Property, plant and equipment	14	353,555	357,827
Investment property	15	17,029	13,496
Intangible assets	16	41,781	44,815
Investments in associated companies	17	75,004	68,697
Financial investments	18	41,121	40,375
Deferred income tax assets	19	9,558	8,285
Pension plan assets	20	6,074	6,052
Long-term trade and other receivables	7	3,042	4,064
		668,902	662,256
Borrowings	11	90,581	95,072
Deferred income tax liabilities	19	3,763	4,013
Pension plan liabilities	20	1,747	1,869
Net assets employed		572,811	561,302
Financed by:			
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	21	44,557	43,842
Other reserves	22	100,899	107,080
Retained earnings		315,845	302,842
		461,301	453,764
Non-controlling interests		111,510	107,538
		572,811	561,302

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

Approved by the Board of Directors on December 16, 2013.

A.C. Herbert
Chairman

A. H. Ali
Managing Director

Consolidated Statement of Changes in Equity

For the year ended September 30, 2013

(Expressed in thousands of Barbados Dollars)

	Attributable to equity holders of the Company				
	Share capital (Note 21)	Other reserves (Note 22)	Retained earnings	Non-controlling interests	Total
Balance at October 1, 2011	43,337	108,228	285,526	110,308	547,399
Net income for the year	–	–	24,696	9,218	33,914
Other comprehensive loss	–	(1,258)	415	(3,369)	(4,212)
Total comprehensive income for the year	–	(1,258)	25,111	5,849	29,702
Fair value of assets disposed of by non-controlling interests	–	–	–	(8)	(8)
Increase in advances to non-controlling interests	–	–	–	1,235	1,235
Value of employee services	–	110	–	–	110
Issue of common shares	505	–	–	–	505
Dividends declared	–	–	–	(9,846)	(9,846)
Dividend – Final 2011 (6 cents per share) (note 30)	–	–	(3,597)	–	(3,597)
Dividend – Interim 2012 (7 cents per share) (note 30)	–	–	(4,198)	–	(4,198)
	505	110	(7,795)	(8,619)	(15,799)
Balance at September 30, 2012	43,842	107,080	302,842	107,538	561,302
Balance at October 1, 2012	43,842	107,080	302,842	107,538	561,302
Net income for the year	–	–	21,135	12,853	33,988
Other comprehensive loss	–	(6,274)	1,868	418	(3,988)
Total comprehensive income for the year	–	(6,274)	23,003	13,271	30,000
Disposal of a subsidiary company	–	–	–	4	4
Fair value of net liabilities transferred to non-controlling interests	–	–	215	(215)	–
Fair value of assets disposed of by non-controlling interests	–	–	–	(3,674)	(3,674)
Increase in advances to non-controlling interests	–	–	–	1,978	1,978
Value of employee services	–	93	–	–	93
Issue of common shares	715	–	–	–	715
Dividends declared	–	–	–	(7,392)	(7,392)
Dividend – Final 2012 (11 cents per share) (note 30)	–	–	(6,608)	–	(6,608)
Dividend – Interim 2013 (6 cents per share) (note 30)	–	–	(3,607)	–	(3,607)
	715	93	(10,000)	(9,299)	(18,491)
Balance at September 30, 2013	**44,557**	**100,899**	**315,845**	**111,510**	**572,811**

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

Consolidated Statement of Income

For the year ended September 30, 2013

(Expressed in thousands of Barbados Dollars)

	Notes	2013	2012
Revenue		**962,625**	999,148
Cost of sales	24	**(605,364)**	(647,509)
Gross profit		**357,261**	351,639
Underwriting income		**4,084**	4,145
Selling, marketing and administrative expenses	24	**(312,661)**	(302,998)
Profit from operations before the following		**48,684**	52,786
Other (losses)/gains – net	25	**(2,232)**	(1,640)
Profit from operations		**46,452**	51,146
Finance costs	27	**(12,641)**	(12,393)
		33,811	38,753
Share of income of associated companies	17	**9,802**	7,866
Income before taxation		**43,613**	46,619
Taxation	28	**(9,625)**	(12,705)
Net income for the year		**33,988**	33,914
Attributable to:			
Equity holders of the Company		**21,135**	24,696
Non-controlling interests		**12,853**	9,218
		33,988	33,914
Earnings per share attributable to the equity holders of the Company during the year (expressed in cents per share)			
– basic	29	**35.2**	41.2
– diluted	29	**35.1**	40.8

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

Consolidated Statement of Comprehensive Income

For the year ended September 30, 2013

(Expressed in thousands of Barbados Dollars)

	2013	2012
Net income for the year	33,988	33,914
Other comprehensive income:		
Items net of tax that may be recycled to income in the future:		
Unrealised gains/(losses) on available-for-sale financial investments:		
– Group	1,346	1,318
– Associated companies	(448)	–
(Losses)/gains transferred to income on disposal of available-for-sale financial investments:		
– Group	(138)	107
– Associated companies	140	34
Impairment of financial investments	195	–
Currency translation differences	(5,764)	(671)
Hyperinflationary adjustments	4,983	1,430
Items net of tax that will not be recycled to income in the future:		
Decrease in revaluation surplus – Group	(4,252)	(1,066)
Decrease in revaluation surplus – Associated companies	(50)	(5,364)
Other comprehensive loss for the year	(3,988)	(4,212)
Total comprehensive income for the year	30,000	29,702
Attributable to:		
Equity holders of the Company	16,729	23,853
Non-controlling interests	13,271	5,849
	30,000	29,702

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

Consolidated Statement of Cash Flows

For the year ended September 30, 2013

(Expressed in thousands of Barbados Dollars)

	2013	2012
Cash flows from operating activities		
Income before taxation	43,613	46,619
Adjustments for:		
Depreciation	23,469	23,122
Amortisation of intangible assets	1,946	1,988
Impairment of intangible assets	1,088	3,683
Impairment of financial investments	195	50
Hyperinflationary adjustments	3,267	731
Loss/(gain) on disposal of property, plant and equipment	68	(883)
(Gain)/loss on disposal of financial investments	(186)	104
Exchange (gain)/loss	(3,248)	406
Interest income	(1,611)	(1,767)
Finance costs incurred	12,641	12,393
Share of income of associated companies	(9,802)	(7,866)
Pension plan expense	3,100	1,659
Employee share schemes expenses	93	110
Loss on revaluation of freehold land and buildings	–	514
Fair value losses on revaluation of investment property	(24)	(307)
Operating profit before working capital changes	74,609	80,556
Net change in non-cash working capital balances related to operations (note 35)	(3,261)	8,652
Cash generated from operations	71,348	89,208
Interest received	1,603	1,767
Finance costs paid	(12,641)	(12,393)
Income and corporation taxes paid	(14,478)	(12,200)
Pension plan contributions paid	(3,244)	(2,336)
Net cash from operating activities	42,588	64,046
Cash flows from investing activities		
(Acquisition)/disposal of interest in subsidiaries (net)	(7,698)	(3)
Acquisition of intangible assets	–	(9,915)
Purchase of property, plant and equipment	(31,271)	(38,586)
Proceeds on disposal of property, plant and equipment	8,463	7,386
Purchase of financial investments	(11,592)	(10,609)
Proceeds on disposal of financial investments	12,222	15,243
Investments and loans made in associated companies	–	(557)
Long-term loans made	(84)	(5,309)
Proceeds from repayment of long-term loans	877	1,256
Unsecured and secured loans received/(made)	12	(1,407)
Dividends received from associated companies	2,484	4,747
Net cash used in investing activities	(26,587)	(37,754)
Cash flows from financing activities		
Issue of common shares	715	505
Long-term loans received	11,297	21,567
Repayments of long-term loans	(10,437)	(18,925)
Dividends paid to non-controlling interests	(7,392)	(9,846)
Loans received from non-controlling interests	1,978	1,235
Dividends paid to shareholders	(10,215)	(7,795)
Net cash used in financing activities	(14,054)	(13,259)
Net increase in cash and cash equivalents	1,947	13,033
Cash and cash equivalents – beginning of year	26,255	13,222
Cash and cash equivalents – end of year (note 6)	28,202	26,255

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013

(Expressed in thousands of Barbados Dollars)

1. General information

Goddard Enterprises Limited ('the Company') is incorporated under the Laws of Barbados. The principal activities of the Company and its subsidiaries (together 'the Group') include airline, industrial and restaurant catering, ground handling services, general trading, meat processing, printing and print brokers, baking, packaging, automobile and automotive parts sales, insurance, real estate, shipping agents and stevedoring, manufacturing of aerosols and liquid detergents, investments, rum distilling, water purification and bottling and island tours. Associated companies are involved in waste disposal, laundry services, financing, property rentals, investments, general insurance and hotel operations. (See pages 30-33). The Group operates throughout the Caribbean and Central and South America.

