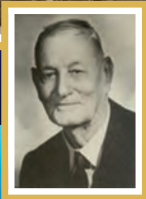
GODDARD ENTERPRISES LIMITED

1921 - 2021

100TH ANNIVERSARY

A TRADITION OF SERVICE SINCE 1921



Honouring the Past

Securing the Future

ANNUAL REPORT 2021

GODDARD ENTERPRISES LIMITED

GODDARD ENTERPRISES LIMITED
1921 - 2021
100TH ANNIVERSARY
A TRADITION OF SERVICE SINCE 1921

One Hundred Years of Service Excellence

1921–2021

From humble beginnings in a small meat and grocery store in Bridgetown, Barbados in 1921, to operations throughout the Caribbean, as well as in North, South and Central America in 2021. We are very grateful to everyone who has been a part of our success over these 100 years.

Mission Statement

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

"We celebrate the past to awaken the future."

John F. Kennedy

GODDARD ENTERPRISES LIMITED

Contents

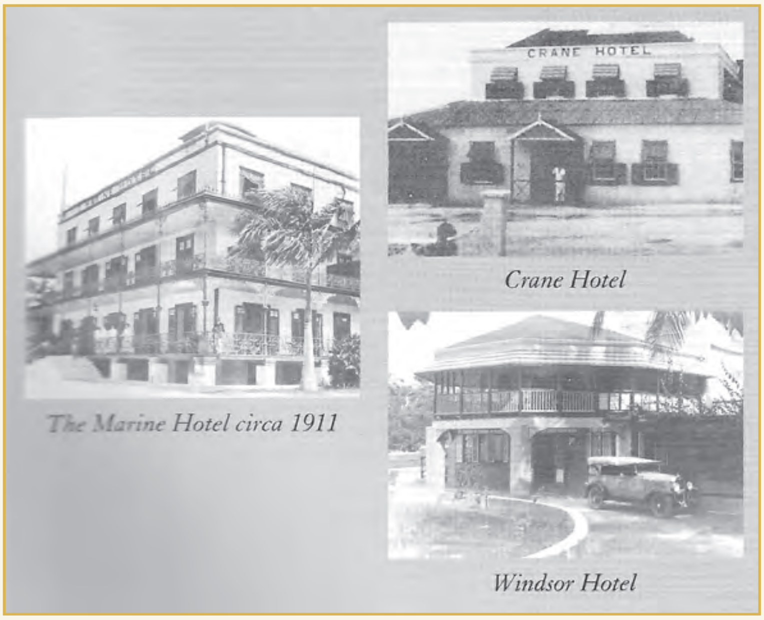
Goddards built a modern bakery in Collymore Rock.

The Old Barbados Rum Refinery.

Kensington Food Fair, one of the first modern supermarkets in Barbados.

The new Barbados Flight Kitchen at Seawell Airport in 1968.

Mr. & Mrs. Fred Goddard, pioneers in the development of catering for the airline business started the Flight Kitchen in the kitchen of the Crane Hotel.



J.N. Goddard and his sons bought three top of the line hotels after WW11 and renovated and modernised them in line with changing technology. The Marine Hotel, the Windsor Hotel and the Crane Hotel are shown here.

A new bottling plant was built at Kensington which bottled Goddard's rums as well as the Hanschell Inniss rum line.

Harrison's No. 1 Broad Street, which was in business since 1943, was restructured into a modern department store in 1985.

Goddards Shipping & Tours Ltd. (now Goddards Shipping (Barbados) Ltd. is another of the early Goddard operations and represented about 80% of the cruise ship business.

Honouring the Past...

The Ice House, the edifice of Goddard's early success,
and Mr. J. N. Goddard, founder of Goddard Enterprises Limited.

Securing the Future

Anthony H. Ali
Managing Director

Nicholas V. Mouttet
Chief Executive Officer – Manufacturing Division

C. Natasha Small
Chief Financial Officer

Paulo G. Gonçalves Teixeira
Chief Executive Officer – Catering & Ground Handling Division

Members of the Executive Management Team

Goddard Enterprises Limited 100th Anniversary Activities

The Goddard Enterprises Ltd (GEL) 100th Anniversary celebrations were designed to run for the 6 months around the actual date of the anniversary of October 13th 2021, so the plan was to celebrate from August 2021 to January 2022. Unfortunately, the onset of COVID-19 and its recent surges during this period of our celebrations have severely restricted many of the activities especially those which involved people getting together.

The Walk

The first event, was a walk entitled *"Retracing GEL's History – A Trek from Country to Town."* This walk was designed to commemorate the walk from St. John to Bridgetown which founder J.N. Goddard took over 100 years ago to sell his cow.

This was a staff event where employees of the various subsidiaries in Barbados were invited to join. The walk started at Sunbury Plantation in St. Philip and took the route along the old trainline. With all safety protocols being observed, they set off at 6 a.m., in small physically distanced groups, were all back by 9.00 a.m. and a good time was had by all.

One of the groups as they set off from Sunbury Plantation

Walkers crossing a field at Carmichael Plantation

GEL CEO Anthony Ali giving final directions to the teams just before setting off from Sunbury Plantation

Those present also learnt about the old trainline with the help of the Barbados Trailway Project, an initiative of the Future Centre Trust which will be constructing a walking/hiking/running trail along the old railway which ran from Bridgetown to Belleplaine from 1881 to 1937. A video of the walk has been posted on the company's website.

Parkinson Memorial School

Another major project for the 100th anniversary is the complete refurbishment of a building at the Parkinson Memorial Secondary School. The building had been condemned because its close proximity to the highway lead to noxious fumes in the classrooms and then a fire gutted parts of the structure.

An overview of the condemned building

GEL will be investing BDS$1 million and supervising the rebuilding and refurbishment, to convert the condemned building into a multi-disciplinary creative arts facility for the students. On completion, it is expected to have three state-of-the-art computer music labs, a graphic design studio and two demonstration theatres for the development of theatre arts. It is also expected to house a fully outfitted steel pan room.

Documentary

A documentary has also been produced to highlight the Company and give some insights into its beginnings but to also outline the plans from the Management Team as to where it is going. This documentary also resides on the Company's website.

Church Service

A church service to commemorate the 100th anniversary was held at the St. John's Parish Church to honour the parish and the district from which the founder came.

Only limited numbers could be accommodated at the church, but we were privileged to have members of the family including grandsons of the founder, Colin and Joseph Goddard, to take part in the ceremony, along with our present CEO/MD Anthony Ali and Chief Financial Officer Natasha Small, a limited number of staff from our subsidiaries and some corporate partners.

Colin Goddard (left) presents a donation to the church to the Rector Rev. Anthony Harewood

Anniversary Day Cake Cutting

On the actual day of the anniversary, all business units and subsidiaries were encouraged to get a cake and gather the staff to celebrate and cut and distribute an anniversary cake. Each staff member received a bookmark with highlights of the 100 years of the Company, a lapel pin and a letter from the Chairman and CEO.

At Ecuakao – the Guayaquil Sourcing Team

Head Office Team cutting the cake on October 13 2021

Cake cutting with the GCG Group in Trinidad

The Anniversary cake in St. Maarten

Staff toast at Hubbard's in Grenada

Cake Cutting in Jamaica

Entrepreneur Awards Competition

Since GEL started from humble beginnings, it was decided to give other small business persons an opportunity for a start in business, by offering them both seed money as well as advice and mentoring for their business, and therefore the Entrepreneur Awards Competition was born. Its main aim was to give entrepreneurs the resources (finances and mentorship time) to bring their ideas to fruition. Persons with a business idea got a chance to submit a proposal with a business plan for an opportunity to win, in the first instance US$5,000, then those ten finalists who got through to the next level would be able to win US$12,500 where the field will be narrowed to three. Those three will be vying to get the final prize of US$25,000 and the title of Goddard Enterprises 100th Anniversary Entrepreneur. Entries were welcomed from all 26 countries in which GEL operates. The programme will run for three years, giving participants time to develop their business before they are assessed to get to the next level.

Pensioners' Gifts

The Company's pensioners have not been left out. However, in view of the ongoing pandemic issues, we did not want to further expose this vulnerable group and so instead of a party, they have been given vouchers and gifts. On one of the collection days, they had the opportunity to get vaccinated, as arrangements were made to have a Vaccination Pop-up at the Hanschell Inniss Sales Centre for their convenience and for the public.

Sylvia Gay (left), a retiree after 13 years at McBride collecting her gift from Debbie Elcock, Manager, Payroll & Pensions Department, GEL.

Roaring Twenties Party

Another event that has been sidelined by the COVID-19 pandemic is the Roaring 20's themed Christmas Party. With gatherings restricted and to ensure the safety of all employees, we have deferred that celebration to sometime next year when this pandemic will allow us to properly celebrate the event with our full staff here in Barbados where it all started.

Time Capsule

The 100th Anniversary celebrations will climax in February 2022, with the burying of a time capsule which is to be opened in 25 years and will contain a number of items connected to the Anniversary celebrations as well as the current situation.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the EIGHTY-THIRD Annual Meeting of the shareholders of Goddard Enterprises Limited (the "Company") will be held virtually using the recognised meeting platform of LUMI at **https://web.lumiagm.com/423548271** on Friday, 28 January 2022 at 5:30 p.m. Atlantic Standard Time ("AST") for the following purposes:-

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

2. To receive Presentations from Management Executives of the Company on the Divisional Results for the Company for the year ended 30 September 2021.

3. To receive a Presentation from Mrs. C. Natasha Small, Chief Financial Officer of the Company, on the Overview of the Company's Financial Performance for the year ended 30 September 2021.

4. To receive and consider the Consolidated Financial Statements of the Company for the year ended 30 September 2021, together with the Reports of the Directors and the Auditor thereon.

5. To elect the following persons as directors of the Company to hold office until the close of the first annual meeting of the shareholders of the Company following their election in accordance with the Company's By-Laws:

   Dr. José S. López Alarcon, Ms. Laurie O. Condon, Ms. Marla R. K. Dukharan, Mr. Daniel W. Farmer, Mr. A. Charles Herbert, Mr. William P. Putnam and Mr. Ryle L. Weekes.

6. To re-appoint Ernst & Young Ltd, the incumbent Auditor, for the ensuing year and to authorise the Directors to fix its remuneration.

7. To consider and, if thought fit, to confirm the amendments made by the Directors of the Company on 6 December 2021 to the Company's By-Law No. 1 at paragraph 12.

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

   BE IT RESOLVED THAT:

   i) the current remuneration of the Non-Executive Directors of the Board of the Company be and is hereby increased, with effect from the close of the Meeting, commensurate with the total rate of inflation increase allotted to Executive Management of the Company for the years 2017-2021 inclusive (a 7.5% increase); and

   ii) on an ongoing basis, the remuneration of the Non-Executive Directors of the Board of the Company, as adjusted in accordance with (i) above, be increased annually commensurate with the rate of inflation increase allotted to Executive Management of the Company, with effect from the close of the Meeting.

9. To receive a Presentation from Mr. Anthony H. Ali, Managing Director of the Company, on the Strategic Outlook for the Company for 2022.

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

By Order of the Board of Directors

Kathryn Scantlebury

Corporate Secretary

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

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

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

6 December 2021

Shareholders are asked to NOTE the following:

FULLY VIRTUAL ANNUAL MEETING

Given the continuing COVID-19 pandemic, to ensure your safety, the eighty-third annual meeting of shareholders will be held virtually. Shareholders and their duly appointed proxy holders may attend the meeting and vote using a computer or other device connected to the internet. Shareholders will not be able to physically attend the meeting in person. On the day of the meeting, Shareholders are encouraged to log on to the meeting platform half an hour before the meeting commences and to use a high-speed internet connection. The Company will not be responsible for internet connectivity or device suitability issues experienced by Shareholders.

PRE-REGISTRATION FOR ATTENDANCE AT THE VIRTUAL ANNUAL MEETING

Shareholders who are desirous of attending the annual meeting, and participating thereat by voting or submitting questions, are required to pre-register for admission to the meeting by emailing us at gelinfo@thegelgroup.com. On successful completion of your registration, you will be provided with your login username and password from which you will be able to access the meeting. Registration opens on Monday, 10 January 2022. You are encouraged to register early. Registration closes at 4:30 p.m. AST on Wednesday, 26 January 2022.

PROXY APPOINTMENT

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. You are kindly asked to complete the proxy form, sign and date the form and either return it to the Company at Top Floor, The Goddard Building, Haggatt Hall, St. Michael, or email a signed copy of the form to gelinfo@thegelgroup.com, no later than 4:30 p.m. AST on Wednesday, 26 January 2022. The Chair of the meeting reserves the right to accept late proxies, where circumstances justify such action.

Once you have submitted your proxy form, you must take the additional step of registering your proxy holder so that the proxy holder can obtain login credentials to virtually attend, participate and vote at the meeting.

SUBMISSION OF QUESTIONS IN ADVANCE OF THE MEETING

Shareholders may submit questions in advance of the meeting via email to gelinfo@thegelgroup.com. Those frequently asked questions will be addressed upon receipt prior to the meeting, depending on the nature of the question, or alternatively, will be addressed at the meeting during the Chair's Opening Remarks or by either the Managing Director or the Chief Financial Officer in their presentations, as appropriate.

SUBMISSION OF QUESTIONS DURING THE VIRTUAL MEETING

Shareholders in attendance at the virtual meeting, may submit questions electronically during the meeting by typing them within the text box and clicking the 'send' button after selecting the messaging icon from within the navigation bar.

VOTING INSTRUCTIONS

Once the annual meeting has commenced, the Chair will indicate when voting has opened. The resolutions on which Shareholders will be asked to vote as well as the voting options will be displayed on the screen. In order to vote, select your direction from the voting options. A confirmation message will appear to confirm that your vote has been received. You may change your vote, by selecting another direction. You may cancel your vote, by selecting the 'cancel' direction.

Appendix A -

Text of Resolution

WHEREAS by virtue of section 103(4) of the Companies Act of Barbados, Chapter 308 of the Laws of Barbados, (the "Act"), a meeting of shareholders of a company may be held virtually.

AND WHEREAS the Board of Directors of the Company (the "Directors") deem it advisable to amend By- Law No. 1 of the Company so as to facilitate the convening of virtual shareholder meetings in accordance with the Act.

AND WHEREAS the Directors at their Board meeting held on 6 December 2021 resolved that By-Law No. 1 of the Company be amended with immediate effect as follows:

a) Paragraph 12.1 of By-Law No. 1 be amended by deleting paragraph 12.1 in its entirety and replacing it with the following:

"12.1 ANNUAL MEETING: Subject to the provisions of section 105 of the Act, the annual meeting of the Shareholders shall be held on such day in each year and at such time as the Board of Directors may by resolution determine, (i) virtually, (ii) at any place within Barbados or, (iii) if all the Shareholders entitled to vote at such meeting so agree, outside Barbados."

b) Paragraph 12.3 of By-Law No. 1 be amended by deleting paragraph 12.3 in its entirety and replacing it with the following:

"12.3 SPECIAL MEETINGS: Special meetings of the Shareholders may be convened by order of the Chair of the Board, the Deputy Chair of the Board, or by the Board of Directors at any date and time, (i) virtually, (ii) at any place within Barbados or, (iii) if all the Shareholders entitled to vote at such meeting so agree, outside Barbados."

c) By inserting a new Paragraph 12.12 as follows:

12.12 VIRTUAL SHAREHOLDER MEETINGS

VIRTUAL MEETINGS OF SHAREHOLDERS: Subject to the provisions of section 103 of the Act, and notwithstanding any other provisions of the By-Laws, any meeting of the Shareholders may be held virtually, facilitated by audio, video conferencing, screen sharing or webinars using recognised meeting platforms identified by the Company for that purpose.

12.12.1 The Chair of the Board may determine the procedures, arrangements and any special instructions required for the satisfactory conduct of a virtual meeting of Shareholders, including the notice of such meeting, attendance requirements as well as the etiquette guidelines and voting rules for such meeting.

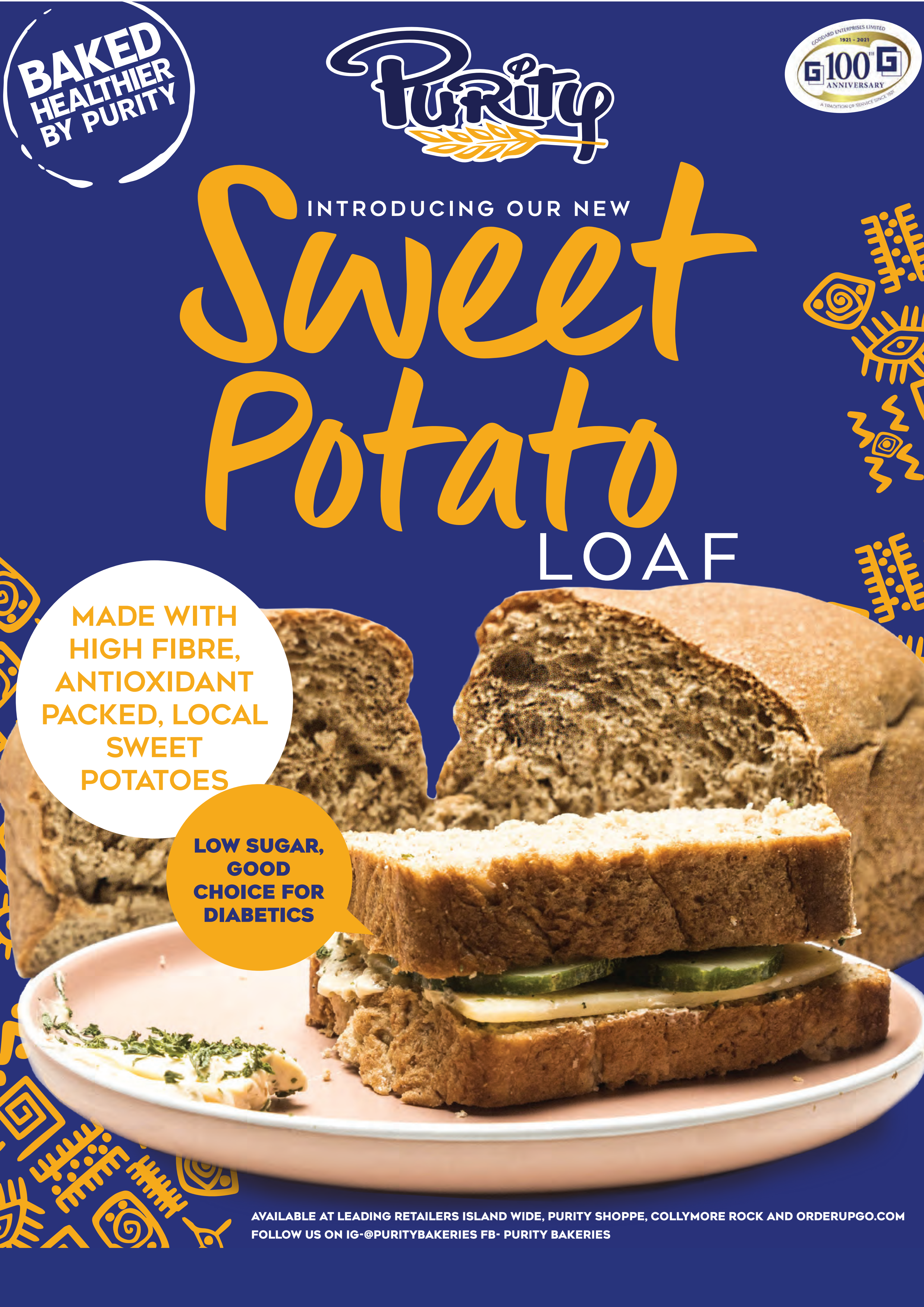
12.12.2 Subject to the provisions of section 127 of the Act and notwithstanding any other provisions of the By-Laws, Shareholders voting at virtual meetings of shareholders shall vote by means of the facility provided by the Company for that purpose."

AND WHEREAS section 61(2) of the Act provides that the directors of a Company must submit any amendment of a by-law of the company to the shareholders of the company at the next meeting of shareholders after the amendment of the by-law, and the shareholders may, by ordinary resolution, confirm, amend or reject the amendment.

BE IT THEREFORE RESOLVED AS FOLLOWS:

1) That the foregoing amendments to By-Law No.1 of the Company as approved by the Directors and outlined herein be and are hereby confirmed without amendment and incorporated into By-Law No.1 of the Company.

2) That any Directors and/or Officers of the Company be and are hereby authorised, and each acting alone, to do all that is necessary to give effect to the foregoing resolution.


BAKED HEALTHIER BY PURITY
Purity
GODDARD ENTERPRISES LIMITED
1921 - 2021
100TH
ANNIVERSARY
A TRADITION OF SERVICE SINCE 1921
INTRODUCING OUR NEW
Sweet Potato
LOAF
MADE WITH HIGH FIBRE, ANTIOXIDANT PACKED, LOCAL SWEET POTATOES
LOW SUGAR, GOOD CHOICE FOR DIABETICS
AVAILABLE AT LEADING RETAILERS ISLAND WIDE, PURITY SHOPPE, COLLYMORE ROCK AND ORDERUPGO.COM
FOLLOW US ON IG-@PURITYBAKERIES FB- PURITY BAKERIES

Corporate Information

Board of Directors		Date First Appointed/Elected
Mr. A. Charles Herbert, B.Sc. (Hons.)	– Chair	31 January 2012
Mr. William P. Putnam, B.Sc., M.B.A.	– Deputy Chair	31 January 2012
Mr. Anthony H. Ali, B.Sc. (Hons.), M.B.A.	– Managing Director	6 August 2013
Dr. José S. López Alarcon, Ph.D., D.B.A., M.B.A., M.S.	– Non-Executive Director	25 January 2019
Ms. Laurie O. Condon, B.A.	– Non-Executive Director	25 January 2019
Ms. Marla R. K. Dukharan, B.Sc., M.Sc., M.Phil	– Non-Executive Director	21 September 2020
Mr. Daniel W. Farmer	– Non-Executive Director	29 January 2021
Mr. J. Dereck Foster	– Non-Executive Director	31 January 2013
Mr. Ryle L. Weekes, CFA	– Non-Executive Director	29 January 2021

Executive Management

Mr. Anthony H. Ali, B.Sc. (Hons.), M.B.A.	– Managing Director
*Mr. Ian A. Alleyne, F.C.C.A.	– Divisional General Manager
**Mrs. Diana L. Pacheco Medina, J.D. (Hons), L.L.M., M.B.A.	– Chief People Officer
Mr. Nicholas V. Mouttet, B.Sc. (Hons.)	– Chief Executive Officer – Manufacturing
Mrs. C. Natasha Small, B.Sc. (Hons.), F.C.C.A.	– Chief Financial Officer
Mr. Paulo G. Gonçalves Teixeira	– Chief Executive Officer – Catering & Ground Handling

** Retired on 31 March 2021*
*** Resigned on 16 July 2021*

Governance Committee
Ms. Laurie O. Condon
Ms. Marla R. K. Dukharan
Mr. William P. Putnam

Audit & Risk Committee
Mr. William P. Putnam
Dr. José S. López Alarcon
Mr. Daniel W. Farmer
Mr. Ryle L. Weekes

Compensation & Human Resources Committee
Dr. José S. López Alarcon
Ms. Laurie O. Condon
Ms. Marla R. K. Dukharan

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

Auditor
Ernst & Young Ltd.

