BREAKING BARRIERS

ANNUAL REPORT 2023

GODDARD ENTERPRISES LIMITED

The biggest obstacles in our lives are the barriers our mind creates.

Jake Ducey

BREAKING BARRIERS

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BREAKING BARRIERS

Members of the Executive Management Team

Anthony H. Ali
Managing Director

Nicholas V. Mouttet
Chief Executive Officer – Manufacturing Division

C. Natasha Small
Group Chief Financial Officer

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

Notice of Meeting

NOTICE IS HEREBY GIVEN that the EIGHTY-FIFTH Annual Meeting of the shareholders of Goddard Enterprises Limited (the "Company") will be held at the Walcott Warner Theatre, Errol Barrow Centre for Creative Imagination, The University of the West Indies, Cave Hill, St. Michael in Barbados on Friday, 26 January 2024 at 5:30 p.m. 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 Company's Divisional Results for the year ended 30 September 2023.

3. To receive a Presentation from Mrs. C. Natasha Small, Group Chief Financial Officer of the Company, on the Overview of the Company's Financial Performance for the year ended 30 September 2023.

4. To receive and consider the Consolidated Financial Statements of the Company for the year ended 30 September 2023 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. Marla R. K. Dukharan, Mr. Daniel W. Farmer, Mr. A. Charles Herbert, Mr. William P. Putnam and Mr. Ryle L. Weekes.

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

7. To receive a Presentation from Mr. Anthony H. Ali, Managing Director of the Company, on the Strategic Outlook for the Company for 2024.

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

By Order of the Board of Directors

Kathy-Ann L. Scantlebury
Corporate Secretary

The notes to the enclosed proxy form are incorporated in this Notice.
Top Floor
The Goddard Building
Haggatt Hall
St. Michael, BB11059
Barbados

11 December 2023

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., D. 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. Ryle L. Weekes, CFA	-	Non-Executive Director	29 January 2021

EXECUTIVE MANAGEMENT		
Mr. Anthony H. Ali, B.Sc. (Hons.), M.B.A.	-	Managing Director
*Mrs. Lee-Ann Millar-Mendes, B.Sc. (Hons.), M.B.A.	-	Group Vice President- Human Resources & Shared Services
Mr. Nicholas V. Mouttet, B.Sc. (Hons.)	-	Chief Executive Officer-Manufacturing
Mrs. C. Natasha Small, B.Sc. (Hons.), F.C.C.A.	-	Group Chief Financial Officer
Mr. Paulo G. Gonçalves Teixeira	-	Chief Executive Officer- Catering & Ground Handling

GOVERNANCE COMMITTEE
Mr. William P. Putnam
Dr. José S. López Alarcon
Ms. Marla R. K. Dukharan

AUDIT & RISK COMMITTEE
Mr. Daniel W. Farmer
Dr. José S. López Alarcon
Mr. Ryle L. Weekes

COMPENSATION & HUMAN RESOURCES COMMITTEE
Ms. Laurie O. Condon
Dr. José S. López Alarcon
Mr. Ryle L. Weekes

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

**Joined 18 September 2023*

BREAKING BARRIERS

Financial Highlights

FOR THE YEARS ENDED 30 SEPTEMBER
(Expressed in Barbados Dollars)

	2023	**2022**	**2021**	**2020**	**2019**
Revenue - millions of dollars	**1,088.3**	968.8	749.6	826.1	868.3
Profit from continuing operations before other gains/(losses) - net - millions of dollars	**84.4**	61.7	15.1	4.5	48.5
Profit from continuing operations - millions of dollars	**99.9**	66.8	24.1	13.1	64.4
Income before taxation from continuing operations - millions of dollars	**108.3**	80.0	27.7	11.3	62.2
Earnings per share - cents	**29.7**	22.0	10.0	3.1	13.8
Dividends per share - cents	**6.0***	6.0	4.0	0.0	5.0
Dividend cover (times covered)	**5.0**	3.7	2.5	-	2.8
Net asset value per share - dollars	**3.10**	2.80	2.53	2.44	2.54
Closing share price on BSE** - dollars	**3.15**	2.95	2.07	2.40	3.27
After tax return on shareholders' equity	**10.6%**	8.7%	4.1%	1.2%	5.6%
Price/earnings ratio	**10.6**	13.4	20.7	77.4	23.7

* First interim dividend per share - 2.0 cent
Second interim dividend per share - 2.0 cent (note 31)
Third interim dividend per share - 2.0 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)

	2023 $	2022 $	2021 $	2020 $	2019 $
Trade receivables and prepaid expenses	**163.5**	127.7	116.4	100.3	110.3
Inventories	**195.6**	175.0	162.9	148.5	149.7
Other current assets	**184.9**	190.0	110.1	116.6	111.9
Total current assets	**544.0**	492.7	389.4	365.4	371.9
Less current liabilities	**(288.3)**	(284.1)	(238.3)	(230.4)	(234.5)
Working capital	**255.7**	208.6	151.1	135.0	137.4
Property, plant and equipment and investment property	**461.5**	438.7	404.2	404.7	402.1
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	**401.5**	307.8	308.0	301.0	292.0
	1,118.7	955.1	863.3	840.7	831.5
Represented by:					
Shareholders' equity	**708.9**	638.2	576.9	554.6	577.0
Non-controlling interests	**137.5**	114.7	99.6	100.1	105.5
Long-term liabilities	**265.7**	198.0	182.9	179.5	141.0
Deferred income tax liabilities	**5.0**	3.3	3.3	4.2	4.5
Pension plan liabilities	**1.6**	0.9	0.6	2.3	3.5
	1,118.7	955.1	863.3	840.7	831.5

Financial Highlights

SUMMARISED CONSOLIDATED STATEMENTS OF INCOME - $ MILLIONS

(Expressed in Barbados Dollars)

	2023 $	2022 $	2021 $	2020 $	2019 $
Revenue	**1,088.3**	968.8	749.6	826.1	868.3
Income before taxation from continuing operations:					
Parent company and subsidiaries	**79.6**	55.0	12.2	0.1	52.3
Share of income from associated companies	**28.7**	25.0	15.5	11.2	9.9
	108.3	80.0	27.7	11.3	62.2
Taxation	**(18.5)**	(13.2)	(6.7)	(7.1)	(15.6)
Non-controlling interests	**(22.6)**	(18.0)	0.6	2.9	(15.3)
Discontinued operations	**0.7**	1.4	1.1	–	–
Net income for the year attributable to equity holders of the Company	**67.9**	50.2	22.7	7.1	31.3

Board of Directors

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.

A. CHARLES HERBERT
CHAIR

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
MANAGING DIRECTOR

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

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

DANIEL W. FARMER
NON-EXECUTIVE DIRECTOR

RYLE L. WEEKES
NON-EXECUTIVE DIRECTOR

KATHY-ANN L. SCANTLEBURY
CORPORATE SECRETARY

GODDARD ENTERPRISES LIMITED

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

BREAKING BARRIERS

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Directors' Report

Consolidated Financial Overview 2022-2023

The Board of Directors of Goddard Enterprises Limited ("GEL") is pleased to present the financial review for the year ended 30 September 2023.

As we reflect on the year behind us, GEL's journey stands as a testament to resilience, adaptability and an unwavering commitment to excellence. It is not merely about numbers on a balance sheet or growth percentages; it is about the spirit of our company and the collective heartbeat of every individual who contributes to our story.

Our financial performance this year tells a tale of determination. We recorded a significant increase in operational profit, by almost 50% for the year ended 30 September 2023. This growth was attributable to the implementation of strategic decisions and the dedication of our teams across all divisions. Caribbean Distribution Partners Limited ("CDP"), our joint venture with Agostini's Limited, and the Catering and Ground Handling Division emerged as top performers and accounted for a combined 64% of GEL's earnings per share. For the review year, our Catering and Ground Handling Division improved, with recorded revenues nearing those reminiscent of pre-COVID-19 times. While some of our other business sectors, including our Automotive Division, navigated challenges with supply issues, the determination of our teams turned potential setbacks into opportunities. Our financial prudence ensured our balance sheet's robustness.

From a broader perspective, the International Monetary Fund's ("IMF") World Economic Outlook offers insights that resonate with our experiences. The global economic recovery, though slow, is evident. The variances in growth across regions, the persistent inflationary trends and the challenges posed by policy adjustments underscore the need for businesses to remain agile. The IMF's World Economic Outlook for October 2023 entitled "Navigating Global Divergences" provides an analysis of the current global economic landscape and its future prospects. Global growth is expected to decelerate from 3.5% in 2022 to 3% in 2023, and further to 2.9% in 2024. This is notably below the historical average (2000–2019) of 3.8%. Advanced economies are predicted to experience a slowdown from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024, primarily due to the effects of policy tightening. Emerging market and developing economies will see a slight drop in growth from 4.1% in 2022 to 4% in both 2023 and 2024. Global inflation is anticipated to steadily decrease from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024. This decline is expected due to stricter monetary policies and reduced international commodity prices. Core inflation is projected to descend more slowly, with most regions not expecting to achieve their inflation targets until 2025.

The Caribbean region, our home, is on the cusp of change. The Caribbean Development Bank ("CDB") projects a promising growth trajectory for 2024, but the shadows of global events loom large. The CDB has projected a regional growth of 5.7% for 2023. This forecast is based on the ongoing resurgence of tourism arrivals and investments in the energy sector. However, this performance is subject to risks, given that advanced economies are expected to experience lower growth compared with 2022. Despite the challenges, the economic performance of borrowing member countries is anticipated to improve over the medium term.

Financial Highlights

Our consolidated financial statements for the review period ended 30 September 2023 underscore a year of robust growth and financial health.

- **Current Assets:** We witnessed an 11% growth in our current assets, which stood at $544 million as of 30 September 2023.
- **Working Capital**: Demonstrating our strengthened liquidity position, our working capital increased by 23%.
- **Net Assets Employed:** A testament to our enhanced asset management, our net assets employed climbed to $846 million.
- **Equity:** Our Shareholders' equity increased to $709 million.

For the financial year ended 30 September 2023, the Group's revenue increased by 12% over the prior year to $1.08 billion breaking the $1billion barrier. Gross Profit of $478 million was impacted by the enhanced performance of the Catering and Ground Handling Division. This recovery in the Catering and Ground Handling business was fueled by the diversification of the business as we have actively grown our business in industrial and concession catering as well as ground handling services. During the year, we completed a $71 million acquisition of International Meals Company ("IMC") in Panama.

Our selling, marketing and administrative expenses were $396 million in 2023 compared with $339 million in 2022. This increase was as a result of increased sales and was associated with the acquisition initiatives undertaken during the year.

Other gains/(losses) -net increased by $11 million. This was largely due to a recovery in the investment in our associated company, Mirexus Biotechnologies Inc., during the year. Our share of income from our associated companies increased by $4 million to $29 million compared with $25 million in the previous year. This improved result was attributed to improved performance from CDP. Overall Net Income for the period of $91 million set a new record for the Group and represented a 33% increase over the prior

Directors' Report... continued

year of $68 million. Our net asset value per share is $3.10 compared with $2.80 per share in 2022. A closing share price of $3.15 was recorded on the Barbados Stock Exchange as at 30 September 2023.

With regard to the Group's consolidated balance sheet, our working capital ratio at 1.9 is above the prior year's ratio of 1.7. The total assets of the business are being financed by 40% debt, which is well within conservative financial guidelines. During the year we secured a syndicated loan facility for $40 million for our Manufacturing Division to finance expansion projects at HIPAC Ltd, Purity Bakeries Ltd and Precision Packaging Inc. in Barbados. In Ecuador, loan financing of $34 million was obtained for the enhancement of the production capacity of Ecuador Kakao Processing Proecuakao S.A.'s cocoa processing facility.

Managing Director's Outlook

The year 2023 was marked by the easing of global uncertainties, albeit with continued economic challenges. GEL navigated through these times by focusing on operational efficiency, diversifying our portfolio and placing an enhanced emphasis on sustainability. While we take pride in our accomplishments, we remain acutely aware of the evolving landscape. Our growth in 2023 was not just about resilience; it was about foresight. The challenges we encountered, from supply chain disruptions to global economic shifts, reinforced the importance of adaptability.

Looking ahead, our vision for GEL is clear. We aim to further solidify our footprint in the Caribbean and beyond, exploring new markets and opportunities. We are not just looking at organic growth; we are exploring potential acquisitions, while striving for operational excellence. Our strategy is rooted in the lessons of the past, the realities of the present and the possibilities of the future.

As we set our sights on 2024, our strategic imperatives will revolve around:

- **Digital Transformation:** Investing in digital capabilities to drive operational excellence and enhance customer experiences.
- **Sustainability:** Deepening our commitment to sustainable practices, ensuring they are at the core of our business strategy.
- **Diversification:** Exploring new markets and segments to bolster our resilience against economic volatilities.
- **Employee well-being:** Strengthening our focus on employee health, well-being and professional growth, ensuring GEL remains a preferred employer.

The journey through 2023 has fortified our belief in our strategic direction and the strength of our collective efforts. As we embark on 2024, we remain committed to delivering value to our shareholders, serving our customers with excellence and making meaningful contributions to the communities in which we operate. 2024 will see us continue with our strategy of Breaking Barriers.

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GODDARD ENTERPRISES LIMITED

Mr. Nicholas Mouttet
Chief Executive Officer – Manufacturing

BREAKING BARRIERS

Manufacturing Division

GEL Manufacturing Holding Company Limited had a much-improved performance in 2022/2023, with consolidated sales growing by double digits over the prior year. The strong top-line was the result of growth being achieved across almost all business units, despite increased competition both locally and regionally, as well as the challenges consumers faced with continued high inflation. However, all of our business units had to deal with a downward pressure on their margins as the cost of shipping, raw materials, equipment, parts and overheads increased sharply. We were unwilling to pass all these costs on to consumers. Despite this, given our strong sales and with good management of all discretionary spending, we were able to ensure that our Manufacturing Division also delivered double digit growth in profit.

There were several notable performances, but the company that delivered the most improved result was Hipac Limited. While Hipac Limited's result would have been aided somewhat by the recovery of the tourism sector, it also benefitted from the launch of a few new products including our Farmer's Choice boneless skinless ham, reduced sodium chicken nuggets and canned cocktail sausages. Another exciting development at Hipac Limited was the breaking of ground at Fontabelle in Barbados, for the construction of a fully automated state-of-the-art breaded and burger line that will allow us to increase capacity, improve quality, reduce costs and position us to compete regionally for years to come.

Ecuador Kakao Processing Proecuakao S.A. ("Ecuakao") was a close second in terms of its contribution to our growth and is now consistently one of our best performing companies every year. During 2023 the team broke our monthly production records on at least 3 occasions and have essentially maxed out the plant's capacity. This, combined with the fact that we have orders that will keep us busy well into the second half of 2024, gave us the confidence to commence an expansion of the facility that will more than double its capacity. Some of the increased capacity will be coming on stream as early as January 2024. This will cement our position as the largest processor of cocoa in Ecuador and place this company as possibly the largest contributor to growth in the group in the coming years.

Caribbean Label Crafts Limited ("CLC") was another one of the positive stories this year. This was so, not just because of the strong growth posted by its combined Barbados and Jamaica operations, but because the growth was achieved while the team was changing out 75% of the equipment in Barbados to more modern, flexible and efficient equipment as well as more than doubling our capacity in Jamaica. Just as exciting if not more, is the fact that during the year we also built literally from the ground up a new plant in the Dominican Republic ("DR"), which we have called CLC DR, and which has already commenced production as of October 2023.

Precision Packaging Inc. also had a great year for sales, posting its best top-line in years and growing profits significantly over the prior year. As with many of our business units, we took a decision this year to re-invest in the business to improve output, quality and efficiency and to reduce costs. However the equipment is only now arriving, and we will not see the benefits for another couple of months. One exciting element of the investment is the purchase of two pieces of equipment that will recycle almost 100% of our waste and put it back into production, thereby reducing costs and our impact on the environment.

Purity Bakeries Ltd improved sales, market share and the bottom line this year. This improvement was achieved by increasing equipment reliability, which resulted in greater output, and simultaneously reducing costs by seeking alternative raw material sources for many key inputs. Continued improvements will be increasingly difficult to deliver without investment in this business, as the plant is aged and in need of modernizing and automation. The board has approved such an investment, and we are presently working to complete construction drawings for town planning approval.

McBride (Caribbean) Limited was the business unit with the weakest performance in 2023, as it experienced reductions in both sales and profit versus the prior year. This was due partially to the continued weakening of disinfectant sales as COVID-19 became less of a factor. In addition, performance was made worse by a shrinking of the overall regional insecticides market as inflation forced consumers to prioritize spending on other necessities. On a good note, the team did a lot of good work on new markets and product innovation during the year. We are close to entering two Latin American countries as well as possibly beginning trading with a few countries in Africa.


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GODDARD ENTERPRISES LIMITED

Mr. Nicholas Mackie
Divisional General Manager – Automotive Division

Automotive Division

Our year featured our successful launch of the new range of Nissan X-Trail e-Power vehicles which rose to the occasion and delivered an excellent sales result in the second half of the year. We have every confidence that this incredibly versatile e-vehicle will continue to deliver excellent results.

Despite the supply shortages, the Automotive Division delivered considerably improved margins, which, when combined with well-controlled expenses resulted in improved operating profit. The Jamaica market potential is huge, and we anticipate that the Nissan X-Trail e-Power and hybrid Qashqai vehicles will blossom in that market. Our significant dealership footprint in the Caribbean has allowed us to build stronger relationships with the manufacturers and the potential for exponential growth in both new and used car sales in all markets. Jamaica welcomed a new General Manager with the arrival of Ms. Deborah Stewart who has many years of automotive experience. Barbados welcomed the arrival of the new Kona EV and hybrid vehicles and these models have been sold out on arrival. The Kona vehicle is a great car and was very well received.

Nissan and Hyundai remain the backbone of the Division. However, machinery and industrial sales are supported by the UD Trucks and HIFOUNE forklift brands. Our parts departments continue to develop and expand their sales on the shoulders of strong vehicle market shares. Our collective workshops maintain one of the highest customer retention rates in the Caribbean.

Not to be left out, we have seen a major turnaround in the car rental division. With a lean cost structure and a new fleet, this department, which operates the Hertz franchise in Barbados and Guyana, has maintained a consistent top five position in Hertz's net promotor score ("NPS") scoring system. Guyana continues to present a wealth of potential, given its burgeoning oil and gas sector.

Our customers and employees are our most valued assets. I am pleased to see the progress we have made in training, certification and recruiting new and incredible automotive talent. Our HR team has developed and encouraged new team members across the Caribbean. We always ensure that our customers continue to benefit from our products and services no matter where they are.

We are now a well-established international business with operations in 5 countries. We are optimistic about the prospects for growth in all our territories.

We end our Report with the following performance highlights:

- launched the X-Trail e-Power vehicle in May 2023 in Jamaica and Barbados;
- launched the new Kona EV and hybrid vehicles during the year;
- increased operating profit over prior year;
- launched the HIFOUNE forklift brand in Barbados and Jamaica;
- launched EV training in Barbados and opened a dedicated e-power training room;
- cemented ourselves as an advanced e-dealer in the Caribbean;
- achieved a top 5 NPS in the Hertz regional network for our short-term car rental fleet;
- promoted financing options for our vehicles;
- increased penetration of the NOROO paint markets through our dealer network; and
- achieved continued remarkable success of our Tropical Battery manufacturing companies, which consistently delivered quality products and profitability.

