Consolidated Financial Statements of

TRINIDAD CEMENT LIMITED AND ITS' SUBSIDIARIES

December 31, 2018

TRINIDAD CEMENT LIMITED

Consolidated Financial Statements for the year ended December 31, 2018

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Statement of Management's Responsibilities
Trinidad Cement Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Trinidad Cement Limited ("the Company") and its subsidiaries (collectively, "the Group") which comprise the consolidated statement of financial position as at December 31, 2018, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud and the achievement of the Group's operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Jose Luis Seijo Gonzalez
Managing Director

Date: February 19, 2019

Michelle Davidson,
Group Manager Legal/Company Secretary

Date: February 19, 2019

KPMG
Chartered Accountants
Savannah East
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Independent Auditors' Report
To the Shareholders of Trinidad Cement Limited

Opinion

We have audited the consolidated financial statements of Trinidad Cement Limited ("the Company") and its subsidiaries (collectively, "the Group"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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 *Auditors' 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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 judgement, 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.

Key Audit Matters (continued)

Tax contingencies	
See Note 27 to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Group is involved in certain significant tax proceedings. Compliance with tax regulations is a complex matter within the Group because uncertainties exist with respect to the interpretation of certain tax regulations. Therefore, management's judgement and estimation is involved in the determination of any tax provisions which should or should not be recorded in respect of these tax matters. Resolution of tax proceedings may span multiple years, and may involve negotiation and therefore, making judgments of potential outcomes is a complex issue for the Group. Management applies judgment in estimating the likelihood of the future outcome in each case and recognizes a provision where applicable. We focused on this area due to the inherent complexity and judgement in estimating the amount of the provision required.	We assessed the adequacy of the level of provision established, or lack thereof, in relation to significant uncertain tax positions, primary in respect of cases in Trinidad and Tobago, and Guyana. We discussed the status of each significant case with management and critically assessed their responses. We read the latest correspondence between the Group and the various tax authorities and attorneys where applicable. We also obtained written responses from the Group's legal advisors containing their views on material exposures and any related litigation. In relation to tax matters, we also met with the Group's tax officers to assess their judgements on significant cases, their views and strategies, as well as the related technical grounds to their position based on applicable tax laws by involving our tax specialists. We assessed whether the Group's disclosures about legal and tax contingencies provided sufficient information to readers of the financial statements in light of the significance of these cases.

Key Audit Matters (continued)

Recoverability of deferred tax assets related to tax loss carry forwards	
See Note 12(d) to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Group has significant deferred tax assets in respect of tax losses (mainly in Trinidad and Tobago and Jamaica). There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which deferred tax assets are or are not recognised.	We evaluated the reasonableness of key tax assumptions, timing of reversal of temporary differences as well as evaluated the reasonableness of the forecasts for future taxable profits with reference to historical forecasting accuracy, considering the potential risk of management bias. These assessments were based on our knowledge of the tax, legal and operating environments in which the Group operates. We also assessed the adequacy of the Group's disclosures setting out the basis of the deferred tax asset balances and the level of estimation involved.

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Key Audit Matters (continued)

Allowance for impairment of trade receivables	
See Note 7(t) to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
As presented in Note 11, a significant percentage of the Group's trade receivables (36% or $35 million) are aged in excess of 90 days past due and have not been provided for by management. The recoverability of trade receivables requires management's judgement due to the specific risks associated with each individual trade receivable. There is an element of management's judgement in the assessment of extent of the recoverability of long outstanding trade receivable balances. Management assessed the recoverability of trade receivables by reviewing customers' aging profile, credit history and status of subsequent settlement, and determined whether an impairment provision is required. For the purpose of impairment assessment, significant judgement and assumptions, including the credit risks of customers, the timing and amount of realisation of these receivables, are required for the identification of impairment events and the determination of the impairment charge.	Our audit procedures in relation to the recoverability of trade receivables include: • understood and tested the Group's credit control procedures and tested key controls over granting of credits to customers; • tested aging of trade receivable balances at year end on a sample basis; • reviewing the expected credit loss model, including methodology, underlying assumptions and data inputs; and • evaluating and testing the Group's policy for provisioning against trade receivables, including management's assumptions. In addition, we evaluated the adequacy of the Group's disclosures regarding trade receivables.