Attorneys-At-Law
Clarke Gittens Farmer

Bankers
CIBC FirstCaribbean International Bank
(Barbados) Limited

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

Financial Highlights

FOR THE YEARS ENDED 30 SEPTEMBER

(Expressed in Barbados Dollars)

	2021	2020	2019	2018	2017
Revenue – millions of dollars	**749.6**	826.1	868.3	805.9	748.1
Profit from operations before other gains/(losses) – net – millions of dollars	**16.3**	4.5	48.5	55.6	63.7
Profit from operations – millions of dollars	**25.6**	13.1	64.4	70.1	84.3
Income before taxation – millions of dollars	**29.2**	11.3	62.2	61.9	71.7
Earnings per share – cents	**10.0**	3.1	13.8	12.6	17.1
Dividends per share – cents	**3.0***	0.0	5.0	6.0	6.0
Dividend cover (times covered)	**3.3**	–	2.8	2.1	2.9
Net asset value per share – dollars	**2.53**	2.44	2.54	2.46	2.38
Closing share price on BSE** – dollars	**2.07**	2.40	3.27	4.12	2.75
After tax return on shareholders' equity	**4.1%**	1.2%	5.6%	5.3%	7.7%
Price/earnings ratio	**20.7**	77.4	23.7	32.7	16.1

* First interim dividend per share – 1.0 cent
Second interim dividend per share – 1.0 cent (note 31)
Third interim dividend per share – 1.0 cent (note 31)
Final dividend per share – to be declared

** Barbados Stock Exchange

Financial Highlights

SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – $MILLIONS

(Expressed in Barbados Dollars)

	2021 $	2020 $	2019 $	2018 $	2017 $
Trade receivables and prepaid expenses	**116.4**	100.3	110.3	121.0	98.2
Inventories	**162.9**	148.5	149.7	133.3	116.4
Other current assets	**110.1**	116.6	111.9	97.1	137.9
Total current assets	**389.4**	365.4	371.9	351.4	352.5
Less current liabilities	**(238.3)**	(230.4)	(234.5)	(234.2)	(207.7)
Working capital	**151.1**	135.0	137.4	117.2	144.8
Property, plant and equipment and investment property	**404.2**	404.7	402.1	395.5	343.0
Financial investments, intangible assets, right-of-use assets, investments in associated companies, due from associated companies, deferred income tax assets, pension plan assets and long-term receivables	**308.0**	301.0	292.0	296.7	260.2
	863.3	840.7	831.5	809.4	748.0
Represented by:					
Shareholders' equity	**576.9**	554.6	577.0	558.4	537.6
Non-controlling interests	**99.6**	100.1	105.5	110.7	108.6
Long-term liabilities	**182.9**	179.5	141.0	129.7	91.2
Deferred income tax liabilities	**3.3**	4.2	4.5	6.6	5.6
Pension plan liabilities	**0.6**	2.3	3.5	4.0	5.0
	863.3	840.7	831.5	809.4	748.0

Financial Highlights

SUMMARISED CONSOLIDATED STATEMENTS OF INCOME – $MILLIONS

(Expressed in Barbados Dollars)

	2021 $	2020 $	2019 $	2018 $	2017 $
Revenue	**749.6**	826.1	868.3	805.9	748.1
Income before taxation:					
Parent company and subsidiaries	**13.7**	0.1	52.3	58.6	74.0
Share of income from associated companies	**15.5**	11.2	9.9	3.3	(2.3)
	29.2	11.3	62.2	61.9	71.7
Taxation	**(7.1)**	(7.1)	(15.6)	(17.9)	(17.2)
Non-controlling interests	**0.6**	2.9	(15.3)	(15.4)	(15.8)
Net income for the year attributable to equity holders of the Company	**22.7**	7.1	31.3	28.6	38.7

Board of Directors

A. CHARLES HERBERT
CHAIR

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

Charles Herbert became Chair of the Goddard Group of Companies on 5 February 2013, following the retirement of Mr. Joseph N. Goddard. He served until his resignation on 7 August 2018. He was appointed Chair on 7 October 2019 on the resignation of Mr. William P. Putnam. Mr. Herbert spent 15 years of his professional career with The Barbados Mutual Life Assurance Society, now Sagicor Life Inc. ("Sagicor"). A Barbadian by birth, Mr. Herbert, a Barbados Exhibition Winner in 1974, achieved First Class Honours in his B.Sc. in Mathematics from the University of Edinburgh. He also holds a Diploma in Education from the University of the West Indies. Prior to joining Sagicor, and on his return to Barbados from Edinburgh, Mr. Herbert served his alma mater, Harrison College, as an Assistant Master. Following his sojourn at Sagicor, he joined the firm of Watson Wyatt Worldwide as a Consulting Actuary before establishing the Barbados Branch of Eckler Limited in 1996, later becoming its Principal until his retirement. Mr. Herbert has worked closely with the Barbados Employers' Confederation. He also worked with the Financial Services Commission, on the drafting and implementation of the new Pension legislation. He is a former Chairman of the Barbados Private Sector Association.

WILLIAM P. PUTNAM
DEPUTY CHAIR

DR. JOSÉ S. LÓPEZ ALARCON
NON-EXECUTIVE DIRECTOR

LAURIE O. CONDON
NON-EXECUTIVE DIRECTOR

MARLA R. K. DUKHARAN
NON-EXECUTIVE DIRECTOR

Board of Directors

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

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

ANTHONY H. ALI
MANAGING DIRECTOR

DANIEL W. FARMER
NON-EXECUTIVE DIRECTOR

J. DERECK FOSTER
NON-EXECUTIVE DIRECTOR

RYLE L. WEEKES
NON-EXECUTIVE DIRECTOR

KATHY-ANN L. SCANTLEBURY
CORPORATE SECRETARY

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

Directors' Report

Consolidated Financial Overview 2020/2021

The Board of Directors of Goddard Enterprises Limited ("GEL") is pleased to present the financial review for the year ended 30 September 2021.

2021 started much the same way 2020 ended – with the world in the grip of the COVID-19 pandemic. The global financial system has remained resilient through the ongoing economic disruption caused by further waves of the pandemic. In general, banks are well capitalised and liquid and financial markets are functioning. Financial distress among households and corporations has not been as widespread as initially feared. These positive factors reflect the substantial support provided to household and business incomes by Governments, central banks and regulators. The reforms following the 2008 financial crisis also enhanced the resilience of financial systems.

The economic impact of the pandemic remains a major risk to global financial stability. In the second half of the year, cases of the highly transmissible Delta variant of COVID-19 increased sharply and remain elevated in some economies. With COVID-19 widespread globally, there is a risk of vaccine-resistant or more virulent and transmissible mutations developing. Though the pandemic has somewhat loosened its stranglehold on the world, people around the globe and across nearly every industry continue to feel its impact. Despite the pandemic's persistent global threat, the world's economy is still managing to grow, with the emergence of new businesses and financial markets swelling to an all-time high with global Gross Domestic Product ("GDP") growth exceeding original expectations at 5.4% with China and the United States of America leading this growth.

In the Caribbean, periodic pandemic-induced disruptions hampered economic recovery especially in tourism dependent countries where vaccine rollouts have been slower than anticipated. Despite the pandemic's constant threat, some of our businesses continued to perform well. In particular, the Manufacturing and Building Supplies Divisions performed admirably, given the numerous "pauses" to business, the disruption caused by COVID-19 related labour issues and global supply chain challenges. The Catering and Ground Handling Division was the most significantly impacted, as international flights to the region were hampered by source market pandemic related disruptions. It was only in the last quarter of the fiscal year, that there was noticeable increase in airlift to the Caribbean region. The Automotive Division had a challenging year with car sales well below those forecasted as reduced discretionary spending capacity and economic uncertainty resulted in consumers being hesitant to commit to large expenses like new cars.

For the financial year ended 30 September 2021, the Group's revenue decreased by 9.3% over the prior year to $749.6 million. This resulted in a decrease in Gross Profit of $36.2 million or 2.7% when expressed as a percentage of sales and 11.7% below the prior year. The continuing COVID-19 pandemic had a significant impact on the Gross Profit particularly in the Catering Division. The airline business volume for 2021 averaged 30% of the pre-pandemic volume. The good news is that the airline volume increased during the last quarter of 2021 and this trend has continued into the 2022 fiscal period.

Our selling, marketing and administrative expenses were $262.0 million for 2021 compared with $310.8 million in 2020 representing a 15.7% decrease. This dramatic reduction was driven by cost-cutting initiatives undertaken across all Divisions to reduce costs in line with sales and gross profit and to preserve cash due to ongoing pressure because of the pandemic's impact on operations. The prolonged impact on operational performance within the Group forced staff layoffs during the lockdown period. Following the lockdown, such an impact continued to be felt and businesses had to be re-engineered to reflect the reality of reduced revenue. As in 2020, most of the re-engineering took place in the Catering Division which was the most affected in a post COVID-19 environment. Expense reductions were also seen in advertising and promotional expenses, travel and all discretionary spending which were put on hold for the reporting period.

Profit from operations in 2021 increased to $25.6 million compared with $13.1 million in 2020, representing an increase of 94.6%. This improvement was as a result of the cost containment efforts taken in 2020 coupled with improved performance in a number of the operating entities. During the 2021 fiscal year, there were one-time cost reductions due to restructuring. If we exclude these severance costs, then the Profit from operations would have been $26.8 million. The Profit from operations was again negatively affected by the results of the Catering, Automotive and Shipping Divisions. All other Divisions contributed positively to the overall operating profit during 2021. Other gains/(losses) – net increased by 7.4% from $8.7 million in 2020 to $9.3 million in 2021 and were in line with budgeted expectations.

Our share of Income of associated companies increased year on year by $4.4 million to $15.5 million in 2021 compared with $11.1 million in 2020. This was heavily influenced by our joint venture, Caribbean Distribution Partners Limited ("CDP"), which performed admirably despite the closure of retail groceries in some countries, reduced hours of operations beyond the closures and a significant decrease in hotel and restaurant business. CDP continued to perform exceptionally well in food and beverage distribution.

Managing Director's Outlook

The COVID-19 pandemic continues to be a theme dominating our economic and social outlook. During the 2021 year, we saw a fourth wave in certain countries and a new concerning variant. However, counterbalancing this there were new vaccines approved, high vaccination rates in developed countries and approval of vaccine boosters and vaccines for children over the age of 11 in many countries. All of this has loosened the stranglehold the pandemic will have on the world. This can be seen in the world's economy still managing to grow and the emergence of new businesses and financial markets swelling to all-time highs with forecasted GDP growth for 2022 expected to be 4.2%. At the same time, recovery in tourism-based countries is evident, with solid bookings being reported for the winter season.

Looking forward, our strategy has not changed. As we seek to emerge from the effects of the pandemic over the next year, our focus will be on three initiatives:

- Continued focus on cost reduction and cash management;
- Further development and growth in our Manufacturing and Building Supplies Divisions; and
- Diversification in the Catering Division to reduce the dependence on the airline catering business.

The Catering Division, specifically airline catering, is already seeing signs of recovery. During the year, we had success in the area of reducing the dependence on airline catering by growing our industrial catering and ground handling services and developing new services around airport operations and other services that can be offered to the airlines. We are also investing heavily in our Manufacturing Division to ensure that our products retain their reputation as leading brands, while introducing new products and growing our exports to ensure that we maintain market share with high quality goods.

The Company is in a strong cash position and continues to pursue its growth strategy that had been set before the onset of the pandemic.

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Mr. Nicholas Mouttet
Chief Executive Officer – Manufacturing

Manufacturing Division

The Manufacturing Division had a mixed year in 2021 with sales coming in below those of prior year due primarily to the challenges posed by the continued COVID-19 pandemic and the various measures taken by the Government of Barbados in terms of shutdowns and restrictions placed on the local market. Despite the lower sales levels however, and as a result of strong expense management and improved efficiencies at some of the manufacturing plants, the Division as a whole did improve its Net Income Before Tax position versus the prior year.

Ecuador Kakao Processing Proecuakao S.A. surpassed its prior year profit numbers, although on lower sales. This was achieved through a much-improved production performance, with increased output and yields and costs being kept under control. The team there has been able to extract full capacity from the plant. With strong sales trends, we are contemplating investing in increased capacity.

Caribbean Label Crafts Limited was another stellar performer, with both sales and profits improving over prior year. This was achieved through a remarkable sales effort, strong demand from regional spirits manufacturers and a committed team who worked long hours to meet the delivery deadlines. On the back of this, we have invested further in this business and are currently installing new production lines in both our Barbados and Jamaican plants. These will be online in the first quarter of the new financial year.

McBride (Caribbean) Limited experienced a depressed year with sales dropping well below prior year due entirely to a weaker turnover of disinfectants, as regional market demand for that product regularized in relation to the start of the COVID-19 pandemic. All other product categories performed well but this was not enough to offset the drop-off in disinfectant sales and as such Net Income fell versus prior year.

Purity Bakeries, a division of GEL, was one of our local companies that suffered most from the "national pause" and restrictions on the retail trade due to COVID-19 during the last twelve months. This was exacerbated by several work stoppages which impacted product availability and sales, placing downward pressure on our already poor profit performance. However, we have begun investing more in our plant to improve output, efficiency and quality, and in our sales and distribution department to ensure our products are always available.

Hipac Limited performed well this year despite the challenges previously mentioned and in particular the impact on our customers in the hotel and restaurant channels. While these channels were down drastically, we were able to surpass our prior year sales and profit numbers due to strong performances in most of our other product categories and sales channels. Rapidly increasing raw material prices did pose a huge challenge but strong expense management helped us achieve our targets. We have also recently approved a significant investment in the business to increase capacity and reduce costs and this will benefit us in the coming years.

Precision Packaging Inc. ("Precision") was the company most impacted by skyrocketing raw material costs, with resin prices more than doubling over the review year. This, combined with freight and energy increases and weakened demand for traditional resin-based packaging, placed downward pressure on sales and profits. While Precision has diversified into compostable packaging, sales of this product have not been as expected.

Mr. Nicholas Mackie
Divisional General Manager – Automotive Division

Automotive Division

During the year, the companies within this Division played critical roles in securing Electric Vehicle ("EV") product lines of Hyundai Kona and Nissan Leaf, which was a key highlight for the period. Significant reduction in operating expenses in order to preserve cash and weather the COVID-19 pandemic, the receipt by Tropical Battery of the origin manufacturing certification from the Caribbean Community and our appointment of the Dollar rental car franchise in Saint Lucia, were other key highlights for the Division for the fiscal year just ended. Additionally, the Hertz operation was re-opened in Guyana with steady reservations returning.

The Division was well poised for recovery in 2021 and started the year in a strong position with robust sales, a much-improved balance sheet with cash and available loan facilities to capitalize on any opportunities. Unfortunately, in March 2021, the mandatory COVID-19 lockdown in Barbados, followed by the eruption of the La Soufriére volcano in Saint Vincent and the Grenadines disrupted business, negatively affecting our results.

The Division's operations in Barbados represented a significant portion of our revenue loss and the national lockdown was the main cause of our 22% decline in revenues in 2021. The operations in Guyana were temporarily suspended as political uncertainty and the curtailment of activity in the emerging oil and gas sector presented challenges. In Jamaica, the impact of non-movement days there was felt. Total industry volumes across the region fell by more than 25%. Tourism continued to be adversely affected as a result of COVID-19 and this impacted our car rental operations. New car sales and service appointments also declined significantly during this period.

The sale and installation of photovoltaic systems now represent 7% of the island's GDP and places Barbados as a leader in renewable energy technologies. The Division is now aligned with increasing electrification strategies and will continue to take advantage of the new EV models launched at year-end.

It has been a tough year. However, we have emerged with many lessons learnt, expenses reduced and new EV models ready to grow sales and profits via a leaner operation.

Our customer-focused strategies aimed at improving services and customer experience have significantly improved our Customer Service Index scores and profitability. The Division is well positioned to take advantage of market changes.


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Mr. Joel Providence
Divisional General Manager, Building Supplies Division

Building Supplies Division

The multi-faceted force of nature has caused convulsions within the economies of the Eastern Caribbean where we have companies in the Building Supplies sector.

There has been the continuing social and economic disruption occasioned by the COVID-19 pandemic, as well as agitations from the La Soufriére volcanic eruptions and its consequential ashfall. In addition, Hurricane Elsa caused us to experience major power outages, landslides, collapsed roofs and bridges as well as temporary store closures.

Despite all of this, the Division has been able to demonstrate considerable resilience and robustness.

While there had been a slow start to the financial year, for all companies, Home Depot, Terrific Tiles, Marshall Trading Limited, Coreas Hazells Inc. and Jonas Browne & Hubbard (Grenada) Limited, sales steadily climbed to satisfactory levels in the latter half of the financial year. At year-end, despite all of the challenges presented, profit exceeded that of the previous year by 16.7%. This was primarily due to the dedication of our 600 strong staff complement across the five companies, who increasingly embrace the programme to entrench our Corporate Values.

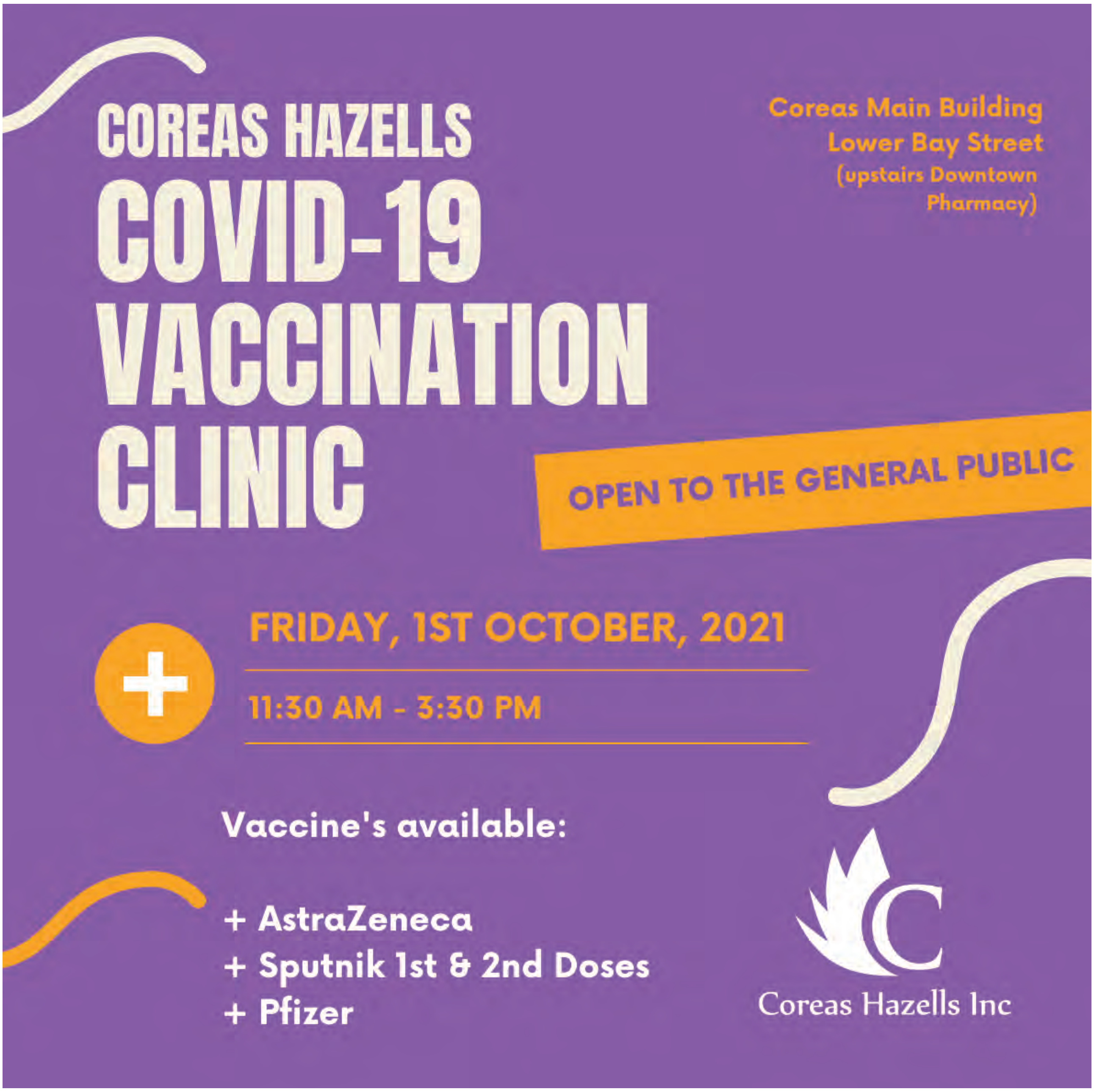
During the year, considerable focus was placed on integrating the operations of the Division by looking at joint procurement, marketing and inventory management. Improved procurement planning has particularly helped us to get ahead of the challenges arising from the serious disruptions in the supply chain experienced throughout 2021.

Our new retail and warehousing complex at Cane Garden in Barbados is now open. Work is well underway with the expansion and remodeling of the store at Grand Anse in Grenada. Our stores at Arnos Vale in Saint Vincent and the Grenadines, Bexon and Bridge Street in Saint Lucia and Six Roads in Barbados, some new and others refurbished, are doing well and have been attaining revenues higher than earlier projected.

Our web store programme is up and running. The programme's benefits should be seen in increased revenue, wider market reach, along with more targeted and measurable marketing. Work is also being done now to convert more of our customers into regular online shoppers.

In the year ahead, particular focus will be placed on organic growth, having already programmed major expansion work in all of our current markets. A major photovoltaic project at Terrific Tiles will also commence in earnest in 2022.

We will continue to pursue technology-driven solutions in order to improve efficiencies at all operational levels. These are to be sustained through the strengthening of the organizational structure by adding personnel at the Divisional level to focus on procurement, business development and innovative customer service techniques.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Mr. Marcus Joseph
Divisional General Manager – Services Division

Services Division

A major assumption made during the strategic planning phase of the just concluded financial year was that the worse of COVID-19 was behind us. In reality, during the intervening twelve months, we have had to manage a plethora of challenges brought upon us by COVID-19 and the volcanic eruption in Saint Vincent and the Grenadines. Some of the fall-out included supply chain disruption, increased cost of goods for resale and high absenteeism levels which affected our delivery of customer service.

The Division performed creditably with sales and profit before tax falling short of prior year by 1.4% and 5.4% respectively. Initiatives to contain costs resulted in expenses falling short of prior year by 2.3%. However, gross margins were reduced by 1% and as such contributed to the lower profits. The Group-wide drive to manage cost through its Zero-Based Budgeting approach continues to pay dividends.

Our General Insurance operations in Saint Lucia, Saint Vincent and the Grenadines and Grenada recorded profit before tax short of prior year, principally due to a higher loss ratio in the Motor portfolio and lower profit commissions.

The Pharmacy in Saint Lucia saw its profit before tax increase by 10.6% whilst in Saint Vincent and the Grenadines there was a slide by 57%. The period of shutdown following the volcanic eruption as well as relief aid led to sales falling well short of expectations.

With the disruption to commercial activity experienced over the last two years, it was important to move beyond just brick and mortar sales channels. Our valued patrons now have the option of purchasing online in Saint Lucia and Grenada and that option will be introduced in Saint Vincent and the Grenadines during the ensuing financial year.

The use of business analytics will be extended to assist in managing inventory and to enhance reporting. The ability to decipher trends will allow us to be more proactive in this changing environment. Additionally, our loyalty programmes will allow us to develop a customer database which would in turn facilitate more timely and effective communication with our customers.

Overall, the Division performed reasonably well in challenging circumstances. The focus in the ensuing year will be to improve our service delivery to customers while building shareholder value.

Mr. Wendell Beckles
Divisional General Manager – Shipping Division

Shipping Division

The newly created Shipping Division has been rebranded to a Global Supply Chain Solutions Network. Xpress Freight Services Inc., based in Miami, will serve as the gateway to other subsidiaries within the Division namely Coreas Hazells Inc. in Saint Vincent and the Grenadines, M & C Shipping Group in Saint Lucia, Jonas Browne & Hubbard (Grenada) Limited in Grenada and Sea Freight Agencies & Stevedoring Ltd and Goddards Shipping (Barbados) Limited, both in Barbados.

This transformation plan will also return the Division to a profitable position as we diversify the revenue base. The amortization of a significant intangible asset led to the losses recorded over the last three years. The result over the last year was also impacted by a slide in revenue year on year by 5.4%. The global shortage of empty containers continues to be a major impediment to improving cargo volumes. However, the operations in Saint Lucia and Grenada attained revenue growth and were profitable.

The Division will become sustainable moving from reliance on the external single category of the traditional 'shipping' business. The plan will grow profitability through the expansion of third-party logistics and procurement, while improving efficiencies and reducing risks.

The Division's plans encompass an expansion of market portfolios strategically geared at achieving the highest sustainable returns through the correct business mix. The Division is now poised to deliver a diverse portfolio of high value supply chain services included but not limited to:

- Air Freight (small packages, barrels & box containers)
- Bonded Freight
- Cargo Consolidation & Distribution Services
- Crating Services
- Customs Brokerage
- Container Loads (full and less than full)
- Global Intermodal & Inland Freight Solutions
- Last Mile Logistics
- Port Agency and Husbandry Services
- Refrigerated Freight
- Third-Party Logistics
- Warehousing, Distribution & Inventory Management.

Additionally, we anticipate that significant market expansion will occur in 2022 within the Division's traditional markets of Barbados, Saint Lucia, Saint Vincent and the Grenadines and Trinidad and Tobago while activating new markets including Guyana and Jamaica. Moreover, this strategic approach will also serve to mitigate the business risk as a result of the proposed cancellations of private sector stevedoring contracts in Barbados.

Looking ahead, the Division is well positioned to take advantage of the current global supply chain disruption. The primary goal for 2022 is to improve efficiency and significantly reduce the losses through effective marketing of the global supply chain solutions within the Caribbean and Latin America while focusing on people, service and profit.

Mr. Paulo Teixeira
Chief Executive Officer, Catering and Ground Handling Division

Catering and Ground Handling Division

The Goddard Catering Group ("GCG"), which consists of Airline and Industrial Catering as well as Ground Handling businesses, continued to experience the impact of COVID-19. In the last fiscal quarter, the Division recorded revenue increases indicative that recovery was taking place. The month of September alone showed a 78% revenue improvement over prior year.

The GCG Group is comprised of thirty-six operations in twenty-one countries across the Caribbean and Latin America and serviced over 50,000 flights and produced over 11,000,000 meals during the year in review. Our team of over 3,000 dedicated staff made this possible.

The Airline Catering operations were the hardest hit by the pandemic. We therefore focused on cost containment and diversifying revenue streams. The diversification strategy has led to the review of opportunities which complement our existing business and further position us to execute key strategic initiatives. Focusing on the premise of 'using what we already have', the company capitalized on its Hazzard Analysis Critical Control Point ("HACCP") and Safe to Work ("STOW") certified facility in Trinidad and Tobago and its staff to repurpose into a food manufacturing business. The Trinidad and Tobago operations launched a retail line of frozen foods under the Ice House brand. The initial product range launched in the Trinidadian market includes cubed and chopped pumpkin, sweet potatoes, carrots, dasheen and beans.

Our Ground Handling operations were also impacted by COVID-19, but ended the year with two of its five locations showing total year profit, while a third facility returned to profitability in the last quarter. In consideration of the diversification strategy, this segment is continuing to expand in related areas, including security, cargo and cleaning services.

Revenue from the Industrial Catering operations increased over prior year by 10%. Once again, Uruguay led the way in total year performance as the COVID-19 impact was limited to industrial sites compared with the airline sector. Strong performances were also noted in Trinidad and Tobago, Curacao, Honduras and Aruba. Continuing the diversification strategy, this segment signed new contracts in the fiscal year 2021 for vending and for catering to hospitals and government agencies.