The address of the Company's registered office is Top Floor, The Goddard Building, Haggatt Hall, St. Michael, B11059, Barbados.

The Company is listed on the Barbados Stock Exchange.

These consolidated financial statements have been approved for issue by the Board of Directors on December 16, 2013.

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.

Amendments and interpretations to existing standards effective in the 2013 financial year

There are no amendments and interpretations to existing standards which are effective in the 2013 financial year which have a significant impact on the presentation, measurement or disclosure of the Group's consolidated financial statements.

The amendments and interpretations to existing standards are as follows:

IAS 1 Financial statement presentation regarding comprehensive income – amendment to require entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

IAS 12 Income taxes on deferred tax – amendment to require an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale.

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

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

IAS 19 Employee benefits. The impact on the Group will be as follows: to immediately recognise all past service costs; to eliminate the corridor approach to actuarial gains and losses; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. The Group is yet to assess the full impact of the amendments.

IFRS 9 Financial instruments – addresses the classification, measurement and recognition of financial assets and financial liabilities requiring financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost depending on the entity's business model for managing its financial

2. Significant accounting policies... continued

a) Basis of preparation... continued

instruments and the contractual cash flow characteristics of the instrument.

IFRS 10 Consolidated financial statements – provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact.

IFRS 12 Disclosures of interests in other entities – requires entities to disclose information to assist in the evaluation of the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates and joint arrangements. The Group is yet to assess the full impact of the disclosures.

IFRS 13 Fair value measurement – provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs and guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

b) Consolidation

i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of the subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The contingent consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this 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))

2. Significant accounting policies... continued

b) Consolidation... continued

iii) Associates... continued

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.

iii) Group companies

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

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

iv) Hyperinflationary accounting

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

To determine the existence of hyperinflation, the Group assesses the qualitative characteristics of the economic environment of the country, such as the trends in inflation rates over the previous three years. The financial statements of companies whose functional currency is the currency of a hyperinflationary economy are adjusted to

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies... continued

d) Foreign currency translation... continued

iv) Hyperinflationary accounting... continued

reflect the changes in purchasing power of the local currency, such that all items in the balance sheet not expressed in current terms (non-monetary items) are restated by applying a general price index at the financial statement closing date, and all items of income and expense, profit and loss are restated monthly by applying appropriate adjustment factors. The difference between initial and adjusted amounts is included in other (losses)/gains – net in the statement of income. Accordingly, Venezuela was classified as a hyperinflationary economy in 2013 and 2012. The inflation indices used to prepare the restated financial information are those published by the Central Bank of Venezuela. These indices for 2013 and 2012 are 442.30 and 296.10, respectively.

e) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each consolidated balance sheet date.

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

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

2. Significant accounting policies... continued

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 acquired subsidiary/associate at the date of acquisition. Goodwill on the acquisition of subsidiaries is included as 'intangible assets' on the consolidated balance sheet. Goodwill on the acquisition of associates is included in 'investments in associates'. Separately recognised goodwill is tested annually for impairment and whenever there is an indication of impairment, and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

ii) Other intangible assets

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

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

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

h) Impairment of non-financial assets

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

i) Financial assets

The Group classifies its financial assets in the following categories:

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

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

i) Available-for-sale

These financial assets are intended to be held for an indefinite period of time and hence are included in non-current assets unless management intends to dispose of the investment within 12 months of the consolidated balance sheet date. They may be sold in response to needs for liquidity or changes in interest rates, exchange

2. Significant accounting policies... continued

i) Financial assets... continued

i) Available-for-sale... continued
rates or equity prices. They are measured initially at cost and are subsequently remeasured at their fair value based on quoted bid prices. Investments without quoted prices are carried at management's valuation based on the net assets of the entity net of any provisions made where there is an indication of impairment. Unrealised gains and losses are recorded in the consolidated statement of comprehensive income. Either on the disposal of the asset or if the asset is determined to be impaired, the previously recorded unrealised gain or loss is transferred to the consolidated statement of income.

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

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

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

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

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

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

j) Inventories

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

k) Trade receivables

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

Notes to the Consolidated Financial Statements

September 30, 2013

(Expressed in thousands of Barbados dollars)

2. Significant accounting policies... continued

k) Trade receivables... continued

expenses. When a trade receivable is uncollectible, it is written off against the provision for impairment of receivables and any subsequent recoveries of amounts previously written off are credited against selling, marketing and administrative expenses.

l) Cash and cash equivalents

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

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

m) Trade payables

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

n) Borrowings

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

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

o) Current and deferred income tax

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

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

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

p) Employee benefits

i) Pension obligations

The Company and certain of its subsidiary companies operate defined benefit and 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 generally funded through payments from the employees and the Group, determined by annual actuarial calculations.

2. Significant accounting policies... continued

p) Employee benefits... continued

i) Pension obligations... continued

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the consolidated balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. 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. All actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to the consolidated statement of income over ten years being less than the employees' expected average remaining working lives. Past service costs are recognised immediately in the consolidated statement of income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

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, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

iii) Share-based compensation

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

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

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

q) Provisions

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

r) Revenue recognition

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

2. Significant accounting policies... continued

r) Revenue recognition... continued

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

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

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

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

v) Royalty and rental income
Royalty and rental income is recognised on an accrual basis.

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

s) Leases

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

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

t) Insurance contracts

Recognition and measurement
The Group issues contracts that transfer insurance risk. Insurance contracts are those contracts that transfer significant insurance risk. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Insurance contracts issued are classified as short-term insurance contracts. These contracts are principally property, accident, motor, liability and marine insurance contracts.

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

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

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

2. Significant accounting policies... continued

t) Insurance contracts... continued

Recognition and measurement... continued

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

Marine insurance contracts indemnify the Group's customers for loss or damage to their insured cargo.
For these contracts, premiums are recognised as revenue (earned premiums) over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the consolidated balance sheet date is reported as the unearned premium liability. Premiums are shown before the deduction of commission.

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

Reinsurance contracts held

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

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

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

Claims provision and related reinsurance recoveries

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

Receivables and payables

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

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

Premiums and unearned premiums

Premiums are earned over the term of the related insurance contracts in proportion to the period of risk. The reserve

2. Significant accounting policies... continued

t) Insurance contracts... continued

Premiums and unearned premiums... continued

for unearned premiums is established for the portion of premiums written which relate to unexpired risks at the end of the period.

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

Deferred acquisition costs

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

Claims and claims expenses

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

u) Dividend distributions

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

3. Risk management

a) Financial risk factors

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

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

i) Market risk

1) Foreign exchange risk

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

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

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

i) Market risk... continued

1) Foreign exchange risk... continued

The table below illustrates the theoretical impact on equity and net income of a 5% depreciation in the Jamaican dollar and Latin American currencies when compared to the Barbados dollar as at September 30, 2013.

Effect of a 5% depreciation of	Effect on equity	Effect on net income
Jamaican dollar	(38)	(80)
Latin American currencies	(912)	(419)

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

2) Price risk

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

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

If the BSE, NYSE and CSX had increased or decreased by 5% with all other variables held constant, the financial investments reserve within equity would increase or decrease by $784 (2012 – $791) as a result of gains or losses on equity securities classified as available-for-sale financial assets.

ii) Credit risk

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

The maximum exposure to credit risk is as follows:

	2013		2012	
	$	%	$	%
Cash	65,310	31	55,583	28
Trade and other receivables	115,059	55	113,052	57
Due by associated companies	8,092	4	7,768	4
Financial investments (debt securities and fixed deposits)	20,840	10	21,514	11
Reinsurance assets	643	–	541	–
	209,944	100	198,458	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 America region. It has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history, financial position, credit quality and other factors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or by using major credit cards. For banks and financial institutions only well known and reputable parties are accepted.

Notes to the Consolidated Financial Statements

September 30, 2013

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

ii) Credit risk... continued

The table below summarises the balances due from the major wholesale and retail customers at the consolidated balance sheet date.

Customer	2013	2012
British Airways (rated BB by Standard & Poor's)	**1,070**	1,334
Virgin Atlantic Airways (unrated)	**1,592**	1,549
Caribbean Airlines (unrated)	**1,149**	2,357
Taca International Airlines (rated AA+ by Fitch)	**1,833**	1,453
Whyte & Mackay Ltd. (unrated)	**1,759**	1,005
Alstons Marketing Ltd. (unrated)	**864**	1,027
Santa Barbara Airlines (unrated)	**914**	1,514
E&J Gallo Winery (unrated)	**–**	1,356

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.