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GODDARD ENTERPRISES LIMITED

Mr. Nicholas Devaux
Divisional General Manager, Building Supplies Division

BREAKING BARRIERS

Building Supplies Division

The Building Supplies Division delivered a solid performance for 2023 with both sales and operating profit surpassing the prior year's record performance.

During the past year, the Division continued to experience some logistics and supply chain challenges, combined with lower consumer confidence due to persistent inflationary pressures, thereby reducing discretionary spending in our retail stores. Additionally, the global commodities market experienced an abrupt and significant price decline, specifically in lumber and plywood, which contributed to lower than budgeted sales for the Division in 2023.

To mitigate the impact on sales, our teams were consistently evaluating and adjusting our pricing strategy to ensure that we remained committed to delivering affordable products. Simultaneously, our sales teams also focused their efforts on larger construction projects and key contractors, as they continued to be more significant and steady spenders.

In November 2022, St. Lucia experienced a devastating flash flood in the north of the island. This impacted three of our Home Depot Ltd locations with one retail store being temporarily closed for an extended period due to severe flooding. The Division continues to evaluate its disaster management protocols and investment in new systems to mitigate the escalating risk posed by ever-increasing weather-related events.

Our strategy to consolidate our building supplies entities continued with the formation of Coreas Building Supplies Ltd on 1 May 2023. Once this consolidation strategy has been completed in 2024, it will allow Management to focus on growth through new acquisitions and possible joint ventures in new larger markets. During the year a new Divisional Purchasing Manager was hired with the mandate to develop centralized group purchasing, expand global sourcing efforts, maintain optimum inventory levels and negotiate more favourable supplier pricing by leveraging the consolidated volumes of the Division.

Anti-Septic Limited trading as Terrific Tiles had an exceptional performance for the year, with both sales and profit exceeding the prior year. This was achieved through strong growth in tile sales, stricter cost containment, and despite the loss of revenue from the delay in the commissioning of our new 2-megawatt photovoltaic system.

Coreas Building Supplies Ltd was another company that performed exceptionally well, surpassing last year's sales and profit. Construction in St. Vincent continues to be strong, and our sales teams have benefitted from the demand this has generated for our products. Our expansion strategy for sales growth and increased market share will shortly see the opening of our new ACE Diamond Store offering 12,000 square feet of retail space. This will enable us to maintain our position as market leaders by offering a modern well-merchandized retail store with an expanded product range and convenient parking for our valued customers.

Marshall Trading Limited had a below par performance despite a marginal improvement over the prior year. On the positive side, gross margins increased due to improved purchasing and inventory management, while operating costs remained well controlled. Our strategy for 2024 is focused on improving sales through increased marketing efforts and developing stronger relationships with our key customers, through the recruitment of additional 'on the road' sales team members.

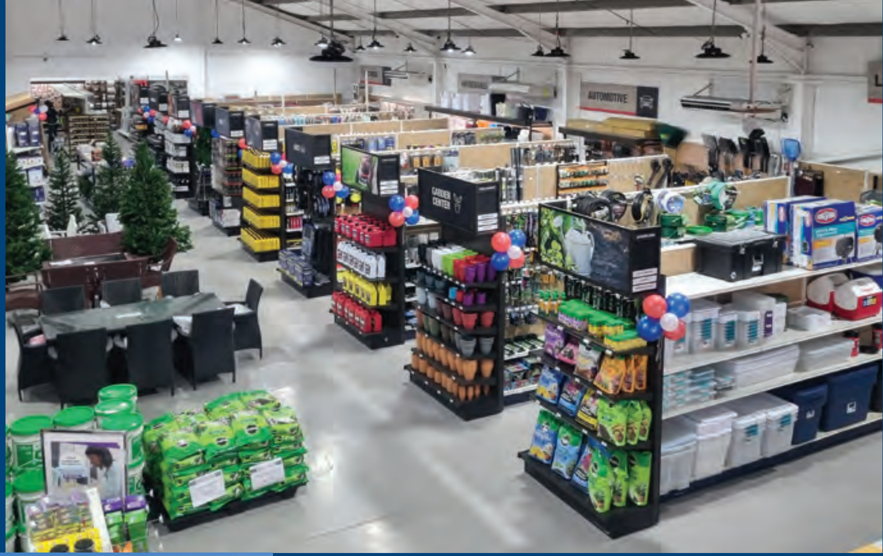
Home Depot Ltd trading as M&C Home Depot recorded a strong performance with profit before tax in line with the prior year. This was achieved despite the negative impact on sales resulting from the November 2022 floods which unfortunately occurred in our busiest sales period. Furthermore, we had inconsistent deliveries from a few of our key commodity suppliers, combined with a poorly performing local construction sector. Despite the challenges, the team made notable progress on several initiatives, such as the development and implementation of a new employee upskills program, the soft launching of our new reward and loyalty card program, increasing the fill rate on warehouse orders for the retail stores and further 'greening' our business with newly installed photovoltaic systems.

Jonas Browne & Hubbard (Grenada) Limited ("Hubbard's") was another of the Division's strong performers significantly exceeding both prior year's sales and profit. The investment in 2022 in our new and expanded Grand Anse retail store continues to surpass expectations with improved margins and increased sales over the prior year. During the year increased focus was placed on inventory management through additional training and a review of all inventory procedures which contributed positively to our 2023 financial performance.

The Division maintains a strong commitment to investing in information technology ("IT") tools. In 2023, we prioritized the enhancement of our data analytics software allowing our Management team access to improved information for better decision making. Furthermore, we hired an IT Project Manager to expedite the implementation of newly identified technology aimed at boosting operational efficiencies and driving growth. Finally, we plan to complete a comprehensive divisional IT audit in 2024, which will aid us in developing and prioritizing our IT strategy.

We look forward with confidence to new opportunities in 2024. With our planned investments in store re-models and team training we will further strengthen our competitive advantage and ensure that we deliver on our strategy of continuous sales growth alongside exceptional customer service. Our team members remain committed to our values and vision and I would like to thank them for their unwavering support, dedication and hard work.

M&C Home Depot Vieux Fort Renovation



Hubbard's

Diamond Development
Retail Store

Hubbard's New Grand Anse Store

EMPOWERING OUR BUSINESSES WITH CLEAN ENERGY

GEL Building Supplies is spearheading the drive towards sustainability.

GODDARD ENTERPRISES LIMITED

Mr. Marcus Joseph
Divisional General Manager – Services Division

BREAKING BARRIERS

Services Division

As we reflect on the key factors which influenced the global and regional economic landscape as well as the operational challenges, I am extremely proud of the team's dedication, tenacity and commitment to delivering good results and value to our customers. Generally, economic growth slowed during 2023 and inflation remained elevated. However, we explored opportunities to improve performance year-on-year.

Addressing our customers' needs was at the core of what we did, which led to us achieving our strategic objectives of creating value for stakeholders. Expanding our distribution activities, opening a new store as well as offering new products, meant that customers had more channels to access our products and possibly at a lower cost. We continue to focus on activities geared at improving lives. We worked collaboratively with community groups on programs targeted at underprivileged families. We take our corporate social responsibility seriously and will continue to explore opportunities to improve lives in our communities.

Sales and operating profit grew year-on-year. Profit before tax also increased and gross margins increased over the level attained in 2022.

The performance of the Division was commendable. The strong growth by Jonas Browne & Hubbard (Grenada) Limited and MCR Limited contributed to the much-improved results.

Investments made in technology proved pivotal during the year. We saw Key Performance Indicators ("KPIs") trending up where technology was deployed.

The work done over the last year in strengthening internal systems, building capacity and nurturing sustainable community relationships has put us in a position to foster growth. We are moving forward with a measure of confidence.

None of this would have been possible without the support of our customers and the continued focus of our employees on service excellence.

GODDARD ENTERPRISES LIMITED

Mr. Wendell Beckles
Divisional General Manager – Shipping Division

BREAKING BARRIERS

Shipping Division

The 2023 financial year was yet another challenging one as the Division continued on its recovery. The nationalization of stevedoring services in Barbados had the single most devastating impact on the Division's bottom line with over 75% of the revenue of our Barbados operations vanishing in April 2023. A complete re-engineering of the business is underway with the aim of transforming the operation into a highly diversified, agile and profitable entity. The transformation will be fueled by the commissioning of a brand new off-dock bonded warehouse facility that will facilitate the deconsolidation and delivery of imports as well as the receiving and freight forwarding of export cargoes. To augment this, a full-fledged Brokerage Department has been established to execute the efficient clearance of both sea and air freight shipments.

Our Miami operation, Xpress Freight Services Inc., continues to expand its air freight portfolio and processes more than 2,000 courier packages daily at its Doral facility. With most of the global supply chain disruptions brought on by the COVID-19 pandemic now abated, the company will be pivoting more towards the fulfillment of its over-arching strategic plan with investments in Global Supply Chain solutions.

Our Shipping operations in the Eastern Caribbean, (St. Lucia, St. Vincent and Grenada), returned solid financial gains for the Division again this year. Revenue in St. Vincent was substantially boosted by the return of the traditional "Cruise Season" with bumper demand for tours and local shore excursions. This was further buttressed by substantial hospitality investments with the construction of the largest resort on the mainland from which revenue was captured in both our Shipping and Brokerage Departments.

The Division recorded a modest profit for the financial year just ended, which was quite an improvement in comparison with the prior year. This was achieved despite some of the unprecedented challenges faced. The Division will continue its diligent efforts at expanding its networks and representations, diversifying its operations and effectively mitigating enterprise risks to further improve the Division's profitability in 2024. The launch of the Division's e-commerce platform remains a top priority and will be a key element of our Supply Chain and Logistics service offerings.

With global inflation remaining unchecked, increasing frequency and severity of droughts and other weather events, the ongoing war in the Ukraine and increased instability in the Middle East, we anticipate that many challenges will continue to present themselves. These challenges have the potential to spur a new wave of supply chain disruptions. The Division will therefore be positioning itself to benefit from the opportunities that will undoubtedly arise from the challenges.

King Ocean Vessel 2

GODDARD ENTERPRISES LIMITED

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

BREAKING BARRIERS

Catering and Ground Handling Division

The 2023 fiscal year was a remarkable time for the Goddard Catering Group ("GCG Group"). While fiscal year 2022 returned to pre-COVID-19 levels of revenue via partial recovery of existing business and merger and acquisition ("M&A") activity, 2023 ushered in a new era for the group. GCG Group, which consists of Airline Catering, Industrial Catering, Airport Concessions and Ground Handling businesses, recorded all time high revenue in 2023. This achievement was attained without considering the contribution of the latest acquisition, Panama Airport Concessions, which confirms strong organic growth.

Continuing to implement its diversification strategy, GCG Group welcomed the addition of Airport Concessions to the Group with the purchase of IMC Panama. This acquisition included an inherent growth point due to the Panama airport expansion and opening of a second terminal. Over the course of fiscal year 2023, GCG Group opened 3 locations in terminal 2 in the Panama airport and looks forward to all planned locations being opened by mid-calendar year 2024.

Looking forward to continuing our growth strategy, we anticipate that during the 2024 fiscal year, we will close further M&A activity which will contribute gains in both revenue and earnings before interest taxes depreciation and amortization ("EBITDA").

Reviewing year-over-year KPIs, all indicators achieved improvements. These KPIs include, but are not limited to ending cash balance, receivable days, payable days and inventory days. Experiencing growth in both organic and inorganic ways and being able to control processes such that performance indicators remain strong are points of pride and accomplishment for the team.

To properly assist the people side of our business, GCG Group Human Resource ("HR") representatives are in the process of completing the implementation of Workday, an HR system designed to support all facets of the human resource side of the organization. We look forward to the go-live of this system in the first quarter of the 2024 fiscal year.

GCG Group takes this opportunity to thank its staff, Management, and associates for their dedication and efforts during the past year. This has been another extraordinary year for many reasons. The hard work and commitment exhibited by all is recognized and very much appreciated.

To our customers, we thank you for your trust. We will continue to do our best to always exceed your expectations.

Diana Gonzales - Behavior Detection Agent

Hairol Hidalgo - Security Agent, Jeffry Duran - Security Agent, Miriam Sánchez - Security Agent

Industrial Catering's David Mejía - Pastry Supervisor

Airline Catering

GODDARD ENTERPRISES LIMITED

Mr. Christoper Alcazar
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, came in with another great performance, with revenue and sales growth and increased profit before tax. While economies were not as buoyant as in the prior year post COVID-19, our companies showed strength and resilience to continue to show growth to our shareholders. We endured escalated margin pressures as inflation triggered price increases from our suppliers. With careful focus and expense management the group was able to achieve improved profits. GEL's share of profit after tax at $21 million demonstrates the continued strength and performance of the sector. Our focus continues to be on both our owned brands and building stronger relationships with international brand owners in order to grow our businesses. In May 2023, the group also acquired Chinook Trading, a company based in Montreal that trades in the Caribbean region. This is in line with our strategic goals to grow our regional footprint and strengthen our regional agenda. We are also leveraging this acquisition by listing our owned brands in markets where Chinook Trading is prominent and where CDP has a limited presence. In the 2023 financial year, we also built out our regional team and have continued to show strength in representing our third-party principals. As we continue to build this team and grow our presence, we remain focused on being the leader in the region for FMCG.

Hanschell Inniss Limited demonstrated a significantly improved performance. Despite the continued rise in the cost of doing business in this economy, Hanschell Inniss Limited would have actively tightened its expenses and automated processes to achieve improved business efficiency. We would have supported the Government and Private Sector compact for 12 months executing price reductions on a basket of food items. The company supported a much stronger Crop Over season which contributed to increased sales this year. We expanded our international brand portfolio to drive sales growth, margin improvement, and brand availability across all channels. A photovoltaic system was installed at our Fontabelle location, with an aim to combat rising energy costs. We revamped our facilities to accomplish a state-of-the-art cold storage warehouse which prepares our business for portfolio expansion to our customers. We look ahead to a period of improved economic activity supported by more people, portfolios, and sustainability initiatives for the benefit of all stakeholders.

Hand Arnold Trinidad Limited delivered improved performance with revenue growth in 2023. Whilst margin pressures persisted throughout the year particularly for MOO! and Richport oil, the company was able to deliver improved profitability. We continue to focus on and grow our owned brands, particularly MOO! and Peardrax. We undertook a warehouse expansion in 2023 as we continue to build growth and expect this to be completed in the first quarter of the 2024 fiscal year.

Vemco Limited delivered a solid performance in 2023 highlighted by growth and learning despite new and continued challenges. Top-line growth was driven by owned brands and beverages with significant contributions from owned brand exports. Innovation returned to the spotlight with the successful launch of Swiss Mambo Sauce and the introduction of Jus Milk, an economically powered milk option; both of which have shown great acceptance in the market. The restructuring of the pasta plant delivered on its potential by contributing positive profit before tax and volume growth which substantially improved supply consistency. The beverage division hit a new milestone, exceeding the $100 million Trinidad and Tobago dollar mark, and is poised for continued growth. The Upfield and Purina portfolios experienced some challenges this year having been adversely impacted by a combination of supply and product availability issues and a highly price-competitive market. Foreign exchange availability, cash flow and raw material price increases were hurdles to be navigated throughout the year. Amidst change, our team remains the core of our business and demonstrated noteworthy agility and endurance in delivering results. 2024 will see continued investment toward capacity growth and increased focus on purpose-driven operations.

Our operation in St. Vincent, Coreas Distribution Limited ("CDL"), had another good performance despite the many challenges during the year. We have now fully settled into our new distribution facility and continue to capitalize on our larger footprint. Our new Kingstown Wholesale has worked out very well as it maintained the 12% walk-in customers sales that the operation had prior to our move in 2022. This was another good year for CDL as we recorded the second-largest sales and profits in the history of the company while profit before tax was marginally behind 2022.

Peter and Company Limited in St. Lucia continued to show growth albeit at a more moderate rate when compared with the prior year despite the closure of Wet and Cold Express Cadet Street, one of our underperforming retail stores. Sharp focus on expense and inventory control, expansion of our traditional trade distribution and margin improvement strategies led to another year of above-budget profit before tax in a challenging environment comprised of inflationary pressures on consumers, the implementation of increased taxation, expansion of the price control regime, higher operating costs and several unfilled vacancies. Moving into 2024, new avenues for growth have been identified to stave off the increasingly competitive, regulatory and margin pressures experienced across key segments in 2023.

BREAKING BARRIERS

CDP continued

Our operations in Grenada continued to deliver strong sales performance, achieving growth over the prior year and increased profitability. Significant growth was achieved in the CDP brand portfolio, especially Swiss, Eve and Super Cow. The CK's Super Valu Cash and Carry outlet benefitted from a stronger-than-expected recovery of the tourism and hospitality sectors and rebound in St. George's University enrollment. The planned solar photovoltaic system was installed and supplied electricity on a test basis by the end of the year. A dedicated Marketing function was established, that will continue to be built out, bringing an increased focus on commercial execution throughout the business and ensuring the continued expansion of our distribution reach.

Guyana performed remarkably well as expected in the fast-growing economy. Profits and Sales were up by double digits when compared with the prior year. We continue to invest heavily in infrastructure and build a vibrant team of professionals to aid in the fast-moving industry. Cold storage commenced as we explore major opportunities in this segment.

The recent acquisition of Collins Limited will strengthen the distribution capacity of the Pharmaceutical Division, which will be a top priority in the upcoming year.

BREAKING BARRIERS


Celebrate
LIFE
PEARDRAX
SPARKLING
PEAR
DRINK
NET 10 FL OZ (300mL)
PEARDRAX
SPARKLING
PEAR
DRINK
NET 355mL (12 FL OZ)

GODDARD ENTERPRISES LIMITED

Mr. Terry Scantlebury
Group ICT and Business Solutions Manager

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

Information Technology

Having completed our baseline cybersecurity assessment and formulated a three-year action plan, this year saw a concerted effort focused on implementation of the cybersecurity strategy. We have onboarded new internal and external resources and have completed all planned activities for the first year. Activities include developing new policies, starting an ongoing cybersecurity awareness training program, improved registration and management of Information Technology ("IT") assets, enhanced security on our firewalls and email systems and scanning for vulnerabilities on a continuous basis.

Group IT played a pivotal role in the implementation of Workday, the Human Resources Information System for GEL, providing both resources and advisory services. Group IT has continued to provide support in the development of strategic dashboard reporting solutions across the divisions. GEL has also embarked on a program to revamp its website. This will lead to improved security, a new look and feel, enhanced user experience and improved content management.

The Building Supplies Division continues with its project to harmonize data across the division. This will greatly enhance the ability to purchase and manage inventory as a group as well as seamlessly report company or consolidated information across the division. The Counterpoint loyalty card program for M&C Home Depot is completed. Discount cards are also being issued to staff and customers will start accumulating loyalty points when the card is officially launched in the coming financial year. A similar loyalty program deployment for M&C Drugstore, modelled on the M&C Home Depot implementation, is in progress. The Building Supplies Division added the new role of IT Innovative Project Manager. This position is to oversee IT related projects from design to delivery, planning, executing and finalizing projects and systems to ensure that they are completed within schedule and budget.

Of note within the Manufacturing Division is the ongoing expansion of Power-BI reporting to provide managers at all levels with new and improved dashboards to facilitate better decision making. Within Goddards Shipping (Barbados) Limited, the new warehouse operation web application - CargoConnect - is completed and in an early deployment phase. Security and vulnerability tests were run to ensure that the application is secure. The Shipping Division's website is complete, but the next phase is e-commerce for the division, to allow customers to make payments for services they require. Customers will be allowed to create an account for the services provided, request a quotation and track their packages.