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Key Audit Matters (continued)

Timing of Revenue recognition	
See Note 7(j) to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Revenues consist of transactions with short payment terms and low complexity. We have identified the recognition of revenue as a key audit matter because there is a risk of misstatement of the financial statements related to transactions occurring close to the year end, as transactions could be recorded in the wrong financial period (cut-off).	In order to address the risk of misstatement related to cut-off in revenue recognition, we tested the Group's controls in respect to revenue recognition and, tested individual transactions occurring immediately before and after the year end. We also tested on a sample basis, credit notes issued after year end, to assess whether those transactions were recognised in the correct accounting period. Our tests of detail focused on transactions occurring within proximity of the year end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents.

Information Other Than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Group's 2018 Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Group's 2018 Annual Report is expected to be made available to us after the date of this auditors' report.

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 and 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.

When we read the Group's 2018 Annual Report, if, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

Those charged with Governance are responsible for overseeing the Group's financial reporting process.

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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 auditors' 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 auditors' 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.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, 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 auditors' 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.

The engagement partner on the audit resulting in this independent auditors' report is Robert Alleyne.

KPMG

Chartered Accountants
Port of Spain
Trinidad and Tobago
February 19, 2019

TRINIDAD CEMENT LIMITED

Consolidated Statement of Financial Position

December 31, 2018
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2018	Restated 2017	Restated 2016
		$	$	$
ASSETS				
Non-current assets				
Property, plant and equipment	9	1,853,066	1,811,779	1,805,255
Investment		1	-	-
Employee benefits	10	14,233	34,392	37,256
Trade and other receivables	11	-	114	1,966
Deferred tax assets	12(d)	179,789	343,831	402,869
		2,047,089	2,190,116	2,247,346
Current assets				
Inventories	13	229,182	205,374	362,521
Trade and other receivables	11	173,002	160,539	134,683
Cash and cash equivalents	14	77,737	118,826	186,546
		479,921	484,739	683,750
Total assets		2,527,010	2,674,855	2,931,096
EQUITY AND LIABILITIES				
Equity				
Stated capital	15(a)	827,732	827,732	827,732
Unallocated ESOP shares	16	(20,019)	(20,019)	(20,849)
Reserves	15(b)	(248,355)	(241,067)	(254,305)
Retained earnings		109,987	169,707	445,001
Equity attributable to owners of the Company		669,345	736,353	997,579
Non-controlling interests	17	2,483	(17,048)	(7,053)
Total equity		671,828	719,305	990,526
Non-current liabilities				
Borrowings	18	922,469	669,137	839,646
Employee benefits	10	12,359	20,501	24,928
Other post-retirement benefits	10	160,952	148,063	129,586
Trade and other payables	19	86	87	-
Deferred tax liabilities	12(d)	201,122	327,959	344,959
		1,296,988	1,165,747	1,339,119
Current liabilities				
Trade and other payables	19	539,070	545,832	472,601
Borrowings	18	19,124	243,971	128,850
		558,194	789,803	601,451
Total equity and liabilities		2,527,010	2,674,855	2,931,096

The notes on pages 15 to 83 are an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on February 19, 2019 and signed on their behalf by:

Director **Director**

TRINIDAD CEMENT LIMITED

Consolidated Statement of Profit or Loss

For the year ended December 31, 2018
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2018	2017
		$	$
Continuing operations			
Revenue	20	1,721,123	1,712,569
Earnings before interest, tax, depreciation, gain on disposal of property, plant and equipment, restructuring costs and impairment	20	342,764	317,141
Depreciation	9	(127,126)	(127,969)
Loss on disposal of property, plant and equipment		(238)	(325)
Stockholding and restructuring costs		7,831	(81,352)
Impairment charge – Property, plant and equipment	9	-	(93,418)
Manpower restructuring costs	20	(84,930)	(59,023)
Impairment of trade receivables		2,415	(6,661)
Operating profit (loss)	20	140,716	(51,607)
Finance costs - Net	21	(84,557)	(123,137)
Profit (loss) before taxation		56,159	(174,744)
Taxation	12	(63,171)	(82,287)
Loss for the year from continuing operations		(7,012)	(257,031)
Loss attributable to:			
Owners of the Company	22	(37,662)	(267,565)
Non-controlling interests	17	30,650	10,534
		(7,012)	(257,031)

The notes on pages 15 to 83 are an integral part of these consolidated financial statements.