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At September 30, 2013					
Borrowings	125,022	14,244	38,710	70,020	247,996
Trade and other payables	99,579	–	–	–	99,579
Due to associated companies	3,352	–	–	–	3,352
Insurance contracts	2,011	–	–	–	2,011
	229,964	14,244	38,710	70,020	352,938
Off financial statement exposures:					
Guarantees and letters of credit	44,383	–	–	–	44,383
Total	274,347	14,244	38,710	70,020	397,321

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

iii) Liquidity risk... continued

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At September 30, 2012					
Borrowings	112,181	26,588	46,814	43,538	229,121
Trade and other payables	98,703	–	–	–	98,703
Due to associated companies	3,119	–	–	–	3,119
Insurance contracts	1,796	–	–	–	1,796
	215,799	26,588	46,814	43,538	332,739
Off financial statement exposures:					
Guarantees and letters of credit	27,450	–	–	–	27,450
Total	243,249	26,588	46,814	43,538	360,189

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At September 30, 2013					
Cash	**65,310**	**–**	**–**	**–**	**65,310**
Trade and other receivables	**104,190**	**1,486**	**2,057**	**152**	**107,885**
Due by associated companies	**8,092**	**–**	**–**	**–**	**8,092**
Reinsurance assets	**643**	**–**	**–**	**–**	**643**
Financial investments (debt securities and fixed deposits)	**15,943**	**1,714**	**2,227**	**2,909**	**22,793**
	194,178	**3,200**	**4,284**	**3,061**	**204,723**
At September 30, 2012					
Cash	55,583	–	–	–	55,583
Trade and other receivables	100,550	2,770	2,188	159	105,667
Due by associated companies	7,768	–	–	–	7,768
Reinsurance assets	541	–	–	–	541
Financial investments (debt securities and fixed deposits)	17,453	2,114	804	1,174	21,545
	181,895	4,884	2,992	1,333	191,104

Notes to the Consolidated Financial Statements

September 30, 2013

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

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 2013 and 2012 the Group's borrowings at variable rates were denominated in Barbados, Eastern Caribbean and United States dollars. To manage against interest rate risk, the Group negotiates the best rates possible and where possible considers factors such as refinancing, renewing options and alternative financing. In a period of low interest rates the Group negotiates for fixed rates on borrowings for a period of at least five years.

At September 30, 2013, 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 $215 (2012 – $236) lower or higher, mainly as a result of higher or lower finance costs on floating rate borrowings.

v) Country risk

Venezuela has an exchange control mechanism in place, managed by the Currency Administration Commission (CADIVI) which has issued a number of regulations governing the modalities of currency sales in Venezuela at official exchange rates. The Group is currently unable to obtain approval to remit funds to Head Office. The revenues, operating income and balance sheet totals of the entities located in Venezuela are not considered significant to the Group. However, management is currently seeking avenues by which to mitigate this risk.

b) Fair value of financial assets and liabilities

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

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

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

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

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

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

b) Fair value of financial assets and liabilities... continued

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
2013				
Available-for-sale securities:				
Debt securities	**544**	**96**	**–**	**640**
Equity securities	**9,575**	**8,460**	**–**	**18,035**
	10,119	**8,556**	**–**	**18,675**
2012				
Available-for-sale securities:				
Debt securities	530	169	–	699
Equity securities	10,592	7,336	–	17,928
	11,122	7,505	–	18,627

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

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

c) *Capital risk management*

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

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

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

	2013	2012
Total debt	**346,994**	335,874
Total capital	**919,805**	897,176
Debt to capital ratio	**27:73**	27:73

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

Statutory compliance

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

c) Capital risk management... continued

Statutory compliance... continued

all general insurance business carried on by the company. The Company was deemed solvent as of September 30, 2013.

Section 80 of the Insurance Act requires that a general insurer (carrying on motor vehicle and insurance business other than long-term insurance) shall deposit with the Registrar either the greater of $56 or an amount equal to 40% of its net premium income in respect of business transacted during the last preceding financial year. The Company was in compliance with this requirement as of September 30, 2013.

Section 88 of the Insurance Act requires that the company establishes a motor vehicle insurance fund equal to its liability and contingency reserves for motor vehicle insurance business less amounts held on deposit with the Registrar. The Company was in compliance with this requirement as of September 30, 2013.

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

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

	2013	2012
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 amounts of claims will vary from expectations from year to year.

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

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

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

d) Insurance risk... continued

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 $1,000 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 for 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.

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.

4. Critical accounting estimates and judgements... continued

Impairment of intangible assets... continued

b) Other intangible assets

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

5. Segmental reporting

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

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

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

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

Operating segments

	Import, distribution and marketing	Manufacturing and services	Catering and ground handling	Financial services	Eliminations/ unallocated	Total
2013						
Revenue						
External sales	618,969	135,437	212,303	–	(4,084)	962,625
Inter-segment sales	12,191	54,078	1,570	–	(67,839)	–
Associated companies' sales	–	88,887	82,741	152,519	(324,147)	–
Total revenue	631,160	278,402	296,614	152,519	(396,070)	962,625
Segment result						
Profit from operations	16,415	15,501	31,542	–	(14,774)	48,684
Other (losses)/gains – net	1,850	1,103	(3,184)	–	(2,001)	(2,232)
Finance costs	(7,305)	(1,306)	(182)	–	(3,848)	(12,641)
Share of income of associated companies	–	1,895	2,676	5,231	–	9,802
Income before non-controlling interests and taxation	10,960	17,193	30,852	5,231	(20,623)	43,613
Non-controlling interests	(799)	(2,250)	(15,804)	–	18,853	–
Income before taxation	10,161	14,943	15,048	5,231	(1,770)	43,613
Taxation						(9,625)
Net income for the year						33,988
Other information						
Operating assets	403,924	108,406	100,568	–	109,642	722,540
Intangible assets	28,422	9,879	3,480	–	–	41,781
Investments in associated companies	–	20,904	9,767	44,333	–	75,004
Unallocated corporate assets	–	–	–	–	80,480	80,480
Consolidated corporate assets	432,346	139,189	113,815	44,333	190,122	919,805
Capital expenditure	10,301	2,954	7,558	–	10,458	31,271
Depreciation	9,140	6,495	6,804	–	1,030	23,469
Amortisation of intangible assets	1,118	620	208	–	–	1,946
Impairment of intangible assets	1,088	–	–	–	–	1,088
Employee numbers	2,098	674	2,191	–	49	5,012

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Operating segments... continued

	Import, distribution and marketing	Manufacturing and services	Catering and ground handling	Hotel and financial services	Eliminations/ unallocated	Total
2012						
Revenue						
External sales	666,525	132,234	204,534	–	(4,145)	999,148
Inter-segment sales	14,289	50,550	1,430	–	(66,269)	–
Associated companies' sales	–	82,195	79,254	146,769	(308,218)	–
Total revenue	680,814	264,979	285,218	146,769	(378,632)	999,148
Segment result						
Profit from operations	18,037	14,539	27,160	–	(6,950)	52,786
Other (losses)/gains – net	820	(94)	(1,240)	–	(1,126)	(1,640)
Finance costs	(7,139)	(1,330)	(252)	–	(3,672)	(12,393)
Share of (loss)/income of associated companies	–	(114)	2,433	5,547	–	7,866
Income before non-controlling interests and taxation	11,718	13,001	28,101	5,547	(11,748)	46,619
Non-controlling interests	(76)	(1,916)	(14,292)	–	16,284	–
Income before taxation	11,642	11,085	13,809	5,547	4,536	46,619
Taxation						(12,705)
Net income for the year						33,914
Other information						
Operating assets	402,019	113,611	98,464	–	94,601	708,695
Intangible assets	30,628	10,499	3,688	–	–	44,815
Investments in associated companies	–	19,730	9,132	39,835	–	68,697
Unallocated corporate assets	–	–	–	–	74,969	74,969
Consolidated corporate assets	432,647	143,840	111,284	39,835	169,570	897,176
Capital expenditure	20,240	2,809	4,312	–	11,225	38,586
Depreciation	9,043	6,919	6,630	–	530	23,122
Amortisation of intangible assets	1,119	661	208	–	–	1,988
Impairment of intangible assets	3,683	–	–	–	–	3,683
Employee numbers	2,242	680	2,053	–	48	5,023

(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:

	2013	2012
Total income before non-controlling interests and taxation for reportable segments	64,236	58,367
Eliminations/unallocated		
Unallocated group companies	(20,689)	(14,303)
Intercompany eliminations	66	2,555
Total eliminations/unallocated	(20,623)	(11,748)
Total income before taxation	43,613	46,619

Reportable segment assets are reconciled to total assets as follows:

	2013	2012
Total assets for reportable segments	729,683	727,606
Unallocated assets		
Operating assets for unallocated group companies	109,642	94,601
Current income tax assets	3,656	2,697
Investment property	17,029	13,496
Financial investments	41,121	40,375
Deferred income tax assets	9,558	8,285
Pension plan assets	6,074	6,052
Long-term trade and other receivables	3,042	4,064
Total unallocated assets	190,122	169,570
Total assets	919,805	897,176

Geographical information

	External sales		Non-current assets	
	2013	2012	2013	2012
Barbados	238,119	214,225	221,103	208,906
St. Lucia	207,975	272,168	111,228	122,655
Grenada	94,889	92,029	53,313	53,934
Other Caribbean	177,163	194,095	79,690	81,435
Latin America	85,137	80,965	25,077	21,969
Other	159,342	145,666	–	–
Total	962,625	999,148	490,411	488,899

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.