GCG Group embarked on a journey to establish a robust IT organization, strategically aligning with our company's key objectives and supporting the growth strategy. This effort led to a restructured organization that deepened the understanding of the business, applications, infrastructure and IT teams in multiple countries. Leveraging this knowledge, we formulated a strategic IT plan that emphasizes the standardization and centralization of systems, including the vision of implementing a core ERP system, thus laying the foundation for greater efficiency. Furthermore, we prioritized cybersecurity as a critical aspect of safeguarding our valuable data and the company. In addition to these efforts, we revamped and introduced IT policies aligning them with the company's evolving objectives, ensuring that our IT practices are consistently in line with our overall mission.

GODDARD ENTERPRISES LIMITED

Mrs. Lee-Ann Miillar-Mendes
Group Vice President
HR & Shared Services

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

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

Mrs. Elka Phillips-Roberts
Divisional People Manager
Building Supplies

Ms. Rebecca Floissac-Crick
Divisional People Manager
Shipping & Services

Mrs. Valerie Lovell
Head Office
People Co-ordinator

Ms. Debbie Elcock
Manager
Payroll & Pensions Department

BREAKING BARRIERS

Human Resources

2023 was the year that we revolutionized how we deliver our services to our People. Our commitment to our values of innovation, continuous improvement and service excellence shaped our objective to enhance the way in which we connect with and serve our employees. We were thrilled to embark on the implementation of a modern, user-friendly and dynamic Human Resources Information System ("HRIS"), designed to manage the entire employee lifecycle. The system will manage from attracting, selecting and onboarding new employees; to managing employee compensation & benefits, learning & development, performance management and everything in between. Across GEL, the implementation of the HRIS solution offers a unified platform for managing HR processes across 67 companies which operate in 24 countries. With streamlined processes and robust analysis and reporting, managers are now enabled to access real-time team insights for well-informed decision making. Our 6,900 employees are now empowered to efficiently manage their personal data and career-related tasks. Over 50 of our talented HR professionals from across 24 of our territories, were engaged in the implementation of the HRIS; our team worked tirelessly to standardize HR and business processes across six divisions, which played a pivotal role in setting-up and configuring the automated processes within the system, gathering and configuring data and collaborating on cross-functional teams for a successful integration. We were proud and excited to launch our new HRIS—Workday, in November 2023.

We closed the financial year with a headcount of 6,900 employees across GEL and we resourced over 2,700 positions during this period. Our recruitment drive continues to be aligned with the strategic direction of each of our divisions, such as in GCG, where growth and expansion are supported by a rigorous and timely recruitment process to meet the demands of the businesses. Further, at Caribbean Label Crafts Limited ("CLC"), the expansion of the business into the Dominican Republic was supported by the resourcing and onboarding of the team for the new branch. In some divisions the establishment of shared-service models for the human resources teams was implemented, which provided our teams with exposure to several different businesses and countries and the ability for greater collaboration and efficiencies. As we continue to expand in some divisions, the HR teams led the people-side of the due diligence exercises during the financial year.

We continued our focus on employee development, which saw our employees across GEL trained in leadership, professional development, customer service excellence, health & safety and technical training categories. In support of the Group-wide Cyber Security program, an initiative designed to enhance collective understanding and preparedness against potential security threats, a Cyber Security Training and Awareness Program was introduced. We continued to take advantage of online training, as it provided greater flexibility and the ability to reach a wider cross-section of employees across our territories. Furthermore, our internal expertise was leveraged, through in-house technical training which saw our technical Automotive Division team from Jamaica training their colleagues in St. Lucia, and our technical team at CLC, training the staff at our new CLC branch in the Dominican Republic. We believe in providing our employees with opportunities for professional development, to help them reach their full potential, and this will continue to be a feature of the HR Strategy in the coming financial year.

We launched our first internal employee engagement pulse survey this year, which was a change from prior years, when we outsourced our engagement survey administration. The survey was administered in March 2023, and we were pleased to have a combined response rate of 80% across all divisions of GEL. Our engagement score and the feedback from our teams were analyzed and informed the development of engagement initiatives across the companies. These initiatives will continue to be developed and implemented in the new financial year.

We continued our commitment to employee initiatives and activities across GEL. These initiatives included the hosting of cricket and football tournaments, the celebration of Earth Day, Mother's Day, Father's Day, International Women's Day, International Men's Day, national holiday celebrations, recognition of employee birthdays, volunteering within our communities, the development of reward and recognition programs and customer service champions programs. Specifically, at Ecuakao, in Ecuador, there were several special initiatives in support of diversity, inclusion and corporate social responsibility, including: recognition by the Ministry of Health for our initiative of supporting mothers through the establishment of our breastfeeding support room and certification for socio-labour inclusion of people with disabilities.

We developed new policies and updated 13 Group HR policies including our Parental Leave Policy which supports all new parents. We believe in continuously updating our policies in line with the changing times.

The HR team has laid the foundation and set the stage to unite the entire GEL Group on one platform— bringing together 6,900 employees at 67 companies, across 24 countries — we are Breaking Barriers.

GODDARD ENTERPRISES LIMITED

Mrs. C. Natasha Small
Group Chief Financial Officer

Mrs. Kay Leacock
Group Accountant

Mrs. Jeanelle Worrell
Group Financial Controller

Corporate Social Responsibility

ST. VINCENT

A Face Lift for Questelles Police Station

Coreas Building Supplies made a donation of high-quality paint to the Questelles Police Station, as a testament to their dedication to community improvement and safety.

The vibrant colours of this contribution aim to brighten and refresh the station's facilities, creating a more welcoming and conducive environment for both officers and the public.

This act of goodwill not only underscores Coreas Building Supplies' commitment to supporting local law enforcement but also their belief in the power of a fresh coat of paint to inspire positive change within the community.

Shanet Brewster, Manager, Coreas Ace Hardware, (centre), with representatives from the Questelles Police Station

School Receives Wheelbarrow

In October 2023, the Anse la Raye RC Infant School wanted to create a vegetable garden which would serve to supply fresh, nutritious produce for the schoolchildren. They submitted a request for equipment and received a donation of a wheelbarrow from M&C Home Depot.

This tool will also be used to assist in maintaining the school grounds.

This request not only underscores the school's unwavering commitment to fostering a healthy and sustainable environment for its students but also underscores the significance of community support and cooperation.

Teacher of the Anse La Raye RC Infant School, (left), accepts the wheelbarrow from Jaira Mathew-Joseph, Store Manager, M&C Home Depot (right)

Employees Graduate from Successful Training Program

During the last financial year, the GEL Building Supplies Division made a strategic commitment to enhance its workforce through a comprehensive training program. The focused areas of this initiative included Retail Sales, Customer Services, Health and Safety and the development of the supervisory team. This holistic approach was aimed at improving both the customer experience and internal operations.

The training was carried out through a combination of in-house resources and external facilitators, covering a diverse range of more than 37 subject areas. One key tool employed was the Goskills platform, which provided a flexible and effective way to upskill the workforce.

Graduates from the Upskills Program

Corporate Social Responsibility... continued

BOP Extends a Helping Hand with Red Cross Donation

The active hurricane season that has unfolded this year underscores the critical importance of disaster preparedness during this period of heightened vulnerability for many Caribbean nations.

Recognizing the pressing need for assistance, BOP has stepped forward to contribute to the St. Vincent & the Grenadines Red Cross, an organization known for its dedication to disaster relief, humanitarian aid and community development.

Noel Browne (centre), BOP Brand Manager, Coreas Distribution Limited, presenting a cheque to representatives of the St. Vincent & the Grenadines Red Cross

ST. LUCIA

M&C Group of Companies Spreads Holiday Cheer in Babonneau

At M&C Group of Companies, our commitment to making a positive impact in our communities is unwavering. On Sunday, 18 December 2022, our M&C Caring In Action team, brought the spirit of the holiday season to life by hosting a heartwarming Christmas Party for 50 underprivileged children in the Babonneau community.

Our aim was to give back to the community and, more importantly, to provide these young children with an unforgettable Christmas experience. The event was designed to envelop the children in the joy and wonder of the season, leaving them with cherished memories to carry with them into the future.

M&C Staff as they serve the children their Christmas treats

M&C Caring in Action Concludes its annual Back-To-School Drive

M&C Caring in Action, the community outreach initiative of the M&C Group of Companies, witnessed another successful conclusion to its annual Back-to-School Drive. In keeping with the ongoing commitment to the community, the company distributed thousands of dollars' worth of vouchers from M&C Drugstore to support disadvantaged families across the entire island. These vouchers empowered families to purchase essential school supplies for their children.

The Back-to-School Drive was a cornerstone of our mission to make education accessible and equitable for all children.

M&C Team Member presents one of the cheques during the Back-to-School Drive

Corporate Social Responsibility... continued

GRENADA

Hubbard's and SOL Make Meal Preparations a Reality For Pre-Primary School

The children at the Grand Mal Pre-Primary School will soon be getting hot meals daily thanks to Jonas Browne & Hubbard (Grenada) Limited ("Hubbard's") who had provided a new 6 burner 32 inch gas cooker to the school.

The combined donation with SOL who provided 12 20lb bottles of cooking gas came as a much needed gift to the school.

The acting teacher in charge, Mrs. Yvonne Purcell, said they were seeking assistance to prepare hot meals for the children, and they were immensely grateful for the donations.

Kesha Charles, Marketing Manager, SOL, (centre right), and Donally Blackman, Marketing Officer, Hubbard's, (centre left), present Yvonne Purcell, Acting Teacher in charge, (centre), with the gas cooker while the children and other teachers look on

Special Services Unit Receives a Washing Machine

After handwashing their uniforms for quite some time, the members of the Special Services Unit expressed immense gratitude to Hubbard's for the donation of a 16kg fully automatic Whirlpool washing machine.

Sergeant Paterson Andrew said that they were seeking financial contributions from team members to purchase a washing machine, but upon request, Hubbard's responded without hesitation to their need.

Wayne James, Manager, Building Supplies (left) with Sergeant Paterson Andrew, Special Services Unit at the presentation

World Milk Day Celebrations 2023

An estimated 652 children from five different schools benefitted from an awareness campaign mounted by Dutch Lady Milk as they stressed the importance of milk in one's diet.

The children received bag-packs and other school items as well as a breakfast box during the celebration of World Milk Day 2023.

Dutch Lady, through Hubbard's, commemorates World Milk Day annually, by providing fun-filled and educational sessions with students across the island.

This year, the celebrations started with a media launch followed by the visits to the schools.

Hubbard's staff in Dutch Lady blue and La Digue community group in red and blue t-shirts

Corporate Social Responsibility... continued

HONDURAS

Health Centres in Honduras Receive Donations of Beep Disinfectant Spray

With the aim of continuing to provide protection against viruses, fungi and bacteria in care spaces for children, older adults and at-risk patients, McBride (Caribbean) Limited, is once again present in health care centres in Honduras through a donation of 12,000 units of Beep Disinfectant Spray. The donation was delivered in conjunction with its distributor in Honduras, Dromeinter.

Vanessa Cantillo, Brands Developer, Latin America with McBride (Caribbean) Limited, (second from right), Darío García Villalta, Minister of the Secretariat of Risk Management, (second from left) and Ilich Aguiriano, Secretary General, (left)

BARBADOS

GEL Joins Parkinson Students For Careers Showcase

In February 2023, the students of the Parkinson Memorial Secondary School got the opportunity to investigate a variety of careers that are opened to them when they leave school.

Subsidiaries McBride (Caribbean) Limited, Goddards Shipping (Barbados) Limited, Precision Packaging Inc and Caribbean Label Crafts Ltd all had booth displays alongside entities like the Barbados Police Service and a Beauty School among other businesses showcasing the possible careers there.

Terry Moore, Caribbean Label Crafts Ltd, (left), engaging the students as they came to the booth where they asked questions about the graphics and the printing process

GEL Brought Christmas Cheer To Students' Families

Days before Christmas 2022, some members of staff from Goddard Enterprises Limited ("GEL") were seen busy collecting and putting together the items for hampers for various families of students of the Parkinson Memorial Secondary School ("Parkinson School").

In addition to 15 families from the Parkinson School, GEL's staff also gave out 14 other hampers to families in the communities around the Head Office, in the Haggatt Hall /St. George area.

Anthony Ali, Managing Director, GEL, (right), discusses the content of the hampers with Kara Maynard, Guidance Counsellor, (centre), and Vonita Padmore, Office Assistant, GEL, (left)

Corporate Social Responsibility... continued

Judges Select Finalists in the 100th Anniversary Entrepreneur Award Competition

In March 2023, three of ten semi-finalists were selected as the finalists in the Goddard Enterprises 100th Anniversary Entrepreneur Awards Competition.

BB's Mushrooms, a company presently producing mushrooms for the local market; Med Regis, the developer of a user-oriented Electronic Health Record; and Mike's Bajan Beverages, the producer of 'fresh' home-made rum punch were adjudged to go forward in the competition for another year.

These three will now receive a further sum to take them through this second year of the competition, at the end of which they will be judged again and one of them will be selected as the final winner of the three-year competition.

C. Natasha Small, Group Chief Financial Officer, GEL, (left), with finalists Deborah Bishop of BB Mushrooms, Dale Trotman of Med Regis and Mike Thornton of Mike's Bajan Beverages, with A. Charles Herbert, Chair, GEL

Goddard Enterprises Hosts Interns For 2023

At the end of the summer holidays 2023, eighteen teenagers either returned to school or entered a tertiary institution better equipped with knowing what they want to do when they leave school or what courses they needed to study to achieve the goal they have in mind.

These students of the Parkinson School spent seven weeks of their holiday in a number of companies within the Goddard Group during their summer holiday and culminated it with a one day group session at the Company's Head Office in Haggatt Hall.

The students going through a 'helium pole' exercise which was to help teach them effective communication

Goddard Enterprises Shares With Parkinson School Students

Twenty-two students from various classes of the Parkinson School had an exciting opportunity when they got to visit the offices of GEL to celebrate International Women's Day 2023 (March 9).

The students were selected by Ms. Kara Maynard, Guidance Counsellor, Parkinson School, because of their different levels of self-confidence and self-esteem. It was intended for them to experience meeting with older positive role models and to understand the dynamics of working together and building positive relationships with other girls.

Stephanie Edghill, Accounts Payable Clerk, GEL, (right), leads the discussion with the students as they interacted with the other members of the Accounts team

Corporate Social Responsibility... continued

GEL Re-opens Newly Renovated Library At St. Mary's Primary

In addition to dressing up in their favourite costumes, the students of the St. Mary's Primary School recently celebrated Character Day with the re-opening of their newly renovated library.

The freight container that was retrofitted into a library, with an air-conditioning unit, windows and bookshelves back in 2005, was originally presented to the school by GEL. It fell into a state of disrepair during the COVID-19 shut-down and could not be used when the school re-opened after the pandemic.

The re-opening took place at a full assembly during the celebration of Literacy Week.

Students show great interest in the books in the action section, while Michelle Blackman, Acting Principal, (left), and Maurice Arthur, Facilities Manager, GEL, listen to their explanations

Goddard Enterprises Awards Two Scholarships To St. Mary's Students

Emira Reeves and Shumar Perry are the 2023 winners of GEL's annual scholarships for students of St. Mary's Primary School, who sat the Barbados Secondary School Entrance Examination.

Reeves, who is heading to the Alexandra School, and Perry, who will be attending the Alleyne School, met with GEL officials recently at the company's Haggatt Hall headquarters and received their prize trophies.

The winners were both prefects at their primary school and in addition to being good leaders, they, therefore, were examples of disciplined and well-behaved students.

Valerie Lovell, Head Office People Co-ordinator, GEL, (centre), congratulated Shumar Perry, (left), and Emira Reeves, (right)

Marshall Trading Donates Cool Water Station To Primary School

Marshall Trading Limited sponsored a water station for the Hilda Skeene Primary School in St. Philip, that will enable the students and staff to have quick and easy access to cool drinking water.

The children of Hilda Skeene Primary School get their first taste of cool water from the fountain as representatives from Marshall Trading and Newport Water supervise them

Hurricane Preparedness Expo.

Marshall Trading Limited participated in a free outdoor event in collaboration with several other businesses. The public was invited to come and ask questions regarding products and get expert advice on how best to prepare their homes for hurricanes.

The Marshall Trading booth at the Expo

BREAKING BARRIERS

Corporate Governance Overview

The Board: Mandate and Committee Structure

The Board of Directors of the Company (the "Board") supports best practices in corporate governance. Our policies are continuously being reviewed and challenged given the changing nature of the Group's business as Management executes the Group's strategy.

The Board's Committee structure features three standing Committees, namely the Audit and Risk, Corporate Governance and Compensation and Human Resources Committees. These Committees assisted the Board with accomplishing its mandate. 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 4 and also on the Company's website.

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

The Board: Attendance and Evaluation

The Board's attendance record at both board and committee meetings held during the financial year, 1 October 2022 to 30 September 2023, was an excellent one, again this year. The attendance record is submitted in the Appendix A at page 157 of this Report.

In October 2023, the Corporate Governance Committee conducted the annual assessment process involving the Board and its Committees. The assessment results and the recommendations therefrom are receiving the Board's focus for action.

Appointment of Auditor

During the year, the Audit & Risk Committee lent oversight as the Company invited proposals for the conduct of the Group's external audit and taxation services for the financial years ending 30 September 2024-2026.

The Audit & Risk Committee and a Special Review Committee comprising the Managing Director, the Group's Chief Financial Officer and key Finance Leads within the Group, considered the proposals and received comprehensive presentations on them. These presentations were assessed using a comprehensive scorecard containing extensive criteria. On completion of the assessment process, the Audit & Risk Committee recommended to the Board that the firm of Ernst & Young Ltd, Chartered Accountants, be recommended to shareholders for appointment as the Company's Auditor. This recommendation was based on the competitiveness of the proposal as well as other factors considered. The Board accepted the recommendation.

The Board therefore recommends that Ernst & Young Ltd be appointed as the Company's Auditor for the ensuing year ending 30 September 2024 at a fee to be negotiated. The Board also recommends that they be authorized by Shareholders to negotiate the Auditor's fee on a Group basis.

Dividends

On 11 December 2023, the Board declared a third interim dividend of 2 cents per share on the issued and outstanding shares of the Company for the year ended 30 September 2023. The third interim dividend will be paid on 29 February 2024.

First and second interim dividends for the 2023 financial year of 2 cents each were paid on 31 August 2023 and 30 November 2023 respectively.

Acknowledgement

The Board expresses gratitude to Shareholders for your unwavering support and continued confidence in us. We acknowledge the dedicated commitment and hard work of Management and all Group employees. We look forward to the continued patronage of our customers in 2024.

On behalf of the Board of Directors

A. Charles Herbert
Chair
11 December 2023

Anthony H. Ali
Managing Director

Analysis of Common Shareholders

As at 30 September 2023

CATEGORY	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES HELD	%
Group Employees	464	20%	2,821,615	1%
Local Individuals	1,440	63%	37,899,072	17%
Non-Resident Persons	269	12%	55,696,265	24%
Local Companies and Institutions	128	5%	131,992,965	58%
TOTALS	**2,301**	**100%**	**228,409,917**	**100%**

BREAKING BARRIERS

BREAKING BARRIERS

Additional Information

For the year ended 30 September 2023 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 52 and 55.