TRINIDAD CEMENT LIMITED

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2018
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2018	Restated 2017
		$	$
Loss for the year		(7,012)	(257,031)
Items that are or maybe reclassified to profit of loss:			
Exchange differences on translation of foreign operations	15 (b)	(5,622)	13,941
Change in fair value of cash flow hedge	15 (b)	(3,976)	3,976
		(9,598)	17,917
Items that will not be reclassified to profit or loss:			
Re-measurement gains on pension plans and other post-retirement benefits	10	(24,530)	15,337
Related tax	12 (c)	7,615	(5,223)
		(16,915)	10,114
Other comprehensive (loss) income for the year, net of tax		(26,513)	28,031
Total comprehensive loss for the year		(33,525)	(229,000)
Total comprehensive loss attributable to:			
Owners of the Company		(62,354)	(243,630)
Non-controlling interests		28,829	14,630
		(33,525)	(229,000)
Loss per share:			
Basic and diluted (expressed in $ per share)	22	($0.10)	($0.72)

The notes on pages 15 to 83 are an integral part of these consolidated financial statements.

TRINIDAD CEMENT LIMITED

Consolidated Statement of Changes in Equity

For the year ended December 31, 2018
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Attributable to Owners of the Company						
		Stated capital	Unallocated ESOP shares	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
		$	$	$	$	$	$	$
Year ended December 31, 2017								
Balance at January 1, 2017 as previously stated		827,732	(20,849)	(254,305)	464,549	1,017,127	(221)	1,016,906
Restatement - correction of prior period errors		-	-	-	(19,548)	(19,548)	(6,832)	(26,380)
Balance at January 1, 2017 (Restated)		827,732	(20,849)	(254,305)	445,001	997,579	(7,053)	990,526
Loss for the year		-	-	-	(267,565)	(267,565)	10,534	(257,031)
Other comprehensive income	15(c)	-	-	13,238	10,697	23,935	4,096	28,031
Total comprehensive income (loss)		-	-	13,238	(256,868)	(243,630)	14,630	(229,000)
Transactions with owners of the Company								
Share-based allocations	16	-	830	-	(200)	630	-	630
Dividends	23	-	-	-	(7,493)	(7,493)	(26)	(7,519)
Acquisition of NCI without change of control		-	-	-	(10,733)	(10,733)	(24,599)	(35,332)
		-	830	13,238	(275,294)	(261,226)	(9,995)	(271,221)
Restated Balance at December 31, 2017		827,732	(20,019)	(241,067)	169,707	736,353	(17,048)	719,305
Year ended December 31, 2018								
Restated Balance at January 1, 2018		827,732	(20,019)	(241,067)	169,707	736,353	(17,048)	719,305
Adjustment on initial application of IFRS 9		-	-	-	(6,932)	(6,932)	(205)	(7,137)
Restated Balance at January 1, 2018		827,732	(20,019)	(241,067)	162,775	729,421	(17,253)	712,168
Loss for the year		-	-	-	(37,662)	(37,662)	30,650	(7,012)
Other comprehensive loss	15(c)	-	-	(7,288)	(17,404)	(24,692)	(1,821)	(26,513)
Total comprehensive loss		-	-	(7,288)	(55,066)	(62,354)	28,829	(33,525)
Transactions with owners of the Company								
Acquisition of NCI without change of control		-	-	-	2,278	2,278	(9,093)	(6,815)
		-	-	(7,288)	(52,788)	(60,076)	19,736	(40,340)
Balance at December 31, 2018		827,732	(20,019)	(248,355)	109,987	669,345	2,483	671,828

The notes on pages 15 to 83 are an integral part of these consolidated financial statements.

TRINIDAD CEMENT LIMITED

Consolidated Statement of Cash Flows

For the year ended December 31, 2018
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2018	Restated 2017
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	24	220,069	423,815
Pension contributions paid	10(a)	(20,752)	(9,822)
Post-retirement benefits paid	10(b)	(8,170)	(4,345)
Taxation paid		(21,470)	(42,059)
Net interest paid		(42,373)	(72,104)
Net cash from operating activities		127,304	295,485
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	9	(169,661)	(214,914)
Proceeds from disposal of property, plant and equipment		-	886
Net cash used in investing activities		(169,661)	(214,028)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(4,500)	(1,135,922)
Proceeds from borrowings		-	1,029,155
Net increase in revolving facilities		12,446	-
Dividends paid		-	(7,519)
Acquisition of non-controlling interests		(6,815)	(35,332)
Net cash from (used in) financing activities		1,131	(149,618)
Net decrease in cash and cash equivalents		(41,226)	(68,161)
Cash and cash equivalents at January 1		118,826	186,546
Effect of movement in exchange rate on cash held		137	441
Cash and cash equivalents at December 31		77,737	118,826
Represented by:			
Cash and cash equivalents		77,737	118,826

The notes on pages 15 to 83 are an integral part of these consolidated financial statements.