Notes to the Consolidated Financial Statements

September 30, 2013

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Geographical segments	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
2013					
Revenue					
External sales	334,092	514,153	118,464	(4,084)	962,625
Inter-segment sales	58,360	9,479	–	(67,839)	–
Associated companies' sales	170,224	131,337	22,586	(324,147)	–
Total revenue	562,676	654,969	141,050	(396,070)	962,625
Segment result					
Profit from operations	25,746	15,450	22,262	(14,774)	48,684
Other (losses)/gains – net	3,572	105	(3,908)	(2,001)	(2,232)
Finance costs	(2,786)	(6,007)	–	(3,848)	(12,641)
Share of income of associated companies	6,084	1,971	1,747	–	9,802
Income before non-controlling interests and taxation	32,616	11,519	20,101	(20,623)	43,613
Non-controlling interests	(3,222)	(5,959)	(9,672)	18,853	–
Income before taxation	29,394	5,560	10,429	(1,770)	43,613
Taxation					(9,625)
Net income for the year					33,988
Other information					
Operating assets	193,013	363,547	56,338	109,642	722,540
Intangible assets	9,981	31,662	138	–	41,781
Investments in associated companies	57,530	13,209	4,265	–	75,004
Unallocated corporate assets	–	–	–	80,480	80,480
Consolidated corporate assets	260,524	408,418	60,741	190,122	919,805
Capital expenditure	7,852	8,635	4,326	10,458	31,271
Depreciation	9,441	10,278	2,720	1,030	23,469
Amortisation of intangible assets	620	1,326	–	–	1,946
Impairment of intangible assets	–	1,088	–	–	1,088
Employee numbers	1,121	2,740	1,102	49	5,012

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Geographical segments... continued

	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
2012					
Revenue					
External sales	307,717	588,784	106,792	(4,145)	999,148
Inter-segment sales	55,608	10,661	–	(66,269)	–
Associated companies' sales	167,438	120,173	20,607	(308,218)	–
Total revenue	530,763	719,618	127,399	(378,632)	999,148
Segment result					
Profit from operations	22,179	19,201	18,356	(6,950)	52,786
Other (losses)/gains – net	2,647	(945)	(2,216)	(1,126)	(1,640)
Finance costs	(2,595)	(6,126)	–	(3,672)	(12,393)
Share of income of associated companies	5,709	451	1,706	–	7,866
Income before non-controlling interests and taxation	27,940	12,581	17,846	(11,748)	46,619
Non-controlling interests	(4,242)	(3,588)	(8,454)	16,284	–
Income before taxation	23,698	8,993	9,392	4,536	46,619
Taxation					(12,705)
Net income for the year					33,914
Other information					
Operating assets	190,680	372,092	51,322	94,601	708,695
Intangible assets	10,601	34,076	138	–	44,815
Investments in associated companies	52,230	12,876	3,591	–	68,697
Unallocated corporate assets	–	–	–	74,969	74,969
Consolidated corporate assets	253,511	419,044	55,051	169,570	897,176
Capital expenditure	11,523	14,058	1,780	11,225	38,586
Depreciation	9,487	10,631	2,474	530	23,122
Amortisation of intangible assets	661	1,327	–	–	1,988
Impairment of intangible assets	–	3,683	–	–	3,683
Employee numbers	1,111	2,829	1,035	48	5,023

(Expressed in thousands of Barbados Dollars)

6. Cash and cash equivalents

	2013	2012
Cash	65,310	55,583
Bank overdraft (note 11)	(37,108)	(29,328)
	28,202	26,255

Significant concentrations of cash are as follows:

	2013	2012
CIBC FirstCaribbean International Bank (unrated)	20,329	18,848
CIBC (Long Term Issue Credit Rating A+ by Standard & Poor's)	12,289	7,731
Banesco Banco Universal, C.A. (rated B by Fitch)	12,096	7,097

The Group is currently unable to obtain approval to remit to Head Office amounts held with Banesco Banco Universal, C.A. in Venezuela (note 3(a)(v)).

7. Trade and other receivables

	2013	2012
Trade receivables	96,594	92,873
Other receivables	24,513	24,621
Trade and other receivables	121,107	117,494
Less: Provision for impairment of receivables	(10,671)	(9,978)
Trade and other receivables – net	110,436	107,516
Loans receivable (other)	4,337	5,220
Loans receivable (mortgages)	286	316
Total	115,059	113,052
Less: Long-term portion – loans receivable	(3,042)	(4,064)
Current portion	112,017	108,988

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

(Expressed in thousands of Barbados Dollars)

7. Trade and other receivables... continued

a) Trade receivables

Total fully performing trade receivables without external ratings:

	2013	2012
New customers (<6 months)	**2,630**	6,848
Existing customers (>6 months) – no past defaults	**22,939**	23,130
Existing customers (>6 months) – some past defaults fully recovered	**29,639**	23,645
	55,208	53,623

Counterparties with external ratings:

	2013	2012
British Airways (Rated BB by Standard & Poor's)	**1,377**	1,331
American Airlines (Rated D by Standard & Poor's)	**810**	907
Delta Air Lines (Rated B+ by Standard & Poor's)	**1,570**	1,083
US Airways (Rated B by Standard & Poor's)	**237**	379
Continental Airlines (Rated B by Standard & Poor's)	**637**	477
Air Canada (Rated B- by Standard & Poor's)	**605**	191
UPS (Rated A- by Standard & Poor's)	**8**	27
	5,244	4,395
Total fully performing trade receivables	**60,452**	58,018

Trade receivables that are less than three months past due are not considered impaired. Based on historical information and customer relationships some trade receivables which are greater than three months past due but not greater than twelve months are not considered impaired. As of September 30, 2013, trade receivables of $26,101 (2012 – $25,516) were past due but not impaired. The aging of these trade receivables is as follows:

	2013	2012
Up to 3 months	**19,116**	17,230
3 to 6 months	**5,055**	3,951
6 to 12 months	**1,930**	4,335
	26,101	25,516

As of September 30, 2013, trade receivables of $10,041 (2012 – $9,339) were impaired and provided for. A portion of these receivables is expected to be recovered. The aging of these trade receivables is as follows:

	2013	2012
3 to 6 months	**277**	511
6 to 12 months	**340**	1,961
Over 12 months	**9,424**	6,867
	10,041	9,339
Total trade receivables	**96,594**	92,873

(Expressed in thousands of Barbados Dollars)

7. Trade and other receivables... continued

b) Other receivables

	2013	2012
Total fully performing other receivables	**9,478**	9,885

Other receivables that are less than three months past due are not considered impaired. As of September 30, 2013, other receivables of $14,405 (2012 – $14,097) were past due but not impaired. The aging of these other receivables is as follows:

	2013	2012
Up to 3 months	**6,786**	5,028
3 to 6 months	**1,562**	2,639
6 to 12 months	**1,089**	1,024
Over 12 months	**4,968**	5,406
	14,405	14,097

As of September 30, 2013, other receivables of $630 (2012 – $639) were impaired and provided for. A portion of these receivables is expected to be recovered. The aging of these other receivables is as follows:

	2013	2012
3 to 6 months	–	41
6 to 12 months	–	211
Over 12 months	**630**	387
	630	639
Total other receivables	**24,513**	24,621

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

	2013	2012
Balance – beginning of year	**9,978**	8,313
Provision for impairment of receivables	**1,647**	2,840
Less: Receivables written off during the year as uncollectible	**(323)**	(921)
Unused amounts reversed	**(206)**	(406)
Exchange adjustment	**(125)**	152
Subsidiaries disposed of during the year	**(300)**	–
Balance – end of year	**10,671**	9,978

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 $690 (2012 – $1,143).

The Group only holds collateral in respect of loans receivable (mortgages). The estimated fair value of this collateral at year end was $704 (2012 – $507).

Loans receivable (other) include an amount of $700 which is repayable in annual instalments of $175.

Loans receivable (mortgages) do not include impaired assets.