(b) Director's interest in the share capital of GEL as at 30 September 2023:

NAMES OF DIRECTORS	NUMBER OF COMMON SHARES HELD BENEFICIALLY AT 30 SEPTEMBER 2023
J. S. L. Alarcon	11,900
A. H. Ali	269,227
L. O. Condon (Ms.)	307,220
M.R.K. Dukharan (Ms.)	NIL
D. W. Farmer	59,301
A. C. Herbert	813,509
W. P. Putnam	2,067,534
R. L. Weekes	44,092

(c) No change in Directors' beneficial interests took place between 30 September 2023 and 11 December 2023, except that Mr. W. P. Putnam's beneficial interest increased by 243,375 shares.

(d) Particulars of any person, other than a director, holding more than 5% of the share capital of GEL and the amount of interest so held as at 11 December 2023:

SHAREHOLDERS		NUMBER OF COMMON SHARES HELD
Neptune Investments Limited		14,496,696
Sagicor Group	Beneficial	20,200
	Non-Beneficial	25,668,644
	Total Sagicor Group Holding	25,688,844

BREAKING BARRIERS

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 S.A.S – 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 Tropical Battery – a division of Courtesy Garage Limited	
Baking:	Purity Bakeries Ltd.	
Cocoa Traders and Manufacturers:	Ecuador Kakao Processing Proecuakao S.A. – Ecuador Ecuakao Trading Company S.A. – Uruguay	
Concessions:	GCG Concessions Inc. - Panama	51%
E-commerce:	Order Up and Go Ltd.	
General Trading:	Corea & Co. (1988) Limited – St. Vincent	
	Coreas Building Supplies Ltd. - 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 Honduras S.A. – Honduras	51%
	GCG Ground Services (Barbados) Limited	51%
	GCG Ground Services LLC – St. Thomas, U.S.V.I.	51%
	GCG Ground Services (Jamaica) Limited – Jamaica	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 Honduras, S.A. – Honduras	51%
	GCG Food, S.A. de C.V. – El Salvador	51%
	GODCA S.A. – El Salvador	51%
Insurance:	Grenadian General Insurance Limited – Grenada	52%
Investments:	Ecuakao Group Ltd. – Cayman Islands	
	GCG Concessions Holdings Corp.	51%
	GEL Holdings (St. Lucia) Ltd. – St. Lucia	
	GEL Manufacturing Holding Company Limited	
	GEL Manufacturing (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.	51%
	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%
	Caribbean Label Crafts Dominicana S.R.L. – Dominican Republic	26%
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	51%
	AGO Security, S.A. de C.V. – El Salvador	51%
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	

BREAKING BARRIERS

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%
	Chinook Trading Canada Limited – Canada	40%
	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	29%
	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:	TOTAL-BASE Services Guyana Inc. – Guyana	48%
	Guyana Shorebase Holdings Limited – United Kingdom	48%
Property Rentals:	Bridgetown Cruise Terminals Inc.	20%
Restaurant, Airline, Airport and Industrial Catering and Ground Handling:	Allied Caterers Limited – Trinidad and Tobago	31%
	Comedores Industriales Del Norte, S.A. – Costa Rica	26%
	GAS Group Aviation Support Services, S.A. – Costa Rica	41%
	GCG Food Services S.A. – Guatemala	27%
	GCG Group (Guyana) Inc. – Guyana	24%
	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, U.S.V.I.	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%

GODDARD ENTERPRISES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

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

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 2023, the consolidated statement of income and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 2023 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 17% 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 2023 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.

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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**
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 ($83.7M as at 30 September 2023); and (ii) the level of subjectivity associated with the 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 conclude on the appropriateness of these assumptions. We also tested the mathematical integrity of management'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)

Other information included in the Group's 2023 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.

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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)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)
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.
- 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 Mr. John-Paul Kowlessar.

Ernst + Young Ltd
Barbados
13 December 2023

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

(Expressed in thousands of Barbados Dollars)

	Notes	2023	2022
Current assets			
Cash	6	**138,965**	127,918
Trade and other receivables	7	**128,882**	103,988
Prepaid expenses		**34,603**	23,727
Due by associated companies	8	**32,168**	30,570
Current income tax assets		**5,368**	4,965
Inventories	9	**195,555**	175,006
Held-for-sale assets	10	**-**	23,226
Hedging asset	11	**8,469**	3,317
		544,010	492,717
Current liabilities			
Borrowings	12	**95,224**	104,884
Trade and other payables	13	**165,079**	144,481
Lease liabilities	14	**11,513**	7,841
Due to associated companies	8	**6,648**	6,712
Current income tax liabilities		**8,181**	6,424
Held-for-sale liabilities	10	**-**	9,723
Hedging liability	11	**1,636**	4,000
		288,281	284,065
Working capital		**255,729**	208,652
Property, plant and equipment	15	**410,910**	385,984
Investment property	16	**50,558**	52,755
Intangible assets	17	**91,428**	22,795
Right-of-use assets	14	**34,175**	27,898
Investments in associated companies	18	**235,780**	204,416
Financial investments	19	**25,636**	36,545
Deferred income tax assets	20	**5,990**	5,543
Pension plan assets	21	**4,459**	6,119
Long-term trade and other receivables	7	**4,084**	4,402
		1,118,749	955,109
Borrowings	12	**237,830**	174,470
Lease liabilities	14	**27,908**	23,603
Deferred income tax liabilities	20	**4,982**	3,280
Pension plan liabilities	21	**1,612**	860
Net assets employed		**846,417**	752,896
Financed by:			
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	**50,686**	49,906
Other reserves	23	**118,693**	104,017
Retained earnings		**539,531**	484,254
		708,910	638,177
Non-controlling interests		**137,507**	114,719
		846,417	752,896

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

Approved by the Board of Directors on 11 December 2023

…………………………	…………………………
A. Charles Herbert	**Anthony H. Ali**
Chair	**Managing Director**

BREAKING BARRIERS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2023

(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 2021	49,195	56,442	471,238	99,643	676,518
Net income for the year	-	-	50,179	18,025	68,204
Other comprehensive income/(loss)	-	47,382	(26,907)	2,191	22,666
Total comprehensive income for the year	-	47,382	23,272	20,216	90,870
Decrease in advances to non-controlling interest	-	-	-	(4,185)	(4,185)
Value of employee services	-	193	-	-	193
Issue of common shares	711	-	-	-	711
Dividends declared	-	-	-	(955)	(955)
Dividends (note 31)	-	-	(10,256)	-	(10,256)
	711	193	(10,256)	(5,140)	(14,492)
Balance as at 30 September 2022	49,906	104,017	484,254	114,719	752,896
Balance as at 1 October 2022	**49,906**	**104,017**	**484,254**	**114,719**	**752,896**
Net income for the year	**-**	**-**	**67,902**	**22,632**	**90,534**
Other comprehensive income	**-**	**14,576**	**2,235**	**872**	**17,683**
Total comprehensive income for the year	**-**	**14,576**	**70,137**	**23,504**	**108,217**
Increase in advances to non-controlling interest	**-**	**-**	**-**	**342**	**342**
Value of employee services	**-**	**100**	**-**	**-**	**100**
Issue of common shares	**780**	**-**	**-**	**-**	**780**
Dividends declared	**-**	**-**	**-**	**(1,058)**	**(1,058)**
Dividends (note 31)	**-**	**-**	**(14,860)**	**-**	**(14,860)**
	780	**100**	**(14,860)**	**(716)**	**(14,696)**
Balance as at 30 September 2023	**50,686**	**118,693**	**539,531**	**137,507**	**846,417**

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

BREAKING BARRIERS

CONSOLIDATED STATEMENT OF INCOME

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

	Notes	2023	2022
Continuing operations:			
Revenue from contracts with customers	24	**1,088,262**	968,831
Cost of sales	25	**(610,231)**	(570,592)
Gross profit		**478,031**	398,239
Underwriting income		**2,512**	2,905
Selling, marketing and administrative expenses	25	**(396,187)**	(339,447)
Profit from operations before the following:		**84,356**	61,697
Other gains/(losses) – net	26	**15,571**	5,057
Profit from operations		**99,927**	66,754
Finance costs	28	**(20,346)**	(11,687)
		79,581	55,067
Share of income of associated companies	18	**28,725**	24,973
Income before taxation from continuing operations		**108,306**	80,040
Taxation	29	**(18,455)**	(13,282)
Net income for the year from continuing operations		**89,851**	66,758
Discontinued operations:			
Income after tax for the year from discontinued operations	10	**683**	1,446
Net income for the year		**90,534**	68,204
Attributable to:			
Equity holders of the Company		**67,902**	50,179
Non-controlling interests		**22,632**	18,025
		90,534	68,204
Earnings per share attributable to the equity holders of the Company during the year (expressed in cents per share)			
- basic and diluted	30	**29.7**	22.0

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

BREAKING BARRIERS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

	Notes	2023	2022
Net income for the year		**90,534**	68,204
Other comprehensive income:			
Items net of tax that may be recycled to income in the future:			
Currency translation differences:			
- Group		**2,179**	(1,177)
- Associated companies		**(1,030)**	(214)
Hyperinflationary adjustments		**217**	(379)
Cash flow hedge		**10,200**	(4,871)
Items net of tax that will not be recycled to income in the future:			
Unrealised gains/(losses) on investments at fair value through other comprehensive income:			
- Group		**115**	(3,070)
Increase in revaluation surplus:			
- Group		**-**	34,462
- Associated companies		**8,436**	1,905
Remeasurement of employee benefits:			
- Group	38	**(2,660)**	(3,790)
- Associated companies	38	**226**	(200)
Other comprehensive income for the year		**17,683**	22,666
Total comprehensive income for the year		**108,217**	90,870
Attributable to:			
Equity holders of the Company		**84,713**	70,654
Non-controlling interests		**23,504**	20,216
		108,217	90,870

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

BREAKING BARRIERS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

	Notes	2023	2022
Cash flows from operating activities			
Income before tax from continuing operations		**108,306**	80,040
Income before tax from discontinued operations	10	**993**	1,993
Income before taxation		**109,299**	82,033
Adjustments for:			
Depreciation	14,15	**38,235**	31,941
Amortisation of intangible assets	17	**1,142**	2,140
Gain on disposal of property, plant and equipment	10,26	**(457)**	(103)
Loss on revaluation of freehold land and buildings	26	**-**	1,162
Gain on disposal of right-of-use asset	26	**(78)**	(165)
Gain on disposal of subsidiary	26	**(811)**	-
Gain on disposal of associated company	18	**(13)**	-
Exchange adjustments		**1,653**	(314)
Expected credit losses on non-working capital balances		**(15)**	(35)
Hyperinflationary adjustments		**217**	(379)
Interest income	10,26	**(1,918)**	(1,315)
Finance costs incurred	10,28	**20,346**	11,688
Share of income of associated companies	18	**(28,725)**	(24,973)
Pension plan expense	21	**685**	976
Employee share schemes expenses	27	**100**	193
Rent concessions due to COVID-19	26	**219**	182
Fair value losses on revaluation of investment property	16	**292**	261
Operating profit before working capital changes		**140,171**	103,292
Net change in non-cash working capital balances related to operations	36	**(33,161)**	(11,861)
Cash generated from operations		**107,010**	91,431
Finance costs paid		**(20,346)**	(11,688)
Income and corporation taxes paid		**(16,465)**	(11,583)
Pension plan contributions paid	21	**(1,668)**	(1,710)
Net cash from operating activities		**68,531**	66,450
Cash flows from investing activities			
Acquisition of interest in subsidiary company	34	**(69,007)**	-
Proceeds on disposal of subsidary company - net of cash disposed of	10	**13,503**	-
Acquisition of interest in associated companies	18	**(7,124)**	(7,186)
Proceeds on disposal of investments in associated companies	18	**6**	-
Purchase of property, plant and equipment	15	**(43,268)**	(27,218)
Proceeds on disposal of property, plant and equipment		**3,031**	956
Additions to investment property	16	**(34)**	-
Proceeds on disposal/(purchase) of financial investments		**11,074**	(349)
Proceeds from repayment of loan to an associated company		**-**	1,265
Long-term loans advanced		**(1,040)**	(364)
Proceeds from repayment of long-term loans		**440**	3,189
Unsecured and secured loans repaid/(issued)– net		**27**	(119)
Interest received		**1,918**	1,315
Dividends received from associated companies	18	**12,124**	10,674
Net cash used in investing activities		**(78,350)**	(17,837)
Cash flows from financing activities			
Issue of common shares	22	**780**	711
Guarantee deposits for financial instruments		**4,188**	(4,188)
Long-term loans received	12	**111,283**	92,958
Repayments of long-term loans	12	**(83,425)**	(64,520)
Repayments of lease liabilities	14	**(10,514)**	(6,813)
Dividends paid to non-controlling interests		**(1,058)**	(955)
Dividends paid to shareholders		**(14,860)**	(10,256)
Loans advanced from/(repaid to) non-controlling interest		**342**	(4,185)
Net cash from financing activities		**6,736**	2,752
Net (decrease)/increase in cash and cash equivalents		**(3,083)**	51,365
Cash and cash equivalents – beginning of year		**103,762**	52,397
Cash and cash equivalents – end of year	6	**100,679**	103,762

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

BREAKING BARRIERS

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BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

1. General information

Goddard Enterprises Limited ("the Company") is incorporated under the Laws of Barbados. The principal activities of the Company and its subsidiaries (together "the Group") include airline, industrial and restaurant catering, ground handling services, food concessions, 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. 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 11 December 2023. 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 2023 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 2022. The following interpretations and standards became effective and were adopted in the current year.

The Group applied Amendments to IFRS 3 – Reference to the Conceptual Framework, Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use and Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract for the first time in 2023. The nature and effect of changes as a result of the adoption of these new accounting standards are described 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 – 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies ... continued

a) Basis of preparation ... continued

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

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

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.

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use.

This amendment resulted in no material change to the consolidated financial statements.

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.

The amendment must be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

This amendment resulted in no material change to the consolidated financial statements.

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.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognised contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions. Judgement will be required in determining which costs are 'directly related to contract activities', but we believe that guidance in IFRS 15 Revenue from Contracts with Customers will be relevant.

The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

This amendment resulted in no material change to the consolidated financial statements.

2. Significant accounting policies ... continued

a) Basis of preparation ... continued

ii) Improvements to International Financial Reporting Standards

The annual improvements process for the IASB deals with non-urgent but necessary clarifications and amendments to IFRS.

Annual improvements to IFRS Standards 2018-2020 cycle

The following amendments are applicable to annual periods beginning on or after 1 January 2022. These amendments did not have a material impact or change to the consolidated financial statements.

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.

iii) 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 IAS 12 International Tax Reform – Pillar Two Model Rules (effective 1 January 2023)

The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later.

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments clarify that IAS 12 applies to income tax arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization of Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.

The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the amendments.

The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies ... continued

a) Basis of preparation ... continued

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

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 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. 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.

The main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cashflows);
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss based on insurance contract services provided over the coverage period;
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining coverage period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period;
- Amounts that are paid to a policyholder in all circumstances, regardless of whether an insured event occurs (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet;
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense;
- A loss-recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is determined and recorded in profit or loss when an entity recognises a recovery of a loss on initial recognition of an onerous group of underlying issued contracts as well as for subsequent measurement of the recovery of those losses;
- Entities should present separately in the statement of financial position, the carrying amounts of portfolios of insurance contracts issued that are assets and those that are liabilities, with the same requirement applying to portfolios of reinsurance contracts held;
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these 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 Financial Instruments on or before the date it first applies IFRS 17. The Group intends to adopt IFRS 17 when it becomes effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies ... continued

a) Basis of preparation ... continued

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

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 amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

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.

Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies ... continued

a) Basis of preparation ... continued

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

Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback (effective 1 January 2024)
In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

Amendments to IAS 1 – Classification of Liabilities as Current and Non-current with Covenants (effective 1 January 2024)
In January 2020 and October 2022, 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.

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

The amendments must be applied retrospectively.

Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements (effective 1 January 2024)
In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than on which the finance providers pay the entity's suppliers.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

2. Significant accounting policies ... continued

a) Basis of preparation ... continued

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

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.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interest in the associate or joint venture.

The amendments must be applied prospectively.

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 unrealized 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)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

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 income.

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.

BREAKING BARRIERS

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies ... continued

d) Foreign currency translation ... 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 2023 and 2022, the official inflation published by the Central Bank of Venezuela was 318% and 157.43% 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.

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies ... continued

e) *Property, plant and equipment ... continued*

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

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

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

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

f) Investment property

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

g) Intangible assets

i) Goodwill

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

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

i) 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.

2. Significant accounting policies ... continued

h) Impairment of non-financial assets

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

i) Financial 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 recognised in 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 amortised 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 amortised cost.

i) Financial assets and liabilities measured at amortised cost

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

Financial liabilities measured at amortised cost are initially recognised at fair value net of transaction costs. After initial recognition, interest-bearing financial liabilities are measured at amortised cost using the effective interest rate method. Amortised 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 amortisation and gains or losses on derecognition of the financial liabilities are recognised 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 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

i) Financial assets and liabilities measured at amortised cost ... 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 90 – 180 days past due;
- 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

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) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward commodity contracts, to hedge its commodity price risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item and the quantity of the hedging instrument.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the other gains/(losses) – net in the consolidated statement of income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in other gains/(losses) – net in the consolidated statement of income.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through the consolidated statement of income over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the consolidated statement of income.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the consolidated statement of income.

BREAKING BARRIERS

2. Significant accounting policies ... continued

j) Derivative financial instruments and hedge accounting ... continued

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the hedging reserve, while any ineffective portion is recognised immediately in the consolidated statement of income. The hedging reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses futures commodity contracts as well as forward currency contracts as hedges of its exposure to volatility in the commodity prices and foreign currency risk in forecast transactions and firm commitments accordingly. The ineffective portion relating to commodity contracts is recognised in other gains/(losses) – net in the consolidated statement of income.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to the consolidated statement of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the consolidated statement of income.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the consolidated statement of income as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment
Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated statement of income.

k) 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.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies ... continued

n) Borrowings

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

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

o) Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The Group follows the liability method of accounting for deferred tax whereby all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes are provided for at the corporation tax rates which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

p) Employee benefits

i) Pension obligations

The Company and certain of its subsidiary companies operate defined benefit pension plans for their employees under segregated fund policies with Sagicor Life Inc. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies ... continued

q) 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.

r) Provisions

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

s) Revenue recognition

Revenue 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.

BREAKING BARRIERS

2. Significant accounting policies ... continued

s) Revenue recognition ... continued

Significant financing component ... continued
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.

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

s) Revenue recognition ... continued

Assets and liabilities arising from rights of return ... 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 some of 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.

t) 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 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.

BREAKING BARRIERS

2. Significant accounting policies ... continued

t) Leases ... continued

Group as a lessee... continued

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 an 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.

u) Insurance contracts

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

2. Significant accounting policies ... continued

u) Insurance contracts ... continued

Reinsurance contracts held ... continued

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

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

Claims provision and related reinsurance recoveries

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

Receivables and payables

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

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

Premiums and unearned premiums

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

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

Deferred acquisition costs

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

Claims and claims expenses

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

v) Dividend distributions

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

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 hedges financial risks where considered appropriate in close cooperation with the Group's operating units. The Board provides guidance for overall risk management.

i) Market risk

1) Foreign exchange risk

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

In order to manage the risk associated with movements in currency exchange rates in Central and South America on commercial transactions, the Group trades mainly in 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 2023.