The GCG Group's retail portfolio continues to grow and is considered a key part of our diversification strategy. GCG Curacao Events showed us the possibilities this sector offers, as results increased by over 200% compared with prior year. The results for the first year of operation of the Zulu Express concept in Guatemala maintained our confidence in this business segment. We look forward to this continued growth in Saint Maarten, El Salvador and Aruba, along with other locations.

Overall bad debt provisions and related adjustments as well as severance costs combined to produce a net operating loss for the Division for the 2020-2021 financial year. However, improved results were evident during the final quarter of the year and this positive trend is forecasted for the current fiscal year. Our focus remains on the recovery and continued development of a strong GCG brand, with diversification a key tool to our continued growth and success.

The GCG Group thanks its Staff, Management and Partners for their dedicated support during the financial year just gone and looks forward to the coming year with excitement and anticipation as we welcome back returning customers and embrace new ones.

ICE HOUSE

Ice House products on shelf at a Massy Store.

Ainsley Rajkumar placing Ice House products at the first location.

First delivery of Ice House products with Riaz, Tracey, Marsha and Adesh of the Trinidad team.

Ice House Roadshow at PriceSmart, Trinidad.

Honouring the Past...

The Ice House

GCG Group diversifies with its new retail line of frozen foods.

The impact of travel and safety restrictions due to COVID-19 has been a key reason the company has had to fast track diversification plans.

GCG Group Trinidad is pleased to announce the launch of its retail line of frozen foods, ICE HOUSE. Starting with frozen vegetables, the ICE HOUSE brand will build on the company's expertise in food catering and processing experience to create convenient, delicious, and affordable frozen meals. "We have diversified our catering business while leveraging our HACCP certified food manufacturing facility to create a frozen food product range for the retail channel", said Mr. Ainsley Rajkumar, General Manager of the South West Antillean Cluster. "We have a responsibility to ensure that our business is sustainable and we aim to buffer the potential negative impact on the global economy, especially as it relates to the livelihood of our staff", he added.

What was initially a project to minimize the risk of using knives offshore, in addition to more efficient use of manhours, quickly evolved into a production line of various prepped vegetables for use offshore as well as onshore at our facility. "This is a true testament of our core values of Innovation and Continuous Improvement at our company," said Mr. Jason Cox, Station Manager - Trinidad & Guyana.

The initial ICE HOUSE product range launched in the Trinidad market includes cubed pumpkins, sweet potatoes, carrots, chopped dasheen bush (taro leaves) and chopped bodi (long string beans). The company aims to have a prominent presence in the frozen food category with plans to launch other fully prepared frozen foods.

The dispatch team for Ice House deliveries.

Ms. Tracey Shuffler
Chief Executive Officer, CDP

CARIBBEAN DISTRIBUTION PARTNERS LIMITED

Caribbean Distribution Partners Limited ("CDP"), our fast-moving consumer goods ("FMCG") joint venture with Agostini's Limited, delivered an improved performance showing growth in revenues of $10.2 million resulting in sales of $667.3 million with an increase of 27.9% in profit before tax. Despite periodic constraints on consumer activity due to pandemic related protocols in several of our markets, our companies were able to deliver an improved net income after tax of $27.0 million, a 20.6% increase on prior year. This result is laudable and speaks to the resilience of our teams in continuing to navigate a strategic path to growth despite prevailing global conditions.

Hanschell Inniss Limited showed an improved performance in profit before tax on last year due mainly to very tight management of expenses as we continued to experience soft consumer demand in Barbados as the country struggled with very low arrivals through the traditional tourist season. The sales lift that would traditionally come with Crop Over festivities was absent again this year though there were some tentative indicators that the COVID-19 vaccine rollout was encouraging consumers to engage in additional activity during the summer. As we look forward to a period of improved economic activity driven mainly by tourism, we continue to be hopeful about a return to greater profitability as we expand our representation of significant international brands and the further development of our CDP owned brands including Eve, MOO! and Swiss. In the coming year, we look forward to supporting the drive toward lower costs and cleaner energy production with a planned photovoltaic project at our Fontabelle location.

Hand Arnold had another strong performance with revenue growth of $2.8 million, margin improvement driven by gains in their dairy portfolio while cutting operating expenses by an additional 5% on last year. While carbonated beverages have been under pressure during most of the pandemic period, we have seen volumes of Hand Arnold's Peardrax brand holding as several export markets have shown resilience which has buoyed sales. The rapid growth of Hand Arnold's Richport brand in Trinidad has allowed it to become a top seller in our portfolio and a household favourite in this market.

Vemco, a division of CDP Trinidad Limited ("Vemco"), had an excellent year, resulting in this company winning Agostini's Company of the Year Award amongst those companies whose revenues exceed $100 million. The company's premier brand, Swiss, continued to grow mainly in our expanding export markets which has helped Vemco earn much needed foreign exchange. We continue to experience restricted supply of United States dollars which are required for both raw material purchases and importation of international brands. We are happy to report that our partnership with Upfield, owners of the Blue Band brand of spreads, has led to the collaborative launch of peanut butter and mayonnaise under that brand. During the year, we undertook a restructuring of the pasta plant with a view to deepening the use of technology as we move toward greater efficiency. Early indicators show the benefits of this exercise beginning to accrue.

Our operation based in Saint Vincent and the Grenadines, Coreas Distribution Limited, had another milestone year breaking profit records. This, despite some significant pressures in that market occasioned by the eruption of the La Soufriére volcano, ongoing COVID-19 restrictions and an escalation of cases which impacted availability of staff at intervals. The resilience of our team in this territory has been remarkable under the circumstances and the team has been awarded Agostini's Company of the Year in the under $100 million category in recognition of its extraordinary effort and performance. During the year, we made progress on the new Distribution Centre at Diamond and look forward to expansion of our brand representation as we move into our larger facility in the second quarter.

Peter and Company Limited ("PCD") in Saint Lucia showed an improved result despite several weeks of no sales of liquor both at wholesale and retail levels. The national shutdown also impacted duty free sales and revenues usually derived from the hotels, restaurants and bars channels. Efforts to reduce costs were therefore ongoing based on the pressure on revenues with these efforts bearing some fruit in a marginally improved profit position. With the closure of our underperforming PCD Wines and Spirits outlet at Rodney Bay and the re-opening of our Vieux Fort location, our retail portfolio results have made marginal gains in this competitive landscape. Overall, the FMCG industry in Saint Lucia continues to be a challenging one plagued by a restrictive price control regime and a shallow labour pool in some commercial areas which have hampered growth in comparison with our operations in neighbouring islands.

Despite a marginal decrease in revenues, profitability improved in our operation in Grenada, Independence Agencies Limited, as we benefitted from cost containment measures while making every effort to expand our distribution reach, particularly in some of our CDP owned brands like Swiss and Eve which continue to flourish in this market. During the various periods of restricted restaurant and hotel business, we were able to draw greater walk-in trade to our retail outlet, CK's Super Valu. This has had a lasting impact on our now expanded customer base at CK's and feedback on our offering and service there has been encouraging. During the year we expanded into pharmaceutical distribution and this will be an area of growth into the future.

continued

Guyana continues to prove itself a growth market of extraordinary potential within the region. With a growth rate far outpacing the rest of the region, this market and its consumer demand have driven double digit growth in revenues at DeSinco Limited for three consecutive years. With prudent management, their profit before tax has grown by 20%. The labour market is beginning to show the effects of a high demand for skilled labour and management resources resulting in salaries and wages accelerating and pushing up operating costs. Despite this, we are keen to expand our operations with new international brands. We have been pleased with the acceptance of our Eve range of affordable, quality products in this country.


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Mr. Terry Scantlebury
Group ICT and Business Solutions Manager

Mr. Donald Joseph
IT Manager – Automotive, Building Supplies and Services

Mr. Robbie Medina
IT Manager – GCG Group

Information Technology

The last fiscal year was dominated by the COVID-19 pandemic and saw GEL's Information Technology ("IT") Department innovating to digitally transform both the employee and customer experiences, while carefully managing IT expenditure and capital projects to support GEL's cash management strategies.

In Barbados, several improvement projects focused on Human Resources ('HR") and payroll related activities at Head Office and Courtesy Garage Limited ("CGL"). The IT Department spearheaded and participated in projects to digitize HR paper records, at CGL, to facilitate work from home and replace physical files with data resident in the cloud. This project also introduced the use of Artificial Intelligence ("AI") to classify and file the employee records after they were scanned. Across the enterprise, a project was undertaken to digitize paper-based performance appraisal forms and related workflow approvals to improve both the efficiency and effectiveness of the process for participants and allow HR managers to monitor the process from a dashboard. We are also digitizing the HR change form process and moving it to a completely paperless workflow. However, the selection of software to cover HR has slowed and will be revisited in the new financial year.

We continue our e-commerce drive to improve the customer experience in our Building Supplies Division. To this end, we have developed websites for M&C Home Depot Ltd in Saint Lucia, Coreas Hazells Inc in Saint Vincent and the Grenadines, Marshall Trading Ltd in Barbados and Jonas Browne & Hubbard (Grenada) Limited in Grenada. M&C Home Depot Ltd is in the final stages of launching its loyalty card programme, which aims to enhance the customer experience and provide rewards to loyal shoppers.

In Saint Lucia, we introduced Adobe Sign, a cloud-based e-signature service that allows users to send, sign, track and manage signature processes via the internet or a mobile device. Having successfully piloted this measure, which both saves time and costs, we will expand its use to other business units within GEL. We introduced Electronic Funds Transfer, which provides electronic payments to suppliers, within our accounting package as well as a document storage capability. These measures will reduce the cost of doing business and make work flows more efficient.

In the Manufacturing Division, a digital transformation project to completely replace the workflow related to the distribution of bread products is at the implementation phase. The company expects to see significant cost savings from this project. McBride (Caribbean) Limited has implemented a cloud-based enterprise resource planning ("ERP") tool to support its operations in the United States of America market.

The GCG Group continues to raise the agenda on a safer IT practice culture across their stations, including but not limited to IT policies on email and internet usage. In keeping with the Division's mandate to control cost, we continue to focus on cost savings on telecom, hardware and software maintenance, software licence fees, the consolidation of business applications, server consolidation and intranet opportunities, among others. We are conducting ongoing IT assessments to improve, strengthen and maintain the technology by regulating firewalls and updating IT structure and systems across the stations. On the security front, we support and engage with ongoing security audits as well as security and penetration testing.

GEL continues to strengthen its security posture, with improvements to email monitoring infrastructure in Microsoft Office 365 and anti-virus and firewall installation compliance across all Divisions. Our awareness campaign to enhance vigilance and our training initiatives to reinforce best practices are continuing. We have improved our authentication procedures with the implementation of multifactor authentication. We continue to evaluate security needs for sensitive data and applications and are working to implement an even more robust framework for security.

Mrs. C. Natasha Small
Chief Financial Officer

Mrs. Kay Leacock
Group Accountant and Divisional Finance Lead – Manufacturing

Mrs. R. Anne Wilkinson
Group Financial Controller


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Have your healthy bread & eat it too!
MADE WITH THE FINEST BAJAN CASSAVA WITH ZERO TRANS FAT
Available at leading supermarkets islandwide & the Purity Shoppe at Collymore Rock.
PURITY BAKERIES

Mrs. Lynda Pantoja
Divisional People Business Partner
– Catering & Ground Handling

Ms. Stephanie Catling-Birmingham
Divisional People Manager –
Automotive & Talent Development

Ms. Glenda Gilkes
Divisional People Manager –
Manufacturing

Mrs. Elka Phillips-Roberts
Divisional People Manager –
Building Supplies

Ms. Rebecca Floissac-Crick
Divisional People Manager
– Shipping

Ms. Debbie Elcock
Manager – Payroll & Pensions
Department

Mrs. Valerie Lovell
Head Office
People Co-ordinator

Human Resources

Over the past twelve months, the HR team closely partnered with the business as we all continued to navigate the impact of the pandemic across the Group.

Naturally, our primary focus was ensuring that we adapted our protocols to protect our employees, in tandem with supporting the implementation of policies and programmes that allowed for the sustainability of employment and the mitigation of potential risks on our operations within each Division, whilst maintaining a safe place to work. In an effort to further create and maintain a safe place to work, it was essential for us to adapt our COVID-19 Health Protocol which was designed to supplement existing practices developed by our respective Governments.

To date across the Group, there is a continuous effort to bring greater knowledge and awareness towards increasing the rate of vaccinated employees; through webinars on "Vaccines" ably presented by medical doctors, the creation of mobile vaccination centres at various companies primarily as an ease of convenience for our employees and as an extension of our corporate social responsibility to nearby communities.

In addition, we were mindful of the need to provide opportunities to address the mental health of our employees, and partnered with key experts to deliver webinars on "Managing Stress" especially in this current dynamic and changing environment, given two organizational structural changes across the Group.

In an effort to mitigate the impact of the COVID-19 pandemic on our operations, HR partnered with the leadership of the respective Divisions to review and re-design their organizations in response to the emerging market needs. This ensured that key talent was retained and recruited to drive the sustainability of their businesses along with creating synergies through the rightsizing of their organizational structures. Such changes were made within the Catering Division and at Purity Bakeries.

Under the umbrella of the Centre of Excellence ("COE") for Talent Management and Development, thirty-six leaders across multiple divisions were assessed on the five GEL leadership competencies: Customer Intimacy, Leads and Inspires Others, Disciplined Executor, Effective Collaborator and Team Builder and Entrepreneurial Spirit and Agile Learner. The assessment was conducted by Results Based Leaders ("RBL"), Consultants, and participants attended one-on-one feedback sessions designed to explain the competency profile, share areas for development and discuss action plans for improvement. Further, each divisional lead received a Group report which provided insight into the competencies of their teams as a group. Generally, the results of the assessment indicated that our top three competencies across the Divisions are: Entrepreneurial Spirit and Agile Learner, Leads and Inspires Others and Disciplined Executor, with the opportunity to develop our other competencies.

Another area of focus for the COE was the rollout of the Online Performance Management form which was piloted with the participants enrolled in the Economic Profit (EP) programme. Each participant was trained and provided with a procedural manual for reference. Whilst the results of the pilot revealed a moderate level of participation, it also showed that we will need to develop a campaign to support the Group-wide transition from a manual to a digital process.

A key indicator of assessing the transformation of our culture is through employee engagement surveys. This year, in the absence of using the AON Hewitt Employees Survey, the HR and IT teams collaborated to develop an online Employee Pulse Survey themed: "My Voice Matters" with three questions to gauge employees' satisfaction with Management's handling of the COVID-19 pandemic. The results of the survey revealed an 82% participation rate by employees. The combined scores for highly satisfied and satisfied in response to employees' level of satisfaction in the area of Management's handling of the pandemic and how they felt being part of the organization during the pandemic was 82% and 86% respectively. In relation to Management's demonstration of GEL's values during the pandemic, the results indicated that Management exhibited the values in descending order of Integrity, Service Excellence, Dedication and Accountability, followed by Inspirational Leadership, Continuous Improvement and Innovation.

During the year, the HR team assisted by positioning key learning and developing opportunities which ranged from Emotional Intelligence, Finance for non-Finance Managers and Supervisory Management. The primary objective of these key areas of learning and development was to enable our most critical resource, our employees, to be equipped with the knowledge and develop core skills that would empower them to navigate the major challenges across our business.

This year in review also served to highlight the resilience of our people and their desire to continuously perform through the implementation and execution of robust business plans which were strategically supported by the HR team.

Corporate Social Responsibility

Introduction

2021 started off as a year of hope, that the world would be rid of the pandemic that plagued us in 2020, but many countries had not yet seen the worse of COVID-19 and therefore much of our corporate donations were focused in assisting with efforts to help those affected by the pandemic in various ways.

Barbados

Bringing Cheer and Home-cooking to Harrison's Point Residents

In January 2021, the residents and staff at Harrison's Point, the island's purpose built COVID care isolation facility, were treated to a 'home cooked' barbeque.

RCOBW President Elect, Mr. Rene Butcher (left) and President, Mr. Trevor Williams, grilling hot dogs.

Ms. Astra Reid, Senior Supervisor Distribution at Purity Bakeries, presents the bread to Mr. Trevor Williams, while in the background, (from left to right) Mr. Martin Steinbok, Ms. Gale Reeves, Mr. Joe Steinbok, RCOBW Members, and Mr. Lanello Green, Financial Controller, Purity Bakeries, witness the presentation.

The Rotary Club of Barbados West ("RCOBW") and GEL joined forces to bring a more relaxed Saturday meal to those at the Government-run medical facility.

GEL, through its subsidiaries Hipac Limited and Purity Bakeries, supplied the burgers, hotdogs, bread and condiments, while the Club members came out in their numbers with family members to do the cooking. Both the staff and residents heaped praise and thanks on the Club and on GEL for bringing a difference to their meals that day.

Parkinson Memorial Students receive 'Hire Me' Booklets

This year, just in time for their summer job interviews, senior students of the Parkinson Memorial Secondary School received another tool to help them when entering the job market. The tool was a 38-page booklet titled "Hire Me" which was written by Mrs. Harriett Garcia, a retiree who has over 25 years' experience as a Human Resources Manager. She also donated several other books, some of which were suitable for teachers.

'Hire Me' provides information on replying to an advertised job vacancy, writing a cover letter and resume, as well as helpful interview tips and other important considerations when job hunting. GEL also distributed copies to the HR Managers of its subsidiaries.

Purity Bakeries assists with the Chefette Fun Run

Purity Bakeries is an integral part of the Barbadian community and has been feeding Barbadian families for more than 90 years. The company remains committed to ensuring that our children, this country's future, develop into productive citizens who add value to our society. It was for this reason that Purity Bakeries was honoured to be a part of the 2021 Chefette Fun Run.

Mrs. Harriett Garcia, Author (left), explaining why she wrote "Hire Me" to Mrs. Valerie Lovell, Head Office People Co-ordinator, GEL, (centre), and Mrs Julia Edey, Guidance Counsellor, Parkinson Memorial Secondary School.

Mr. Rakeesh Bernard, General Manager, Purity Bakeries (right), presents the sponsorship cheque to Ms. Lisa Carter, Advertising Manager, Chefette Restaurants.

Corporate Social Responsibility... continued

Mrs. Shari Green, Sales & Marketing Manager, McBride (Caribbean) Ltd., (left), Mr. Antoine Williams, Chair, Patient Empowerment Committee, QEH, Ms. Susan Belgrave, QEH Employee, Housekeeping Department, and Ms. Andrea Lashley, Acting Director, Support Services QEH, (right), at the presentation of the BEEP disinfectant products.

Raziya Lyle-Alleyne, (left), and Ikuye Matherson, (right), posing with their plaques while Mrs. Valerie Lovell, Head Office People Co-ordinator GEL, (centre), holds the Challenge Trophy with the names of all recent scholarship winners that will be displayed at St. Mary's Primary School.

Mr. Anthony Ali, Managing Director, GEL, (third from left), elbow bumps with Commodore Errington Shurland, Chief of Staff, Barbados Defence Force, shortly after presenting the keys to the Nissan Urvan, while Ms. Vidia Woods, General Manager, Hanschell Inniss Ltd., (left), Mr. Nicholas Mackie, Senior General Manager, Courtesy Garage Ltd., and Major David Clarke, Co-Coordinator of the National Vaccination Programme, (right), look on.

With no Fun Run in 2020, due to the COVID-19 pandemic, sponsors were asked to make a monetary donation to the Fund to support the objective of providing necessary assistance to a number of charities in Barbados.

Beep donates Sanitizing Products to the Queen Elizabeth Hospital, Barbados

Ongoing efforts to ensure that the Queen Elizabeth Hospital ("QEH") remains highly sanitized got a further boost following the donation of sanitization products to the Hospital. McBride (Caribbean) Limited made the presentation of Beep Hand Sanitizer and Disinfectant Spray products to QEH's officials.

St. Mary's Students receive GEL Scholarships

Two former St. Mary's Primary School students have been awarded scholarships by GEL to facilitate their entry into secondary school.

Raziya Lyle-Alleyne and Ikuye Matherson, were rewarded for their good work ethic, academic performance, positive attitude and helpfulness, while they were at primary school. Lyle-Alleyne is now a pupil at The Lodge School and Matherson is attending the Alleyne Secondary School.

Mrs. Valerie Lovell, GEL's Head Office People Co-ordinator, who congratulated the students and presented them with their prizes, noted that the Company had adopted St. Mary's Primary some years ago and the annual award of scholarships was one of the many ways GEL was involved with the School.

GEL Companies donate Vaccination Van to BDF

Barbados' efforts to fight the spread of COVID-19 got some added help in October with the donation of a mobile vaccination unit to the Barbados Defence Force ("BDF") from the twelve local companies in the GEL Group.

The fully branded Nissan Urvan 2020, will be a part of the country's mobile vaccination programme, taking BDF's medical personnel into communities to vaccinate and educate people about the virus and the value of vaccination.

Mr. Anthony Ali, Managing Director, GEL, presented the vehicle's keys to Commodore Errington Shurland, Chief of Staff of the BDF. Mr. Ali told Commodore Shurland that the GEL Group recognised and applauded the BDF for its work in the fight against the spread of COVID-19 and was 100% behind them and appreciated their efforts.

GEL Companies contribute to creation of Mural to highlight Breast Cancer Awareness

GEL, Purity Bakeries and Marshall Trading Ltd, recently joined forces and resources with CIBC FirstCaribbean International Bank to fund the design and painting of a mural to recognise, commemorate and celebrate women, and men too, who are suffering or have died from breast cancer.

Corporate Social Responsibility... continued

The Mural on Collymore Rock.

Mr. Davidson Charles, General Manager, Hutchinson (Antigua) Ltd., elbow bumps with the Representative of the Antigua Police Force following the presentation of the BEEP products.

Ms. Tonesha Smith, Brand Manager, Nassau Agencies Ltd., (second from right), with other staff members, presenting the BEEP products to Commissioner Murphy, The Bahamas Department of Correctional Services.

Mrs. Alison Knights, Motor Department, Hubbard's, as she presents the key to the scooter to Inspector Randel Baptiste, Royal Grenada Police Force, Traffic Department.

The mural, located on Collymore Rock, St. Michael, just past Purity Bakeries and just around the corner from the Breast Screening Programme of the Barbados Cancer Society, is designed to create awareness and offer support with encouraging words and two colourful stylised figures of women under the bus stop, which is located in the centre of the wall.

The design was conceptualised by Mr. Shane Eastmond, Artist, and he was assisted, in the production, by a number of present and past Art Students of the Parkinson Memorial Secondary School which has been adopted by GEL since 2018.

Caribbean Label Crafts assists Entrepreneurs

Early in 2021, in celebration of the company's 35th anniversary Caribbean Label Crafts Ltd. ran a promotion under the banner "The First 1000's On Us." The company assisted over 200 small businesses and entrepreneurs with designs, artwork, barcodes and printed labels at no cost.

Antigua

Beep Hand Sanitizer Donation to the Antigua Police Force

In September, McBride (Caribbean) Limited together with its local distribution partner, Hutchinson (Antigua) Ltd, donated Beep liquid hand sanitizer products and Beep disinfectant products to help safeguard the Police Force against the highly transmissible Delta variant of the coronavirus that was quickly spreading among the local communities.

Bahamas

Bahamas Department of Correctional Services receive Beep Donation

With confirmed cases of COVID-19 increasing during the month of May in The Bahamas, Nassau Agencies Ltd., authorized distributor for Beep, partnered with the Rotary Club of Nassau and donated Beep disinfectant spray products to The Bahamas Department of Correctional Services.

The donation comprised the new travel size versions of the Beep Disinfectant Spray to aid in sanitizing surfaces in Her Majesty's Prison in The Bahamas. Beep Disinfectant Spray is certified by an accredited United States of America EPA compliant lab to kill the SARS-CoV-2 coronavirus that causes COVID-19.

Grenada

Hubbard's assists the Royal Grenada Police Force

The Motor Department of Jonas Browne & Hubbard (Grenada) Limited ("Hubbard's"), made a timely donation of a 125cc Hussar Motor Scooter to The Royal Grenada Police Force ("RGPF"), Traffic Department, which had no operational scooters at the time.

Corporate Social Responsibility... continued

Ms. Asha Bailey, Principal, St. George's Anglican Junior School, (left) presenting a token of appreciation to Mr. Anthony Phillip, Manager, Appliance Department, Hubbard's (right), after the presentation of the air conditioning unit to the School.

The scooter would allow members of the Force to reach the scene of a vehicular accident as quickly as possible, especially when traffic has been impacted by the incident. Inspector Randel Baptiste received the vehicle on behalf of the RGPF.

Hubbard's donates Air Condition Unit to St. George's Anglican Junior School

The staff at the St. George's Anglican Junior School was able to meet in their staff room again in cool comfort thanks to Hubbard's which generously gave them an energy efficient inverter unit to help cool the room during the extremely hot weather earlier this year.

Mr. Anthony Phillip, Manager, Appliance Department, Hubbard's, presented the unit to Ms. Asha Bailey, Principal of the School.

St. Lucia

Members of the M&C Caring In Action Group (left and centre) assisted Ms. Natarra McDonald (right) with supplies of food, hygiene essentials and cleaning products, on behalf of the M&C Group of Companies.

Caring In Action Group assists Unemployed Mother

The M&C Group of Companies Volunteer Programme called "Caring In Action" was established to cultivate advocates for the company's Corporate Social Responsibility ("CSR") and donation initiatives as well as to invest time and efforts in the local community and its people. The Caring In Action Group is committed to monthly initiatives to help the needy.