(Expressed in thousands of Barbados Dollars)

7. Trade and other receivables... continued

b) Other receivables... continued

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

	2013	2012
Loans receivable (mortgages)	**6%**	6%

8. Due by/to associated companies

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

9. Reinsurance assets

	2013	2012
Outstanding claims	**643**	541
Deferred reinsurance costs	**6,016**	6,436
	6,659	6,977

10. Inventories

	2013	2012
Finished goods	**143,114**	135,394
Raw materials	**23,299**	24,243
Work in progress	**552**	756
	166,965	160,393
Less: Provision for obsolescence	**(958)**	(1,126)
Total	**166,007**	159,267

The cost of inventories written down and recognised as an expense and included in cost of sales amounted to $5,742 (2012 – $5,883).

11. Borrowings

	2013	2012
Non-current		
Bank term loans at interest rates between 4.19% – 8.05% instalments (2012 – 4.75% – 10.75%) repayable in regular instalments maturing at various intervals through 2020 (2012 – through to 2020) – see note (a)	**90,581**	95,072
Current		
Bank term loans at interest rates between 4.19% – 8.05% (2012 – 4.22% – 10.75%) repayable in regular instalments maturing at various intervals through 2020 (2012 – through to 2020) – see note (a)	**39,611**	34,265
Short-term loans repayable on demand – see note (b)	**9,136**	9,124
Preference shares – redeemable up to 2023 at a dividend rate of 6.5% payable semi-annually – see note (c)	**32,434**	32,434
Bank overdraft (interest rates of 6.75% – 26.00%) (2012 – 7.00% – 16.85%) (note 6) – see note (a)	**37,108**	29,328
	118,289	105,151
Total	**208,870**	200,223

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013
(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 subsidiary and associated companies.

b) The short-term loans are unsecured and bear interest at rates varying between 3% and 8% (2012 – 3% and 8%) per annum.

c) These preference shares were issued as part-payment of the purchase consideration for the acquisition of Minvielle & Chastanet Limited (M&C) and are denominated in US dollars. The shares have a fixed preferential dividend rate of 6.5% per annum to be paid semi-annually. The holders can redeem the preference shares by giving two months' notice for every $10,000 of the value thereof. Payment can be made in East Caribbean dollars at the holders' request. The holders also have the option to convert 60% of the preference shares into the Group's shares with the balance redeemable for cash, prior to 2023. Given the specific redemption terms, including the two month 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 $55,719, guarantee bond and postponement of claims by Goddard Enterprises Limited for full liability, assignment of fire and other perils insurance policies over fixed and floating assets to the bank.

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

St. Lucia: A hypothecary obligation and mortgage debentures stamped up to a limit of $42,614 over the fixed and floating assets of subsidiary companies, guarantee and postponement of claims from a related company, and assignment of fire insurance policies over property and equipment to the bank.

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

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

Jamaica: A registered first demand debenture providing a fixed and floating charge over assets stamped for $116 with power to up-stamp and assignment of fire and perils insurance over business assets.

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

	2013	2012
No exposure	**179,859**	174,770
Less than 1 year	**22,464**	23,478
1 – 5 years	**6,547**	1,975
	208,870	200,223

The fair value of the Group's fixed rate borrowings was $128,849 at the year end.

(Expressed in thousands of Barbados Dollars)

11. Borrowings... continued

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

	2013	2012
Barbados dollar	88,956	72,907
East Caribbean dollar	82,748	63,297
Jamaica dollar	172	340
US dollar	36,994	63,679
	208,870	200,223

12. Trade and other payables

	2013	2012
Trade payables	55,547	54,364
Accrued liabilities	60,313	56,410
	115,860	110,774

13. Insurance contracts

	2013	2012
Provision for losses and loss adjustment expenses	2,011	1,796
Unearned premiums	8,722	9,236
	10,733	11,032

Notes to the Consolidated Financial Statements

September 30, 2013

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14. Property, plant and equipment

	Freehold land and buildings	Construction in progress	Leasehold buildings	General equipment	Total
At September 30, 2011					
Cost or valuation	268,244	8,066	38,340	267,493	582,143
Accumulated depreciation	(24,745)	–	(21,736)	(191,295)	(237,776)
Net book amount	243,499	8,066	16,604	76,198	344,367
Year ended September 30, 2012					
Opening net book amount	243,499	8,066	16,604	76,198	344,367
Exchange differences	(176)	–	(207)	(415)	(798)
Additions	4,416	10,883	574	22,713	38,586
Disposals	(24)	–	(112)	(6,367)	(6,503)
Reclassifications	(4,060)	–	3,560	500	–
Hyperinflationary revaluation	–	–	348	351	699
Depreciation charge (note 24)	(2,365)	–	(2,147)	(18,610)	(23,122)
Revaluation deficit	(1,585)	–	–	–	(1,585)
Transfer from investment property (note 15)	6,183	–	–	–	6,183
Closing net book amount	245,888	18,949	18,620	74,370	357,827
At September 30, 2012					
Cost or valuation	247,810	18,949	48,080	273,551	588,390
Accumulated depreciation	(1,922)	–	(29,460)	(199,181)	(230,563)
Net book amount	245,888	18,949	18,620	74,370	357,827
Year ended September 30, 2013					
Opening net book amount	245,888	18,949	18,620	74,370	357,827
Exchange differences	(140)	–	(924)	(953)	(2,017)
Additions	5,744	7,560	1,555	16,412	31,271
Disposals	(3,097)	–	(2)	(5,432)	(8,531)
Reclassifications	26,543	(26,509)	–	(34)	–
Hyperinflationary revaluation	–	–	817	898	1,715
Depreciation charge (note 24)	(3,000)	–	(2,440)	(18,029)	(23,469)
Subsidiary disposed of during year	–	–	(4)	(18)	(22)
Revaluation surplus	290	–	–	–	290
Transfer to investment property (note 15)	(3,509)	–	–	–	(3,509)
Closing net book amount	268,719	–	17,622	67,214	353,555
At September 30, 2013					
Cost or valuation	283,186	–	45,736	280,460	609,382
Accumulated depreciation	(14,467)	–	(28,114)	(213,246)	(255,827)
Net book amount	268,719	–	17,622	67,214	353,555

(Expressed in thousands of Barbados Dollars)

14. Property, plant and equipment... continued

Independent valuations of the Group's freehold land and buildings situated in Barbados, St. Lucia, St. Vincent, Antigua, Grenada, Cayman Islands, Uruguay and Guatemala were performed by valuers in those countries as at September 30, 2012. The valuations which conform to International Valuation Standards, were determined by reference to the income capitalisation, market based and depreciated replacement cost methods. The most significant inputs into these valuation models are rental income generated and the capitalisation rate, comparable sales, and the substitution cost of the asset and depreciation factor applied respectively. The net revaluation deficit was debited to other comprehensive income and is shown in revaluation surplus in equity. Where decreases in the carrying amounts were greater than the amount in the revaluation surplus, the deficit was debited to other (losses)/gains – net in the consolidated statement of income.

Depreciation expense of $5,554 (2012 – $5,852) and $17,915 (2012 – $17,270) respectively has been included in cost of sales and selling, marketing and administrative expenses.

Operating lease rental expenses amounting to $3,989 (2012 – $3,671) have been included in selling, marketing and administrative expenses.

Land and buildings up to a total value of $108,210 (2012 – $92,129) have been provided as security for various bank borrowings.

During the year, the Group capitalised borrowing costs amounting to $742 (2012 – $717) on qualifying assets. Borrowing costs were capitalised at the rate of 7.5% (2012 – 7.5%).

15. Investment property

	2013	2012
Balance – beginning of year	**13,496**	19,372
Transfer from/(to) property, plant and equipment (note 14)	**3,509**	(6,183)
Fair value gains on revaluation of investment property (note 25)	**24**	307
Balance – end of year	**17,029**	13,496

The Group's investment properties are situated in Barbados, Cayman Islands and Guatemala. These were revalued as of September 30, 2013 by independent professional real estate valuers in those countries. Valuations were performed based on an income capitalisation approach.

Rental income from investment properties amounted to $1,597 (2012 – $1,736) and direct operating expenses totalled $121 (2012 – $150) for the year.