Effect of a 5% depreciation of	Effect on equity	Effect on net income
Jamaican dollar	285	(357)
Latin American currencies	666	(362)

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

Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in the British Pound ("GBP"). These forecast transactions are highly probable. The foreign exchange ("FX") forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

(Expressed in thousands of Barbados Dollars)

BREAKING BARRIERS

3. Risk management

a) Financial risk factors ... continued

i) Market risk ... continued

1) Foreign exchange risk ... continued

Cash Flow hedges ... continued

The Group is holding the following foreign exchange contracts:

	1 to 3 months	3 to 6 months	6 to 9 months	More than 9 months	Total
30 September 2023					
Notional amount ($) FX forward contracts	799	890	-	-	1,689
Average hedged rate GBP/BBD	2.40	2.46	-	-	2.44

	1 to 3 months	3 to 6 months	6 to 9 months	More than 9 months	Total
30 September 2022					
Notional amount ($) FX forward contracts	298	452	155	1,240	2,145
Average hedged rate GBP/BBD	2.76	2.60	2.44	2.44	2.54

The FX forward contracts are denominated in USD however, the above table has been converted to Barbados dollars for presentation purposes.

The impact of hedging instruments on the consolidated statement of financial position is as follows:

	Notional amount	Carrying amount	Line item in the consolidated statement of financial position	Change in fair value used for measuring ineffectiveness for the period
30 September 2023				
FX forward contracts	1,689	(10)	Hedging assets	-

	Change in fair value used for measuring ineffectiveness for the period	Hedging reserve
30 September 2023		
FX forward contracts	-	(10)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

BREAKING BARRIERS

3. Risk management ... continued

a) Financial risk factors ... continued

i) Market risk ... continued

1) Foreign exchange risk ... continued

Cash flow hedges ... continued

	Notional amount	Carrying amount	Line item in the consolidated statement of financial position	Change in fair value used for measuring ineffectiveness for the period
30 September 2022				
FX forward contracts	2,145	(323)	Hedging liability	-

	Change in fair value used for measuring ineffectiveness for the period	Hedging reserve
30 September 2022		
FX forward contracts	-	323

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 $119 (2022 - $593) as a result of gains or losses on equity securities designated at FVOCI.

Commodity price risk

The Group is affected by the volatility of raw material prices. Its Cocoa business operating activities require the purchase of cocoa and the sale of cocoa and semi-finished products and, therefore, require a continuous supply and dispatch of cocoa. As a result, the Group is exposed to cocoa price variations in its forecasts for cocoa purchases and sales of cocoa and semi-finished products.

The Group´s Board of Directors has developed and enacted a raw material price risk management and mitigation strategy. Based on a 12-month forecast of cocoa supply required for the sale of cocoa and semi-finished products, the Group hedges the purchase price through forward contracts for the purchase and sale of cocoa. The forward contracts do not result in physical delivery of cocoa, but are designated as cash flow hedges to offset the effect of changes in the price of cocoa. The Group hedges approximately 100% of its forecasted cocoa purchases and 100% of cocoa and semi-finished product sales, which are considered highly probable.

(Expressed in thousands of Barbados Dollars)

3. Risk management ... continued

a) Financial risk factors ... continued

i) Market risk ... continued

2) Price risk ... continued

Commodity price risk ... continued

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of commodity futures contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments;
- Different underlying (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments;
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

The Group holds the following commodity futures contracts:

	1 to 3 months	3 to 6 months	6 to 9 months	More than 9 months	Total
30 September 2023					
Notional amount (in tonnes)					
Future short positions contracts	1,656	490	239	247	2,632
Future long positions contracts	1,734	4,621	1,361	218	7,934
Notional amount ($)					
Future short positions contracts	11,793	3,274	1,409	1,431	17,907
Future long positions contracts	8,589	30,116	7,480	1,389	47,574
Average hedged rate (in $ per tonne)					
Future short positions contracts	7.12	6.68	5.90	5.79	6.80
Future long positions contracts	4.95	6.52	5.50	6.37	6.00

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

3. Risk management ... continued

a) Financial risk factors ... continued

i) Market risk ... continued

2) Price risk ... continued

Commodity price risk ... continued

	1 to 3 months	3 to 6 months	6 to 9 months	More than 9 months	Total
30 September 2022					
Notional amount (in tonnes)					
Future short positions contracts	7,738	513	190	708	9,149
Future long positions contracts	10,858	3,821	4,694	7,098	26,471
Notional amount ($)					
Future short positions contracts	37,033	2,484	944	3,518	43,979
Future long positions contracts	54,671	18,097	22,437	34,188	129,393
Average hedged rate (in $ per tonne)					
Future short positions contracts	4.79	4.84	4.97	4.97	4.81
Future long positions contracts	5.04	4.74	4.78	4.82	4.89

The impact of the hedging instruments on the statement of consolidated financial position is as follows:

	Number of Contracts	Notional amount	Carrying amount	Line item in the consolidated statement of financial position
30 September 2023				
Future short positions contracts	263	2,632	582	Hedging asset
Future long positions contracts	793	7,934	6,261	Hedging asset
Market value of open position			(6,843)	Other reserves

	Hedging reserve
30 September 2023	
Highly probable forecast sales	582
Highly probable forecast purchase	6,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

3. Risk management ... continued

a) Financial risk factors ... continued

i) Market risk ... continued

2) Price risk ... continued

Commodity price risk ... continued

	Number of Contracts	Notional amount	Carrying amount	Line item in the consolidated statement of financial position
30 September 2022				
Future short positions contracts	914	9,149	(992)	Hedging liability
Future long positions contracts	2,647	26,471	6,186	Hedging liability
Market value of open position			(5,194)	Other reserves

	Hedging reserve
30 September 2022	
Highly probable forecast sales	992
Highly probable forecast purchase	(6,186)

There was no charge in fair value used for measuring ineffetiveness for the year.

Commodity price sensitivity
The table below illustrates the effect of a 5% increase in price changes in cocoa short and long contracts net of hedge accounting.

	Effect on income before tax	Effect on equity
2023		
Cocoa Short Contracts	(900)	900
Cocoa Long Contracts	2,719	(2,719)

	Effect on income before tax	Effect on equity
2022		
Cocoa Short Contracts	2,149	(2,149)
Cocoa Long Contracts	6,171	(6,171)

A 5% decrease of these prices would have an equal and opposite effect on net income before tax and equity.

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

3. Risk management ... continued

a) Financial risk factors ... continued

ii) Credit risk

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

The maximum exposure to credit risk is as follows:

	2023		2022	
	$	%	$	%
Cash	**138,965**	**43**	127,918	44
Trade and other receivables	**132,966**	**41**	108,390	37
Due by associated companies	**32,168**	**10**	30,570	11
Financial investments (debt instruments)	**22,391**	**6**	23,301	8
	326,490	**100**	290,179	100

Independent ratings exist for customers in the Group's catering operations. If no independent rating exists customers are grouped according to credit history. 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. 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 15.2% (2022 – 19.1%) of the total gross trade receivable amount and individually they accounted for between 2.6% and 3.9% (2022 – 3.0% and 4.6%) 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 2022 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

3. Risk management ... continued

a) Financial risk factors ... continued

ii) Credit risk ... continued

Trade receivables and contract assets ... continued

Below is the information about 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 2023				
Expected credit loss rate (%)	**3.37**	**14.71**	**65.30**	**9.28**
Estimated total gross carrying amount at default ($)	**91,983**	**11,268**	**8,613**	**111,864**
Expected credit loss ($)	**3,102**	**1,658**	**5,624**	**10,384**
30 September 2022				
Expected credit loss rate (%)	2.48	27.90	67.40	11.36
Estimated total gross carrying amount at default ($)	77,467	7,752	9,992	95,211
Expected credit loss ($)	1,919	2,163	6,735	10,817

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 2023					
Borrowings	**70,625**	**45,980**	**129,852**	**95,423**	**341,880**
Trade and other payables	**165,079**	**-**	**-**	**-**	**165,079**
Lease liabilities	**12,740**	**18,611**	**5,173**	**8,133**	**44,657**
Due to associated companies	**6,648**	**-**	**-**	**-**	**6,648**
	255,092	**64,591**	**135,025**	**103,556**	**558,264**
At 30 September 2022					
Borrowings	110,051	32,334	75,577	75,722	293,684
Trade and other payables	144,481	-	-	-	144,481
Lease liabilities	9,045	12,461	6,235	9,222	36,963
Due to associated companies	6,712	-	-	-	6,712
	270,289	44,795	81,812	84,944	481,840

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(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 2023					
Cash	**138,965**	**-**	**-**	**-**	**138,965**
Trade and other receivables	**128,882**	**4,084**	**-**	**-**	**132,966**
Due by associated companies	**32,168**	**-**	**-**	**-**	**32,168**
Financial investments (debt instruments)	**19,212**	**-**	**1,481**	**1,852**	**22,545**
	319,227	**4,084**	**1,481**	**1,852**	**326,644**
At 30 September 2022					
Cash	127,918	-	-	-	127,918
Trade and other receivables	103,988	4,402	-	-	108,390
Due by associated companies	30,570	-	-	-	30,570
Financial investments (debt instruments)	19,318	1,991	1,463	937	23,709
	281,794	6,393	1,463	937	290,587

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 2023 and 2022, the Group's borrowings at variable rates were denominated in Barbados dollars, Eastern Caribbean dollar, Jamaica dollars, United States dollars, Colombian pesos and Dominican 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 2023, 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 $1,269 (2022 - $984) lower or higher, mainly as a result of higher or lower finance costs on floating rate borrowings.

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

3. Risk management ... continued

a) Financial risk factors ... continued

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 aforementioned 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 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 nil (2022 – $198). In financial year 2020, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

3. Risk management ... continued

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

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

	Level 1	Level 2	Level 3	Total
2023				
Financial instruments measured at fair value through other comprehensive income:				
Equity securities (note 19)	**2,306**	**-**	**939**	**3,245**
2022				
Financial instruments measured at fair value through other comprehensive income:				
Equity securities (note 19)	1,743	10,007	1,494	13,244

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

The Group's financial assets and financial liabilities as disclosed in the consolidated statement of financial position approximate their fair value except for the Group's borrowings, the fair value of which is disclosed in note 12.

c) Capital risk management

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

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

The Group monitors capital on the basis of the debt to 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 2023 and 2022, the Group's strategy was to achieve a debt to equity ratio of 40:60. The debt to equity ratios at 30 September 2023 and 2022, are as follows:

	2023	2022
Total debt	**560,613**	486,278
Total equity	**846,417**	752,896
Debt to equity ratio	**40:60**	39:61

BREAKING BARRIERS

(Expressed in thousands of Barbados Dollars)

3. Risk management ... continued

c) Capital risk management ... continued

Statutory compliance
The Group's insurance company, Grenadian General Insurance Limited is regulated by the Insurance Act No. 10 of 2010 of Grenada ("the Grenada Insurance Act").

Section 12 of the Grenadian Insurance Act 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.

On 31 August 2023, the Group divested of M&C General Insurance Company Limited. The company was regulated by the Insurance Act No. 6 of 1995 of St. Lucia ("the St. Lucia Insurance Act").

Section 34 of the St. Lucia Insurance Act states that a general insurer will be deemed to be insolvent if its assets do not exceed the sum of its liabilities by the greater of $148 or twenty per cent (20%) of its premium income in respect of its general insurance business in its last preceding financial year. Premium income of a company shall be assessed as the net amount, after deductions for any premiums paid by the company for reinsurance in that year in respect of all general insurance business carried on by the company. The company was deemed solvent as at 31 August 2023 and 30 September 2022.

Section 80 of the St. Lucia 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 31 August 2023 and 30 September 2022.

Section 88 of the St. Lucia 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 August 31 2023 and 30 September 2022.

Under the provisions of the Insurance Act No 5 of 2010 of Grenada, the company is required to maintain a deposit with the Supervisor of Insurance of an amount equal to 40% of its net premium income of the preceding year.

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

	2023	2022
Regulatory capital held	**5,555**	7,925
Minimum regulatory capital	**3,703**	4,259

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

3. Risk management ... continued

d) Insurance risk

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

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

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

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

Reinsurance arrangements

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

Type of Insurance Contract	Retention of Insurers
Property Risks	Maximum net retention of $74 Maximum gross retention of $5,926 per risk Maximum net retention of $741 for catastrophe risk
Motor & Liability	Maximum net retention of $667 for excess loss cover
Miscellaneous Accident	Maximum net retention of $44 Treaty limits of $667 any one risk
Marine	Maximum net retention of $55 for any one shipment and $92 any one bottom Maximum gross retention of $222 any one shipment Treaty limit of $370 any one known bottom

BREAKING BARRIERS

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 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. Discount rates represent the current market assessment of the risks specific to each cash-generating units taking into consideration the time value of money and individual risks of the underlying asset that have not been incorporated in the cash flow estimates. Growth rate estimates are based on published industry research.

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

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.

4. Critical accounting estimates and judgements ... continued

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 aftersale 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

4. Critical accounting estimates and judgements ... continued

i) Revenue from contracts with customers ... continued

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. 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 seven 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 automobile and automotive parts sales, insurance, shipping agents, 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	Services	Shipping	Caribbean Distribution Partners Ltd.	Manufac-turing	Catering and ground handling	Eliminations/ unallocated	Total
2023									
Continuing Operations:									
Revenue									
External sales	93,952	178,581	116,701	13,172	-	323,740	364,628	(2,512)	1,088,262
Inter-segment sales	2,102	6	-	4,333	-	4,267	1,034	(11,742)	-
Associated companies' sales	-	15,410	-	-	823,678	-	106,514	(945,602)	-
Total revenue	96,054	193,997	116,701	17,505	823,678	328,007	472,176	(959,856)	1,088,262
Segment result									
Profit/(loss) from continuing operations	2,585	14,552	3,517	240	-	17,167	55,694	(9,399)	84,356
Other gains/(losses) - net	2,184	(2,480)	10,171	(187)	-	1,109	3,711	1,063	15,571
Finance costs	(1,434)	(756)	(3,705)	(254)	-	(4,146)	(9,250)	(801)	(20,346)
Share of income/(loss) of associated companies	-	1,858	-	-	21,344	(92)	2,075	3,540	28,725
Income before taxation from continuing operations	3,335	13,174	9,983	(201)	21,344	14,038	52,230	(5,597)	108,306
Taxation									(18,455)
Net income for the year from continuing operations									89,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023
(Expressed in thousands of Barbados Dollars)

BREAKING BARRIERS

5. Segmental reporting ... continued

Operating segments ... continued

	Automotive	Building Supplies	Services	Shipping	Caribbean Distribution Partners Ltd.	Manufac-turing	Catering and ground handling	Eliminations/ unallocated	Total
2023									
Other information									
Operating assets	95,875	128,374	154,167	14,259	-	257,915	248,014	89,207	987,811
Intangible assets	102	4,454	1,736	906	-	1,243	82,750	237	91,428
Investments in asociated companies	-	16,479	-	-	164,676	2,230	16,222	36,173	235,780
Unallocated corporate assets	-	-	-	-	-	-	-	92,011	92,011
Consolidated corporate assets	95,977	149,307	155,903	15,165	164,676	261,388	346,986	217,628	1,407,030
Consolidated corporate liabilities	36,830	45,519	95,617	14,488	-	105,969	186,878	75,312	560,613
Capital expenditure	1,332	2,522	7,065	130	-	21,430	10,502	287	43,268
Depreciation of property, plant and equipment	2,639	1,931	2,858	153	-	7,946	10,521	1,079	27,127
Amortisation of intangible assets	-	258	137	-	-	-	627	120	1,142
Employee numbers - subsidiary companies only	213	583	557	89	-	807	3,354	39	5,642

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting ... continued

Operating segments ... continued

	Automotive	Building Supplies	Services	Shipping	Caribbean Distribution Partners Ltd.	Manufac-turing	Catering and ground handling	Eliminations/ unallocated	Total
2022									
Continuing Operations:									
Revenue									
External sales	103,370	179,260	106,234	17,115	-	286,297	279,460	(2,905)	968,831
Inter-segment sales	3,200	6	-	-	-	3,245	963	(7,414)	-
Associated companies' sales	-	14,017	-	-	741,549	4	80,373	(835,943)	-
Total revenue	106,570	193,283	106,234	17,115	741,549	289,546	360,796	(846,262)	968,831
Segment result									
Profit/(loss) from continuing operations	2,332	13,018	3,874	1,646	-	13,868	35,955	(8,996)	61,697
Other gains/(losses) - net	1,559	(1,067)	3,603	(1,230)	-	645	1,297	250	5,057
Finance costs	(1,238)	(884)	(2,998)	(313)	-	(1,770)	(3,219)	(1,265)	(11,687)
Share of income/(loss) of associated companies	-	828	-	-	19,594	(346)	1,175	3,722	24,973
Income before taxation from continuing operations	2,653	11,895	4,479	103	19,594	12,397	35,208	(6,289)	80,040
Taxation									(13,282)
Net income for the year from continuing operations									66,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting ... continued

Operating segments ... continued

	Automotive	Building Supplies	Services	Shipping	Caribbean Distribution Partners Ltd.	Manufac-turing	Catering and ground handling	Eliminations/ unallocated	Total
2022									
Other information									
Operating assets	82,410	132,475	137,997	11,991	-	216,804	218,743	82,390	882,810
Non-current assets held for sale	-	-	23,226	-	-	-	-	-	23,226
Intangible assets	102	4,712	1,873	906	-	1,243	13,602	357	22,795
Investments in associated companies	-	15,295	-	-	143,198	2,322	14,800	28,801	204,416
Unallocated corporate assets	-	-	-	-	-	-	-	105,927	105,927
Consolidated corporate assets	82,512	152,482	163,096	12,897	143,198	220,369	247,145	217,475	1,239,174
Consolidated corporate liabilities	23,934	46,126	115,285	10,093	-	81,798	131,115	77,927	486,278
Capital expenditure	2,080	2,264	7,045	189	-	7,098	7,355	1,187	27,218
Depreciation of property, plant and equipment	2,618	1,913	2,401	208	-	6,906	9,041	1,261	24,348
Amortisation of intangible assets	-	258	217	958	-	-	587	120	2,140
Employee numbers - subsidiary companies only	217	569	527	74	-	781	3,245	36	5,449

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting ... continued

Operating segments ... continued

Geographical information

	External sales		Non-current assets	
	2023	**2022**	**2023**	**2022**
Barbados	**223,628**	175,290	**191,066**	192,228
St. Lucia	**111,210**	110,516	**77,951**	85,357
Grenada	**119,805**	110,094	**52,094**	52,024
Other Caribbean	**146,893**	149,201	**397,856**	279,570
Latin America	**158,288**	131,906	**105,596**	86,002
Other	**328,438**	291,824	**2,372**	3,069
Total	**1,088,262**	968,831	**826,935**	698,250

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.