The Caring In Action Group of the M&C Group of Companies, collaborated with ATLAS, a non-profit, non-governmental organisation geared towards nurturing, inspiring and fostering creativity among the youth of Choiseul, Saint Lucia and its environs. They have embarked on a project of constructing a house for Ms. Marina Felix, an unemployed mother of six.

A donation of treated lumber was given by the M&C Volunteer Group to assist in the reconstruction of Ms. Felix's home. The donation was presented by Ms. Michelle Thomas, President, and Mr. Thomson St. Louis, M&C Home Depot Vieux Fort Store Manager, who also provided transportation for the material.

St. Vincent

Goddard Companies contribute to St. Vincent Relief Efforts

In addition to the pandemic, the Caribbean, in April 2021, witnessed the first eruption in 42 years of the La Soufriére Volcano in Saint Vincent and the Grenadines.

Mr. Joel Providence, Managing Director, Coreas Hazells Inc., (centre) presents the keys to the ZNA pick-up to Mr. Colin John, Commissioner of Police, Saint Vincent and the Grenadines, in the presence of Mr. Hutson Nedd, Permanent Secretary, Ministry of National Security, (right), and Ms. Michelle Forbes, NEMO Director, (near right).

Evacuees in shelters and private homes, the Police, the National Emergency Management Organisation ("NEMO"), the hospital and relief organisations in Saint Vincent and the Grenadines are just some of the groups who benefitted from a diverse set of goods and products from the GEL family of companies who stepped up to help, following the eruption.

The team at Coreas Hazells Inc., a subsidiary of GEL in Saint Vincent and the Grenadines, led by Mr. Joel Providence, Managing Director and Divisional General Manager, Building Supplies Division, GEL, co-ordinated the massive relief effort with many of the other subsidiaries and the Head Office in Barbados, as they responded to the immediate needs of those affected by the eruption. By May, they had collected and distributed over US$450,000 worth of disaster supplies including two ZNA pick-up trucks, one for the SVG Police Force and the other for NEMO.

Corporate Governance Overview

The Board: Mandate and Structure

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

In fulfilling its mandate, key aspects of which are outlined above, the Board has embraced corporate governance best practices. It continuously reviews its corporate governance policies and procedures to ensure their suitability within the landscape of the Group's business.

The Board has established three standing Committees to assist it with achieving its mandate. These are the Audit & Risk, Corporate Governance and Compensation and Human Resources Committees. The Charters for each Committee can be viewed on the Company's Website: **www.goddardenterpriseslimited.com**. The members of each Committee are as listed earlier in the Report at page 10 and also on the Company's Website.

By the end of the second quarter of the 2021 financial year, each Committee obtained the Board's approval of its objectives for the year. The Committees worked assiduously to achieve their ambitious targets for the year.

Board Attendance and Evaluation

The attendance of Board Members at both the Board and Committee Meetings held during the period 1 October 2020 to 30 September 2021, in accordance with the requirement of the Barbados Stock Exchange to disclose the attendance record of directors, is included at Appendix B, page 148 of this Report. The attendance record was excellent this year, evidencing the commitment of the Board.

Just before the end of the financial year, in August 2021, the Board conducted its annual self-assessment exercise aimed at assessing the effectiveness of the Board's performance and that of its Committees. The Board Chair and Corporate Governance Chair held one-on-one interviews with each Board member to discuss the assessment findings. Collectively, the Board has earmarked key initiatives to be undertaken in 2022 together with areas for Board education.

Coupled with the annual evaluation exercise, the Board continued its practice of pulse surveys of each board meeting with the use of short questionnaires designed to gauge the effectiveness of each board meeting in comparison with the set agenda.

Dividends

The Company was able to resume the payment of dividends during the financial year, with the payment of the first and second interim dividends for the 2021 financial year of one cent each on 31 August 2021 and 29 November 2021 respectively. At its 6 December 2021 meeting, the Board declared a third interim dividend of one cent per share on the issued and outstanding shares of the Company for the year ended 30 September 2021. The dividend will be paid on 28 February 2022.

Acknowledgement of Thanks

The just ended financial year was a difficult one given the continued challenges presented by the COVID-19 pandemic. Despite the challenges, we continue to appreciate the unwavering support of our shareholders, customers and our partners. We remain confident in the resilience of our people, both management and staff alike, and look towards 2022, with renewed vigour and a sharp vision of success and growth.

On behalf of the Board of Directors

A. Charles Herbert
Chair
6 December 2021

Anthony H. Ali
Managing Director

Analysis of Common Shareholders

As at 30 September 2021

Category	Number of shareholders	%	Number of common shares held	%
Group Employees	395	18%	3,387,131	1%
Local Individuals	1,392	63%	35,907,439	16%
Non-Resident Persons	261	12%	55,925,427	25%
Local Companies and Institutions	143	7%	132,495,993	58%
Totals	**2,191**	**100%**	**227,715,990**	**100%**

Additional Information

For the year ended 30 September 2021 required in accordance with the Listing Agreement with the Barbados Stock Exchange

a) Principal Countries of subsidiary operations and particulars of each company in which an interest of 20% or more is held are disclosed on pages 57 to 60.

b) Directors' interest in the share capital of Goddard Enterprises Limited as at 30 September 2021:

Names of Directors	Number of common shares held beneficially at 30 September 2021
J. S. L. Alarcon	11,900
A. H. Ali	202,779
L. O. Condon (Ms.)	307,220
M. R. K. Dukharan (Ms.)	NIL
D. W. Farmer	22,471
J. D. Foster	99,835
A. C. Herbert	776,679
W. P. Putnam	2,067,534
R. L. Weekes	22,471

c) No change in Directors' beneficial interests took place between 30 September 2021 and 6 December 2021.

d) Particulars of any person, other than a Director, holding more than 5% of the share capital of Goddard Enterprises Limited and the amount of interest so held as at 6 December 2021.

Shareholders		Number of common shares held
Neptune Investments Limited		13,845,297
Sagicor Group	Beneficial	20,200
	Non-Beneficial	26,188,644
	Total Sagicor Group Holding	**26,208,844**

Honouring the Past...

Subsidiary Companies

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

Aerosols & Liquid Detergents:	McBride (Caribbean) Limited	
	McBride USA, LLP – United States of America	
Airline Catering:	Calloway Corporation N.V. – Aruba	51%
	Goddard Catering Group (Antigua) Limited – Antigua	51%
	Goddard Catering Group (Barbados) Limited	51%
	Goddard Catering Group Bogota Ltda. – Colombia	51%
	Goddard Catering Group Bonaire N.V. – Bonaire	51%
	Goddard Catering Group Caracas S.A. – Venezuela	51%
	Goddard Catering Group Inc. – Cayman Islands	
	Goddard Catering Group Curaçao, N.V. – Curaçao	51%
	Goddard Catering Group El Salvador, S.A. de C.V. – El Salvador	51%
	Goddard Catering Group GCM Ltd. – Cayman Islands	51%
	Goddard Catering Group (Grenada) Limited – Grenada	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	
	Courtesy Rent-a-Car Inc. – Guyana	
	Fidelity Motors Limited – Jamaica	
	GET International Inc.	
	Peter's Holdings Limited – Trading as Peter and Company Auto – St. Lucia	99%
	Tropical Battery – a division of Courtesy Garage Limited	
	Tropical Sales (1979) Ltd.	
Baking:	Purity Bakeries – a division of Goddard Enterprises Limited	
Cocoa Traders and Manufacturers:	Ecuador Kakao Processing Proecuakao S.A. – Ecuador	
	Ecuakao Trading Company S.A. – Uruguay	
E-commerce:	Order Up and Go Ltd.	
General Trading:	Corea & Co. (1988) Limited – St. Vincent	
	Coreas Hazells Inc. – St. Vincent	
	Jonas Browne and Hubbard (Grenada) Limited – Grenada	52%
	M&C Home Depot Limited – St. Lucia	
	Marshall Trading Limited	
	Sunbilt Limited – St. Lucia	
	W B Hutchinson & Co. (St. Lucia) Limited – St. Lucia	
Ground Handling:	Caribbean Dispatch Services Limited – St. Lucia	51%
	GCG Ground Services (Barbados) Limited	51%
	GCG Ground Services LLC – St. Thomas, United States Virgin Islands ("USVI")	51%
	GCG Ground Services (Jamaica) Limited	51%


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

Subsidiary Companies

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

Industrial & Restaurant Catering:	Airport Restaurants (1996) Limited	51%
	Fontana Project – S.A. – Uruguay	51%
	GCG Events Curaçao N.V. – Curaçao	51%
	GCG Food, S.A. de C.V. – El Salvador	51%
	GODCA S.A. – El Salvador	51%
	Inversiones Ibero Caribe S.A.S. – Colombia	51%
Insurance:	M&C General Insurance Company Limited – St. Lucia	
Investments:	Catering Services Caribbean Limited – St. Lucia	51%
	Ecuakao Group Ltd. – Cayman Islands	
	GEL Holdings (St. Lucia) Ltd. – St. Lucia	
	Goddard Ecuador Holdings (Cayman) Ltd. – Cayman Islands	
	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	
	Hutchinson Investments Limited – Antigua	
	Inflite Holdings (Cayman) Limited – Cayman Islands	51%
	Inflite Holdings (St. Lucia) Ltd. – St. Lucia	51%
	Inflite Management (Barbados) Ltd.	
	Minvielle & Chastanet Limited – St. Lucia	
Meat Processing:	Hipac Limited	
Packaging:	Precision Packaging Inc.	
Pharmaceuticals:	M&C Drugstore Limited – St. Lucia	
Printing & Print Brokers:	Caribbean Label Crafts Limited	51%
	Label Crafts Jamaica Limited – Jamaica	51%
Real Estate:	Goddard Property Holdings Limited	
	Haggatt Hall Holdings Limited	67%
	PBH Limited	
	Penrith Development Limited	
	Peter's Holdings Limited – St. Lucia	
Security Services:	AGO Security de Costa Rica, S.A. – Costa Rica	
	AGO Security, S.A. de C.V. – El Salvador	
Shipping Agents & Stevedoring:	Admiral Shipping Limited – St. Lucia	
	Goddards Shipping (Barbados) Limited	
	Sea Freight Agencies & Stevedoring Limited	
	Xpress Freight Services Inc. – United States of America	

Associated Companies

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

Beverage Distributors:	Vembev – a division of CDP Trinidad Limited – Trinidad and Tobago	50%
Biotechnology:	Mirexus Biotechnologies Inc. – Canada	43%
General Trading:	Bryden & Partners Limited – St. Lucia	50%
	Caribbean Distribution Partners Limited – Trinidad and Tobago	50%
	Coreas Distribution Limited – St. Vincent	50%
	Desinco Limited – Guyana	26%
	Facey Trading Limited	50%
	Hand Arnold – a division of CDP Trinidad Limited – Trinidad and Tobago	50%
	Hanschell Inniss Limited	50%
	Independence Agencies Limited – Grenada	28%
	Orange Wood Distributors Limited – St. Lucia	50%
	Peter & Company Limited – St. Lucia	50%
	Vemco – a division of CDP Trinidad Limited – Trinidad and Tobago	50%
Petroleum Industry Services:	International Petroleum & Maritime Academy Inc. – Guyana	41%
	TOTAL-BASE Services Guyana Inc. – Guyana	41%
	Totaltec Oilfield Services Limited – United Kingdom	41%
Property Rentals:	Bridgetown Cruise Terminals Inc.	20%
Restaurant, Airline, Airport and Industrial Catering and Ground Handling:	Allied Caterers Limited – Trinidad and Tobago	31%
	GAS Group Aviation Support Services, S.A. – Costa Rica	41%
	GCG Food Services S.A. – Guatemala	27%
	GCG Group (Guyana) Inc. – Guyana	24%
	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%
	Island Grill (Barbados) Limited	36%
	Island Grill (St. Lucia) Ltd. – St. Lucia	36%
	Katerserv Ltd. – Trinidad and Tobago	31%
	Tobago Inflite Catering Ltd. – Trinidad and Tobago	26%
Tiles & Waste Disposal:	Anti-Septic Limited – Trading as Terrific Tiles	50%

Honouring the Past...

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of Goddard Enterprises Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Goddard Enterprises Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 30 September 2021, consolidated statement of income and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 September 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ (“IESBA”) International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Goddard Enterprises Limited

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	**How our audit addressed the key audit matter**
Investments in associated companies	
Investments in associates represents 16% of the gross assets on the consolidated statement of financial position. The Group includes investments for which management was required to demonstrate significant influence versus control over the investees. As detailed in Note 2 Summary of Significant Accounting Policies, under the equity method of accounting for associates, these associates are initially stated at cost, and are adjusted thereafter for the Group's share of its associates' post-acquisition profits or losses which is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in reserves which is recognised in other comprehensive income and accumulated in reserves.	We analyzed the Group's determination of its investments in associates and the accounting for the share of earnings of the underlying associates for the year ended 30 September 2021 which included the following audit procedures: • We evaluated the reasonableness of Management's assessment of control versus significant influence. • We issued instructions and performed independent reviews of the working papers of the non-EY auditors of the Group's material associates. • We tested the reasonableness of the year end calculations of the Group's share of its associates' post-acquisition profits or losses and its share of post-acquisition movements in reserves reflected in the consolidated accounts, including compliance with accounting policies consistent with Group reporting, where applicable. • We assessed Management's assumptions over the carrying values of the associates and related balances. • Additionally, we considered whether the Group's disclosures related to these investments were appropriately reflected in the notes to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Goddard Enterprises Limited

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill	
Management is required to annually test goodwill for impairment on the basis of the accounting policies used. We focused on this area due to (i) the significance of the carrying value of the goodwill being assessed ($16.582 million as at 30 September 2021); and (ii) the level of subjectivity associated with the post COVID-19 forecast assumptions which underpin management's assessment of the recoverable amount, including the degree of subjectivity of cash flow forecasts, associated growth rates and the appropriateness of the discount rate and terminal rate applied in the value-in-use calculation.	As part of our audit response, we examined the Group's forecast cash flows which underpin management's impairment review. We tested the basis of preparing those forecasts taking into account the accuracy of previous forecasts and the historic evidence supporting underlying assumptions. Future cash flow assumptions were analyzed through comparison of current trading performance, seeking corroborative evidence and enquiry with management in respect of key growth and trading assumptions. The reasonableness of other key assumptions such as the discount rate, terminal rate and long-term growth rate were tested with appropriate input from EY valuation experts and applying an independent assessment on general market indicators to onclude on the appropriateness of these assumptions. We also tested the mathematical integrity of manage= ment's model and carried out audit procedures on management's sensitivity calculations. We also tested management's assessment on whether any reasonably possible change in these key assumptions would result in an impairment of goodwill and therefore require disclosure under IAS 36 Impairment of Assets.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Goddard Enterprises Limited

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	**How our audit addressed the key audit matter**
Determination of expected credit losses	
The evaluation of impairment of receivables and credit losses on other financial assets is an expected credit loss ("ECL") model under IFRS 9, Financial Instruments. This model requires significantly greater management judgment and incorporation of forward-looking information. In 2021, to address the impact of the global pandemic on the operations of the Group, management applied a judgmental overlay to the ECL model outputs. The estimation of ECLs is inherently uncertain and requires the application of judgment and use of subjective assumptions by management. Furthermore, models used to determine credit impairment are complex, and certain inputs used are not fully observable. IFRS 9 requires the Group to record an allowance for ECLs for all receivables from, loans and advances to customers and other financial assets not held at fair value through profit and loss, together with loan commitments and financial guarantee contracts.	For IFRS 9, *Financial Instruments* we performed the following: • We evaluated the model and assumptions developed by the Group in order to estimate ECLs, and assessed their compliance with the requirements of IFRS 9 • We tested the completeness and accuracy of input data to the model used to determine the ECLs. We assessed the reasonableness of the methodologies and assumptions applied in determining 12 month and lifetime probabilities of default (PD), loss given default (LGD), exposure at default (EAD) and staging. We assessed external source data and assumptions, particularly with respect to forward looking information (FLI) • We involved our EY valuation specialists to assess the appropriateness of the models and the assumptions used, including analyzing modelling accuracy and consistency of impairment parameters. They also assessed the reasonableness of the FLI • We assessed the reasonableness of the overlay and the inputs into its derivation • We assessed the adequacy of disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Goddard Enterprises Limited

Report on the Audit of the Consolidated Financial Statements (Continued)

Other information included in the Group's 2021 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Group's Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

Building a better working world

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Goddard Enterprises Limited

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Legal and Regulatory Requirements

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

The engagement partner in charge of the audit resulting in this independent auditor's report is Mrs. Lisa Padmore.

Ernst + Young Ltd
Barbados

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

(Expressed in thousands of Barbados Dollars)

	Notes	2021	2020
Current assets			
Cash	6	68,851	78,485
Trade and other receivables	7	99,123	85,537
Prepaid expenses		17,287	14,764
Due by associated companies	8	28,658	24,985
Reinsurance assets	9	4,774	5,295
Current income tax assets		6,005	6,074
Inventories	10	162,899	148,548
Held-for-sale assets	15	1,754	1,754
		389,351	365,442
Current liabilities			
Borrowings	11	85,273	83,590
Trade and other payables	12	128,274	124,361
Lease liabilities	13	6,789	7,195
Due to associated companies	8	6,287	2,331
Current income tax liabilities		3,679	4,459
Insurance contracts	14	7,974	8,470
		238,276	230,406
Working capital		151,075	135,036
Property, plant and equipment	15	372,590	373,836
Investment property	16	31,646	30,814
Intangible assets	17	28,065	25,978
Right-of-use assets	13	30,034	32,770
Investments in associated companies	18	181,440	168,333
Due by associated companies	8	–	1,376
Financial investments	19	49,801	52,399
Deferred income tax assets	20	4,180	3,103
Pension plan assets	21	9,530	9,548
Long-term trade and other receivables	7	4,904	7,471
		863,265	840,664
Borrowings	11	156,914	152,301
Lease liabilities	13	25,967	27,125
Deferred income tax liabilities	20	3,249	4,219
Pension plan liabilities	21	617	2,253
Net assets employed		676,518	654,766
Financed by:			
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	49,195	48,552
Other reserves	23	56,442	56,091
Retained earnings		471,238	449,993
		576,875	554,636
Non-controlling interests		99,643	100,130
		676,518	654,766

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

Approved by the Board of Directors on 6 December 2021.

A. Charles Herbert
Chair

Anthony H. Ali
Managing Director

Honouring the Past...

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

(Expressed in thousands of Barbados Dollars)

	Attributable to equity holders of the Company				
	Share capital (note 22)	Other reserves (note 23)	Retained earnings	Non-controlling interests	Total
Balance as at 1 October 2019	47,421	80,035	449,559	105,520	682,535
Net income/(loss) for the year	–	–	7,073	(2,940)	4,133
Other comprehensive (loss)/income	–	(24,057)	1,378	(1,629)	(24,308)
Total comprehensive (loss)/income for the year	–	(24,057)	8,451	(4,569)	(20,175)
Decrease in advances to non-controlling interests	–	–	–	(160)	(160)
Value of employee services	–	113	–	–	113
Issue of common shares	1,131	–	–	–	1,131
Dividends declared	–	–	–	(661)	(661)
Dividends (note 31)	–	–	(8,017)	–	(8,017)
	1,131	113	(8,017)	(821)	(7,594)
Balance as at 30 September 2020	48,552	56,091	449,993	100,130	654,766
Balance as at 1 October 2020	**48,552**	**56,091**	**449,993**	**100,130**	**654,766**
Net income/(loss) for the year	–	–	**22,725**	**(661)**	**22,064**
Other comprehensive income	–	**236**	**797**	**712**	**1,745**
Total comprehensive income for the year	–	**236**	**23,522**	**51**	**23,809**
Disposal of subsidiary companies	–	–	–	**256**	**256**
Value of employee services	–	**115**	–	–	**115**
Issue of common shares – net	**643**	–	–	–	**643**
Dividends declared	–	–	–	**(794)**	**(794)**
Dividends (note 31)	–	–	**(2,277)**	–	**(2,277)**
	643	**115**	**(2,277)**	**(538)**	**(2,057)**
Balance as at 30 September 2021	**49,195**	**56,442**	**471,238**	**99,643**	**676,518**

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

Securing the Future

CONSOLIDATED STATEMENT OF INCOME

For the year ended 30 September 2021

(Expressed in thousands of Barbados Dollars)

	Notes	2021	2020
Revenue from contracts with customers	24	**749,595**	826,120
Cost of sales	25	**(476,951)**	(517,268)
Gross profit		**272,644**	308,852
Underwriting income		**5,567**	6,442
Selling, marketing and administrative expenses	25	**(261,960)**	(310,829)
Profit from operations before the following:		**16,251**	4,465
Other gains/(losses) – net	26	**9,303**	8,664
Profit from operations		**25,554**	13,129
Finance costs	28	**(11,859)**	(13,015)
		13,695	114
Share of income of associated companies	18	**15,499**	11,139
Income before taxation		**29,194**	11,253
Taxation	29	**(7,130)**	(7,120)
Net income for the year		**22,064**	4,133
Attributable to:			
Equity holders of the Company		**22,725**	7,073
Non-controlling interests		**(661)**	(2,940)
		22,064	4,133
Earnings per share attributable to the equity holders of the Company during the year (expressed in cents per share) – basic and diluted	30	**10.0**	3.1

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

Honouring the Past...

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2021

(Expressed in thousands of Barbados Dollars)

	Notes	2021	2020
Net income for the year		22,064	4,133
Other comprehensive income:			
Items net of tax that may be recycled to income in the future:			
Currency translation differences:			
– Group		(706)	(3,470)
– Associated companies		(592)	(2,425)
Hyperinflationary adjustments		434	(743)
Items net of tax that will not be recycled to income in the future:			
Unrealised losses on investments at fair value through other comprehensive income:			
– Group		(186)	(19,141)
– Associated companies		–	(2)
Increase/(decrease) in revaluation surplus:			
– Group		(28)	–
– Associated companies		2,222	(162)
Remeasurement of employee benefits:			
– Group	38	483	1,482
– Associated companies	38	118	153
Other comprehensive income/(loss) for the year		1,745	(24,308)
Total comprehensive income/(loss) for the year		23,809	(20,175)
Attributable to:			
Equity holders of the Company		23,758	(15,606)
Non-controlling interests		51	(4,569)
		23,809	(20,175)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2021

(Expressed in thousands of Barbados Dollars)

	Notes	2021	2020
Cash flows from operating activities			
Income before taxation		29,194	11,253
Adjustments for:			
Depreciation	13, 15	33,034	33,309
Amortisation of intangible assets	17	3,106	2,906
Impairment of intangible assets	17	281	1,694
Loss/(gain) on disposal of property, plant and equipment	26	393	(1,235)
Gain arising on acquisition of assets	26	–	(5,098)
Gain on disposal of right-of-use asset	26	(61)	–
Exchange adjustments		874	(667)
Write down of investments in associated companies	18	–	4,837
Expected credit losses on non-working capital balances		513	348
Hyperinflationary adjustments		389	(767)
Interest income	26	(1,743)	(2,227)
Finance costs incurred	28	11,859	13,015
Share of income of associated companies	18	(15,499)	(11,139)
Pension plan expense	21	1,275	1,745
Employee share schemes expenses	27	115	113
Rent concessions due to COVID-19	26	1,582	–
Fair value gains on revaluation of investment property	16	(797)	(154)
Operating profit before working capital changes		64,515	47,933
Net change in non-cash working capital balances related to operations	36	(28,179)	14,408
Cash generated from operations		36,336	62,341
Finance costs paid		(11,859)	(13,015)
Income and corporation taxes paid		(10,453)	(10,570)
Pension plan contributions paid	21	(1,827)	(1,989)
Net cash from operating activities		12,197	36,767
Cash flows from investing activities			
Acquisition of interest in subsidiary companies	34	(1,880)	–
Acquisition of interest in associated companies	18	–	(3,872)
Acquisition of assets	34	–	(7,157)
Purchase of property, plant and equipment	15	(25,225)	(26,510)
Proceeds on disposal of property, plant and equipment		2,044	5,268
Transfer to held for sale from property, plant and equipment	15	–	1,754
Additions to right-of-use assets – net		(117)	–
Purchase of intangible asset		(2,471)	–
Purchase of financial investments		(5,832)	(12,181)
Proceeds on disposal of financial investments		8,101	10,574
Proceeds from repayment of loan to an associated company		1,760	1,412
Long-term loans advanced		(1,127)	(637)
Transfers from trade and other receivables to long-term trade and other receivables		–	(617)
Proceeds from repayment of long-term loans		3,078	4,895
Unsecured and secured loans (issued)/received – net		(328)	74
Interest received		1,743	2,227
Dividends received from associated companies	18	4,140	4,918
Net cash used in investing activities		(16,114)	(19,852)
Cash flows from financing activities			
Issue of common shares	22	643	1,131
Long-term loans received	11	31,821	25,201
Repayments of long-term loans	11	(32,675)	(12,257)
Redemption of preference shares	11	–	(10,000)
Repayments of lease liabilities	13	(9,197)	(6,609)
Dividends paid to non-controlling interests		(794)	(661)
Loans repaid to non-controlling interests – net		–	(160)
Dividends paid to shareholders		(2,277)	(8,017)
Net cash used in financing activities		(12,479)	(11,372)
Net (decrease)/increase in cash and cash equivalents		(16,396)	5,543
Cash and cash equivalents – beginning of year		68,793	63,250
Cash and cash equivalents – end of year	6	52,397	68,793

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

Honouring the Past...