(Expressed in thousands of Barbados Dollars)

16. Intangible assets

	Goodwill	Trade names	Customer relationships	Supplier relationships	Total
At September 30, 2011					
Cost	34,056	15,560	9,887	1,195	60,698
Accumulated amortisation and impairment	(14,475)	(2,543)	(2,033)	(1,076)	(20,127)
Net book amount	19,581	13,017	7,854	119	40,571
Year ended September 30, 2012					
Opening net book amount	19,581	13,017	7,854	119	40,571
Acquisition of subsidiary company	–	694	9,221	–	9,915
Impairment of intangible assets	(3,683)	–	–	–	(3,683)
Amortisation charge	–	(694)	(1,283)	(11)	(1,988)
Closing net book amount	15,898	13,017	15,792	108	44,815
At September 30, 2012					
Cost	34,056	16,254	19,108	1,195	70,613
Accumulated amortisation and impairment	(18,158)	(3,237)	(3,316)	(1,087)	(25,798)
Net book amount	15,898	13,017	15,792	108	44,815
Year ended September 30, 2013					
Opening net book amount	15,898	13,017	15,792	108	44,815
Impairment of intangible assets	(1,088)	–	–	–	(1,088)
Amortisation charge	–	(676)	(1,259)	(11)	(1,946)
Closing net book amount	**14,810**	**12,341**	**14,533**	**97**	**41,781**
At September 30, 2013					
Cost	33,567	16,254	19,108	162	69,091
Accumulated amortisation and impairment	(18,757)	(3,913)	(4,575)	(65)	(27,310)
Net book amount	**14,810**	**12,341**	**14,533**	**97**	**41,781**

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	Balance end of year
Import, distribution and marketing	13,685	(1,088)	12,597
Manufacturing and services	1,243	–	1,243
Catering and ground handling	970	–	970
	15,898	(1,088)	14,810

(Expressed in thousands of Barbados Dollars)

16. Intangible assets... continued

The recoverable amount of a cash generating unit is determined based on its value-in-use calculations. These calculations use pre-tax cash flow projections prepared by management for the next five years. During the year the carrying amount of one cash generating unit within the import, distribution and marketing segment was reduced to its estimated recoverable amount through recognition of an impairment loss of $1,088 in respect of goodwill to reflect declining performances. This loss has been included in other (losses)/gains – 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.

	2013	
	Discount factor	Residual growth rate
Import, distribution and marketing	10.6% - 15.7%	2%
Manufacturing and services	14%	2%

17. Investments in associated companies

	2013	2012
Original cost of investments	**41,010**	40,754
Increase in equity value over cost from acquisition to end of previous year	**27,687**	29,898
	68,697	70,652
Investments and loans made during the year	**–**	557
Exchange differences	**(653)**	(301)
Share of net income less dividends received for the year (see below)	**7,318**	3,119
Reserve movements (note 22)	**(358)**	(5,330)
	75,004	68,697

Share of net income less dividends received for the year is made up as follows:

	2013	2012
Share of income before taxation	**12,647**	10,764
Taxation	**(2,845)**	(2,898)
Share of net income	**9,802**	7,866
Dividends received (note 34)	**(2,484)**	(4,747)
As above	**7,318**	3,119

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17. Investments in associated companies... continued

The Group's share of the results of its associates, all of which are unlisted, and its share of the net assets are as follows:

	2013	2012
Assets	**226,985**	204,810
Liabilities	**151,981**	136,113
Revenue	**125,977**	120,415
Net income	**9,802**	7,866

18. Financial investments

	2013	2012
Available-for-sale:		
Debt securities (listed)	**640**	699
Equity securities (listed)	**18,035**	17,928
Equity securities (unlisted)	**2,246**	983
	20,921	19,610
Less: Provision for impairment of financial investments	–	(50)
	20,921	19,560
Loans and receivables:		
Debt securities (unlisted)	**16,317**	16,257
Fixed deposits	**3,883**	4,558
	20,200	20,815
Total	**41,121**	40,375

Significant concentrations of financial investments are as follows:

	2013	2012
Debt securities and fixed deposits:		
Government of St. Lucia Bonds (unrated)	**3,388**	3,092
East Caribbean Financial Holding Co. – Bank of St. Lucia (unrated)	**2,407**	3,010
Grenada Co-Operative Bank Limited Fixed Deposit (unrated)	**1,937**	1,872
RBTT Fixed Deposit (unrated)	**741**	1,481
First Citizens Investment Services Ltd. (unrated)	**5,128**	4,898
EC Home Mortgage Bank Bonds (unrated)	**4,141**	4,014
Equity securities:		
Banks Holdings Limited (unrated)	**1,933**	1,933
CIBC FirstCaribbean International Bank (unrated)	**868**	1,350
OAM Asian Recovery Fund (unrated)	**4,497**	4,005
OAM European Value Fund (unrated)	**2,922**	2,508
Mutual Financial Services Inc. (unrated)	**1,318**	1,280
Sagicor Financial Corporation (unrated)	**767**	856

Debt securities carry fixed interest rates ranging from 1.5% to 5.75% (2012 – 1.5% to 7.25%) and maturity dates between 2013 and 2057 (2012 – 2012 and 2057).

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

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

Loans and receivables amounting to $5,548 (2012 – $4,156) were used as securities for the statutory deposits and motor insurance fund for the Group's insurance company.

(Expressed in thousands of Barbados Dollars)

19. Deferred income tax assets/(liabilities)

	2013	2012
Deferred income tax assets (net) – beginning of year	4,272	3,111
Disposal of subsidiary company	(360)	–
Deferred income tax release (note 28)	1,905	1,124
Exchange adjustment	(22)	37
Deferred income tax assets (net) – end of year	5,795	4,272
Represented by:		
Deferred income tax assets	9,558	8,285
Deferred income tax liabilities	(3,763)	(4,013)
	5,795	4,272

The deferred income tax assets consist of the following components:

	2013	2012
Delayed tax depreciation	21,322	17,403
Taxed provisions	4,374	2,668
Pension plan assets net of liabilities	(2,708)	(2,681)
Unutilised tax losses	25,290	25,745
Other	933	256
	49,211	43,391
Deferred income tax assets at applicable corporation tax rates	9,558	8,285

The deferred income tax liabilities consist of the following components:

	2013	2012
Accelerated tax depreciation	(16,956)	(16,532)
Taxed provisions	77	77
Pension plan assets net of liabilities	(1,619)	(1,502)
Unutilised tax losses	1,832	2,486
Other	234	(624)
	(16,432)	(16,095)
Deferred income tax liabilities at applicable corporation tax rates	(3,763)	(4,013)

	2013	2012
Deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	6,964	6,592
Deferred income tax assets to be recovered within 12 months	2,594	1,693
	9,558	8,285

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(Expressed in thousands of Barbados Dollars)

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

	2013	2012
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after more than 12 months	(2,322)	(1,640)
Deferred income tax liabilities to be settled within 12 months	(1,441)	(2,373)
	(3,763)	(4,013)

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

	2013	2012
Delayed tax depreciation	276	246
Unutilised tax losses	13,320	14,147
Intangible assets	(8,635)	(9,254)
	4,961	5,139
Deferred income tax assets at applicable corporation tax rates	1,483	1,527

20. Pension plans

The Company and certain of its subsidiary companies operate defined benefit pension plans for their employees under segregated fund policies with Sagicor Life Inc. as well as with Morgan Stanley Private Wealth Management, a financial institution registered in the United States of America. Annual valuations of the pension plans are performed by independent actuaries and the companies' contributions are adjusted according to the actuaries' recommendations. The last full actuarial valuations of the plans were performed as of September 30, 2011. Interim actuarial valuations of the plans were performed as of September 30, 2013.

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

Pension plan assets

	2013	2012
Fair value of plan assets	93,159	87,503
Present value of funded obligations	(90,306)	(83,295)
	2,853	4,208
Amount not recognised because of limit placed on the economic value of surplus	156	(4)
Unrecognised actuarial losses	3,065	1,848
Net assets – end of year	6,074	6,052

Pension plan liabilities

	2013	2012
Fair value of plan assets	45,588	44,724
Present value of funded obligations	(48,788)	(46,517)
	(3,200)	(1,793)
Unrecognised actuarial losses/(gains)	1,453	(76)
Net liabilities – end of year	(1,747)	(1,869)

(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:

	2013	2012
Fair value of plan assets – beginning of year	132,227	135,577
Expected return on plan assets	9,918	10,302
Actuarial losses	(1,574)	(12,935)
Contributions – employer and employee	4,885	4,055
Benefits paid	(6,709)	(4,772)
Fair value of plan assets – end of year	138,747	132,227

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

	2013	2012
Present value of funded obligations – beginning of year	129,812	124,459
Current service cost	4,522	4,665
Interest cost	9,711	9,450
Actuarial losses/(gains)	1,758	(3,990)
Benefits paid	(6,709)	(4,772)
Present value of funded obligations – end of year	139,094	129,812

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

	2013	2012
Current service cost	2,882	2,946
Interest cost	9,711	9,450
Expected return on plan assets	(9,918)	(10,302)
Net actuarial losses/(gains) recognised in the year	425	(434)
Net amount recognised in the consolidated statement of income	3,100	1,660
Actual return on plan assets	6,779	(2,687)