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting ... continued

Geographical segments

	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
2023					
Continuing operations:					
Revenue					
External sales	276,042	464,938	347,049	233	1,088,262
Inter-segment sales	5,684	710	1,015	(7,409)	-
Associated companies' sales	17,683	869,074	58,845	(945,602)	-
Total revenue	299,409	1,334,722	406,909	(952,778)	1,088,262
Segment result					
Profit/(loss) from continuing operations	18,266	39,345	33,634	(6,889)	84,356
Other gains/(losses) - net	3,007	7,737	3,254	1,573	15,571
Finance costs	(2,370)	(11,968)	(3,261)	(2,747)	(20,346)
Share of income of associated companies	1,870	26,460	395	-	28,725
Income/(loss) before taxation from continuing operations	20,773	61,574	34,022	(8,063)	108,306
Taxation					(18,455)
Net income for the year from continuing operations					89,851
Other information					
Operating assets	227,596	445,961	210,679	103,575	987,811
Intangible assets	1,745	12,857	75,887	939	91,428
Investments in associated companies	19,641	204,766	11,373	-	235,780
Unallocated corporate assets	-	-	-	92,011	92,011
Consolidated corporate assets	248,982	663,584	297,939	196,525	1,407,030
Consolidated corporate liabilities	97,294	263,635	100,885	98,799	560,613
Capital expenditure	10,379	22,717	9,820	352	43,268
Depreciation of property, plant and equipment	9,171	9,103	7,612	1,241	27,127
Amortisation of intangible assets	-	909	113	120	1,142
Employee numbers – subsidiary companies only	1,130	2,559	1,892	61	5,642

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

5. Segmental reporting ... continued

Geographical segments ... continued

	Barbados	Other Caribbean	Latin America	Eliminations/ unallocated	Total
2022					
Continuing operations:					
Revenue					
External sales	270,938	434,939	260,848	2,106	968,831
Inter-segment sales	5,950	546	918	(7,414)	-
Associated companies' sales	15,924	792,278	33,899	(842,101)	-
Total revenue	292,812	1,227,763	295,665	(847,409)	968,831
Segment result					
Profit/(loss) from continuing operations	15,813	39,031	20,518	(13,665)	61,697
Other gains/(losses) - net	994	3,021	291	751	5,057
Finance costs	(1,912)	(6,651)	(814)	(2,310)	(11,687)
Share of income of associated companies	3,650	20,238	1,085	-	24,973
Income/(loss) before taxation from continuing operations	18,545	55,639	21,080	(15,224)	80,040
Taxation					(13,282)
Net income for the year from continuing operations					66,758
Other information					
Operating assets	206,407	416,958	161,210	98,235	882,810
Non-current assets held for sale	-	23,226	-	-	23,226
Intangible assets	1,745	13,693	4,452	2,905	22,795
Investments in associated companies	18,446	174,364	11,606	-	204,416
Unallocated corporate assets	-	-	-	105,927	105,927
Consolidated corporate assets	226,598	628,241	177,268	207,067	1,239,174
Consolidated corporate liabilities	80,173	225,948	77,546	102,611	486,278
Capital expenditure	7,421	12,369	5,851	1,577	27,218
Depreciation of property, plant and equipment	8,743	8,272	5,874	1,459	24,348
Amortisation of intangible assets	958	988	74	120	2,140
Employee numbers – subsidiary companies only	1,037	2,466	1,895	51	5,449

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Barbados Dollars)

6. Cash and cash equivalents

	2023	2022
Cash	**138,965**	127,918
Bank overdraft (note 12)	**(38,286)**	(25,650)
Cash attributable to discontinued operations (note 10)	**-**	1,494
	100,679	103,762

Significant concentrations of cash are as follows:

	2023	2022
CIBC FirstCaribbean International Bank (unrated)	**40,363**	38,229
FirstCaribbean International Bank and Trust Company (Cayman) Limited (unrated)	**16,683**	42,694
FirstCaribbean International Wealth Management Bank (Barbados) Limited (unrated)	**33,858**	-
Banco Santander Uruguay, S.A. (rated ba1 by Moody's)	**-**	11,131

7. Trade and other receivables

	2023	2022
Trade receivables	**111,864**	95,211
Right of return assets (note 24 c))	**228**	209
Reinsurance assets	**1,969**	1,890
Other receivables	**29,815**	22,100
Loans receivables	**2,190**	2,274
Trade and other receivables	**146,066**	121,684
Less: Provision for expected credit losses	**(13,100)**	(13,294)
Trade and other receivables - net	**132,966**	108,390
Less: Long-term portion – Loans and other receivables (net)	**(4,084)**	(4,402)
Current portion	**128,882**	103,988

BREAKING BARRIERS

(Expressed in thousands of Barbados Dollars)

BREAKING BARRIERS

7. Trade and other receivables ... continued

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

	2023	**2022**
Balance at beginning of the year	**13,294**	11,346
Increase in the provision during the year	**109**	2,932
Receivables written off during the year	**(139)**	(608)
Recoveries during the year	**(179)**	(318)
Exchange adjustment	**15**	(58)
Balance at end of the year	**13,100**	13,294

Direct write-offs for impaired receivables net of recoveries to the consolidated statement of income were $1,445 (2022 - $1,050).

The ageing analysis of the Group's trade receivables is as follows:

	2023	**2022**
Current (neither past due or impaired)	**78,411**	61,995
Past due but not impaired – up to 90 days	**13,474**	15,206
Past due but not impaired – 91 to up to 180 days	**11,171**	7,210
Past due but not impaired – over 180 days	**4,511**	5,792
Credit impaired trade receivables	**4,297**	5,008
	111,864	95,211
Less: Provision for expected credit losses (note 24 b))	**(10,384)**	(10,817)
	101,480	84,394

8. Due by/to associated companies

Due by/to associated companies is constituted as follows:

	2023	**2022**
Due by associated companies	**32,168**	30,570
Due to associated companies	**(6,648)**	(6,712)
	25,520	23,858

These amounts are interest free, unsecured and due on demand. The provision for expected credit losses in respect of amounts due by associated companies was $14 (2022 - $243).

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(Expressed in thousands of Barbados Dollars)

9. Inventories

	2023	2022
Finished goods	**149,461**	129,791
Raw materials	**32,958**	32,955
Work in progress	**14,455**	13,574
	196,874	176,320
Less: Provision for obsolescence	**(1,319)**	(1,314)
	195,555	175,006

The cost of inventories written down and recognised as an expense and included in cost of sales amounted to $3,155 (2022 - $1,813).

10. Held-for-sale assets and liabilities

In the prior year, the Board of Directors approved of the divestment of M&C General Insurance Limited, a wholly owned subsidiary of the Company. M&C General Insurance Limited was available for sale and was reclassed to held-for-sale assets and held-for-sale liabilities at the end of the previous year. The company was subsequently sold on 31 August 2023 for $14,803. This resulted in a gain of $811 (note 26).

The results of M&C General Insurance Limited for the year are presented below:

	2023	2022
Underwriting income	**2,832**	3,259
Selling and administrative expenses (see below)	**(2,034)**	(1,606)
Profit from operations before the following	**798**	1,653
Other gains/(losses) – net (see below)	**195**	341
Profit from operations	**993**	1,994
Finance costs (see below)	**-**	(1)
Income before tax from discontinued operations	**993**	1,993
Taxation	**(310)**	(547)
Net income after tax from discontinued operations	**683**	1,446

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BREAKING BARRIERS

10. Held-for-sale assets and liabilities ... continued

Selling and administrative expenses consist of the below:

	2023	2022
Depreciation	**40**	43
Depreciation on right-of-use assets	**-**	5
Employee benefits expense	**899**	938
Advertising costs	**35**	51
Expected credit gains on trade and other receivables	**-**	(12)
Other expenses	**1,060**	581
	2,034	1,606

Other gains/(losses) – net consist of the following:

	2023	2022
Gain on disposal of property, plant and equipment	**-**	32
Amortisation charge	**(63)**	-
Interest income	**258**	309
	195	341

Finance costs relate to interest paid on lease liabilities.

(Expressed in thousands of Barbados Dollars)

10. Held-for-sale assets and liabilities

At 30 September 2022, the major assets and liabilities of M&C General Insurance Limited classified as held for sale as follows:

	2022
Assets	
Cash and cash equivalents (note 6)	1,494
Trade and other receivables	2,329
Prepaid expenses	539
Reinsurance assets	4,948
Property, plant and equipment (note 15)	134
Intangible assets (note 17)	3,181
Right-of-use assets (note 14)	11
Financial investments	10,590
Held-for-sale assets	23,226
Liabilities	
Trade and other payables	1,726
Insurance contracts	8,063
Lease liabilities (note 14)	11
Deferred income tax liabilities	(77)
Held-for-sale liabilities	9,723
Held-for-sale net assets	13,503

The net cash flows incurred by M&C General Insurance Limited are as follows:

	2023	2022
Operating	**(99)**	194
Investing	**12**	(323)
Financing	**(107)**	(112)
Net cash outflow	**(194)**	(241)

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

11. Hedging asset and liability

Hedging Asset

	2023	2022
Derivatives designated as hedging instruments		
Future short position contracts	**582**	-
Future long position contracts	**6,261**	-
Foreign exchange contracts	**(10)**	-
Total futures open position commodity	**6,833**	-
Guarantee deposits for derivative instruments	**1,636**	3,317
	8,469	3,317

For commodity future contracts executed in well-known international markets, the Group is subject to the regulations of such markets. These regulations include, among others, maintaining gurantee deposits for derivative instruments required by the Group.

Hedging Liability

	2023	2022
Derivatives designated as hedging instruments		
Future short position contracts	-	(992)
Future long position contracts	-	6,186
Foreign exchange contracts	-	(323)
Total futures open position commodity	-	4,871
Less: margin call	-	(871)
Credit facility for margin call	**1,636**	-
	1,636	4,000

Futures margin is the amount of funds that a market participant must have in a brokerage account to protect both the trader and the broker against possible losses on an open trade. The Group has a credit line with its broker of $4,000 to cover $2,000 as an initial margin and $2,000 for futures open positions. At the end of the year, the guarantee deposit is served by the credit facility of $1,636 (2022 - $4,000). The remaining credit line is covered by a cash deposit from the Group.

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

12. Borrowings

	2023	2022
Non-current		
Bank term loans at interest rates between 0.0% to 10.0% (2022 – 0.0% to 11.5%) maturing at various intervals through 2037 (2022 - through to 2036) - see note a)	**237,830**	174,470
Current		
Bank term loans at interest rates between 0.0% and 10.0% (2022 – 0.0% to 11.5%) maturing at various intervals through 2037 (2022 - through to 2036) - see note a)	**56,360**	56,249
Short-term loans repayable on demand - see note b)	**578**	551
Preference shares - redeemed March 2023 - see note c)	**-**	22,434
Bank overdraft (interest rates of 2.85% to 11.25%) (2022 – 4.0% to 9.85%) (note 6) - see note a)	**38,286**	25,650
	95,224	104,884
Total	**333,054**	279,354

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 of 4.5% (2022 - 5%) per annum.

c) On March 31, 2023, the preference shares were fully redeemed for cash. These preference shares were issued as part-payment of the purchase consideration for the acquisition of Minvielle & Chastanet Limited and were denominated in United States dollars. The shares had a fixed preferential dividend rate of 6.50% per annum paid semi-annually. Payment was made in Eastern Caribbean dollars at the holders' request.

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

12. Borrowings ... continued

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 (2022 - $8,459).

Barbados: Letters of charge, demand debentures and first legal mortgages over land and buildings and assets of the Company and certain subsidiary companies stamped to secure $123,617 (2022 - $122,047), 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 $71,544 (2022 - $76,523), 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 (2022 - $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 $2,925 (2022 - $2,963) and guarantee of Goddard Enterprises Limited to cover full liability.

Grenada: First legal mortgage over land and buildings stamped to secure $5,563 (2022 - $5,563).

Panama: First ranking pledge of shares, all bank accounts and security interest over any and all material assets of certain subsidiary companies.

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:

	2023	2022
No exposure	**197,245**	186,222
Less than 1 year	**30,681**	25,850
1 - 5 years	**78,490**	47,196
Over 5 years	**26,638**	20,086
	333,054	279,354

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

12. Borrowings ... continued

The fair value of the Group's fixed rate borrowings at the year-end was $157,471 (2022 - $156,856).

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

	2023	2022
Barbados dollar	**98,431**	85,780
Eastern Caribbean dollar	**84,569**	114,921
Jamaica dollar	**8,617**	3,541
United States dollar	**134,701**	71,941
Colombia peso	**-**	265
Trinidad and Tobago dollar	**1,233**	2,451
Guatemalan Quetzal	**-**	336
Honduran Lempira	**346**	119
Dominican peso	**5,157**	-
	333,054	279,354

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

	2023	2022
Opening bank term loans	**230,719**	202,629
Loans acquired during the year (note 34)	**11,000**	-
Loans received	**111,283**	92,958
Loans repaid	**(60,991)**	(64,520)
Exchange adjustments	**2,179**	(348)
Closing bank term loans	**294,190**	230,719

At the year-end, the Group had undrawn facilities of $31,027 for certain subsidiary companies.

13. Trade and other payables

	2023	2022
Trade payables	**59,889**	62,973
Accrued liabilities	**99,688**	77,813
Insurance contracts	**4,674**	2,725
Refund liabilities (note 24 c))	**315**	293
Contract liabilities (note 24 b))	**513**	677
	165,079	144,481

BREAKING BARRIERS

(Expressed in thousands of Barbados Dollars)

14. 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 30 years, while general equipment generally has lease terms between 3 and 5 years. There are several lease contracts that include 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 $847 (2022 - $652) and from low-value assets of $193 (2022 - $705) for the year. The Group also recognised rent expense relating to variable lease payments of $839 (2022 - $759) for the year.

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 2021	29,198	836	30,034
Transfer to held-for-sale assets (note 10)	(11)	-	(11)
Reclassifications	1	(1)	-
Additions	8,060	217	8,277
Exchange	(227)	2	(225)
Disposals	(2,573)	(11)	(2,584)
Depreciation (notes 10, 25)	(7,078)	(515)	(7,593)
At 30 September 2022	27,370	528	27,898
At 1 October 2022	**27,370**	**528**	**27,898**
Right of use assets acquired during the year (note 34)	**11,868**	**-**	**11,868**
Reclassifications	**110**	**(110)**	**-**
Additions	**4,793**	**470**	**5,263**
Exchange	**929**	**(2)**	**927**
Disposals	**(673)**	**-**	**(673)**
Depreciation (note 25)	**(10,528)**	**(580)**	**(11,108)**
At 30 September 2023	**33,869**	**306**	**34,175**

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

14. Leases ... continued

Group as a lessee ... (continued)

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

	2023	2022
At 1 October	**31,444**	32,756
Transfer to held-for-sale assets (note 10)	**-**	(11)
Lease liabilities acquired during the year (note 34)	**13,238**	-
Additions	**5,263**	8,277
Disposals	**(751)**	(2,749)
Repayments	**(13,104)**	(8,832)
Rent concessions due to COVID-19	**219**	182
Interest (notes 10, 28)	**2,590**	2,019
Exchange	**522**	(198)
At 30 September	**39,421**	31,444

	2023	2022
Current	**11,513**	7,841
Non-current	**27,908**	23,603
	39,421	31,444

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:

	2023	2022
Within one year	**5,506**	4,918
After one year but not more than five years	**13,521**	8,838
After five years	**4,867**	3,429
	23,894	17,185

BREAKING BARRIERS

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(Expressed in thousands of Barbados Dollars)

15. Property, plant and equipment

	Freehold land and buildings	Construction in progress	Leasehold buildings	General equipment	Total
Year ended 30 September 2022					
Opening net book amount	259,149	1,228	26,514	85,699	372,590
Exchange differences	(288)	-	(166)	(663)	(1,117)
Additions	6,394	910	1,964	17,950	27,218
Revaluations surplus	32,036	-	-	2,067	34,103
Transfer to investment property (note 16)	(26,768)	-	-	(3,232)	(30,000)
Transfer from investment property (note 16)	8,525	-	-	-	8,525
Transfer to held-for-sale (note 10)	-	-	-	(134)	(134)
Disposals	(15)	-	(5)	(833)	(853)
Reclassifications	(945)	(162)	839	268	-
Depreciation charge (note 10, 25)	(3,060)	-	(2,251)	(19,037)	(24,348)
Closing net book amount	275,028	1,976	26,895	82,085	385,984
At 30 September 2022					
Cost or valuation	284,714	1,976	71,183	299,938	657,811
Accumulated depreciation	(9,686)	-	(44,288)	(217,853)	(271,827)
Net book amount	275,028	1,976	26,895	82,085	385,984
Year ended 30 September 2023					
Opening net book amount	**275,028**	**1,976**	**26,895**	**82,085**	**385,984**
Exchange differences	**718**	**(174)**	**49**	**400**	**993**
Additions	**5,932**	**2,506**	**2,545**	**32,285**	**43,268**
Assets acquired during the year (note 34)	**-**	**4,595**	**2,925**	**891**	**8,411**
Transfer to investment property (note 16)	**(1,402)**	**-**	**-**	**-**	**(1,402)**
Transfer from investment property (note 16)	**3,357**	**-**	**-**	**-**	**3,357**
Disposals	**(1)**	**-**	**(799)**	**(1,774)**	**(2,574)**
Reclassifications	**(745)**	**(1,270)**	**944**	**1,071**	**-**
Depreciation charge (note 25)	**(3,303)**	**-**	**(3,134)**	**(20,690)**	**(27,127)**
Closing net book amount	**279,584**	**7,633**	**29,425**	**94,268**	**410,910**
At 30 September 2023					
Cost or valuation	**293,915**	**7,633**	**85,439**	**333,579**	**720,566**
Accumulated depreciation	**(14,331)**	**-**	**(56,014)**	**(239,311)**	**(309,656)**
Net book amount	**279,584**	**7,633**	**29,425**	**94,268**	**410,910**

BREAKING BARRIERS

(Expressed in thousands of Barbados Dollars)

BREAKING BARRIERS

15. Property, plant and equipment ... continued

Depreciation expense of $7,486 (2022 - $4,686) and $19,641 (2022 - $19,662) 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:

	2023	2022
Cost	**146,946**	139,824
Accumulated depreciation	**(28,971)**	(27,797)
	117,975	112,027

Land and buildings up to a total value of $211,281 (2022 - $207,448) have been provided as security for various bank borrowings.

In the prior year, independent valuations of the Group's freehold land and buildings situated in Barbados, St. Lucia, St. Vincent, Grenada, Jamaica, Cayman Islands, Colombia and Uruguay were performed by valuers in those countries between July and September 2022. 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

	2023	2022
Balance - beginning of year	**52,755**	31,646
Additions	**34**	-
Transfers to property, plant and equipment (note 15)	**(3,357)**	(8,525)
Fair value losses on revaluation of investment property (note 26)	**(292)**	(261)
Transfers from property, plant and equipment (note 15)	**1,402**	30,000
Exchange adjustment	**16**	(105)
Balance - end of year	**50,558**	52,755

The Group's investment properties are situated in Barbados, Cayman Islands, Guatemala, Colombia and Ecuador. 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 $4,546 (2022 - $4,877) and direct operating expenses totalled $1,134 (2022 - $1,438) for the year.