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1. General information

Goddard Enterprises Limited ("the Company") is incorporated under the Laws of Barbados. The principal activities of the Company and its subsidiaries (together "the Group") include airline, industrial and restaurant catering, ground handling services, general trading, meat and cocoa processing, printing and print brokering, baking, packaging, automobile and automotive parts sales, insurance, real estate, shipping agents and stevedoring, freighting and security services, manufacturing of aerosols and liquid detergents and investments. Associated companies are involved in general trading, beverage distribution, waste disposal, research, development and manufacturing of natural biomaterials, petroleum industry services and property rentals, (see pages 57-60). The Group operates throughout the Caribbean and North, Central and South America.

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

The Company is listed on the Barbados Stock Exchange.

These consolidated financial statements have been approved for issue by the Board of Directors on 6 December 2021. The Board of Directors has the power to amend these consolidated financial statements after issue, if required.

2. Significant accounting policies

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

a) Basis of preparation

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

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

Standards, interpretations and amendments to existing standards effective in the 2021 financial year

i) New accounting policies/improvements adopted

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 September 2020. The following interpretations and standards became effective and were adopted in the current year.

The Group applied Amendments to IFRS 16 COVID Related Rent Concessions for the first time in 2021. The nature and effect of changes as a result of the adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in 2021, but do not have an impact on the consolidated financial statements of the Group. These are also described in more detail below. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IFRS 3: Definition of a Business (effective 1 January 2020)

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, most entities will likely not be affected by these amendments on transition.

2. Significant accounting policies... continued

a) Basis of preparation... continued

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

Amendments to IFRS 3: Definition of a Business (effective 1 January 2020)... continued
This amendment resulted in no material change to the consolidated financial statements.

Amendments to IAS 1 and IAS 8: Definition of Material (effective 1 January 2020)
The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform (effective 1 January 2020)
The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to Reference in the Conceptual Framework in Financial Reporting (effective 1 January 2020)
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the consolidated financial statements of the Group as no new accounting policies were developed during the year.

Amendments to IFRS 16 COVID-19 Related Rent Concessions (effective 1 June 2020)
On 28 May 2020, the IASB issued COVID-19 Related Rent Concessions – amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendments do not apply to lessors.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

2. Significant accounting policies... continued

a) Basis of preparation... continued

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

Amendments to IFRS 16 COVID-19 Related Rent Concessions (effective 1 June 2020)... continued
The practical expedient applies only to rent concessions occuring as a direct consequence of the COVID-19 pandemic and only if all the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021);
- There is no substantive change to other terms and conditions of the lease.

Lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied.

Amendments to IFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021)
In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic.

Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

In the reporting period in which a lessee first applies the 2021 amendment, the lessee will not be required to disclose the information required by paragraph 28(f) of IAS 8.

In accordance with paragraph 2 of IFRS 16, a lessee is required to apply the relief consistently to eligible contracts with similar characteristics and in similar circumstances, irrespective of whether the contract became eligible for the practical expedient before or after the amendment.

ii) *Standards in issue not yet effective*

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

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 (effective 1 January 2021)
On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate ("IBOR") is replaced with an alternative nearly risk-free interest rate ("RFR").

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred.

2. Significant accounting policies... continued

a) Basis of preparation... continued

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

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 (effective 1 January 2021) ... continued

Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate ("EIR") is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognised in profit or loss.

The practical expedient is required for entities applying IFRS 4 Insurance Contracts that are using the exemption from IFRS 9 Financial Instruments (and, therefore, apply IAS 39 Financial Instruments: Classification and Measurement) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

Amendments to IFRS 3 – Reference to the Conceptual Framework (effective 1 January 2022)

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use (effective 1 January 2022)

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (effective 1 January 2022)

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

IFRS 17 Insurance Contracts (effective 1 January 2023)

In May 2017, the IASB issued IFRS 17 Insurance Contracts ("IFRS 17"), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts ("IFRS 4") that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

2. Significant accounting policies... continued

a) Basis of preparation... continued

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

IFRS 17 Insurance Contracts (effective 1 January 2023)... continued

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Group adopted IFRS 9 and 15 for the first time in the year ended 30 September 2019 and intends to adopt IFRS 17 when it becomes effective.

Amendments to IAS 1 – Classification of Liabilities as Current and Non-current (effective 1 January 2023)

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

These amendments must be applied retrospectively.

Amendments to IAS 8 – Definition of Accounting Estimates (effective 1 January 2023)

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies.

2. Significant accounting policies... continued

a) Basis of preparation... continued

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

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (effective 1 January 2023)
In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies;
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

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

iii) Improvements to International Financial Reporting Standards
The annual improvements process for the IASB deals with non-urgent but necessary clarifications and amendments to IFRS.

2. Significant accounting policies... continued

a) Basis of preparation... continued

iii) Improvements to International Financial Reporting Standards ... continued

Annual improvements to IFRS Standards 2018-2020 cycle
The following amendments are applicable to annual periods beginning on or after 1 January 2022.

IFRS – Subject of Amendment
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter.
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities.
IAS 41 Agriculture – Taxation in fair value measurements.

b) Consolidation

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

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

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

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment, and proceeds from disposal, is recognised in the consolidated statement of imcome.

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 measured at fair value through other comprehensive income are included in the financial investments reserve in equity.

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

iii) Group companies

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

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

iv) Hyperinflationary accounting

The financial statements of Group companies whose functional currency is the currency of a hyperinflationary economy are adjusted for inflation in accordance with the procedure described in the following paragraph, prior to their translation into Barbados dollars. Once restated, all items of the financial statements are converted into Barbados dollars using the closing exchange rate. Amounts shown for prior years for comparative purposes are not modified. To determine the existence of hyperinflation, the Group assesses the qualitative characteristics of the economic environment of the country, such as the trends in inflation rates over the previous three years.

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies... continued

b) Consolidation... continued

iv) Hyperinflationary accounting... continued

The financial statements of companies whose functional currency is the currency of a hyperinflationary economy are adjusted to reflect the changes in purchasing power of the local currency, such that all items in the statement of financial position not expressed in current terms (non-monetary items) are restated by applying a general price index at the financial statement closing date, and all items of income and expense, profit and loss are restated monthly by applying appropriate adjustment factors. The difference between initial and adjusted amounts is included in other gains/(losses) – net in the consolidated statement of income. Accordingly, Venezuela was classified as a hyperinflationary economy for the financial year ended 30 September 2016 and this classification is still in effect. For the years ended 30 September 2021 and 2020, the official inflation published by the Central Bank of Venezuela was 2,045.99% and 1,913.09% 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
Furniture, fittings and equipment	– 3 - 20 years
Software	– 5 years
Machinery	– 3 - 20 years
Vehicles	– 5 years

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

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

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

Honouring the Past...

2. Significant accounting policies... continued

e) Property, plant and equipment... continued

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

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

f) Investment property

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

g) Intangible assets

i) Goodwill

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

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

ii) Other intangible assets

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

Trade names	–	20 - 25 years
Customer relationships	–	11 - 20 years
Other	–	5 - 15 years

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

h) Impairment of non-financial assets

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

2. Significant accounting policies... continued

i) Financial instruments

Classification and measurement

The Group classifies and measures financial assets based on their contractual cash flow characteristics and the business model for managing financial assets. All financial assets and financial liabilities are recognized on the consolidated statement of financial position when the Group becomes party to the contractual provisions of a financial instrument.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

(i) assets held for the collection of contractual cash flows and
(ii) contractual cash flows that consist solely of principal and interest payments on the principal amount outstanding.

All other financial assets and equity investments are subsequently measured at fair value through profit or loss ("FVTPL") or fair value through other comprehensive income (“FVOCI”). All other financial liabilities are subsequently measured at amortized cost.

i) Financial assets and liabilities measured at amortized cost

Financial assets measured at amortized cost are initially recognized at fair value plus transaction costs, and are subsequently measured at amortized cost using the effective interest method, less any provision for impairment.

Financial liabilities measured at amortized cost are initially recognized at fair value net of transaction costs. After initial recognition, interest-bearing financial liabilities are measured at amortized cost using the effective interest rate method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortization and gains or losses on derecognition of the financial liabilities are recognized in finance costs.

Impairment

The Group records expected credit losses (“ECL”) on financial assets measured at amortised cost, off balance sheet commitments and financial guarantees.

At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECLs resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) (“12-month ECL”).

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument (“lifetime ECL”). Financial assets where 12-month ECL is recognised are considered to be ‘stage 1’; financial assets which are considered to have experienced a significant increase in credit risk are in ‘stage 2’; and financial assets for which there is objective evidence of impairment so are considered to be in default or otherwise credit-impaired are in ‘stage 3’.

There is no financing component for trade receivables and therefore the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Given the short-term nature of the trade receivables and that the lifetime ECL is equivalent to the 12-month ECL, all trade receivables are considered to be stage 2.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as, fluctuations in foreign exchange rates and economic conditions of the underlying counter-party, are considered in calculating the ECL.

2. Significant accounting policies... continued

i) Financial instruments... continued

Definition of default

The Group determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

Write-off

Financial assets (and the related impairment allowances) are written off when there is no realistic prospect of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

Measurement of impairment

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECLs are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. For the ECL provision modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience. The exercise of judgement in making estimations requires the use of assumptions, which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

ii) Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 *Financial instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the consolidated statement of income. Dividends are recognised as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity instruments designated as FVOCI are not subject to impairment assessment.

2. Significant accounting policies... continued

i) Financial instruments... continued

ii) Financial assets designated at FVOCI (equity instruments)... continued

The Group elected to classify irrevocably its equity investments under this category.

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. Financial assets are derecognised when the rights to receive cash flow from the financial asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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. Provision is made for obsolete, slow-moving and defective items.

k) Cash and cash equivalents

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

l) Trade payables

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

m) Borrowings

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

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

n) Current and deferred income tax

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

The Group follows the liability method of accounting for deferred tax whereby all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes are provided

2. Significant accounting policies... continued

n) Current and deferred income tax... continued

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.

o) Employee benefits

i) Pension obligations

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

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

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

ii) Profit-sharing bonus plan

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

p) Share-based payments

The Group operates two cash-settled share-based plans. There is a bonus share purchase scheme and a savings share purchase scheme for all full-time employees of the Group. Any discounts offered under these schemes are recognised in the share-based payments expense in selling, marketing and administrative expenses and credited to the share-based payments reserve in equity.

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.

2. Significant accounting policies... continued

r) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 4.

Sale to third parties

Revenue from the sale of products to third parties is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the items. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. providing servicing). In determining the transaction price for sales, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

Significant financing component

Some of the companies in the Group receive short-term advances from their customers. Using the practical expedient in IFRS 15, these companies do not adjust the promised amount of consideration for the effects of a significant financing component if they expect, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Where companies in the Group receive long-term advances from customers, the transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between those companies and their customers at contract inception, to take into consideration the significant financing component.

2. Significant accounting policies... continued

r) Revenue recognition... continued

Warranty obligations
Some companies in the Group provide warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Some companies in the Group provide a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of other goods or services. Contracts for bundled sales of goods or services and a service-type warranty comprise two or more performance obligations because the promises to transfer the other goods or services and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

Rendering of services
The Group provides services that are either sold separately or bundled with the sale of goods and/or other services. Bundled sales may comprise two or more performance obligations where the items being sold are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices.

The Group recognises revenue from certain services over time, using an input method to measure progress towards complete satisfaction of the service where the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from the sale of goods are recognised at a point in time, generally upon delivery.

Group as principal and agent
When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 2 i) Financial instruments.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Assets and liabilities arising from rights of return
Right of return assets
A right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

2. Significant accounting policies... continued

r) Revenue recognition... continued

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract

The Group pays sales commission to its employees for each contract that they obtain. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included under employee benefits and part of cost of sales) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

s) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and buildings	–	5 - 30 years
Machinery & equipment	–	3 - 5 years
Motor vehicles	–	5 - 6 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2 h) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting

2. Significant accounting policies... continued

s) Leases... continued

ii) Lease liabilities... continued

from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other gains/(losses) – net in the consolidated statement of income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised in other gains/(losses) – net in the consolidated statement of income in the period in which they are earned.

t) Derivative financial instruments

The Group's derivatives mainly consist of futures. Derivatives are mainly used to manage exposures to commodity price risk.

Derivatives are initially recognised at fair value. They are subsequently remeasured at fair value on a regular basis and at each reporting date as a minimum, with all their gains and losses, realised and unrealised, recognised in the consolidated statement of income unless they are in a qualifying hedging relationship.

u) Insurance contracts

Recognition and measurement

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

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

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

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

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

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

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

2. Significant accounting policies... continued

u) Insurance contracts... continued

Recognition and measurement... continued

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

Reinsurance contracts held

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

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

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

Claims provision and related reinsurance recoveries

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

Receivables and payables

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

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

Premiums and unearned premiums

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

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

2. Significant accounting policies... continued

u) Insurance contracts... continued

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

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

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

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.

Risk management is carried out by Head Office under policies approved by the Board of Directors. Head Office identifies, evaluates and addresses financial risks 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 United States dollars ("USD").

The Group also seeks to maintain cash and cash equivalents in each operating currency, which are sufficient to match liabilities denominated in the same currency.

The table below illustrates the theoretical impact on equity and net income of a 5% depreciation in the Jamaican dollar and Latin American currencies when compared to the Barbados dollar as at 30 September 2021.

Effect of a 5% depreciation of	Effect on equity	Effect on net income
Jamaican dollar	136	81
Latin American currencies	(30)	(159)

An appreciation of these currencies would have an equal and opposite effect on equity and net income. The Group also trades in Eastern Caribbean dollars and USD but these currencies have a fixed exchange rate with the Barbados dollar and have been excluded from this analysis.

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

i) Market risk... continued

2) Price risk

Equity price risk

The Group is exposed to equity securities price risk because of financial investments held by the Group and classified on the consolidated statement of financial position as fair value through other comprehensive income ("FVOCI"). 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"), Cayman Island Stock Exchange ("CSX"), Toronto Stock Exchange ("TSX") and the Eastern Caribbean Securities Exchange ("ECSE").

If the BSE, CSX, TSX and ECSE had increased or decreased by 5% with all other variables held constant, the financial investments reserve within equity would increase or decrease by $744 (2020 – $577) as a result of gains or losses on equity securities designated as FVOCI.

Commodity price risk

Commodity price risk arises from transactions by one of the Group's subsidiaries on the world commodity markets for securing the supply of cocoa beans necessary for the manufacture of cocoa products.

The Group's objective is to minimize the impact of commodity price fluctuations and this exposure is hedged in accordance with the Group's policy on commodity price risk management. The subsidiary's commercial department is responsible for managing commodity price risk on the basis of limits predetermined by its Board of Directors generally through the use of exchange-traded commodity derivatives. As a result of the short product business cycle of the company, the anticipated future raw material transactions outstanding at the reporting date are expected to occur in the next year.

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:

	2021		2020	
	$	%	$	%
Cash	**68,851**	**29**	78,485	34
Trade and other receivables	**104,027**	**45**	93,008	41
Due by associated companies	**28,658**	**12**	26,361	12
Financial investments (debt instruments)	**33,506**	**14**	30,794	13
Reinsurance assets (outstanding claims)	**342**	**–**	349	–
	235,384	**100**	228,997	100

Independent ratings exist for customers in the Group's catering operations. If no independent rating exists, customers are grouped according to credit history.

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

ii) Credit risk... continued

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

The total outstanding trade balances of the Group's five largest receivable positions at the reporting date constitute 16.4% (2020 – 17.2%) of the total gross trade receivable amount and individually they accounted for between 2.6% and 4.0% (2020 – 1.4% and 9.2%) of the total gross trade receivables. Expected credit losses have been applied as applicable and as a result management does not expect any additional losses from non-performance by customers.

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 1 October 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

	Up to 90 days	91 to 180 days	Over 181 days	Total
30 September 2021				
Estimated credit loss rate (%)	3.43	12.35	56.3	10.21
Estimated total gross carrying amount at default ($)	68,008	4,808	9,785	82,601
Expected credit loss ($)	2,330	593	5,507	8,430
30 September 2020				
Estimated credit loss rate (%)	1.83	8.60	57.0	9.68
Estimated total gross carrying amount at default ($)	53,967	8,420	9,138	71,525
Expected credit loss ($)	989	724	5,209	6,922

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

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 statement of financial position date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 September 2021					
Borrowings	**93,088**	**42,167**	**75,646**	**56,748**	**267,649**
Trade and other payables	**128,274**	**–**	**–**	**–**	**128,274**
Lease liabilities	**8,892**	**8,980**	**10,843**	**14,404**	**43,119**
Due to associated companies	**6,287**	**–**	**–**	**–**	**6,287**
Insurance contracts	**1,226**	**–**	**–**	**–**	**1,226**
	237,767	**51,147**	**86,489**	**71,152**	**446,555**
At 30 September 2020					
Borrowings	91,845	18,812	126,409	24,413	261,479
Trade and other payables	123,764	–	–	–	123,764
Lease liabilities	8,943	7,379	13,885	16,334	46,541
Due to associated companies	2,331	–	–	–	2,331
Insurance contracts	1,231	–	–	–	1,231
	228,114	26,191	140,294	40,747	435,346

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

iii) Liquidity risk... continued

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 September 2021					
Cash	68,851	–	–	–	68,851
Trade and other receivables	97,648	4,543	410	–	102,601
Due by associated companies	28,714	–	–	–	28,714
Reinsurance assets	342	–	–	–	342
Financial investments (debt instruments)	33,031	54	817	1,141	35,043
	228,586	4,597	1,227	1,141	235,551
At 30 September 2020					
Cash	78,485	–	–	–	78,485
Trade and other receivables	85,390	3,077	3,357	1,346	93,170
Due by associated companies	25,074	1,398	–	–	26,472
Reinsurance assets	349	–	–	–	349
Financial investments (debt instruments)	28,983	1,387	859	1,085	32,314
	218,281	5,862	4,216	2,431	230,790

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 2021 and 2020, the Group's borrowings at variable rates were denominated in Barbados dollars, Eastern Caribbean dollars, Jamaica dollars, United States dollars and Colombian pesos. To manage against interest rate risk, the Group negotiates the best rates possible and where possible considers factors such as refinancing, renewing options and alternative financing. In a period of low interest rates the Group negotiates for fixed rates on borrowings for a period of at least five years.

At 30 September 2021, 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 $1,008 (2020 – $1,128) lower or higher, mainly as a result of higher or lower finance costs on floating rate borrowings.

v) Country risk

On 19 May 2017, Foreign Exchange Agreement No. 38 was published, which specifically regulates the Foreign Exchange Rate System of the Market's Floating Complementary Exchange Rate ("DICOM"). Foreign currency auctions through the aforementioned system may be carried out with positions held by individuals and legal entities of the private sector that wish to present their bid and offer positions. Auctions may also be carried out by the Central Bank of Venezuela. The DICOM system is administered, regulated and directed by the Currency Auctions Committee, which is constituted and governed in accordance with the provisions of the afore-mentioned Agreement. The amounts and conditions of the amounts of the respective auction is determined at each opportunity by the Currency Auctions Committee. The DICOM corresponding to each auction is published on the website of the Central Bank of Venezuela. On 7 September 2018, this Foreign Exchange Agreement

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

a) Financial risk factors... continued

v) Country risk... continued

No. 38 was superseded by the Foreign Exchange Agreement No. 1. The Group has used the DICOM exchange rate to convert the net assets of its subsidiary in Margarita, Venezuela resulting in a translation gain of $403 (2020 – gain of $381). In the prior year, the Board approved the closure of this subsidiary. As a result, these translation gains were recorded in the consolidated statement of income.

b) Fair value of financial assets and liabilities

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

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
2021				
Financial instruments measured at fair value through other comprehensive income:				
Equity securities	**1,931**	**12,950**	**–**	**14,881**
2020				
Financial instruments measured at fair value through other comprehensive income:				
Equity securities	1,962	9,581	–	11,543

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

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

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

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

c) Capital risk management

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

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

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

During 2021 and 2020, the Group's strategy was to achieve a debt to equity ratio of 40:60. The debt to equity ratios at 30 September 2021 and 2020, are as follows:

	2021	2020
Total debt	425,023	416,304
Total equity	676,518	654,766
Debt to equity ratio	39:61	39:61

Statutory compliance

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

Section 34 of the Insurance Act states that a general insurer will be deemed to be insolvent if its assets do not exceed the sum of its liabilities by the greater of $148 or twenty percent (20%) of its premium income in respect of its general insurance business in its last preceding financial year. Premium income of a company shall be assessed as the net amount, after deductions for any premiums paid by the company for reinsurance in that year in respect of all general insurance business carried on by the company. The company was deemed solvent as at 30 September 2021 and 2020.

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 forty percent (40%) of its net premium income in respect of business transacted during the last preceding financial year. The company was in compliance with this requirement as of 30 September 2021 and 2020.

Section 88 of the Insurance Act requires that the company establishes a motor vehicle insurance fund equal to its liability and contingency reserves for motor vehicle insurance business less amounts held on deposit with the Registrar. The company was in compliance with this requirement as of 30 September 2021 and 2020.

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

(Expressed in thousands of Barbados Dollars)

3. Risk management... continued

c) Capital risk management... continued

Statutory compliance... continued

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

	2021	2020
Regulatory capital held	2,370	2,370
Minimum regulatory capital	555	555

d) Insurance risk

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

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

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

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

Reinsurance arrangements

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

Type of Insurance Contract	Retention of Insurers
Property Risks	Maximum net retention of $74 Maximum gross retention of $7,777 per risk Maximum net retention of $1,111 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

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.

a) *Revaluation of properties*
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.

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

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

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

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

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

d) 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.

e) Impairment of intangible assets

i) 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

e) Impairment of intangible assets... continued

ii) 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.

f) Impairment of financial assets

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

g) Employee benefits

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

h) Deferred taxes

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

i) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

i) Identifying performance obligations in a bundled sale of vehicle and services

The Group provides after-sale services of vehicles that are either sold separately or bundled together with the sale of vehicles to a customer. The after-sale services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

The Group determined that both the vehicle and after-sale service are capable of being distinct. The fact that the Group regularly sells both vehicle and after-sale service on a stand-alone basis indicates that the customer can benefit from both products on their own. The Group also determined that the promises to transfer the vehicle and after-sale service are distinct within the context of the contract. The vehicle and after-sale service are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the vehicle and after-sale service together in this contract do not result in any additional or combined functionality and neither the vehicle and after-sale service significantly modify or customise the other. In addition, the vehicle and after-sale service are not highly interdependent or highly interrelated, because the Group would be able to transfer the vehicle even if the customer declined after-sale service and would be able to provide after-sale service in relation to vehicles sold by other car dealers. Consequently, the Group allocated a portion of the transaction price to the vehicle and after-sale service based on relative stand-alone selling prices.

ii) Principal versus agent considerations

The Group enters into contracts with its customers to perform ship handling and processing duties on behalf of principals. The following factors indicate that the Group is acting in the capacity as an agent in these contracts:

- The Group is not primarily responsible for fulfilling the promise to provide the shipping services.
- The Group has no discretion in establishing the price for the shipping services. The Group's consideration in these contracts is only based on commissions that are a fixed fee or a percentage of the cost of shipping services.

4. Critical accounting estimates and judgements... continued

i) Revenue from contracts with customers... continued

ii) Principal versus agent considerations... continued

In addition, the Group concluded that it transfers control over its services (i.e., arranging for the shipping services), at a point in time, upon completion of the shipping services, because this is when the customer benefits from the Group's agency service.

iii) Estimating variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return that gives rise to variable consideration. A refund liability (included in trade and other payables) and a right of return asset (included in trade and other receivables) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly improbable that a significant reversal in the cumulative revenue recognised will occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

iv) Estimating stand-alone selling price – loyalty rewards programme

Certain subsidiaries within the Group operate loyalty rewards programmes which allow customers to accumulate points for purchases made. These points can be redeemed for a discount on future purchases. A contract liability for the reward points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or upon expiry.

The Group determined that the loyalty points provide a material right to customers that they would not receive without entering into the contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated based on the retail price. A contract liability is recognised until the points are redeemed or expire.

j) Provision for expected credit losses of trade receivables and contract assets

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. For the expected credit loss provision modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience. The underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. At the year end, an additional overlay was applied to account for the effects of COVID-19 on the forward-looking information. The exercise of judgement in making estimations requires the use of assumptions, which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

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 and ground handling services. The Directors assess the performance of the operating segments on the basis of revenue and profit or loss before tax excluding some other gains/(losses) – net which are shown as adjustments.

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

Certain changes were made to the groupings of the divisions in the current year. The comparative information has been reclassified to agree with the current year presentation.