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

	2013	2012
Net asset – beginning of year	4,183	3,506
Net expense recognised in the consolidated statement of income	(3,100)	(1,660)
Contributions paid	3,244	2,337
Net asset – end of year	4,327	4,183

Principal actuarial assumptions used for accounting purposes were as follows:

	2013	2012
Discount rate	7.0% - 7.8%	7.0% - 7.8%
Expected return on plan assets	7.0% - 7.8%	7.0% - 8.0%
Future promotional salary increases	3.0% - 4.5%	3.0% - 4.5%
Future inflationary salary increases	3.0% - 3.8%	3.0% - 3.8%
Future pension increases	1.5% - 3.8%	1.5% - 3.8%
Proportion of employees opting for early retirement	0.0%	0.0%
Future changes in NIS ceiling	1.5% - 4.5%	1.5% - 3.8%
Mortality	UPM94	GAM94

(Expressed in thousands of Barbados Dollars)

20. Pension plans... continued

Amounts for the current and previous periods are as follows:

Pension plan assets

	2013	2012	2011	2010	2009
Fair value of plan assets	**93,159**	87,503	93,907	86,700	82,459
Present value of funded obligations	**(90,306)**	(83,295)	(83,489)	(73,108)	(72,035)
Surplus	**2,853**	4,208	10,418	13,592	10,424
Experience adjustments on plan liabilities – gains	**(3,655)**	(2,712)	(806)	(3,034)	(3,819)
Experience adjustments on plan assets – losses	**(1,095)**	(8,902)	(1,711)	(372)	(10,890)

Pension plan liabilities

	2013	2012	2011	2010	2009
Fair value of plan assets	**45,588**	44,724	41,670	39,359	36,280
Present value of funded obligations	**(48,788)**	(46,517)	(40,970)	(37,277)	(35,850)
(Deficit)/Surplus	**(3,200)**	(1,793)	700	2,082	430
Experience adjustments on plan liabilities – gains	**(1,413)**	(1,249)	(1,252)	(2,032)	(1,028)
Experience adjustments on plan assets – losses	**(479)**	(4,033)	(973)	(257)	(4,621)

Plan assets are comprised as follows:

	2013	2012
Bonds Fund	**8.2%**	8.7%
Equity Fund	**70.1%**	70.1%
Balanced Fund	**21.9%**	21.3%
Other	**(0.2)%**	(0.1)%
Total	**100.0%**	100.0%

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

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

Expected contributions to the defined benefit pension plans for the year ending September 30, 2014 are $3,290.

The Group also operates defined contribution plans for eligible employees. Pension costs for the year in respect of the defined contribution plans amounted to $3,121 (2012 – $2,098).

(Expressed in thousands of Barbados Dollars)

21. Share capital

Authorised

The Company is authorised to issue:

i) an unlimited number of one class of shares of no par value designated common shares.

ii) 960,000 of one class of shares of no par value designated preference shares.

Issued	2013	2012
Common shares	**44,557**	43,842

	2013		2012	
	Number of shares	$	Number of shares	$
Balance – beginning of year	**59,976,694**	**43,842**	59,877,643	43,337
Shares issued during the year – see (a) & (b)	**147,995**	**715**	99,051	505
Balance – end of year	**60,124,689**	**44,557**	59,976,694	43,842

Changes during the year were as follows:

a) In November 2012, employees of the Company and its Barbados subsidiary companies were offered shares in part payment of bonus payable in December 2012, as permitted by law. A total of 94,031 shares were issued at a price of $4.60 each. Subsequently, in May 2013, 48,964 shares were allotted under the Employee Share Purchase Scheme at $5.15 per share. These shares qualified for the 2013 interim dividend paid in August 2013.

b) During the year, 5,000 employee share options were exercised at a price of $6.04. 131,827 share options expired during the year (note 23).

Subsequent to year end 1,950,095 common shares were repurchased for an amount of $12,188.

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22. Other reserves

	Financial investments reserve	Revaluation surplus	Translation reserve	Share-based payments reserve	Statutory reserve	Total
Balance at October 1, 2011	1,644	112,300	(9,274)	1,226	2,332	108,228
Other comprehensive income/(loss):						
Unrealised gains on available-for-sale financial investments:						
– Group	1,318	–	–	–	–	1,318
Losses transferred to income on disposal of available-for-sale financial investments:						
– Group	107	–	–	–	–	107
– Associated companies (note 17)	34	–	–	–	–	34
Transfer to retained earnings	(415)	–	–	–	–	(415)
Currency translation differences	–	–	(614)	–	–	(614)
Hyperinflationary revaluations	–	729	–	–	–	729
Share of revaluation surplus:						
– Group	–	2,947	–	–	–	2,947
– Associated companies (note 17)	–	(5,364)	–	–	–	(5,364)
Other comprehensive income/(loss) for the year	1,044	(1,688)	(614)	–	–	(1,258)
Value of employee services:						
– Other share-based plans	–	–	–	110	–	110
Balance at September 30, 2012	2,688	110,612	(9,888)	1,336	2,332	107,080

(Expressed in thousands of Barbados Dollars)

22. Other reserves... continued

	Financial investments reserve	Revaluation surplus	Translation reserve	Share-based payments reserve	Statutory reserve	Total
Balance at October 1, 2012	2,688	110,612	(9,888)	1,336	2,332	107,080
Other comprehensive income/(loss):						
Unrealised gains on available-for-sale financial investments:						
– Group	1,346	–	–	–	–	1,346
– Associated companies (note 17)	(448)	–	–	–	–	(448)
(Gains)/losses transferred to income on disposal of available-for-sale financial investments:						
– Group	(138)	–	–	–	–	(138)
– Associated companies (note 17)	140	–	–	–	–	140
Impairment of financial investments	195	–	–	–	–	195
Currency translation differences	–	–	(3,739)	–	–	(3,739)
Hyperinflationary revaluations	–	2,540	–	–	–	2,540
Share of revaluation surplus:						
– Group	–	(1,497)	–	–	–	(1,497)
– Associated companies (note 17)	–	(50)	–	–	–	(50)
Revaluation on acquisition of non-controlling interest	–	(4,623)	–	–	–	(4,623)
Other comprehensive income/(loss) for the year	1,095	(3,630)	(3,739)	–	–	(6,274)
Value of employee services:						
– Other share-based plans	–	–	–	93	–	93
Balance at September 30, 2013	**3,783**	**106,982**	**(13,627)**	**1,429**	**2,332**	**100,899**

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:

	2013		2012	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding – beginning of year	188,637	6.301	233,537	6.257
Granted	22,727	5.500	1,667	6.000
Exercised	(5,000)	6.040	–	–
Expired	(131,827)	6.200	(46,567)	6.070
Outstanding – end of year	74,537	6.252	188,637	6.301

Terms of the options outstanding at September 30:

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

	Exercise price $	Number 2013	Number 2012
Expiry date			
October 1, 2012	6.20	–	131,827
October 1, 2013	7.72	16,917	16,917
October 1, 2014	6.04	29,836	34,836
October 1, 2015	5.90	3,390	3,390
October 1, 2016	6.00	1,667	1,667
October 1, 2017	5.50	22,727	–
		74,537	188,637

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 (2012 – $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 15% (2012 – 15%), an average option life of 4.5 years (2012 – 4.5 years) and an annual risk-free interest rate of 6% (2012 – 6%).

24. Expenses by nature

	2013	2012
Depreciation (note 14)	23,469	23,122
Employee benefits expense (note 26)	186,141	180,010
Changes in inventories of finished goods and work in progress	(7,180)	12,189
Raw materials and consumables used	573,971	599,966
Transportation	2,359	2,580
Advertising costs	13,338	12,091
Provision for impairment of receivables	2,131	3,577
Other expenses	123,796	116,972
Total cost of sales and selling, marketing and administrative expenses	918,025	950,507

(Expressed in thousands of Barbados Dollars)

24. Expenses by nature... continued

	2013	2012
Cost of sales	**605,364**	647,509
Selling and marketing expenses	**69,276**	72,860
Administrative expenses	**243,385**	230,138
	312,661	302,998
	918,025	950,507

25. Other (losses)/gains – net

	2013	2012
Gain/(loss) on disposal of financial investments	**186**	(104)
(Loss)/gain on disposal of property, plant and equipment	**(68)**	883
Interest income	**1,611**	1,767
Rental income	**3,375**	3,453
Dividends from other companies	**328**	337
Amortisation charge (note 16)	**(1,946)**	(1,988)
Impairment of intangible assets (note 16)	**(1,088)**	(3,683)
Loss arising on disposal of subsidiary companies	**(40)**	–
Impairment of financial investments (note 18)	**(195)**	(50)
Fair value gains on revaluation of investment property (note 15)	**24**	307
Loss on revaluation of freehold land and buildings	**–**	(514)
Gain on wind-up of pension plan	**24**	66
Hyperinflationary adjustment	**(4,443)**	(2,114)
	(2,232)	(1,640)