(Expressed in thousands of Barbados Dollars)

17. Intangible assets

	Goodwill	Trade Names	Customer relation-ships	Other	Total
Year ended 30 September 2022					
Opening net book amount	16,582	5,116	5,884	483	28,065
Exchange differences	-	-	51	-	51
Transfer to held-for-sale asset (note 10)	(2,493)	(688)	-	-	(3,181)
Amortisation charge (note 26)	-	(743)	(1,268)	(129)	(2,140)
Closing net book amount	14,089	3,685	4,667	354	22,795
At 30 September 2022					
Cost	31,913	10,742	16,870	7,641	67,166
Accumulated amortisation	-	(7,057)	(12,203)	(7,287)	(26,547)
Accumulated impairment	(17,824)	-	-	-	(17,824)
Net book amount	14,089	3,685	4,667	354	22,795
Year ended 30 September 2023					
Opening net book amount	**14,089**	**3,685**	**4,667**	**354**	**22,795**
Exchange differences	**-**	**-**	**148**	**-**	**148**
Acquisition of intangible assets (note 34)	**69,627**	**-**	**-**	**-**	**69,627**
Amortisation charge (note 26)	**-**	**(427)**	**(596)**	**(119)**	**(1,142)**
Closing net book amount	**83,716**	**3,258**	**4,219**	**235**	**91,428**
At 30 September 2023					
Cost	**101,540**	**10,742**	**17,018**	**7,641**	**136,941**
Accumulated amortisation	**-**	**(7,484)**	**(12,799)**	**(7,406)**	**(27,689)**
Accumulated impairment	**(17,824)**	**-**	**-**	**-**	**(17,824)**
Net book amount	**83,716**	**3,258**	**4,219**	**235**	**91,428**

BREAKING BARRIERS

(Expressed in thousands of Barbados Dollars)

17. Intangible assets ... continued

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

2023

	Allocation beginning of year	Additions	Allocation end of year
Automotive	**102**	**-**	**102**
Building Supplies	**2,532**	**-**	**2,532**
Shipping	**906**	**-**	**906**
Services	**504**	**-**	**504**
Manufacturing	**1,243**	**-**	**1,243**
Catering and ground handling	**8,802**	**69,627**	**78,429**
	14,089	**69,627**	**83,716**

2022

	Allocation beginning of year	Transfer to held-for-sale assets	Allocation end of year
Automotive	102	-	102
Building Supplies	2,532	-	2,532
Shipping	906	-	906
Services	2,997	(2,493)	504
Manufacturing	1,243	-	1,243
Catering and ground handling	8,802	-	8,802
	16,582	(2,493)	14,089

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.

BREAKING BARRIERS

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17. Intangible assets ... continued

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.

	2023	
	Discount factor	**Residual growth rate**
Automotive	**8.3% - 17.2%**	**2.0%- 2.5%**
Building Supplies	**17.5% - 20.5%**	**2.5%**
Shipping	**9.5% - 14.3%**	**2.0%- 2.5%**
Services	**15.6%**	**2.5%**
Manufacturing	**16.4%**	**2.5%**
Catering and ground handling	**12.5% - 19.6%**	**2.5%**

18. Investments in associated companies

The movement in investments in associated companies is as follows:

	2023	**2022**
Investments in associated companies – beginning of year	**204,416**	181,440
Investment made during the year	**7,124**	7,186
Disposal of an associated company	**7**	-
Share of net income less dividends received for the year	**16,601**	14,299
Other comprehensive income	**7,632**	1,491
Investments in associated companies – end of year	**235,780**	204,416

The Group made an additional investment of $5,500 in Guyana Shorebase Holdings Limited which increased its shareholding from 42.7% to 48.1%. In addition there was a further injection of capital of $1,624 in Caribbean Distribution Partners Limited ("CDP").

During the year, the Group recovered $5,726 of its investments in Mirexus Biotechnologies Inc. which was written down in a prior year. This gain has been included in other gains/(losses) – net in the consolidated statement of income.

During the year, the Group disposed of its investment in GCG Virgin Islands Inc. for $6 which resulted in a gain on disposal of $13. This gain is included in other gains/ (losses) - net in the consolidated statement of income.

The Group's significant investment in associated companies is a 50% investment in 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.

BREAKING BARRIERS

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(Expressed in thousands of Barbados Dollars)

18. Investments in associated companies ... continued

The following tables illustrate the summarised financial information of the Group consolidated statement of income.

Summarised statement of financial position for the associated companies:

	CDP	Other	Total
2023			
Assets			
Current assets	**332,905**	**63,620**	**396,525**
Non-current assets	**266,353**	**83,014**	**349,367**
	599,258	**146,634**	**745,892**
Liabilities			
Current liabilities	**169,104**	**43,843**	**212,947**
Non-current liabilities	**100,802**	**5,866**	**106,668**
	269,906	**49,709**	**319,615**
Net assets	**329,352**	**96,925**	**426,277**
Carrying amount of investments before intangibles	**164,676**	**40,960**	**205,636**
Intangibles on investments in associated companies	**-**	**30,144**	**30,144**
Carrying amount of investments	**164,676**	**71,104**	**235,780**

	CDP	Other	Total
2022			
Assets			
Current assets	297,841	64,635	362,476
Non-current assets	231,001	80,667	311,668
	528,842	145,302	674,144
Liabilities			
Current liabilities	146,028	55,246	201,274
Non-current liabilities	96,417	8,505	104,922
	242,445	63,751	306,196
Net assets	286,397	81,551	367,948
Carrying amount of investments before intangibles	143,198	35,244	178,442
Intangibles on investments in associated companies	-	25,974	25,974
Carrying amount of investments	143,198	61,218	204,416

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

18. Investments in associated companies ... continued

Summarised statement of income for the associated companies:

	CDP	Other	Total
2023			
Revenue	**823,678**	**121,924**	**945,602**
Income before taxation	**59,440**	**20,575**	**80,015**
Taxation	**(16,752)**	**(2,794)**	**(19,546)**
Net income for the year	**42,688**	**17,781**	**60,469**
Other comprehensive gain	**15,543**	**(325)**	**15,218**
Total comprehensive income	**58,231**	**17,546**	**75,687**
Group's share of income for the year	**21,344**	**7,381**	**28,725**
Group's share of dividends received for the year (note 35c))	**(9,261)**	**(2,863)**	**(12,124)**

	CDP	Other	Total
2022			
Revenue	741,549	100,552	842,101
Income before taxation	55,567	17,150	72,717
Taxation	(16,379)	(1,819)	(18,198)
Net income for the year	39,188	15,331	54,519
Other comprehensive gain	277	2,682	2,959
Total comprehensive income	39,465	18,013	57,478
Group's share of income for the year	19,594	5,379	24,973
Group's share of dividends received for the year (note 35c))	(10,567)	(107)	(10,674)

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19. Financial investments

	2023	2022
Investments measured at fair value through other comprehensive income	**3,245**	13,244
Investments measured at amortised cost	**22,391**	23,301
	25,636	36,545

Financial investments carried at amortised cost are subject to expected credit impairment losses which are recognised 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 recognised.

30 September 2023

	Stage 1	Stage 2	Stage 3	Total
Investments at amortised cost				
Government	**-**	**5,796**	**-**	**5,796**
Corporate bonds	**-**	**16,750**	**-**	**16,750**
Total gross carrying amount	**-**	**22,546**	**-**	**22,546**
Expected credit loss allowance	**-**	**(155)**	**-**	**(155)**
Total carrying amount	**-**	**22,391**	**-**	**22,391**

30 September 2022

	Stage 1	Stage 2	Stage 3	Total
Investments at amortised cost				
Government	-	9,401	-	9,401
Corporate bonds	-	14,104	-	14,104
Total gross carrying amount	-	23,505	-	23,505
Expected credit loss allowance	-	(204)	-	(204)
Total carrying amount	-	23,301	-	23,301

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Barbados Dollars)

19. Financial investments ... continued

Significant concentrations of financial investments are as follows:

	2023	2022
Investments at amortised cost:		
Government of St. Lucia Bonds (unrated)	**1,463**	3,454
Government of St. Lucia Treasury Notes (unrated)	**2,007**	364
Government of St. Kitts Fixed Rate Notes (unrated)	**734**	734
First Citizens Investment Services Ltd. (unrated)	**2,730**	4,621
Government of Grenada Treasury Bills (unrated)	**1,499**	3,200
Eastern Caribbean Home & Mortgage Bank Corporate Note (unrated)	**8,184**	7,065
Ariza Credit Union (unrated)	**3,841**	2,317

	2023	2022
Investments measured at fair value through other comprehensive income:		
CIBC FirstCaribbean International Bank (unrated)	**825**	712
OAM Asian Recovery Fund (unrated)	**-**	3,534
OAM European Value Fund (unrated)	**-**	6,473
Sagicor Financial Corporation (unrated)	**1,219**	788

Debt securities carry fixed interest rates ranging from 1.5% to 6.75% (2022 - 1.5% to 6.75%) and maturity dates between 2024 and 2057 (2022 - 2023 and 2057).

No debt securities were past due at the reporting date.

Debt securities amounting to nil (2022 - $7,964) were used as securities for the statutory deposits and motor insurance fund for the Group's insurance companies.

20. Deferred income tax assets/(liabilities)

	2023	2022
Deferred income tax assets (net) - beginning of year	**2,263**	931
Deferred income tax charge to other comprehensive income	**(769)**	(205)
Deferred income tax (charge)/credit (note 29)	**(558)**	1,428
Exchange adjustment	**72**	109
Deferred income tax assets (net) - end of year	**1,008**	2,263

	2023	2022
Represented by:		
Deferred income tax assets	**5,990**	5,543
Deferred income tax liabilities	**(4,982)**	(3,280)
Deferred income tax assets (net) - end of year	**1,008**	2,263

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

BREAKING BARRIERS

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

The deferred income tax assets consist of the following components:

	2023	2022
Delayed tax depreciation	**2,380**	10,200
Taxed provisions	**7,454**	10,360
Pension plan assets (net of liabilities)	**(140)**	(1,705)
Unutilised tax losses	**12,460**	14,740
Other	**5,617**	554
	27,771	34,149
Deferred income tax assets at applicable corporation tax rates	**5,990**	5,543

The deferred income tax liabilities consist of the following components:

	2023	2022
Accelerated tax depreciation	**(18,263)**	(17,589)
Taxed provisions	**(4,463)**	(1,566)
Pension plan assets (net of liabilities)	**(2,707)**	(3,554)
Unutilised tax losses	**830**	2,523
Revaluation of freehold property	**(4,389)**	(3,212)
Cash flow hedge	**(6,832)**	-
Other	**(187)**	(3,326)
	(36,011)	(26,724)
Deferred income tax liabilities at applicable corporation tax rates	**(4,982)**	(3,280)

	2023	2022
Deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	**2,035**	4,196
Deferred income tax assets to be recovered within 12 months	**3,955**	1,347
	5,990	5,543
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after more than 12 months	**(3,747)**	(2,779)
Deferred income tax liabilities to be settled within 12 months	**(1,235)**	(501)
	(4,982)	(3,280)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

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

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

	2023	2022
Delayed tax depreciation	**2,227**	2,612
Tax provisions	**(78)**	434
Unutilised tax losses	**31,926**	13,925
Other	**5**	-
	34,080	16,971
Deferred income tax assets at applicable corporation tax rates	**1,874**	1,118

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 2023.

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 the level of contributions based on the results of their reviews.

In respect of the defined contribution pension plans operated by the Group, the amounts recognised in the consolidated statement of income are $3,517 (2022 - $2,998).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

21. Pension plans ... continued

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

Pension plan assets

	2023	2022
Fair value of plan assets	**109,950**	113,653
Present value of funded obligations	**(91,368)**	(92,023)
	18,582	21,630
Additional liability due to IFRIC 14	**(14,123)**	(15,511)
Net assets - end of year	**4,459**	6,119

Pension plan liabilities

	2023	2022
Fair value of plan assets	**12,667**	9,683
Present value of funded obligations	**(14,279)**	(10,543)
Net liabilities - end of year	**(1,612)**	(860)
Net pension plan asset	**2,847**	5,259

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

	2023	2022
Fair value of plan assets - beginning of year	**123,336**	132,931
Employer contributions	**1,668**	1,710
Employee contributions	**754**	758
Benefits paid	**(6,279)**	(8,255)
Plan administration expenses	**(102)**	(372)
Remeasurements:		
Return on plan assets	**3,240**	(3,436)
Fair value of plan assets - end of year	**122,617**	123,336

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

21. Pension plans ... continued

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

	2023	2022
Present value of funded obligations - beginning of year	**102,566**	108,947
Current service cost	**990**	1,243
Contributions paid	**754**	758
Interest cost	**8,114**	8,185
Benefits paid	**(6,279)**	(8,255)
Remeasurements:		
Experience gains	**(498)**	(8,312)
Present value of funded obligations - end of year	**105,647**	102,566

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

	2023	2022
Net asset - beginning of year	**5,259**	8,913
Net pension expense included in the consolidated statement of income	**(685)**	(976)
Remeasurements included in the consolidated statement of comprehensive income (note 38)	**(3,395)**	(4,388)
Contributions paid	**1,668**	1,710
Net asset - end of year	**2,847**	5,259

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

	2023	2022
Current service cost	**990**	1,243
Net interest on the net defined benefit asset	**(1,677)**	(1,801)
Plan administration expenses	**102**	372
Interest effect on asset ceiling	**1,270**	1,162
Net amount recognised in the consolidated statement of income	**685**	976

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

21. Pension plans ... continued

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

	2023	2022
Remeasurements:		
Gains from change in assumptions	**(526)**	(6,847)
Experience gains	**28**	(1,465)
Return on plan assets excluding amounts included in interest expense	**6,551**	13,422
Effect of asset ceiling	**(2,658)**	(722)
Net amount recognised in the consolidated statement of comprehensive income	**3,395**	4,388

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:

	2023	2022
Discount rate	**7.5% – 8.3%**	7.5% – 8.3%
Future promotional salary increases	**1.0% - 5.0%**	3.0%- 5.0 %
Future inflationary salary increases	**2.0%- 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%**	3.8%- 5.0 %
Mortality	**UPM94**	UPM94

Plan assets are comprised as follows:

	2023	2022
	%	%
Bonds Fund	**10.2**	9.9
Equity Fund	**71.2**	70.8
Balanced Fund	**10.9**	10.7
Other	**7.7**	8.6
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 2024 are $1,664.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

21. Pension plans ... continued

The weighted average duration of the defined benefit obligations within the Group ranges from 7.91 to 22.43 years (2022 – 8.14 to 22.19 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%	10,478	13,032
Salary growth rate	0.5%	1,943	1,771
Life expectancy	1 year	3,370	-

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.

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

	2023	**2022**
Less than 1 year	**5,232**	4,933
Between 1- 2 years	**5,666**	5,210
Between 2 - 5 years	**19,617**	18,184
Over 5 years	**46,436**	43,090
	76,951	71,417

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

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

	2023	2022
Common shares	**50,686**	49,906

	2023		2022	
	Number of shares	$	Number of shares	$
Balance - beginning of year	**228,106,992**	**49,906**	227,715,990	49,195
Shares issued during the year- see a)	**302,925**	**780**	391,002	711
Balance - end of year	**228,409,917**	**50,686**	228,106,992	49,906

Changes during the year were as follows:

a) In December 2022, employees of the Company and its subsidiary companies were offered shares in part payment of bonus payable in December 2022. A total of 138,885 shares were issued at a price of $2.51 each. These shares qualified for the 2022 interim dividend paid in February and May 2023. Subsequently, in May 2023, 164,040 shares were allotted under the employee share purchase scheme at $2.63 per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

23. Other reserves

	Financial investments reserve	Revaluation surplus	Translation reserve	Share-based payments reserve	Statutory reserve	Hedging Reserve	Total
Balance at 1 October 2021	(15,860)	101,101	(34,429)	2,731	2,899	-	56,442
Other comprehensive income/(loss):							
Losses transferred to retained earnings on disposal of financial investments:							
- Group	23,215	-	-	-	-	-	23,215
Unrealised losses on financial investments at FVOCI:							
- Group	(3,070)	-	-	-	-	-	(3,070)
Currency translation differences:							
- Group	-	-	(753)	-	-	-	(753)
- Associated companies	-	-	(214)	-	-	-	(214)
Hyperinflationary revaluations	-	(194)	-	-	-	-	(194)
Share of revaluation surplus:							
- Group	-	31,364	-	-	-	-	31,364
- Associated companies	-	1,905	-	-	-	-	1,905
Hedging activity:							
- Foreign exchange forward contract	-	-	-	-	-	323	323
- Futures open position on commodity contracts	-	-	-	-	-	(5,194)	(5,194)
Other comprehensive income/(loss) for the year	20,145	33,075	(967)	-	-	(4,871)	47,382
Value of employee services:							
- Other share-based plans	-	-	-	193	-	-	193
Balance at 30 September 2022	4,285	134,176	(35,396)	2,924	2,899	(4,871)	104,017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

23. Other reserves ... continued

	Financial investments reserve	Revaluation surplus	Translation reserve	Share-based payments reserve	Statutory reserve	Hedging Reserve	Total
Balance at 1 October 2022	**4,285**	**134,176**	**(35,396)**	**2,924**	**2,899**	**(4,871)**	**104,017**
Other comprehensive income/(loss):							
Gains transferred to retained earnings on disposal of financial investments:							
- Group	(3,352)	-	-	-	-	-	(3,352)
Unrealised gains on financial investments at FVOCI:							
- Group	115	-	-	-	-	-	115
Currency translation differences:							
- Group	-	-	1,082	-	-	-	1,082
- Associated companies	-	-	(1,030)	-	-	-	(1,030)
Hyperinflationary revaluations	-	111	-	-	-	-	111
Share of revaluation surplus:							
- Associated companies	-	8,436	-	-	-	-	8,436
Transfers to retained earnings	-	-	-	-	(986)	-	(986)
Hedging activity:							
- Foreign exchange forward contract	-	-	-	-	-	(333)	(333)
- Futures open position on commodity contracts	-	-	-	-	-	12,037	12,037
- Deferred tax related to cash flow hedges	-	-	-	-	-	(1,504)	(1,504)
Other comprehensive (loss)/income for the year	(3,237)	8,547	52	-	(986)	10,200	14,576
Value of employee services:							
- Other share-based plans	-	-	-	100	-	-	100
Balance at 30 September 2023	**1,048**	**142,723**	**(35,344)**	**3,024**	**1,913**	**5,329**	**118,693**

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(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.

The hedging reserve is adjusted to the lower of the the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

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

In the financial year 2020, the Board approved the closure of its subsidiary in Margarita. As a result, $2 (2022 - $202) of inflation gains and nil of currency translation gains (2022 – $198) were transferred to the consolidated statement of income.

24. Revenue from contracts with customers

a) Disaggregated revenue information

Segments	2023	2022
Type of good or service		
Automotive	**93,952**	103,370
Building supplies	**178,581**	179,260
Shipping	**13,172**	17,115
Services:		
- Food distribution sector	**63,313**	57,211
- Other sector	**50,876**	46,118
Manufacturing	**323,740**	286,297
Catering and ground handling:		
- Catering sector	**306,245**	227,766
- Ground handling sector	**58,383**	51,694
Total revenue from contracts with customers	**1,088,262**	968,831

(Expressed in thousands of Barbados Dollars)

24. Revenue from Contracts with Customers ... continued

b) Contract balances

	2023	2022
Trade receivables - net	**101,480**	84,394
Contract liabilities (note 13)	**(513)**	(677)

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2023, $10,384 (2022 - $10,817) 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 re-deemed. 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 $121 (2022 - $120) and a net increase in loyalty points redeemed of $43 (2022 - $2).

c) Right of return assets and refund liabilities

	2023	2022
Right of return assets (note 7)	**228**	209
Refund liabilities		
- Arising from rights of return (note 13)	**(315)**	(293)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Barbados Dollars)

24. Revenue from Contracts with Customers ... continued

d) Performance obligations ... continued

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.