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

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

Operating segments

	Automotive, building supplies and services	Caribbean Distribution Partners Limited	Manufacturing and services	Catering and ground handling	Eliminations/ unallocated	Total
2021						
Revenue						
External sales	345,434	–	269,278	140,450	(5,567)	749,595
Inter-segment sales	2,264	–	2,368	18	(4,650)	–
Associated companies' sales	11,084	667,346	31	55,052	(733,513)	–
Total revenue	358,782	667,346	271,677	195,520	(743,730)	749,595
Segment result						
Profit/(loss) from operations	14,466	–	20,400	(5,771)	(12,844)	16,251
Other gains/(losses) – net	4,257	–	208	1,945	2,893	9,303
Finance costs	(4,313)	–	(1,125)	(2,715)	(3,706)	(11,859)
Share of income/(loss) of associated companies	9	13,483	(7)	1,114	900	15,499
Income/(loss) before non-controlling interests and taxation	14,419	13,483	19,476	(5,427)	(12,757)	29,194
Non-controlling interests	(2,976)	–	(750)	3,720	6	–
Income/(loss) before taxation	11,443	13,483	18,726	(1,707)	(12,751)	29,194
Taxation						(7,130)
Net income for the year						22,064
Other information						
Operating assets	329,878	–	188,473	157,171	113,598	789,120
Non-current assets held for sale	1,754	–	–	–	–	1,754
Intangible assets	12,206	–	1,243	14,141	475	28,065
Investments in associated companies	13,343	132,275	2,345	9,475	24,002	181,440
Unallocated corporate assets	–	–	–	–	101,162	101,162
Consolidated corporate assets	357,181	132,275	192,061	180,787	239,237	1,101,541
Capital expenditure	7,116	–	6,403	3,864	7,842	25,225
Depreciation	6,758	–	6,551	9,742	1,942	24,993
Amortisation of intangible assets	2,392	–	–	596	118	3,106
Impairment of intangible assets	101	–	–	180	–	281
Employee numbers – subsidiary companies only	1,396	–	798	2,684	43	4,921

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Operating segments... continued

	Automotive, building supplies and services	Caribbean Distribution Partners Limited	Manufacturing and services	Catering and ground handling	Eliminations/ unallocated	Total
2020						
Revenue						
External sales	352,061	–	294,498	186,003	(6,442)	826,120
Inter-segment sales	1,462	–	2,845	544	(4,851)	–
Associated companies' sales	12,123	657,138	2,483	60,930	(732,674)	–
Total revenue	365,646	657,138	299,826	247,477	(743,967)	826,120
Segment result						
Profit/(loss) from operations	16,247	–	17,693	(15,646)	(13,829)	4,465
Other gains/(losses) – net	3,967	–	260	4,003	434	8,664
Finance costs	(5,163)	–	(711)	(2,674)	(4,467)	(13,015)
Share of (loss)/income of associated companies	(728)	11,175	1,402	(2,581)	1,871	11,139
Income/(loss) before non-controlling interests and taxation	14,323	11,175	18,644	(16,898)	(15,991)	11,253
Non-controlling interests	(2,841)	–	(742)	3,488	95	–
Income/(loss) before taxation	11,482	11,175	17,902	(13,410)	(15,896)	11,253
Taxation						(7,120)
Net income for the year						4,133
Other information						
Operating assets	322,937	–	175,508	158,511	116,111	773,067
Non-current assets held for sale	1,754	–	–	–	–	1,754
Intangible assets	14,699	–	1,244	10,035	–	25,978
Investments in associated companies	13,334	123,411	2,351	6,133	23,104	168,333
Unallocated corporate assets	–	–	–	–	101,938	101,938
Consolidated corporate assets	352,724	123,411	179,103	174,679	241,153	1,071,070
Capital expenditure	9,297	–	3,320	12,877	1,016	26,510
Depreciation	7,382	–	6,837	9,070	1,861	25,150
Amortisation of intangible assets	2,391	–	–	515	–	2,906
Impairment of intangible assets	–	–	–	1,694	–	1,694
Employee numbers – subsidiary companies only	1,381	–	770	2,583	36	4,770

(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:

	2021	2020
Total income before non-controlling interests and taxation for reportable segments	41,951	27,244
Eliminations/unallocated		
Unallocated group companies	(12,851)	(11,842)
Write down of associated companies	–	(3,935)
Intercompany eliminations	94	(214)
Total eliminations/unallocated	(12,757)	(15,991)
Total income before taxation	29,194	11,253

Reportable segment assets are reconciled to total assets as follows:

	2021	2020
Total assets for reportable segments	862,304	829,917
Unallocated assets		
Operating assets for unallocated group companies	138,075	139,215
Current income tax assets	6,005	6,074
Investment property	31,646	30,814
Financial investments	49,801	52,399
Deferred income tax assets	4,180	3,103
Pension plan assets	9,530	9,548
Total unallocated assets	239,237	241,153
Total assets	1,101,541	1,071,070

Geographical information

	External sales		Non-current assets	
	2021	2020	2021	2020
Barbados	151,714	178,499	188,917	190,491
St. Lucia	98,479	94,798	79,203	83,648
Grenada	95,842	89,166	48,371	48,208
Other Caribbean	124,974	117,754	250,010	246,579
Latin America	97,837	119,378	78,350	70,814
Other	180,749	226,525	3,828	838
Total	749,595	826,120	648,679	640,578

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

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

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

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Geographical segments

	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
2021					
Revenue					
External sales	223,489	332,880	193,091	135	749,595
Inter-segment sales	3,948	702	–	(4,650)	–
Associated companies' sales	11,849	706,353	21,043	(739,245)	–
Total revenue	239,286	1,039,935	214,134	(743,760)	749,595
Segment result					
Profit/(loss) from operations	9,818	15,336	7,682	(16,585)	16,251
Other gains/(losses) – net	753	2,927	2,729	2,894	9,303
Finance costs	(1,778)	(5,695)	(628)	(3,758)	(11,859)
Share of income of associated companies	1,007	13,747	745	–	15,499
Income/(loss) before non-controlling interests and taxation	9,800	26,315	10,528	(17,449)	29,194
Non-controlling interests	2,055	(2,168)	(2,244)	2,357	–
Income/(loss) before taxation	11,855	24,147	8,284	(15,092)	29,194
Taxation					(7,130)
Net income for the year					22,064
Other information					
Operating assets	207,821	337,490	124,678	119,131	789,120
Non-current assets held for sale	–	1,754	–	–	1,754
Intangible assets	2,703	13,497	6,249	5,616	28,065
Investments in associated companies	15,913	157,964	7,562	1	181,440
Unallocated corporate assets	–	–	–	101,162	101,162
Consolidated corporate assets	226,437	510,705	138,489	225,910	1,101,541
Capital expenditure	7,274	6,272	3,699	7,980	25,225
Depreciation	8,577	8,615	5,846	1,955	24,993
Amortisation of intangible assets	1,917	989	82	118	3,106
Impairment of intangible assets	–	281	–	–	281
Employee numbers – subsidiary companies only	959	2,292	1,613	57	4,921

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting... continued

Geographical segments... continued

	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
2020					
Revenue					
External sales	267,884	330,480	227,093	663	826,120
Inter-segment sales	4,324	527	–	(4,851)	–
Associated companies' sales	18,499	688,177	25,371	(732,047)	–
Total revenue	290,707	1,019,184	252,464	(736,235)	826,120
Segment result					
Profit/(loss) from operations	20,487	8,245	(9,866)	(14,401)	4,465
Other gains/(losses) – net	6,167	1,220	843	434	8,664
Finance costs	(1,785)	(6,326)	(436)	(4,468)	(13,015)
Share of income/(loss) of associated companies	1,027	10,965	(1,768)	915	11,139
Income/(loss) before non-controlling interests and taxation	25,896	14,104	(11,227)	(17,520)	11,253
Non-controlling interests	(3,885)	338	3,194	353	–
Income/(loss) before taxation	22,011	14,442	(8,033)	(17,167)	11,253
Taxation					(7,120)
Net income for the year					4,133
Other information					
Operating assets	205,758	336,361	114,215	116,733	773,067
Non-current assets held for sale	–	1,754	–	–	1,754
Intangible assets	4,621	19,207	1,448	702	25,978
Investments in associated companies	15,167	148,853	4,312	1	168,333
Unallocated corporate assets	–	–	–	101,938	101,938
Consolidated corporate assets	225,546	506,175	119,975	219,374	1,071,070
Capital expenditure	8,805	13,564	3,123	1,018	26,510
Depreciation	8,574	8,446	6,244	1,886	25,150
Amortisation of intangible assets	1,917	989	–	–	2,906
Impairment of intangible assets	–	1,694	–	–	1,694
Employee numbers – subsidiary companies only	1,042	2,289	1,386	53	4,770

(Expressed in thousands of Barbados Dollars)

6. Cash and cash equivalents

	2021	2020
Cash	68,851	78,485
Bank overdraft (note 11)	(16,454)	(9,692)
	52,397	68,793

Significant concentrations of cash are as follows:

	2021	2020
FirstCaribbean International Bank and Trust Company (Cayman) Limited formerly CIBC Bank and Trust Company (Cayman) Limited (unrated)	27,457	16,137
CIBC FirstCaribbean International Bank (unrated)	20,626	38,355

7. Trade and other receivables

	2021	2020
Trade receivables	82,601	71,525
Right of return assets (note 24)	210	238
Other receivables	29,124	24,242
Loans receivables	3,438	7,240
Trade and other receivables	115,373	103,245
Less: Provision for expected credit losses	(11,346)	(10,237)
Trade and other receivables – net	104,027	93,008
Less: Long-term portion – Loans and Other receivables (net)	(4,904)	(7,471)
Current portion	99,123	85,537

Included in loans receivables is an amount of $499 (2020 – $926) due from a customer who filed for bankruptcy in the prior year. The customer and the Group reached an agreement for this amount to be settled over the 24 months in equal quarterly instalments from July 2020.

The movement in the Group's provision for expected credit losses of trade and other receivables is as follows:

	2021	2020
Balance at beginning of the year	10,237	7,581
Increase in the provision during the year	3,158	3,688
Receivables written off during the year	(1,378)	(554)
Recoveries during the year	(652)	(426)
Exchange adjustment	(19)	(52)
Balance at end of the year	11,346	10,237

Direct write-offs for impaired receivables net of recoveries to the consolidated statement of income were $608 (2020 – $231).

(Expressed in thousands of Barbados Dollars)

8. Due by/to associated companies

Of these amounts, $21,106 (2020 – $21,055) is interest free, unsecured and due on demand and $1,265 (2020 – $2,975) carries interest at a rate of 4.5% (2020 – 4.5%) and is repayable in one year. Due by/to associated companies is constituted as follows:

	2021	2020
Due by associated companies (due within twelve months)	28,658	24,985
Due by associated companies (due after twelve months)	–	1,376
Due to associated companies	(6,287)	(2,331)
	22,371	24,030

The provision for expected credit losses in respect of amounts due by associated companies was $2,330 (2020 – $759).

9. Reinsurance assets

	2021	2020
Outstanding claims	342	349
Deferred reinsurance costs	4,432	4,946
	4,774	5,295

10. Inventories

	2021	2020
Finished goods	119,279	120,167
Raw materials	27,979	23,496
Work in progress	17,164	6,222
	164,422	149,885
Less: Provision for obsolescence	(1,523)	(1,337)
	162,899	148,548

The cost of inventories written down and recognised as an expense and included in cost of sales amounted to $2,707 (2020 – $3,438).

11. Borrowings

	2021	2020
Non-current		
Bank term loans at interest rates between 2.00% to 11.50% (2020 – 3.25% to 9.85%) maturing at various intervals through 2035 (2020 – through to 2033) – see note (a)	156,914	152,301
Current		
Bank term loans at interest rates between 2.00% to 11.50% (2020 – 3.25% to 9.85%) maturing at various intervals through 2035 (2020 – through to 2033) – see note (a)	45,715	50,466
Short-term loans repayable on demand – see note (b)	670	998
Preference shares – redeemable up to 2023 at a dividend rate of 6.50% (2020 – 6.50%) payable semi-annually – see note (c)	22,434	22,434
Bank overdraft (interest rates of 3.60% to 11.25%) (2020 – 4.50% to 11.25%) (note 6) – see note (a)	16,454	9,692
	85,273	83,590
Total	242,187	235,891

(Expressed in thousands of Barbados Dollars)

11. Borrowings... continued

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

b) The short-term loans are unsecured and bear interest at rates varying between 3% and 5% (2020 – 3% and 5%) per annum.

c) These preference shares were issued as part-payment of the purchase consideration for the acquisition of Minvielle & Chastanet Limited ("M&C") and are denominated in United States dollars. The shares have a fixed preferential dividend rate of 6.50% 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 Eastern Caribbean dollars at the holders' request. The holders also have the option to convert 60% of the preference shares into the Group's shares with the balance redeemable for cash, prior to 2023. Given the specific redemption terms, including the two months' notice period for any redemption request prior to 2023, the full amount of the outstanding preference shares is shown as current borrowings. During the prior year, the holders redeemed $10,000 of the preference shares.

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

Antigua: Floating charge debenture over business assets stamped for $8,459 (2020 – $8,237).

Barbados: Letters of charge, demand debentures and first legal mortgages over land and buildings and assets of the Company and of certain subsidiary companies stamped to secure $122,047 (2020 – $114,847), guarantee bond and postponement of claims by the Company for full liability, assignment of fire and other perils insurance policies over fixed and floating assets to the bank.

St. Lucia: Letters of charge, demand debentures and first legal mortgages over land and buildings and assets of certain subsidiary companies stamped to secure $15,755 (2020 – $14,913), assignment of fire and other perils insurance policies over fixed and floating assets to the bank.

St. Vincent: Equitable mortgage on deed of conveyance over land and buildings of a subsidiary company stamped to secure $8,000 (2020 – $8,000), assignment of fire and perils insurance over business assets and postponement of claim by Goddard Enterprises Limited for full liability.

Jamaica: A registered first demand debenture and first demand mortgage over land and buildings providing a fixed and floating charge over assets stamped to secure $3,075 (2020 – $4,553) and guarantee of Goddard Enterprises Limited to cover full liability.

Grenada: First legal mortgage over land and buildings stamped to secure $3,333 (2020 – $2,963).

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

	2021	2020
No exposure	**146,141**	112,676
Less than 1 year	**24,684**	37,502
1 – 5 years	**55,939**	80,930
Over 5 years	**15,423**	4,783
	242,187	235,891

(Expressed in thousands of Barbados Dollars)

11. Borrowings... continued

The fair value of the Group's fixed rate borrowings was at the year-end $123,118 (2020 – $102,766).

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

	2021	2020
Barbados dollar	**78,544**	64,595
Eastern Caribbean dollar	**106,468**	108,137
Jamaica dollar	**4,211**	4,553
United States dollar	**47,340**	52,132
Colombia peso	**1,317**	1,897
Trinidad and Tobago dollar	**3,365**	4,577
Guatemalan Quetzales	**942**	–
	242,187	235,891

In the prior year, the Group received moratoriums on some of its loans, resulting in the capitalisation of borrowing costs in the amount of $1,531.

Reconciliation of movement of borrowings (bank term loans) to cash flows arising from financing activities:

	2021	2020
Opening bank term loans	**202,767**	190,174
Loans acquired during the year (note 34)	**850**	–
Loans received	**31,821**	25,201
Loans repaid	**(32,675)**	(12,257)
Transfer to lease liability	**–**	(18)
Exchange adjustments	**(134)**	(333)
Closing bank term loans	**202,629**	202,767

12. Trade and other payables

	2021	2020
Trade payables	**54,574**	56,436
Accrued liabilities	**72,602**	66,607
Refund liabilities (note 24)	**303**	338
Contract liabilities	**795**	980
	128,274	124,361

13. Leases

Group as a lessee

The Group has lease contracts for various items of land, building and general equipment used in its operations. Leases of land and building generally have lease terms between 5 and 25 years, while general equipment generally has lease terms between 2 and 6 years. There are several lease contracts that include extension and variable lease payments, which are further discussed below.

The Group also has certain leases of general equipment with lease terms of 12 months or less and/or low values. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemption for these leases. The Group recognised rent expense from short-term leases of $1,355 (2020 – $144) and from low-value assets of $194 (2020 – $626) for the year. The Group also recognised rent expense relating to variable lease payments of $252 (2020 – $843) for the year.

(Expressed in thousands of Barbados Dollars)

13. Leases... continued

The carrying amounts of right-of-use assets recognised and the movements during the year are as follows:

	Land and buildings	General equipment	Total
At 1 October 2019	36,491	1,376	37,867
Right-of-use assets acquired during the year (note 34)	524	311	835
Additions	2,045	182	2,227
Depreciation (note 25)	(7,634)	(525)	(8,159)
At 30 September 2020	31,426	1,344	32,770
At 1 October 2020	**31,426**	**1,344**	**32,770**
Additions	**11,033**	**444**	**11,477**
Exchange	**(456)**	**(3)**	**(459)**
Disposals	**(5,538)**	**(175)**	**(5,713)**
Depreciation (note 25)	**(7,267)**	**(774)**	**(8,041)**
At 30 September 2021	**29,198**	**836**	**30,034**

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2021	2020
At 1 October	**34,320**	37,867
Lease liabiities acquired during the year (note 34)	**–**	835
Additions	**11,360**	2,227
Disposals	**(5,774)**	–
Principal repayments	**(11,199)**	(8,771)
Rent concessions due to COVID-19	**1,582**	–
Interest payments (note 28)	**2,002**	2,162
Exchange	**465**	–
At 30 September	**32,756**	34,320
Current	**6,789**	7,195
Non-current	**25,967**	27,125
	32,756	34,320

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	Within five years	More than five years	Total
Extension options expected not to be exercised	**16**	**–**	**16**

(Expressed in thousands of Barbados Dollars)

13. Leases... continued

Group as a lessor

The Group has entered into operating leases on certain freehold and investment properties consisting of office and retail space and warehouses. The major leases include clauses to enable upward revision of the rental charges between an annual and triennial basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at 30 September are as follows:

	2021	2020
Within one year	5,893	4,785
After one year but not more than five years	12,565	12,266
After five years	4,987	–
	23,445	17,051

14. Insurance contracts

	2021	2020
Provision for losses and loss adjustment expenses	1,226	1,231
Unearned premiums	6,748	7,239
	7,974	8,470

(Expressed in thousands of Barbados Dollars)

15. Property, plant and equipment

	Freehold land and buildings	Construction in progress	Leasehold buildings	General equipment	Total
At 30 September 2019					
Cost or valuation	275,246	8,814	57,043	280,623	621,726
Accumulated depreciation	(15,298)	–	(44,040)	(190,925)	(250,263)
Net book amount	259,948	8,814	13,003	89,698	371,463
Year ended 30 September 2020					
Opening net book amount	259,948	8,814	13,003	89,698	371,463
Exchange differences	(1,220)	–	(268)	(1,330)	(2,818)
Additions	1,600	5,213	957	18,740	26,510
Assets acquired during the year (note 34)	–	–	1,288	8,324	9,612
Transfer to right-of-use assets	–	–	–	(18)	(18)
Transfer to held-for-sale assets	(1,754)	–	–	–	(1,754)
Disposals	–	–	(100)	(3,933)	(4,033)
Reclassifications	(138)	(14,027)	14,027	138	–
Hyperinflationary revaluation	–	–	–	24	24
Depreciation charge (note 25)	(3,943)	–	(2,272)	(18,935)	(25,150)
Closing net book amount	254,493	–	26,635	92,708	373,836
At 30 September 2020					
Cost or valuation	273,708	–	68,675	290,653	633,036
Accumulated depreciation	(19,215)	–	(42,040)	(197,945)	(259,200)
Net book amount	254,493	–	26,635	92,708	373,836
Year ended 30 September 2021					
Opening net book amount	254,493	–	26,635	92,708	373,836
Exchange differences	(216)	–	(72)	(335)	(623)
Additions	8,975	1,133	2,815	12,302	25,225
Revaluations surplus	–	–	–	969	969
Subsidiary acquired during the year (note 34)	–	–	–	568	568
Disposals	(628)	–	(32)	(1,777)	(2,437)
Reclassifications	413	95	(399)	(109)	–
Hyperinflationary revaluation	–	–	–	45	45
Depreciation charge (note 25)	(3,888)	–	(2,433)	(18,672)	(24,993)
Closing net book amount	259,149	1,228	26,514	85,699	372,590
At 30 September 2021					
Cost or valuation	282,176	1,228	68,020	292,087	643,511
Accumulated depreciation	(23,027)	–	(41,506)	(206,388)	(270,921)
Net book amount	259,149	1,228	26,514	85,699	372,590

(Expressed in thousands of Barbados Dollars)

15. Property, plant and equipment... continued

Depreciation expense of $4,401 (2020 – $4,546) and $20,592 (2020 – $20,604) respectively has been included in cost of sales and selling, marketing and administrative expenses.

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

	2021	2020
Cost	**154,471**	153,042
Accumulated depreciation	**(34,009)**	(35,166)
	120,462	117,876

Land and buildings up to a total value of $142,520 (2020 – $125,177) have been provided as security for various bank borrowings.

In the prior year, a subsidiary in St. Vincent agreed to dispose of one of its properties. In accordance with IFRS 5, this property has been transferred to held-for-sale assets at a value of $1,754.

Independent valuations of the Group's freehold land and buildings situated in Barbados, St. Lucia, St. Vincent, Grenada, Jamaica, Cayman Islands and Uruguay were performed by valuers in those countries between July and October 2017. The valuations which conform to International Valuation Standards, were determined by reference to the income capitalisation, market based and depreciated replacement cost methods. The most significant inputs into these valuation models are rental income generated and the capitalisation rate, comparable sales, and the substitution cost of the asset and depreciation factor applied respectively. The highest and best use of a property may also be considered in determining its fair value.

The fair value hierarchy, as defined in note 3 b), has been applied to the valuations of the Group's freehold land and buildings and all fair values of these properties are designated as Level 2. Reasonable changes in fair values would impact the consolidated statement of comprehensive income.

16. Investment property

	2021	2020
Balance – beginning of year	**30,814**	30,694
Fair value gains on revaluation of investment property (note 26)	**797**	154
Exchange adjustment	**35**	(34)
Balance – end of year	**31,646**	30,814

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

The fair value hierarchy, as defined in note 3 b), has been applied to the valuations of the Group's investment property and all fair values of these properties are designated as Level 2. Reasonable changes in fair values would impact the consolidated statement of income.

Rental income from investment properties amounted to $2,557 (2020 – $2,044) and direct operating expenses totalled $154 (2020 – $20) for the year.

(Expressed in thousands of Barbados Dollars)

17. Intangible assets

	Goodwill	Trade names	Customer relationships	Other	Total
At 30 September 2019					
Cost	32,481	12,462	14,940	7,049	66,932
Accumulated amortisation	–	(6,146)	(6,263)	(131)	(12,540)
Accumulated impairment	(16,927)	–	–	(6,887)	(23,814)
Net book amount	15,554	6,316	8,677	31	30,578
Year ended 30 September 2020					
Opening net book amount	15,554	6,316	8,677	31	30,578
Impairment of intangible assets (note 26)	(1,694)	–	–	–	(1,694)
Amortisation charge (note 26)	–	(600)	(2,295)	(11)	(2,906)
Closing net book amount	13,860	5,716	6,382	20	25,978
At 30 September 2020					
Cost	32,481	12,462	14,940	7,049	66,932
Accumulated amortisation	–	(6,746)	(8,558)	(142)	(15,446)
Accumulated impairment	(18,621)	–	–	(6,887)	(25,508)
Net book amount	13,860	5,716	6,382	20	25,978
Year ended 30 September 2021					
Opening net book amount	**13,860**	**5,716**	**6,382**	**20**	**25,978**
Acquisition of intangible assets	**3,003**	**–**	**1,879**	**592**	**5,474**
Impairment of intangible assets (note 26)	**(281)**	**–**	**–**	**–**	**(281)**
Amortisation charge (note 26)	**–**	**(600)**	**(2,377)**	**(129)**	**(3,106)**
Closing net book amount	**16,582**	**5,116**	**5,884**	**483**	**28,065**
At 30 September 2021					
Cost	**35,484**	**12,462**	**16,819**	**7,641**	**72,406**
Accumulated amortisation	**–**	**(7,346)**	**(10,935)**	**(7,158)**	**(25,439)**
Accumulated impairment	**(18,902)**	**–**	**–**	**–**	**(18,902)**
Net book amount	**16,582**	**5,116**	**5,884**	**483**	**28,065**

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

(Expressed in thousands of Barbados Dollars)

17. Intangible assets... continued

2021	Allocation beginning of year	Additions	Impairment	Allocation end of year
Automotive, building supplies and services	6,638	–	(101)	6,537
Manufacturing and services	1,243	–	–	1,243
Catering and ground handling	5,979	3,003	(180)	8,802
	13,860	3,003	(281)	16,582

2020	Allocation beginning of year	Impairment	Allocation end of year
Automotive, building supplies and services	6,638	–	6,638
Manufacturing and services	1,243	–	1,243
Catering and ground handling	7,673	(1,694)	5,979
	15,554	(1,694)	13,860

The recoverable amount of a cash-generating unit is determined based on its value-in-use calculations. These calculations use pre-tax cash flow projections prepared by management for the next five years. During the year the carrying values on two cash-generating units were reduced to its estimated recoverable amounts through recognition of impairment losses of $281 (2020 – $1,694) in respect of goodwill to reflect declining performances. These losses have been included in other gains/(losses) – net in the consolidated statement of income (note 26).

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.