26. Employee benefits expense

	2013	2012
Salaries and other employee benefits	**186,048**	179,900
Share-based payments	**93**	110
	186,141	180,010

27. Finance costs

	2013	2012
Interest expense:		
Bank borrowings	**7,788**	8,069
Dividend on redeemable preference shares	**2,108**	2,108
Other borrowings	**2,745**	2,216
	12,641	12,393

(Expressed in thousands of Barbados Dollars)

28. Taxation

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

	2013	2012
Current income tax	11,530	13,829
Deferred income tax (note 19)	(1,905)	(1,124)
	9,625	12,705

The Group's effective tax rate of 22.1% (2012 – 27.2%) differs from the statutory Barbados tax rate of 25% (2012 – 25%) as follows:

	2013	2012
Income before taxation	43,613	46,619
Taxation calculated at 25% (2012 – 25%)	10,903	11,655
Effect of different tax rates in other countries	(292)	605
Tax effect of different tax rates on deferred tax assets and liabilities	86	39
Tax effect of associates' results reported net of taxes	(2,212)	(1,970)
Income not subject to taxation	(1,883)	(1,405)
Expenses not deductible for tax purposes	4,612	4,424
Taxation allowances	(1,853)	(1,226)
Decrease in deferred tax assets not recognised	(71)	(300)
Amounts (over)/under provided in prior years	(332)	350
Amounts over provided in current year	63	190
Irrecoverable tax on foreign income	292	236
Tax effect of change in tax rate	231	(19)
Effect of losses utilised	60	126
Effect of losses expired	21	–
	9,625	12,705

(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
2005	13	2014
2006	1,944	2015
2007	36	2016
2008	209	2014
2008	945	2017
2009	1,154	2015
2009	6,528	2018
2010	1,424	2016
2010	3,190	2019
2011	801	2014
2011	946	2017
2011	3,224	2020
2012	1,545	2015
2012	750	2018
2012	11,659	2021
2013	469	2016
2013	100	2018
2013	4,265	2019
2013	1,240	2022
	40,442	

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.

	2013	2012
Net income for the year attributable to equity holders of the Company	**21,135**	24,696
Weighted average number of common shares in issue (thousands)	**60,057**	59,935
Basic earnings per share	**35.2¢**	41.2¢

(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.

	2013	2012
Net income for the year attributable to equity holders of the Company	21,135	24,696
Dividend on redeemable preference shares	–	1,265
Net income used to determine diluted earnings per share	21,135	25,961
Weighted average number of common shares in issue (thousands)	60,057	59,935
Adjustments for share options (thousands)	79	189
Adjustments for convertible preference shares (thousands)	–	3,538
Weighted average redeemable number of common shares for diluted earnings per share	60,136	63,662
Diluted earnings per share	35.1¢	40.8¢

30. Dividends per share

The dividends paid in 2013 and 2012 were $10,215 ($0.11 per share final for 2012 and $0.06 per share interim for 2013) and $7,795 ($0.06 per share final for 2011 and $0.07 per share interim for 2012).

At the Directors' meeting of December 10, 2013, a final dividend in respect of the 2013 financial year of eight cents was declared. These financial statements do not reflect this dividend payable which will be accounted for in equity as an appropriation of retained earnings in the next financial year.

31. Contingent liabilities

a) Certain subsidiaries have bonds of $13,154 (2012 – $13,657) in favour of the Comptroller of Customs covering delivery of goods prior to payment of duty.

b) As of the consolidated balance sheet date, certain subsidiaries of the Company have been assessed and reassessed for income tax for income years 2001 through 2004 amounting to $2,619 including interest. Objections to these assessments have been lodged. The subsidiaries were also assessed additional taxes of $924 for income years 1998 through 2012 and are awaiting correspondence from the Inland Revenue Department.

32. Commitments

Capital commitments
Approvals for capital expenditure to be incurred over the next year, for which no provision has been made in these financial statements, amounted to $51,072 (2012 – $45,786) at the year-end date.

(Expressed in thousands of Barbados Dollars)

32. Commitments... continued

Lease commitments

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

	2013	2012
Not later than 1 year	**2,250**	2,159
Later than 1 year and no later than 5 years	**8,224**	7,534

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

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

	2013	2012
Not later than 1 year	**78**	253
Later than 1 year and no later than 5 years	**227**	1,023
	305	1,276

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

	2013	2012
Not later than 1 year	**48**	48
Later than 1 year and no later than 5 years	**190**	190
	238	238

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

	2013	2012
Not later than 1 year	**400**	400
Later than 1 year and no later than 5 years	**400**	800
	800	1,200

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

	2013	2012
Not later than 1 year	**920**	971
Later than 1 year and no later than 5 years	**1,802**	1,573
	2,722	2,544

(Expressed in thousands of Barbados Dollars)

33. Business combinations

Jonas Browne and Hubbard (Grenada) Ltd.
During 2013, 3,151 shares were purchased in Jonas Browne and Hubbard (Grenada) Ltd. at a cost of $57. This increased the shareholding from 51.92% to 52.13%

34. Related party transactions

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

	2013	2012
i) Sales of goods and services	**6,655**	6,256
ii) Purchases of goods and services	**669**	465
iii) Management fee income	**760**	754
iv) Insurance expense	**9**	5
v) Dividend income (note 17)	**2,484**	4,747

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

	2013	2012
Compensation		
Salaries and other short-term employee benefits	**6,951**	6,303
Share-based payments	**25**	21
	6,976	6,324

There were no loans to key management in 2013 and 2012.

35. Cash flows

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

	2013	2012
(Increase)/decrease in trade and other receivables	**(2,920)**	10,625
Decrease/(increase) in prepaid expenses	**1,385**	(1,586)
Increase in due by associated companies	**(324)**	(2,836)
Decrease in reinsurance assets	**318**	3,232
(Increase)/decrease in inventories	**(6,740)**	1,918
Increase in trade and other payables	**5,086**	505
Increase/(decrease) in due to associated companies	**233**	(86)
Decrease in insurance contracts	**(299)**	(3,120)
	(3,261)	8,652

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-fifth annual meeting of the shareholders of Goddard Enterprises Limited (the "Company") to be held on Friday, January 31, 2014 at 5.30 p.m. at the Errol Barrow Centre for Creative Imagination, The University of the West Indies, Cave Hill Campus, St. Michael (the "meeting") and is furnished in connection with the solicitation by the management of the Company of proxies for use at the meeting, or any adjournment thereof. It is expected that the solicitation will be primarily by mail. The cost of the solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

A shareholder who is entitled to vote at the meeting has the right by means of the enclosed form of proxy to appoint a person to represent him at the meeting and may do so by inserting the name of such person in the space indicated on the form. The completed proxy form must be returned to the Company no later than 4.00 p.m. on Thursday, January 30, 2014.

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 September 30, 2013, there were 60,124,689 common shares of the Company issued and outstanding.

PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT

The Consolidated Financial Statements of the Company for the year ended September 30, 2013 and the Auditor's Report thereon are included in the 2013 Annual Report.

ELECTION OF DIRECTORS

The Board of Directors of the Company currently comprises eight members. The number of directors to be elected at the 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	Non-Executive 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-fifth annual meeting in accordance with article 4.4 of the by-laws of the Company but being qualified, are eligible for re-election. Messrs. Herbert and Rogers were first elected to the Board at the seventy-third annual meeting of shareholders held on January 31, 2012 for a term of two years. Mr. Stephen T. Worme was last re-elected to the Board at the seventy-second annual meeting held on February 14, 2011 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.

Management Proxy Circular

Company No. 1330

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

APPOINTMENT OF AUDITOR

It is proposed to nominate the firm of PricewaterhouseCoopers SRL, the incumbent Auditor of the consolidated financial statements of the Company, as Auditor of the Company to hold office until the next annual meeting of shareholders.

DISCRETIONARY AUTHORITY

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

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

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

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

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

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

December 10, 2013

Kathy-Ann Scantlebury

Kathy-Ann L. Scantlebury
Corporate Secretary

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 75th annual meeting of the shareholders of the Company to be held on the 31st day of January, 2014 and at any adjournment or adjournments thereof in the same manner, to the same extent and with the same powers as if the undersigned were present at the said meeting or such adjournment or adjournments thereof.

. . . .
Name of Shareholder(s)

. . . .
Signature of Shareholder(s)

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

Notes

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

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

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

3. Proxy appointments are required to be deposited at the registered office of the Company no later than 4:00 p.m. on Thursday, the 30th day of January, 2014.

GODDARD ENTERPRISES LIMITED

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