25 Expenses by nature

	2023	2022
Cost of sales	**610,231**	570,592
Selling and marketing expenses	**51,684**	48,799
Administrative expenses	**344,503**	290,648
	396,187	339,447
	1,006,418	910,039

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

25. Expenses by nature ... continued

	2023	2022
Depreciation (note 15)	**27,127**	24,305
Depreciation on right-of-use assets (note 14)	**11,108**	7,588
Employee benefits expense (note 27)	**250,419**	212,839
Changes in inventories of finished goods and work in progress	**(17,909)**	(7,790)
Raw materials and consumables used	**581,177**	537,325
Transportation	**4,894**	3,903
Advertising costs	**8,522**	8,620
Expected credit losses on financial assets (see below)	**1,340**	3,381
Other expenses	**139,740**	119,868
Total cost of sales and selling, marketing and administrative expenses	**1,006,418**	910,039

Expected credit losses on financial assets are as follows:

	2023	2022
Expected credit losses on trade and other receivables	**1,374**	3,676
Expected credit losses/(gains) on due by associates	**15**	(243)
Expected credit gains on financial investments	**(49)**	(52)
	1,340	3,381

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

26. Other gains/(losses) - net

	2023	2022
Gain on disposal of right-of-use assets	**78**	165
Gain on disposal of property, plant and equipment	**457**	71
Interest income	**1,918**	1,006
Rental income	**7,443**	7,589
Dividends from other companies	**101**	86
Amortisation charge (note 17)	**(1,142)**	(2,140)
Recovery of investment in associates (note 18)	**5,726**	-
Gain on disposal of associates (note 18)	**13**	-
Gain on disposal of subsidiaries (note 10)	**811**	-
Loss on revaluation of freehold land and buildings	**-**	(1,162)
Fair value losses on revaluation of investment property (note 16)	**(292)**	(261)
Insurance claims	**237**	71
Rent concessions due to COVID-19	**219**	182
Loss on extinguishment of debt	**-**	(752)
Hyperinflationary adjustments	**2**	202
	15,571	5,057

27. Employee benefits expense

	2023	2022
Salaries and other employee benefits	**250,319**	212,646
Share-based payments	**100**	193
	250,419	212,839

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

28. Finance costs

	2023	2022
Interest expense:		
Bank borrowings	**16,233**	7,452
Lease liabilities (note 14)	**2,590**	2,018
Dividend on redeemable preference shares	**729**	1,458
Other borrowings	**794**	759
	20,346	11,687

29. Taxation

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

	2023	2022
Current income tax	**17,897**	14,710
Deferred income tax (note 20)	**558**	(1,428)
	18,455	13,282

The Group's effective tax rate of 17.1% (2022 – 17.3%) differs from the statutory Barbados tax rate of 5.5% (2022 – 5.5%) as follows:

	2023	2022
Income before taxation	**108,306**	80,040
Taxation calculated at 5.5%	**5,957**	4,402
Effect of different tax rates in other countries	**12,453**	13,682
Foreign income subject to different tax rate	**-**	(867)
Tax effect of different tax rates on deferred tax assets and liabilities	**395**	277
Tax effect of associated companies' results reported net of taxes	**(1,580)**	(1,374)
Income not subject to taxation	**(2,798)**	(912)
Expenses not deductible for tax purposes	**5,674**	4,269
Taxation allowances	**(2,045)**	(1,443)
Increase/(decrease) in deferred tax assets not recognised	**1,011**	(667)
Amounts under/(over) provided in prior years	**453**	(878)
Amounts over provided in current year	**(713)**	(2,316)
Irrecoverable tax on foreign income	**198**	197
Tax effect of change in tax rate	**(57)**	14
Losses surrendered under Group relief	**(11)**	-
Losses utilised from Group Companies	**(486)**	(1,102)
Effect of losses expired	**4**	-
	18,455	13,282

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(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
2017	3,349	2024
2018	2,420	2025
2019	393	2025
2019	3,692	2026
2020	585	2025
2020	205	2026
2020	2,602	2027
2021	1,266	2027
2021	6,077	2028
2022	1,571	2028
2022	3,828	2029
2023	2,768	2029
2023	16,460	2030
	45,216	

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.

	2023	2022
Net income for the year attributable to equity holders of the Company	**67,902**	50,179
Weighted average number of common shares in issue (thousands)	**228,255**	227,897
Basic earnings per share	**29.7¢**	22.0¢

BREAKING BARRIERS

(Expressed in thousands of Barbados Dollars)

BREAKING BARRIERS

30. Earnings per share ... continued

Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of common shares in issue during the year to assume conversion of the redeemable preference shares. During the year the redeemable preference shares were redeemed for cash.

	2023	**2022**
Net income for the year attributable to equity holders of the Company	**67,902**	50,179
Dividends on redeemable preference shares	**-**	875
Net income used to determine diluted earnings per share	**67,902**	51,054
Weighted average number of common shares in issue (thousands)	**228,255**	227,897
Adjustments for convertible preference shares (thousands)	**-**	4,615
Weighted average number of common shares in issue (thousands)	**228,255**	232,512
Diluted earnings per share	**29.7¢**	22.0¢

31. Dividends per share

The dividends paid in 2023 and 2022 were $14,860 ($0.015 per share – second interim for 2022; $0.015 per share – third interim for 2022; $0.015 per share – final for 2022; $0.02 per share – first interim for 2023) and $10,256 ($0.01 per share – second interim for 2021; $0.01 per share – third interim for 2021; $0.01 per share – final for 2021; $0.015 per share – first interim for 2022).

At the Directors' meetings of 3 October 2023 and 11 December 2023, second and third interim dividends in respect of the 2023 financial year of $0.02 per share, 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.

32. Contingent liabilities

a) Certain subsidiaries have bonds of $27,771 (2022 - $26,710) in favour of the Comptroller of Customs covering delivery of goods prior to payment of duty.

b) As of the reporting date, a certain subsidiary of the Company has been assessed and reassessed for income tax for income years 2001 through 2004 amounting to $2,481. Objections to these assessments have been lodged. By written agreement between a certain subsidiary of the Company and the Government, the subsidiary has been granted a waiver on all duties payable on building materials and capital required for the development of business on its property. In return, the subsidiary has fulfilled their obligation to the Inland Revenue Department in the sum of $2,190 which is recorded as Income tax refundable in the consolidated statement of financial position.

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.

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 $127,227 (2022 - $83,513) at the year-end date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

34. Business combinations

GCG Concessions Holdings Corp. (formerly IMC Caribbean Holdings Corp.)

Inflite Holdings (Cayman) Limited, a subsidiary of the Group, acquired 100% of the shares in IMC Caribbean Holdings Corp. (Concessions Holdings) who owns 100% of the shares in GCG Concessions Inc. (formerly International Meal Company Panama, S.A.) for $70,747. This resulted in goodwill of $69,627. Concessions Holdings is located in Puerto Rico, and its subsidiary, GCG Concessions Inc., operates the food and beverage concessions in Terminals 1 & 2 of the Tocumen International Airport, Panama City in the Republic of Panama.

The fair values of the assets acquired were as follows:

	Carrying value	Fair value
Current assets		
Cash	1,740	1,740
Trade and other receivables	3,068	3,068
Prepaid expenses	3,982	3,982
Inventories	406	406
	9,196	9,196
Current liabilities		
Borrowings (note 12)	11,000	11,000
Lease liabilities (note 14)	13,238	13,238
Trade and other payables	4,117	4,117
	28,355	28,355
Working capital	(19,159)	(19,159)
Property, plant and equipment (note 15)	8,411	8,411
Right-of-use assets (note 14)	11,868	11,868
	1,120	1,120

The cash outflow arising on this acquisition was as follows:

	Fair value
Fair value of net assets	1,120
Group's share of goodwill (note 17)	69,627
Purchase consideration paid	70,747
Less: Cash and cash equivalents assumed on acquisition	(1,740)
Net outflow on acquisition	**69,007**

BREAKING BARRIERS

(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. which holds 51% interest in the following subsidiary:	Barbados	51%	49%
Caribbean Label Crafts Dominicana S.R.L.	Dominican Republic	26%	74%
Corea & Co. (1988) Limited	St. Vincent	100%	-
Coreas Building Supplies Ltd.	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%	-
Ecuakao 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 Manufacturing Holding Company Limited	Barbados	100%	-
GEL Manufacturing (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%	-
Goddard Shipping (Barbados) Limited	Barbados	100%	-
Grenadian General insurance Limited	Grenada	52%	48%
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 Sociedad Anonima de Capital Variable	El Salvador		
Calloway Corporation N.V.	Aruba		
Fontana Project S.A.	Uruguay		
GCG Events Curaçao N.V.	Curaçao		
GCG Concessions Holdings Corp.	Puerto Rico		
GCG Concessions Inc.	Panama		
GCG Food, S.A. de C.V.	El Salvador		
GCG Food Honduras, S.A.	Honduras		
GCG Ground Honduras S.A.	Honduras		

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

35. Related party disclosures ... continued

Company	Principal Place of Business	Effective Shareholder's Interest	Effective Non-Controlling Interest
Inflite Holdings (Cayman) Limited which holds 100% interest in the following subsidiaries: continued:	Cayman Islands	51%	49%
GCG Ground Services, LLC	St. Thomas, U.S.V.I.		
GODCA S.A.	El Salvador		
Goddard Catering Group (Guatemala) S.A.	Guatemala		
Goddard Catering Group Bogota S.A.S	Colombia		
Goddard Catering Group Bonaire N.V.	Bonaire		
Goddard Catering Group Caracas S.A.	Venezuela		
Goddard Catering Group Curacao, N.V.	Curacao		
Goddard Catering Group El Salvador, S.A. de C.V	EL Salador		
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		
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		
Inflite Management (Barbados) Ltd.	Barbados		
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 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%	-

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

35. Related party disclosures ... continued

Company	Principal Place of Business	Effective Shareholder's Interest	Effective Non-Controlling Interest
Penrith Development Limited	Barbados	100%	-
Peter's Holdings Limited	St. Lucia	100%	-
Precision Packaging Inc.	Barbados	100%	-
Purity Bakeries Ltd.	Barbados	100%	-
Sea Freight Agencies & Stevedoring Limited	Barbados	100%	-
Sunbilt Limited	St Lucia	100%	-
W B Hutchinson & Co. (St. Lucia) 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 $137,507 (2022 - $114,719) of which $77,320 (2022 - $56,474) is for group companies in the catering and ground handling division, $44,482 (2022 - $42,695) for group companies in the automotive, building supplies, shipping and services divisions and $10,351 (2022 - $9,986) for group companies in the manufacturing division. The remaining non-controlling interests in respect of the remaining group companies, is not considered to be material. See the consolidated statement of changes in equity for transactions with non-controlling interests.

b) The Group's significant associates at 30 September 2023 were as follows:

Company	Country of Incorporation	Effective Shareholder's Interests
Caribbean Distribution Partners Limited	Trinidad and Tobago	50%
which holds the following associates:		
Bryden and Partners Limited – 100%	St. Lucia	
Coreas Distribution Limited – 100%	St. Vincent	
Chinook Trading Canada Limited - 80%	Canada	
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 – 58%	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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

35. Related party disclosures ... continued

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

	2023	2022
i) Sales of goods and services	**63,145**	64,431
ii) Purchases of goods and services	**3,540**	3,509
iii) Management fee income	**1,125**	50
iv) Rental income	**1,736**	1,736
v) Dividend income (note 18)	**12,124**	10,674

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. 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.

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

	2023	2022
Compensation		
Salaries and other short-term employee benefits	**9,296**	8,497
Post-employment benefits	**464**	364
Share-based payments	**70**	50
	9,830	8,911

There were no loans to key management in 2023 and 2022.

36. Cash flows

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

	2023	2022
Increase in trade and other receivables	**(20,943)**	(9,674)
Increase in prepaid expenses	**(6,894)**	(6,979)
Increase in due by associated companies	**(1,598)**	(3,128)
Increase in reinsurance assets	**-**	(174)
Increase in inventories	**(20,143)**	(12,107)
Decrease in non-current assets held for sale	**-**	1,754
Increase in trade and other payables	**16,481**	17,933
(Decrease)/increase in due to associated companies	**(64)**	425
Increase in insurance contracts	**-**	89
	(33,161)	(11,861)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

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 2023	% interest 2022
Inflite Holdings (Cayman) Limited	Cayman Islands	49%	49%
Inflite Holdings (St. Lucia) Ltd.	St. Lucia	49%	49%
Jonas Browne and Hubbard (Grenada) Limited	Grenada	48%	48%

Summarised statement of financial position:

	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
2023			
Assets			
Current assets	**94,501**	**68,690**	**46,894**
Non-current assets	**148,157**	**39,711**	**76,640**
	242,658	**108,401**	**123,534**
Liabilities			
Current liabilities	**65,162**	**30,378**	**25,461**
Non-current liabilities	**77,900**	**19,822**	**4,667**
	143,062	**50,200**	**30,128**
Net assets	**99,596**	**58,201**	**93,406**
Attributable to non-controlling interests	**48,802**	**28,518**	**44,482**

	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
2022			
Assets			
Current assets	91,033	61,411	41,693
Non-current assets	60,115	41,640	75,275
	151,148	103,051	116,968
Liabilities			
Current liabilities	50,330	27,426	22,064
Non-current liabilities	25,835	35,355	5,247
	76,165	62,781	27,311
Net assets	74,983	40,270	89,657
Attributable to non-controlling interests	36,742	19,732	42,695

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

37. Material partly-owned subsidiaries ... continued

Summarised statement of total comprehensive income:

2023	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
Revenue	**229,618**	**135,010**	**119,739**
Net income for the year	**20,134**	**19,593**	**5,970**
Other comprehensive income/(loss)	**5,366**	**(760)**	**-**
Total comprehensive income	**25,500**	**18,883**	**5,970**
Attributable to non-controlling interests	**12,495**	**9,227**	**2,845**

2022	Inflite Holdings (Cayman) Limited	Inflite Holdings (St. Lucia) Ltd.	Jonas Browne and Hubbard (Grenada) Limited
Revenue	170,779	108,681	110,325
Net income for the year	12,705	16,208	5,423
Other comprehensive income/(loss)	4,551	(747)	16
Total comprehensive income	17,256	15,461	5,439
Attributable to non-controlling interests	8,456	7,576	2,590

BREAKING BARRIERS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2023

(Expressed in thousands of Barbados Dollars)

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

	Gross	Tax	Net of Tax
2023			
Remeasurement of employee benefits:			
- Group	**(3,395)**	**735**	**(2,660)**
- Associated companies	**226**	**-**	**226**
Revaluation surplus – Associated companies	**8,436**	**-**	**8,436**
Cash flow hedge - Group	**11,704**	**(1,504)**	**10,200**
All other components of other comprehensive income	**1,481**	**-**	**1,481**
Other comprehensive income for the year	**18,452**	**(769)**	**17,683**

	Gross	Tax	Net of Tax
2022			
Remeasurement of employee benefits:			
- Group	(4,388)	598	(3,790)
- Associated companies	(200)	-	(200)
Revaluation surplus			
- Group	35,265	(803)	34,462
- Associated companies	1,905	-	1,905
Cash flow hedge - Group	(4,871)	-	(4,871)
All other components of other comprehensive loss	(4,840)	-	(4,840)
Other comprehensive income for the year	22,871	(205)	22,666

39. Subsequent events

IMC Colombia

Subsequent to year end, Inflite Holdings (Cayman) Limited, a subsidiary of the Group, entered into negotiations to acquire 100% of the shares in IMC Colombia for $26,000. Negotiations are advanced but not yet completed. IMC Colombia is an inflight catering company with operations in seven airports in Colombia.

BREAKING BARRIERS

GODDARD
ENTERPRISES
LIMITED

Appendix A

Board and Committee Meeting Attendance for 1 October 2022 – 30 September 2023

NAME OF DIRECTOR	BOARD MEETINGS ATTENDED FOR THE YEAR	COMMITTEE MEETINGS ATTENDED FOR THE YEAR	TOTAL	OVERALL PERCENTAGE
Dr. José S. López Alarcon	5 of 5	11 of 11	16 of 16	100%
Mr. Anthony H. Ali	5 of 5	8 of 12	13 of 17	76%
Ms. Laurie O. Condon	5 of 5	4 of 4	9 of 9	100%
Ms. Marla R. K. Dukharan	5 of 5	4 of 4	9 of 9	100%
Mr. Daniel W. Farmer	5 of 5	4 of 4	9 of 9	100%
Mr. A. Charles Herbert	5 of 5	4 of 4	9 of 9	100%
Mr. William P. Putnam	5 of 5	4 of 4	9 of 9	100%
Mr. Ryle L. Weekes	5 of 5	7 of 7	12 of 12	100%

BREAKING BARRIERS

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-fifth annual meeting of the shareholders of Goddard Enterprises Limited (the "Company") to be held on Friday, 26 January 2024, at 5:30p.m at the Walcott Warner Theatre, Errol Barrow Centre for Creative Imagination, The University of the West Indies, Cave Hill, St. Michael in Barbados (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. on Thursday, 25 January 2024.

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

RECORD DATE AND VOTING SHARES

The Directors of the Company have not fixed a record date for determining the shareholders who are entitled to receive notice of the meeting. Therefore, in accordance with the Companies Act, the statutory record date applies. Accordingly, only shareholders of record at the close of business on the day immediately preceding the day on which the notice of the meeting is given will be entitled to receive notice of the meeting. Only such registered holders of shares of the Company will be entitled to vote at the meeting. In the event of a poll, each shareholder is entitled to one vote for each share held. As at the date hereof, there are 228,409,917 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 2023 and the Auditor's Report thereon are included in the 2023 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 11 December 2023, the board of directors of the Company comprises eight Members, including the ex officio Member. Seven Directors retire by rotation at the end of the eighty-fifth annual meeting in keeping with the Company's By-Laws. Ms. Laurie O. Condon, one of the retiring directors, has indicated to the Company that she is not seeking re-election to the board.

It is proposed that six 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 six 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. Marla R. K. Dukharan
Mr. Daniel W. Farmer	Mr. A. Charles Herbert
Mr. William P. Putnam	Mr. Ryle L. Weekes

MANAGEMENT PROXY CIRCULAR... continued

Company No. 1330

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-fifth annual meeting until the close of the next annual meeting of shareholders.

The Company's Board expresses its gratitude, on behalf of Shareholders, to Ms. Laurie O. Condon, for her service to the Board and the Company since her appointment on 25 January 2019.

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, whether in person or by proxy, 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

During the 2023 financial year, your Directors tendered the Group's external audit and taxation services for the financial years ending 30 September 2024 to 30 September 2026. The Audit & Risk Committee and Executive Management analysed the comprehensive presentations received using a robust score card which comprised extensive assessment criteria. On completion of the process, the Audit & Risk Committee recommended to the Board that Ernst & Young Ltd be recommended to the shareholders for appointment as the Company's Auditor. The Board has accepted the recommendation of the Audit & Risk Committee.

It is therefore proposed to nominate the firm of Ernst & Young Ltd for appointment as the 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, whether in person or by proxy, is required to appoint the Auditor and to authorise Directors to fix the Auditor's remuneration.

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

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.

11 December 2023

Kathy-Ann Scantlebury

Kathy-Ann L. Scantlebury
Corporate Secretary

BREAKING BARRIERS

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 85th annual meeting of the shareholders of the Company to be held on 26 January 2024 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, Barbados or emailed to gelinfo@thegelgroup.com no later than 4:30 p.m. on Thursday, 25 January 2024.

GODDARD ENTERPRISES LIMITED

P.O. Box 502, Bridgetown, BB11000, Barbados, West Indies

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