	2021	
	Discount factor	Residual growth rate
Automotive, building supplies and services	7.5% – 15.9%	2.5%
Manufacturing and services	11.4%	2.5%
Catering and ground handling	8.1% – 10.8%	2.5%

Securing the Future

(Expressed in thousands of Barbados Dollars)

18. Investments in associated companies

The movement in investments in associated companies is as follows:

	2021	2020
Investments in associated companies – beginning of year	168,333	165,513
Investments made during the year	–	3,872
Write down of investments in associates (note 26)	–	(4,837)
Share of net income less dividends received for the year	11,359	6,221
Other comprehensive income/(loss)	1,748	(2,436)
Investments in associated companies – end of year	181,440	168,333

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

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

Summarised statement of financial position for the associated companies:

	CDP	Other	Total
2021			
Assets			
Current assets	255,621	53,062	308,683
Non-current assets	210,803	66,051	276,854
	466,424	119,113	585,537
Liabilities			
Current liabilities	122,014	42,719	164,733
Non-current liabilities	68,324	13,235	81,559
	190,338	55,954	246,292
Net assets	276,086	63,159	339,245
Average proportion of the Group's ownership	48%	44%	47%
Carrying amount of investments before intangibles	132,275	27,944	160,219
Intangibles on investments in associated companies	–	21,221	21,221
Carrying amount of investments	132,275	49,165	181,440

(Expressed in thousands of Barbados Dollars)

18. Investments in associated companies... continued

Summarised statement of financial position for the associated companies... continued:

	CDP	Other	Total
2020			
Assets			
Current assets	255,224	36,647	291,871
Non-current assets	213,495	59,524	273,019
	468,719	96,171	564,890
Liabilities			
Current liabilities	133,048	38,964	172,012
Non-current liabilities	77,730	3,759	81,489
	210,778	42,723	253,501
Net assets	257,941	53,448	311,389
Average proportion of the Group's ownership	48%	44%	47%
Carrying amount of investments before intangibles	123,411	23,701	147,112
Intangibles on investments in associated companies	–	21,221	21,221
Carrying amount of investments	123,411	44,922	168,333

Summarised statement of income for the associated companies:

	CDP	Other	Total
2021			
Revenue	667,346	71,899	739,245
Income before taxation	37,526	5,082	42,608
Taxation	(10,561)	(95)	(10,656)
Net income for the year	26,965	4,987	31,952
Other comprehensive (loss)/income	(958)	4	(954)
Total comprehensive income	26,007	4,991	30,998
Group's share of income for the year	13,483	2,016	15,499
Group's share of dividends received for the year (note 35 (c))	(4,140)	–	(4,140)

Securing the Future

(Expressed in thousands of Barbados Dollars)

18. Investments in associated companies... continued

Summarised statement of income for the associated companies... continued:

	CDP	Other	Total
2020			
Revenue	657,138	76,776	733,914
Income/(loss) before taxation	29,338	(8,218)	21,120
Taxation	(6,987)	(224)	(7,211)
Net income/(loss) for the year	22,351	(8,442)	13,909
Other comprehensive income/(loss)	1,941	(600)	1,341
Total comprehensive income/(loss)	24,292	(9,042)	15,250
Group's share of income/(loss) for the year	11,175	(36)	11,139
Group's share of dividends received for the year (note 35 (c))	(4,173)	(745)	(4,918)

19. Financial investments

	2021	2020
Investments measured at fair value through other comprehensive income	16,295	21,605
Investments measured at amortised cost	33,506	30,794
	49,801	52,399

Financial investments carried at amortised cost are subject to expected credit impairment losses which are recognized in the consolidated statement of income. The following tables analyse the credit risk exposure of financial investments for which an allowance for expected credit losses is recognized.

30 September 2021

	Stage 1	Stage 2	Stage 3	Total
Investments at amortised cost				
Government	26,363	–	–	26,363
Corporate bonds	7,482	–	–	7,482
Total gross carrying amount	33,845	–	–	33,845
Expected credit loss allowance	(339)	–	–	(339)
Total carrying amount	33,506	–	–	33,506

(Expressed in thousands of Barbados Dollars)

19. Financial investments... continued

30 September 2020

	Stage 1	Stage 2	Stage 3	Total
Investments at amortised cost				
Government	27,388	–	–	27,388
Corporate bonds	3,630	–	–	3,630
Total gross carrying amount	31,018	–	–	31,018
Expected credit loss allowance	(224)	–	–	(224)
Total carrying amount	30,794	–	–	30,794

Significant concentrations of financial investments are as follows:

	2021	2020
Investments at amortised cost:		
Government of St. Lucia Bonds (unrated)	3,716	3,668
Government of St. Lucia Treasury Notes (unrated)	1,256	3,117
East Caribbean Financial Holding Co. – Bank of St. Lucia (unrated)	–	2,618
First Citizens Investment Services Ltd. (unrated)	7,304	7,312
Government of Antigua Treasury Notes (unrated)	–	422
Government of St. Vincent Treasury Bonds (unrated)	1,197	1,167
Government of Grenada Treasury Bills (unrated)	1,784	–
Eastern Caribbean Home & Mortgage Bank Corporate Note (unrated)	8,483	3,595
Bank of St. Lucia (unrated)	2,642	–

Investments measured at fair value through other comprehensive income:

	2021	2020
CIBC FirstCaribbean International Bank (unrated)	781	868
OAM Asian Recovery Fund (unrated)	7,900	6,093
OAM European Value Fund (unrated)	4,982	3,421
Mutual Financial Services Inc. (unrated)	–	1,643
Sagicor Financial Corporation (unrated)	911	857
Mirexus Biotechnologies Inc. (unrated)	–	3,530
Unidad Punta de Rieles S.A. (unrated)	–	3,467

Debt securities carry fixed interest rates ranging from 1.0% to 7.25% (2020 – 1.0% to 7.15%) and maturity dates between 2022 and 2057 (2020 – 2021 and 2057).

No debt securities were past due at the reporting date.

The Group has subscribed to a convertible promissory note in its associate Mirexus Biotechnologies Inc. ("Mirexus") amounting to $23,245 (CDN$14,690) accruing interest at 1% per annum. The full aggregate balance of the loan (both principal and accrued interest) is subject to mandatory conversion into common shares of Mirexus at a price per share of CDN$1.92 upon maturity in June 2022. As at 30 September 2021, Mirexus, the issuer, has accounted for the transaction as an issuance of equity based on the substance of the transaction.

As a result of this and the fact that the Group currently does not exercise control over Mirexus, the convertible promissory note has been classified as fair value through other comprehensive income and shown separately from the investment in associated companies. During the year, the Group recognised a decline in fair value of $4,818 (2020 – $18,427) on this investment, which has been recorded in the consolidated statement of other comprehensive income.

(Expressed in thousands of Barbados Dollars)

19. Financial investments... continued

During the year the Group disposed of its shares in Mutual Financial Services Inc. as a result of the company being liquidated. The shares had a fair value of $1,656 and the Group realised a loss of $17. The Group also sold its investment in Unidad Punta de Rieles S.A. as this investment no longer suited the Group's investment strategy. The shares had a fair value of $3,466 at the time of the sale.

Debt securities amounting to $10,718 (2020 – $8,062) were used as securities for the statutory deposits and motor insurance fund for the Group's insurance company.

20. Deferred income tax assets/(liabilities)

	2021	2020
Deferred income tax liabilities (net) – beginning of year	(1,116)	(1,980)
Deferred income tax charge to other comprehensive income	(583)	(435)
Deferred income tax credit (note 29)	2,634	1,245
Exchange adjustment	(4)	54
Deferred income tax assets/(liabilities) (net) – end of year	931	(1,116)

	2021	2020
Represented by:		
Deferred income tax assets	4,180	3,103
Deferred income tax liabilities	(3,249)	(4,219)
Deferred income tax assets/(liabilties) (net) – end of year	931	(1,116)

The deferred income tax assets consist of the following components:

	2021	2020
Delayed tax depreciation	7,101	7,467
Taxed provisions	4,853	5,224
Pension plan (assets)/liabilities	(2,890)	139
Unutilised tax losses	13,044	7,545
Other	2,636	(623)
	24,744	19,752
Deferred income tax assets at applicable corporation tax rates	4,180	3,103

The deferred income tax liabilities consist of the following components:

	2021	2020
Accelerated tax depreciation	(23,699)	(13,918)
Taxed provisions	1,836	(4,590)
Pension plan assets (net of liabilities)	(6,023)	(6,414)
Unutilised tax losses	1,182	2,069
Other	(1,376)	(3,578)
	(28,080)	(26,431)
Deferred income tax liabilities at applicable corporation tax rates	(3,249)	(4,219)

(Expressed in thousands of Barbados Dollars)

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

	2021	2020
Deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	2,642	2,348
Deferred income tax assets to be recovered within 12 months	1,538	755
	4,180	3,103
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after more than 12 months	(2,360)	(3,443)
Deferred income tax liabilities to be settled within 12 months	(889)	(776)
	(3,249)	(4,219)

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

	2021	2020
Delayed tax depreciation	2,220	1,909
Pension plan asset	–	(1,020)
Unutilised tax losses	10,445	30,815
Other	–	28
	12,665	31,732
Deferred income tax assets at applicable corporation tax rates	523	972

21. Pension plans

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

The benefits that members receive at retirement under the defined contribution plans depend on their account balances at retirement and the cost of purchasing an annuity. Most of the defined benefit pension plans are non-contributory and allow for additional voluntary contributions with benefits dependent on either the career average salary or the final average salary in the last three years of membership. The defined benefit plans are fully integrated with the benefits provided by any national insurance or social security schemes in the different countries that are covered by the plans. Annual valuations of the defined benefit pension plans are performed by independent actuaries and the companies' contributions are adjusted according to the actuaries' recommendations. The last full actuarial valuations of the plans were performed as at 30 September 2020. Interim actuarial valuations of the plans were performed as at 30 September 2021.

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

The parent company, Goddard Enterprises Limited ("GEL"), is responsible for the establishment of the plans and oversight of their administration. GEL's Board of Directors has delegated the responsibility of management and administration of the plans and the investment of the plans' assets to Pension Trustee Committees ("PTCs"). A separate trust fund has been established for each plan to receive and invest contributions and pay benefits due under each plan. All benefits are calculated and paid out in accordance with the rules of the pension plans. Funds are physically held by trustees appointed in accordance with the Trust Deeds. The PTCs' investment strategy includes investing in fixed interest and equity type investments as liabilities are best matched by equity type investments for which prices are somewhat correlated to price inflation. The PTCs decide their contributions based on the results of their reviews.

(Expressed in thousands of Barbados Dollars)

21. Pension plans... continued

In respect of the defined contribution pension plans operated by the Group, the amounts recognised in the consolidated statement of income are $2,722 (2020 – $2,849).

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

Pension plan assets

	2021	2020
Fair value of plan assets	122,770	112,199
Present value of funded obligations	(98,169)	(102,651)
	24,601	9,548
Effect of asset ceiling	(15,071)	–
Net assets – end of year	9,530	9,548

Pension plan liabilities

	2021	2020
Fair value of plan assets	10,161	15,555
Present value of funded obligations	(10,778)	(17,808)
Net liabilities – end of year	(617)	(2,253)
Net pension plan asset	8,913	7,295

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

	2021	2020
Fair value of plan assets – beginning of year	127,754	132,241
Employer contributions	1,827	1,989
Employee contributions	849	971
Benefits paid	(13,742)	(9,219)
Plan administration expenses	(247)	(184)
Remeasurements:		
Return on plan assets	16,490	1,956
Fair value of plan assets – end of year	132,931	127,754

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

	2021	2020
Present value of funded obligations – beginning of year	120,459	127,107
Current service cost	1,532	1,881
Contributions paid	849	971
Interest cost	8,888	9,607
Benefits paid	(13,742)	(9,219)
Remeasurements:		
Experience gains	(9,039)	(9,888)
Present value of funded obligations – end of year	108,947	120,459

(Expressed in thousands of Barbados Dollars)

21. Pension plans... continued

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

	2021	2020
Net asset – beginning of year	7,295	5,134
Net pension expense included in the consolidated statement of income	(1,275)	(1,745)
Remeasurements included in the consolidated statement of comprehensive income (note 38)	1,066	1,917
Contributions paid	1,827	1,989
Net asset – end of year	8,913	7,295

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

	2021	2020
Current service cost	1,532	1,881
Net interest on the net defined benefit asset	(504)	(320)
Plan administration expenses	247	184
Net amount recognised in the consolidated statement of income	1,275	1,745

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

	2021	2020
Remeasurements:		
Gains from change in assumptions	(1,274)	(598)
Experience gains	(7,765)	(9,290)
Return on plan assets excluding amounts included in interest expense	(7,098)	7,971
Effect of asset ceiling	15,071	–
Net amount recognised in the consolidated statement of comprehensive income	(1,066)	(1,917)

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

	2021	2020
Discount rate	7.5% - 7.8%	7.5% - 7.8%
Expected return on plan assets	7.5% - 7.8%	7.5% - 7.8%
Future promotional salary increases	3.0% - 5.0%	3.0% - 5.0%
Future inflationary salary increases	0.0% - 3.8%	0.0% - 3.8%
Future pension increases	2.0% - 3.8%	2.0% - 3.8%
Proportion of employees opting for early retirement	0.0%	0.0%
Future changes in NIS ceiling	2.0% - 5.0%	2.0% - 5.0%
Mortality	UPM94	UPM94

(Expressed in thousands of Barbados Dollars)

21. Pension plans… continued

Plan assets are comprised as follows:

	2021	2020
Bonds Fund	7.5%	8.0%
Equity Fund	75.0%	74.7%
Balanced Fund	10.1%	10.6%
Other	7.4%	6.7%
Total	100.0%	100.0%

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

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

Expected contributions to the defined benefit pension plans for the year ending 30 September 2022 are $1,750.

The weighted average duration of the defined benefit obligations within the Group ranges from 9.12 to 23.13 years (2020 – 10.11 to 25.02 years).

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.0%	11,684	14,969
Salary growth rate	0.5%	2,567	2,309
Life expectancy	1 year	3,683	–

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

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

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

Honouring the Past…

(Expressed in thousands of Barbados Dollars)

21. Pension plans... continued

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

	2021	2020
Less than 1 year	4,633	4,694
Between 1 - 2 years	5,049	4,978
Between 2 - 5 years	17,337	17,847
Over 5 years	41,238	43,858
	68,257	71,377

22. Share capital

Authorised

The Company is authorised to issue:

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

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

Issued and fully paid

	2021	2020
Common shares	49,195	48,552

	2021		2020	
	Number of shares	$	Number of shares	$
Balance – beginning of year	227,360,488	48,552	226,976,253	47,421
Shares issued during the year – see a)	355,502	643	384,235	1,131
Balance – end of year	227,715,990	49,195	227,360,488	48,552

Changes during the year were as follows:

a) In November 2020, employees of the Company and its Barbados subsidiary companies were offered shares in part payment of bonus payable in December 2020, as permitted by law. A total of 113,233 shares were issued at a price of $1.87 each. These shares qualified for the 2021 interim dividend paid in August 2021. Subsequently, in May 2021, 242,269 shares were allotted under the employee share purchase scheme at $1.78 per share.

(Expressed in thousands of Barbados Dollars)

23. Other reserves

	Financial investments reserve	Revaluation surplus	Translation reserve	Share-based payments reserve	Statutory reserve	Total
Balance at 1 October 2019	4,374	99,892	(29,123)	2,503	2,389	80,035
Other comprehensive income/(loss):						
Losses/(gains) transferred to retained earnings on disposal of financial investments						
– Group	15	–	–	–	–	15
Unrealised losses on financial investments at FVOCI:						
– Group	(19,367)	–	–	–	–	(19,367)
– Associated companies	(2)	–	–	–	–	(2)
Currency translation differences:						
– Group	–	–	(1,547)	–	–	(1,547)
– Associated companies	–	–	(2,425)	–	–	(2,425)
Hyperinflationary revaluations	–	(569)	–	–	–	(569)
Share of revaluation surplus:						
– Associated companies	–	(162)	–	–	–	(162)
Other comprehensive loss for the year	(19,354)	(731)	(3,972)	–	–	(24,057)
Value of employee services:						
– Other share-based plans	–	–	–	113	–	113
Balance at 30 September 2020	(14,980)	99,161	(33,095)	2,616	2,389	56,091
Balance at 1 October 2020	**(14,980)**	**99,161**	**(33,095)**	**2,616**	**2,389**	**56,091**
Other comprehensive income/(loss):						
Acquisition of subsidiaries	–	**(997)**	–	–	–	**(997)**
Gains transferred to retained earnings on disposal of financial investments						
– Group	**(697)**	–	–	–	–	**(697)**
Unrealised losses on financial investments at FVOCI:						
– Group	**(183)**	–	–	–	–	**(183)**
Transfers to retained earnings	–	–	–	–	**510**	**510**
Currency translation differences:						
– Group	–	–	**(742)**	–	–	**(742)**
– Associated companies	–	–	**(592)**	–	–	**(592)**
Hyperinflationary revaluations	–	**221**	–	–	–	**221**
Share of revaluation surplus:						
– Group	–	**494**	–	–	–	**494**
– Associated companies	–	**2,222**	–	–	–	**2,222**
Other comprehensive (loss)/income for the year	**(880)**	**1,940**	**(1,334)**	–	**510**	**236**
Value of employee services:						
– Other share-based plans	–	–	–	**115**	–	**115**
Balance at 30 September 2021	**(15,860)**	**101,101**	**(34,429)**	**2,731**	**2,899**	**56,442**

Honouring the Past...

(Expressed in thousands of Barbados Dollars)

23. Other reserves... continued

Unrealised gains and losses arising on the remeasurement of financial assets are recorded in the financial investments reserve in equity. On disposal of the asset the previously recorded unrealised gain or loss is transferred from the financial investments reserve to retained earnings.

Increases in the carrying amount arising on revaluation of land and buildings are accumulated in revaluation surplus in equity. Decreases that offset previous increases of the same asset reduce the revaluation surplus in equity.

Translation differences on non-monetary financial assets such as equities designated as fair value through other comprehensive income are included in the financial investments reserve in equity.

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

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

Any discounts offered under the bonus share purchase scheme and the employee share purchase scheme are recognised in the share-based payments expense in selling, marketing and administrative expenses and credited to the share-based payments reserve in equity.

In certain subsidiaries there is a legal requirement to appropriate towards a statutory reserve based on a specific formula.

In the prior year, the Board approved the closure of its subsidiary in Margarita. As a result, $1 (2020 – $390) of inflation gains and $205 of currency translation gains (2020 – losses of $1,097) were transferred to the consolidated statement of income.

24. Revenue from contracts with customers

a) Disaggregated revenue information

2021

Segments	Automotive, building supplies and services	Manufacturing	Catering and ground handling	Total
Type of good or service				
Automotive sector	76,110	–	–	76,110
Building supplies sector	157,891	–	–	157,891
Shipping sector	13,964	–	–	13,964
Food distribution sector	49,824	–	–	49,824
Manufacturing sector	–	269,278	–	269,278
Catering sector	–	–	110,804	110,804
Ground handling sector	–	–	29,646	29,646
Other sector	42,078	–	–	42,078
Total revenue from contracts with customers	339,867	269,278	140,450	749,595

(Expressed in thousands of Barbados Dollars)

24. Revenue from contracts with customers... continued

a) Disaggregated revenue information... continued

2020

Segments	Automotive, building supplies and services	Manufacturing	Catering and ground handling	Total
Type of good or service				
Automotive sector	98,333	–	–	98,333
Building supplies sector	139,801	–	–	139,801
Shipping sector	17,028	–	–	17,028
Food distribution sector	50,063	–	–	50,063
Manufacturing sector	–	294,498	–	294,498
Catering sector	–	–	169,145	169,145
Ground handling sector	–	–	16,858	16,858
Other sector	40,394	–	–	40,394
Total revenue from contracts with customers	345,619	294,498	186,003	826,120

b) Contract balances

	2021	2020
Trade receivables – net	**74,171**	64,603
Contract liabilities	**795**	980

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The acquisition of assets resulted in an increase in trade receivables of $790 (2020 – $2,411) at acquisition date (note 34). In 2021, $8,430 (2020 – $6,922) was recognised as a provision for expected credit losses on trade receivables.

Contract liabilities include billings to customers for which no revenue was recognised and loyalty points not yet redeemed. The outstanding balances of these accounts decreased during the year due to a net decrease in contracts sold to customers in the automotive sector of $31 (2020 – $131) and a net decrease in loyalty points of $216 (2020 – $39).

c) Right of return assets and refund liabilities

	2021	2020
Right of return assets (note 7)	**210**	238
Refund liabilities		
– Arising from rights of return	**(303)**	(338)

d) Performance obligations

Automotive sector

For the sale of motor vehicles and vehicle parts, the performance obligation is satisfied upon delivery of the vehicle or the vehicle parts to the customer. Payment is due upon delivery and is usually completed through a financial institution via a vehicular loan in the case of motor vehicle sales. In the case of credit customers, payment is due within 30 days of delivery. Customers are granted assurance-type warranties that cover manufacturers' defects only.

24. Revenue from contracts with customers... continued

d) Performance obligations... continued

Automotive sector... continued

For vehicle repairs and servicing, the performance obligation is satisfied upon the completion of repairs or servicing, which is usually completed within one day. Payment is due upon delivery of the repaired or serviced vehicle, or within 30 days, in the case of credit customers.

Vehicle servicing packages are also sold to customers. These performance obligations are satisfied over time, with payment being required at the inception of the contract.

Building supplies sector

The performance obligation is satisfied upon delivery of various building supplies products. The terms of payment can be cash, cash on delivery, or credit for a period of 30 days. In one of our subsidiaries, extended credit of up to 365 days is given on select building supplies. The performance obligation is completed upon delivery of the relevant products. For some building supplies products, an assurance-type warranty of one to three years is provided, which covers manufacturers' defects only.

Shipping sector

Performance obligations in this sector typically completed within a day or a few days and therefore are recognised as if they are satisfied at a point in time for simplicity. These performance obligations include the supervision of loading or unloading of containers on a vessel, the co-ordination of all activities relating to the processing of voyages through various ports and the monitoring of the movement of containers. Payment is due within 30 days of completion of the relevant service.

Food distribution sector

The performance obligation is satisfied upon delivery of various consumer products. The terms of payment can be cash, cash on delivery, or credit for a period up to 30 days. Where there are returns due to damaged or expired products or sales errors, customers are entitled to full refunds. Such returns usually occur within one month of delivery. Companies in this sector have no warranties.

Manufacturing sector

The performance obligation is satisfied upon delivery of manufactured products purchased for resale. The terms of payment are determined by prior approval and can be cash, cash on delivery, or credit ranging from 7 to 45 days. Where there are returns due to damaged or faulty products or sales errors, customers are entitled to full refunds. Such returns usually occur within one month of delivery.

Catering sector

The performance obligation is satisfied upon delivery of various catering (meals) and services (delivery of meals). The terms of payment can vary customer to customer but usually credit is extended with terms varying between 30 and 90 days. In certain subsidiaries, in the industrial catering sector credit of up to 180 days is given on meals provided. The performance obligation is completed upon delivery of the relevant products (meals) and delivery service. Catering services are either the delivery of meals and other raw materials to the aircraft, or industrial catering to industrial cafeteria-type services.

The Catering division also operates some quick service food outlets (Grab’n’Go type), in which cash or credit cards are received for the products sold.

Ground handling sector

The performance obligation is satisfied upon delivery of various services to the airlines. These services may include but are not limited to providing baggage handling and loading, aircraft stairs, air conditioning units to the aircraft, push-back tug services and in some locations, passenger check-in services. The terms of payment can vary customer to customer but usually credit is extended with terms varying between 30 and 90 days. The performance obligation is completed upon delivery of the relevant service.

(Expressed in thousands of Barbados Dollars)

25. Expenses by nature

	2021	2020
Cost of sales	476,951	517,268
Selling and marketing expenses	47,222	47,710
Administrative expenses	214,738	263,119
	261,960	310,829
	738,911	828,097

	2021	2020
Depreciation (note 15)	24,993	25,150
Depreciation on right-of-use assets (note 13)	8,041	8,159
Employee benefits expense (note 27)	163,134	195,472
Changes in inventories of finished goods and work in progress	(18,651)	880
Raw materials and consumables used	459,096	477,623
Transportation	3,162	3,795
Advertising costs	7,737	7,930
Expected credit losses on financial assets (see below)	5,558	4,678
Other expenses	85,841	104,410
Total cost of sales and selling, marketing and administrative expenses	738,911	828,097

Expected credit losses on financial assets are as follows:

	2021	2020
Expected credit losses on trade and other receivables	3,115	3,493
Expected credit losses on due by associates	2,329	1,155
Expected credit losses on financial investments	114	30
	5,558	4,678

26. Other gains/(losses) – net

	2021	2020
Gain on disposal of right-of-use assets	61	–
(Loss)/gain on disposal of property, plant and equipment	(393)	1,235
Interest income	1,743	2,227
Rental income	8,460	8,893
Dividends from other companies	73	125
Amortisation charge (note 17)	(3,106)	(2,906)
Impairment of intangible assets (note 17)	(281)	(1,694)
Write down of investments in associated companies (note 18)	–	(4,837)
Fair value gains on revaluation of investment property (note 16)	797	154
Bargain purchase gain on acquisition of assets (note 34)	–	5,098
Insurance claims	671	–
Rent concessions due to COVID-19	1,582	–
Hyperinflationary adjustments	(304)	369
	9,303	8,664

(Expressed in thousands of Barbados Dollars)

27. Employee benefits expense

	2021	2020
Salaries and other employee benefits	163,019	195,359
Share-based payments	115	113
	163,134	195,472

28. Finance costs

	2021	2020
Interest expense:		
Bank borrowings	7,766	7,692
Lease liabilities (note 13)	2,002	2,162
Dividend on redeemable preference shares	1,458	2,108
Other borrowings	633	1,053
	11,859	13,015

29. Taxation

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

	2021	2020
Current income tax	9,764	8,365
Deferred income tax (note 20)	(2,634)	(1,245)
	7,130	7,120

The Group's effective tax rate of 24.4% (2020 – 63.3%) differs from the statutory Barbados tax rate of 5.5% (2020 – 5.5%) as follows:

	2021	2020
Income before taxation	29,194	11,253
Taxation calculated at 5.5%	1,606	619
Effect of different tax rates in other countries	5,749	(671)
Foreign income subject to different tax rate	(532)	(266)
Tax effect of different tax rates on deferred tax assets and liabilities	(107)	(1,270)
Tax effect of associated companies' results reported net of taxes	(852)	(613)
Income not subject to taxation	(451)	(2,159)
Expenses not deductible for tax purposes	2,745	9,454
Taxation allowances	(301)	(238)
Increase in deferred tax assets not recognised	207	2,130
Amounts over provided in prior years	(1,202)	(231)
Amounts over provided in current year	112	529
Irrecoverable tax on foreign income	170	92
Tax effect of change in tax rate	(176)	(241)
Effect of losses incurred	158	(15)
Effect of losses expired	4	–
	7,130	7,120

(Expressed in thousands of Barbados Dollars)

29. 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
2014	1,285	2023
2015	383	2022
2016	82	2022
2016	159	2023
2017	3,387	2024
2018	2,420	2025
2019	412	2025
2019	3,609	2026
2020	900	2026
2020	1,696	2027
2021	1,253	2026
2021	1,148	2027
2021	7,937	2028
	24,671	

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.

30. 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.

	2021	2020
Net income for the year attributable to equity holders of the Company	**22,725**	7,073
Weighted average number of common shares in issue (thousands)	**227,518**	227,168
Basic earnings per share	**10.0¢**	3.1¢

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 the redeemable preference shares. Diluted earnings per share exclude the impact of redeemable preference shares as the effect would be anti-dilutive. As a result, both the basic and diluted earnings per share are the same.

31. Dividends per share

The dividends paid in 2021 and 2020 were $2,227 ($0.01 per share – first interim for 2021) and $8,017 ($0.015 per share – second interim for 2019; $0.015 – third interim for 2019; $0.005 per share – final for 2019).

At the Directors' meeting of 29 October 2021 and 6 December 2021, a second and third interim dividend in respect of the 2021 financial year of $0.01 respectively were declared. These financial statements do not reflect these dividends payable which will be accounted for in equity as an appropriation of retained earnings in the next financial year.

(Expressed in thousands of Barbados Dollars)

32. Contingent liabilities

a) Certain subsidiaries have bonds of $34,027 (2020 – $46,069) in favour of the Comptroller of Customs covering delivery of goods prior to payment of duty.

b) As of the reporting date, certain subsidiaries of the Company have been assessed and reassessed for income tax for income years 2001 through 2004 amounting to $2,481 including interest. Objections to these assessments have been lodged. The subsidiaries were also assessed additional taxes of $856 for income years 1998 to 2000 and 2002 and are awaiting correspondence from the Inland Revenue Department. In addition, a subsidiary is awaiting approval of the renewal of its tax-exempt status for income years 2020 to current. If not approved, the subsidiary may be required to settle outstanding taxes of $1,100.

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

d) The Group's loan receivable from Mirexus will be mandatorily converted to shares in June 2022. The Group under its agreement with Mirexus is required to make a bona fide offer to all shareholders and holders of rights to acquire their shares and share entitlements for cash at the higher of $3.04 per share and fair market value in the event that the shareholders have opted to dispose of their shares.

33. Commitments

Capital commitments

Approvals for capital expenditure to be incurred over the next year, for which no provision has been made in these consolidated financial statements, amounted to $52,268 (2020 – $40,656) at the year-end date.

34. Business combinations

AGO Security de Costa Rica, S.A.

On 17 August 2021, Inflite Holdings (Cayman) Limited, a subsidiary of the Group, acquired 100% of the shares in AGO Security de Costa Rica S.A. (AGO Costa Rica), for $1,246. This resulted in goodwill of $2,733. AGO Costa Rica, located in Costa Rica, provides aviation and air cargo security services to airlines and airports.

The fair values of the assets acquired were as follows:

	Carrying value	Fair value
Current assets		
Cash	107	107
Trade and other receivables (note 24)	790	790
Prepaid expenses	40	40
Current income tax	18	18
	955	955
Current liabilities		
Borrowings	203	203
Trade and other payables	2,160	2,160
	2,363	2,363
Working capital	(1,408)	(1,408)
Property, plant and equipment (note 15)	568	568
Borrowings – long-term	(647)	(647)
Net liabilities	(1,487)	(1,487)

(Expressed in thousands of Barbados Dollars)

34. Business combinations... continued

AGO Security de Costa Rica, S.A. continued

The cash outflow arising on this acquisition was as follows:

	Fair value
Fair value of net liabilities	(1,487)
Group's share of goodwill (note 17)	2,733
Purchase consideration paid	1,246
Less: Cash and cash equivalents assumed on acquisition	(107)
Net outflow on acquisition	**1,139**

AGO Security S.A. de C.V.

On 17 August 2021, Inflite Holdings (Cayman) Limited, a subsidiary of the Group, acquired 100% of the shares in AGO Security S.A. de C.V. (AGO El Salvador), for no consideration. This resulted in goodwill of $270. AGO El Salvador, located in El Salvador, provides aviation and air cargo security services to airlines and airports.

The fair values of the assets acquired were as follows:

	Carrying value	Fair value
Current assets		
Prepaid expenses	4	4
Current income tax	14	14
	18	18
Current liabilities		
Trade and other payables	288	288
Net liabilities	**(270)**	**(270)**

The cash outflow arising on this acquisition was as follows:

	Fair value
Fair value of net liabilities	(270)
Group's share of goodwill (note 17)	270
Net outflow on acquisition	–

Xpress Freight Services Inc.

In October 2020, 45 shares were purchased in Xpress Freight Services Inc at a cost of $297. This increased the shareholding from 55% to 100%. This resulted in a decrease in revaluation surplus of $988.

Courtesy Garage Limited

In October 2020, 75,000 shares were purchased in Courtesy Garage Limited at a cost of $444. This increased the shareholding from 99.04% to 100%. This resulted in a decrease in revaluation surplus of $9.

(Expressed in thousands of Barbados Dollars)

34. Business combinations... continued

GCG Ground Services (Barbados) Limited

In the prior year, GCG Ground Services (Barbados) Limited, a subsidiary of the Company, completed the acquisition from Seawell Air Services Limited of all the assets needed to conduct the business of ground handling services to airlines. This resulted in a bargain purchase gain on acquisition of assets of $5,098 due to a willing seller and market conditions.

The fair values of the assets acquired were as follows:

	Fair value
Trade and other receivables (note 24)	2,411
Inventories	232
Property, plant and equipment (note 15)	9,612
Right-of-use assets (note 13)	835
Less: Lease liabilities (note 13)	(835)
Total assets acquired	12,255
The cash outflow arising on this acquisition was as follows:	
Fair value of net assets	12,255
Less: Bargain purchase gain on aquisition of assets (note 26)	(5,098)
Purchase consideration paid	**7,157**

(Expressed in thousands of Barbados Dollars)

35. Related party disclosures

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

Company	Principal Place of Business	Effective Shareholder's Interests	Effective Non-Controlling Interests
Admiral Shipping Limited	St. Lucia	100%	–
Caribbean Label Crafts Ltd.	Barbados	51%	49%
Corea & Co. (1988) Limited	St. Vincent	100%	–
Coreas Hazells Inc.	St. Vincent	100%	–
Courtesy Garage Limited	Barbados	100%	–
Courtesy Rent-a-Car Inc.	Guyana	100%	–
Ecuakao Group Ltd.	Cayman Islands	100%	–
Ecuador Kakao Processing Proecuakao S.A.	Ecuador	100%	–
Ecuakao Trading Company S.A.	Uruguay	100%	–
Fidelity Motors Limited	Jamaica	100%	–
GEL Holdings (St. Lucia) Ltd.	St. Lucia	100%	–
GEL Tech (Barbados) Ltd.	Barbados	100%	–
GEL Tech (Canada) Ltd.	Canada	100%	–
GET International Inc.	Barbados	100%	–
Goddard Catering Group Inc.	United States of America	100%	–
Goddard Ecuador Holdings (Cayman) Ltd.	Cayman Islands	100%	–
Goddard Enterprises (St. Lucia) Ltd.	St. Lucia	100%	–
Goddard Flite Kitchens (Cayman) Limited	Cayman Islands	100%	–
Goddard Flite Kitchens (St. Lucia) Ltd.	St. Lucia	100%	–
Goddard Property Holdings Limited	Barbados	100%	–
Goddards Shipping (Barbados) Limited	Barbados	100%	–
Haggatt Hall Holdings Limited	Barbados	67%	33%
Hanschell Inniss Holdings (Curaçao) N.V.	Curaçao	100%	–
Hipac Limited	Barbados	100%	–
Hutchinson Investments Limited	Antigua	100%	–
Inflite Holdings (Cayman) Limited which holds 100% interest in the following subsidiaries:	Cayman Islands	51%	49%
AGO Security de Costa Rica, S.A.	Costa Rica		
AGO Security S.A. de C.V.	El Salvador		
Calloway Corporation N.V.	Aruba		
Fontana Project S.A.	Uruguay		
GCG Events Curaçao N.V.	Curaçao		
GCG Food, S.A. de C.V.	El Salvador		
GCG Ground Services, LLC	St. Thomas		
Goddard Catering Group (Guatemala) S.A.	Guatemala		
Goddard Catering Group Bogota Ltda.	Colombia		
Goddard Catering Group Bonaire N.V.	Bonaire		
Goddard Catering Group Caracas S.A.	Venezuela		
Goddard Catering Group Curaçao, N.V.	Curaçao		
Goddard Catering Group El Salvador, S.A. de C.V.	El Salvador		
Goddard Catering Group GCM Ltd.	Cayman Islands		
Goddard Catering Group Guayaquil S.A.	Ecuador		
Goddard Catering Group Honduras, S.A.	Honduras		
Goddard Catering Group Margarita, C.A.	Margarita		
Goddard Catering Group St. Maarten N.V.	St. Maarten		
Goddard Catering Group Uruguay S.A.	Uruguay		
Inversiones Ibero Caribe S.A.S.	Colombia		

(Expressed in thousands of Barbados Dollars)

35. Related party disclosures... continued

Company	Principal Place of Business	Effective Shareholder's Interests	Effective Non-Controlling Interests
Inflite Holdings (St. Lucia) Ltd. which holds 100% interest in the following subsidiaries:	St. Lucia	51%	49%
Airport Restaurants (1996) Limited	Barbados		
Caribbean Dispatch Services Limited	St. Lucia		
GCG Ground Services (Barbados) Limited	Barbados		
Goddard Catering Group (Antigua) Limited	Antigua		
Goddard Catering Group (Barbados) Limited	Barbados		
Goddard Catering Group (Grenada) Limited	Grenada		
Goddard Catering Group (Jamaica) Limited	Jamaica		
Goddard Catering Group (St. Lucia) Ltd.	St. Lucia		
GCG Ground Services (Jamaica) Limited	Jamaica		
Jonas Browne and Hubbard (Grenada) Limited	Grenada	52%	48%
Label Crafts Jamaica Ltd.	Jamaica	51%	49%
M & C Drugstore Limited	St. Lucia	100%	–
M & C General Insurance Company Limited	St. Lucia	100%	–
M & C Home Depot Limited	St. Lucia	100%	–
Marshall Trading Limited	Barbados	100%	–
McBride (Caribbean) Limited	Barbados	100%	–
McBride (Caribbean) Limited Branch – a division of McBride (Caribbean) Limited	Dominican Republic	–	–
McBride USA, LLP	United States of America	100%	–
Minvielle & Chastanet Insurance Brokers (Barbados) Limited	Barbados	100%	–
Minvielle & Chastanet Insurance Brokers Limited	St. Lucia	100%	–
Minvielle & Chastanet Limited	St. Lucia	100%	–
Order Up and Go Ltd.	Barbados	100%	–
PBH Limited	Barbados	100%	–
Penrith Development Limited	Barbados	100%	–
Peter's Holdings Limited	St. Lucia	100%	–
Precision Packaging Inc.	Barbados	100%	–
Purity Bakeries – a division of Goddard Enterprises Limited	Barbados	–	–
Sea Freight Agencies & Stevedoring Limited	Barbados	100%	–
Sunbilt Limited	St. Lucia	100%	–
Wonder Bakery Limited	St. Lucia	70%	30%
Xpress Freight Services Inc.	United States of America	100%	–

All subsidiary undertakings are included in the consolidation. The total non-controlling interests for the year is $99,643 (2020 – $100,130) of which $44,420 (2020 – $47,476) is for group companies in the catering and ground handling division, $41,164 (2020 – $39,666) for group companies in the automotive, building supplies and services division and $9,224 (2020 – $8,429) for group companies in the manufacturing and services division. The remaining non-controlling interests in respect of the remaining group companies, is not considered to be material. See the consolidated statement of changes in equity for transactions with non-controlling interests.

(Expressed in thousands of Barbados Dollars)

35. Related party disclosures... continued

b) The Group's significant associates at 30 September 2021 were as follows:

Company	Country of Incorporation	Effective Shareholder's Interests
Caribbean Distribution Partners Limited which holds the following associates:	Trinidad and Tobago	50%
Bryden & Partners Limited – 100%	St. Lucia	
Coreas Distribution Limited – 100%	St. Vincent	
Facey Trading Limited – 100%	Barbados	
CDP Trinidad Limited – 100%	Trinidad and Tobago	
Hand Arnold – a division of CDP Trinidad Limited	Trinidad and Tobago	
Hanschell Inniss Limited – 100%	Barbados	
Vemco – a division of CDP Trinidad Limited	Trinidad and Tobago	
Vembev – a division of CDP Trinidad Limited	Trinidad and Tobago	
Hilbe Investments Limited – 100%	Barbados	
Independence Agencies Limited – 55%	Grenada	
Orange Wood Distributors Limited – 100%	St. Lucia	
Peter & Company Limited – 100%	St. Lucia	
DeSinco Limited – 51%	Guyana	
Various interests held ultimately by Goddard Enterprises Limited	Various Caribbean and Latin American countries, Canada and Barbados	20% – 50%

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

	2021	2020
i) Sales of goods and services	**63,885**	64,144
ii) Purchases of goods and services	**3,124**	5,542
iii) Management fee income	**1,541**	1,316
iv) Rental income	**1,616**	1,650
v) Dividend income (note 18)	**4,140**	4,918

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest-free and settlement occurs in cash with the exception of a balance of $1,265 (2020 – $2,975) which is interest bearing (note 8). There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(Expressed in thousands of Barbados Dollars)

35. Related party disclosures... continued

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

	2021	2020
Compensation		
Salaries and other short-term employee benefits	5,382	4,411
Post-employment benefits	202	275
Share-based payments	47	45
	5,631	4,731

There were no loans to key management in 2021 and 2020.

36. Cash flows

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

	2021	2020
(Increase)/decrease in trade and other receivables	(12,739)	11,703
(Increase)/decrease in prepaid expenses	(2,479)	938
Increase in due by associated companies	(4,056)	(3,388)
Decrease/(increase) in reinsurance assets	521	(97)
(Increase)/decrease in inventories	(14,351)	1,364
Increase in non-current assets held for sale	–	(1,754)
Increase in trade and other payables	1,465	5,284
Increase in due to associated companies	3,956	270
(Decrease)/increase in insurance contracts	(496)	88
	(28,179)	14,408

37. Material partly-owned subsidiaries

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

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

Company	Country of Incorporation	% Interest 2021	% Interest 2020
Inflite Holdings (Cayman) Limited	Cayman Islands	49%	49%
Inflite Holdings (St. Lucia) Ltd.	St. Lucia	49%	49%
Jonas Browne and Hubbard (Grenada) Limited	Grenada	48%	48%

(Expressed in thousands of Barbados Dollars)

37. Material partly-owned subsidiaries... continued

Summarised statement of financial position:

	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
2021			
Assets			
Current assets	58,676	37,880	33,856
Non-current assets	51,817	46,014	71,191
	110,493	83,894	105,047
Liabilities			
Current liabilities	37,564	22,687	15,132
Non-current liabilities	7,083	36,398	3,475
	44,647	59,085	18,607
Net assets	65,846	24,809	86,440
Attributable to non-controlling interests	32,264	12,156	41,164

	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
2020			
Assets			
Current assets	44,113	41,903	30,762
Non-current assets	48,815	57,862	68,345
	92,928	99,765	99,107
Liabilities			
Current liabilities	25,188	22,423	13,038
Non-current liabilities	6,827	38,301	2,236
	32,015	60,724	15,274
Net assets	60,913	39,041	83,833
Attributable to non-controlling interests	29,971	17,505	39,922

(Expressed in thousands of Barbados Dollars)

37. Material partly-owned subsidiaries... continued

Summarised statement of total comprehensive income:

	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
2021			
Revenue	97,471	42,979	96,048
Net income/(loss) for the year	3,313	(10,843)	4,274
Other comprehensive income/(loss)	1,367	(73)	–
Total comprehensive income/(loss)	4,680	(10,916)	4,274
Attributable to non-controlling interests	2,294	(5,349)	2,051

	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
2020			
Revenue	115,052	70,947	88,008
Net (loss)/income for the year	(15,804)	3,744	4,713
Other comprehensive loss	(2,885)	(481)	–
Total comprehensive (loss)/income	(18,689)	3,263	4,713
Attributable to non-controlling interests	(9,158)	1,599	2,244

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

	Gross	Tax	Net of Tax
2021			
Remeasurement of employee benefits:			
– Group	1,066	(583)	483
– Associated companies	253	(135)	118
All other components of other comprehensive income	1,144	–	1,144
Other comprehensive income for the year	2,463	(718)	1,745

Securing the Future

(Expressed in thousands of Barbados Dollars)

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

	Gross	Tax	Net of Tax
2020			
Remeasurement of employee benefits:			
– Group	1,917	(435)	1,482
– Associated companies	231	(78)	153
All other components of other comprehensive loss	(25,943)	–	(25,943)
Other comprehensive loss for the year	(23,795)	(513)	(24,308)

39. COVID-19

As the COVID-19 situation continues to evolve, measures taken by various governments to contain the virus have affected economic activity in which the Group operates. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of materials that are essential to our production process.

The duration and extent of the COVID-19 pandemic and related financial, social and public health impacts of the pandemic are uncertain. As such, the actual economic events and conditions in the future may be materially different from those estimated by the Group as at 30 September 2021. No matters have arisen since the reporting date which have significantly affected or may significantly affect the operations of the Group. The Group will continue to closely monitor the situation in order to plan any necessary response.

40. Subsequent events

GCG Ground Honduras S.A

Subsequent to year-end, GCG Ground Honduras S.A., a provider of ground handling services to airlines commenced trading on 1 October, 2021. GCG Ground Honduras S.A., a wholly owned subsidiary of Inflite Holdings (Cayman) Limited, is located in Palmerola, Honduras.

Honouring the Past...

GODDARD
ENTERPRISES
LIMITED

Appendix B –

BOARD AND COMMITTEE MEETING ATTENDANCE

1 October 2020 – 30 September 2021

NAME OF DIRECTOR	BOARD MEETINGS ATTENDED FOR THE YEAR	COMMITTEE MEETINGS ATTENDED FOR THE YEAR	TOTAL	OVERALL PERCENTAGE
Dr. José S. López Alarcon	9 of 9	12 of 12	21 of 21	100%
Mr. Anthony H. Ali	9 of 9	16 of 16	25 of 25	100%
Ms. Laurie O. Condon	9 of 9	7 of 7	16 of 16	100%
Ms. Marla R. K. Dukharan	9 of 9	6 of 6	15 of 15	100%
Mr. Daniel W. Farmer	6 of 6	6 of 6	12 of 12	100%
Mr. J. Dereck Foster	9 of 9	1 of 1	10 of 10	100%
Mr. A. Charles Herbert	9 of 9	2 of 2	11 of 11	100%
Mr. William P. Putnam	9 of 9	11 of 11	20 of 20	100%
Mr. Ryle L. Weekes	6 of 6	6 of 6	12 of 12	100%

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 eighty-third annual meeting of the shareholders of Goddard Enterprises Limited (the "Company") to be held virtually using the recognised meeting platform of LUMI at **https://web.lumiagm.com/423548271** on Friday, 28 January 2022, at 5:30 p.m. AST (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 4:30 p.m. AST on Wednesday, 26 January 2022.

A proxy given by a shareholder for use at the meeting may be revoked by the shareholder 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 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 via email at **gelinfo@thegelgroup.com**. Upon deposit in either manner, the proxy is revoked.

RECORD DATE AND VOTING SHARES

The Directors of the Company have not fixed a record date for determining the shareholders who are entitled to receive notice of the meeting. Therefore, in accordance with the Companies Act, the statutory record date applies. Accordingly, only shareholders of record at the close of business on the day immediately preceding the day on which the notice of the meeting is given will be entitled to receive notice of the meeting. Only such registered holders of shares of the Company will be entitled to vote at the meeting. In the event of a poll, each shareholder is entitled to one vote for each share held. As at the date hereof, there are 227,715,990 common shares of the Company issued and outstanding.

ADOPTION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT

The Consolidated Financial Statements of the Company for the year ended 30 September 2021 and the Auditor's Report thereon are included in the 2021 Annual Report.

ELECTION OF DIRECTORS

The Company's By-Laws provide that there shall be a minimum of seven and a maximum of eleven Directors of the Company. The Managing Director shall be an ex officio member of the Board of Directors. The Company's Directors hold office from the date on which they are elected until the close of the first annual meeting of the Shareholders of the Company following their election.

As at 6 December 2021, the Board of Directors of the Company comprises nine Members, including the ex officio Member. Eight Directors retire by rotation at the end of the eighty-third annual meeting in keeping with the Company's By-Laws. Mr. J. Dereck Foster, one of the eight retiring Directors, has indicated to the Company that he is not seeking re-election to the board of directors of the Company.

It is therefore proposed that seven directors be elected at the meeting. The persons forming the proposed slate of directors, identified in the section below headed "Director Nominees" will be nominated for election at the meeting. All seven nominees are currently Directors of the Company.

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:

Director Nominees

Dr. José S. López Alarcon	Ms. Laurie O. Condon
Ms. Marla R. K. Dukharan	Mr. Daniel W. Farmer
Mr. A. Charles Herbert	Mr. William P. Putnam
Mr. Ryle L. Weekes	

It is proposed that the term of office for each of the above-named nominees will expire at the close of the annual meeting of shareholders following his or her election or until his or her successor is elected or appointed.

It is further proposed that the above-named nominees along with Mr. Anthony H. Ali, ex officio Board Member, constitute the Board of Directors of the Company from the close of the eighty-third annual meeting until the close of the next annual meeting of shareholders.

The Company's Board expresses its gratitude, on behalf of Shareholders, to Mr. J. Dereck Foster for his service to the Board and the Company as a whole over the last eight years.

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.

A simple majority of votes cast by Shareholders present and voting at the meeting, is required to elect the above-named nominees.

The Directors recommend that Shareholders vote for the election of the above-named nominees.

APPOINTMENT OF AUDITOR

It is proposed to nominate the firm of Ernst & Young Ltd, the incumbent Auditor of the consolidated financial statements of the Company, to hold office until the next annual meeting of shareholders.

A simple majority of votes cast by Shareholders present and voting at the meeting, is required to re-appoint the incumbent Auditor and to authorise Directors to fix the Auditor's remuneration.

The Directors recommend that Shareholders vote for the re-appointment of Ernst & Young Ltd and for the authorisation of Directors to fix the Auditor's remuneration.

CONFIRMATION OF AMENDMENTS TO BY-LAW NO.1 OF THE COMPANY

Amendments to By-Law No. 1 of the Company are being proposed for confirmation in order to facilitate the convening of virtual shareholder meetings by the Company in accordance with section 103(4) of the Companies Act, which provides that a meeting of shareholders of a company may be held virtually.

The Companies Act requires the Directors to submit any amendment to a by-law made by the Board, to the shareholders of the company at the next meeting of shareholders after the amendment of the by-law for confirmation, amendment or rejection. The amendments to By-Law No. 1 of the Company, as set out in Appendix A to the Notice of Meeting, were made by resolution of the Board on 6 December 2021.

The Directors recommend that Shareholders vote for the confirmation of the amendments to By-Law No. 1 of the Company and of the other matters as set out in the resolution.

ADOPTION OF RESOLUTION ADJUSTING THE REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration of the Non-Executive Directors of the Board of the Company was last fixed at the annual meeting of share-holders held on 29 January 2016 as follows:

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

During the year, the Corporate Governance Committee (the "Committee") reviewed the remuneration of the Company's Non-Executive Directors. The Committee's main objective for such a review was to ensure that the remuneration remains sufficiently competitive to be able to both retain existing directors and attract new director candidates.

The Committee found that the Company's current non-executive director remuneration was acceptably within market standards for the region. However, the Committee made two recommendations for adjustment to the Board. First, that the non-executive director remuneration should be adjusted to give account to the total rate of inflation increase allotted to the Company's Executive Management for the 2017-2021 years inclusive. Secondly, the Committee recommended that, following the adjustment for the 2017-2021 years inclusive, the non-executive director remuneration should be adjusted annually commensurate with the rate of inflation increase allotted to the Company's Executive Management.

The Committee felt such an approach appropriate on the basis that a yearly adjustment would be transparent and justifiable given the Company's size and the time commitment of Board Members, whose oversight duties and responsibilities have increased given both the challenges as well as opportunities brought on by the pandemic. The Board accepted both of the Committee's recommendations for submission to the Shareholders for approval.

The Directors recommend that Shareholders vote in favour of the adjustments to the remuneration of the Company's Non-Executive Directors by adopting the resolution which will be proposed at the meeting.

DISCRETIONARY AUTHORITY

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

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

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

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

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

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

6 December 2021

Kathy-Ann L. Scantlebury
Corporate Secretary

GODDARD ENTERPRISES LIMITED

Form of Proxy

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 83rd annual meeting of the shareholders of the Company to be held virtually on 28 January 2022 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, Top Floor, The Goddard Building, Haggatt Hall, St. Michael, or emailed to **gelinfo@thegelgroup.com** no later than 4:30 p.m. AST on Wednesday, 26 January 2022.

GODDARD ENTERPRISES LIMITED

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