1. Incorporation and Business Activities

Trinidad Cement Limited (the "Company" or the "parent company") is resident and incorporated in the Republic of Trinidad and Tobago and is engaged in the manufacture and sale of cement, concrete and aggregates. The Company is a limited liability company with its registered office located at Southern Main Road, Claxton Bay and is the parent company of various subsidiary companies operating in Trinidad & Tobago and the wider Caribbean region.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group').

As at year end the ordinary shares of the Company and certain entities within the Group are publicly traded on the Trinidad and Tobago Stock Exchange (TTSE) and Barbados Stock Exchange (BSE). At the date of approval of the consolidated financial statements, the Company was delisted from the Jamaica Stock Exchange (JSE) and has embarked upon a process of delisting from the BSE.

The Company is a subsidiary of Sierra Trading. As a result, the Group's ultimate parent company is CEMEX, S.A.B. de C.V., a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of the United Mexican States, or Mexico and it shares are publicly traded on the Mexican Stock Exchange ("MSE") as Ordinary Participation Certificates ("CPOs") under the symbol "CEMEXCPO". Each CPO represents two series "A" shares and one series "B" share of common stock of CEMEX, S.A.B. de C.V. In addition, CEMEX, S.A.B. de C.V.'s shares are listed on the New York Stock Exchange ("NYSE") as American Depositary Shares ("ADSs") under the symbol "CX." Each ADS represents ten CPOs.

The Company's subsidiaries and their principal activities are detailed in Note 25.

These consolidated financial statements were authorised for issue by Trinidad Cement Limited's Board of Directors on February 19, 2019.

2. Basis of Accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3. Basis of Measurement

The consolidated financial statements are prepared on the historical cost basis modified for the inclusion of net defined benefit asset (obligation) which is recognised at fair value of plan assets, adjusted by re-measurement through other comprehensive income (OCI), less the present value of the defined obligation adjusted by experience gains/losses on revaluation, limited as explained in Note 7(i) and Note 10.

4. Basis of Consolidation

(i) Subsidiaries

A subsidiary Company is an entity controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

4. Basis of Consolidation (continued)

(i) Subsidiaries (continued)

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the carrying amount of assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Reclassifies to profit or loss or to retained earnings, as appropriate, the amounts recognised in OCI as would be required if the Group had directly disposed of the related assets or liabilities
- Recognises any resulting difference as a gain or loss in profit or loss attributable to the Parent

Non-controlling interests represent the interests not held by the Group in Readymix (West Indies) Limited, Caribbean Cement Company Limited, TCL Ponsa Manufacturing Limited, and TCL Packaging Limited. The Company acquired the non-controlling interest held in TCL Guyana Inc during 2018.

(ii) Transactions eliminated on consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

5. Functional and Presentation Currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These consolidated financial statements are presented in Trinidad and Tobago dollars, rounded to the nearest thousand, which is the Group's functional and presentation currency.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

6. Use of Judgements and Estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The key judgements, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell is determined using an approach that includes the use of market observable data for similar type CGUs. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(ii) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the existence of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group Companies' domicile.

6. Use of Judgements and Estimates (continued)

(ii) Taxes (continued)

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised or there are available timing differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and the availability of timing differences.

(iii) Provision for doubtful debts

Management exercises judgement in determining the adequacy of provisions established for accounts receivable balances for which collections are considered doubtful. Judgement is used in the assessment of the extent of the recoverability of certain balances. Actual outcomes may be materially different from the provision established by management.

Impairment losses: Policy applicable from January 1, 2018

Impairment losses of financial assets, including trade accounts receivable, are recognized using the expected credit loss model for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred, considering for their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability.

(iv) Property, plant and equipment

Management exercises judgement in determining whether costs incurred can accrue significant future economic benefits to the Group to enable the value to be treated as a capital expense.

Further judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation determined thereon.

Additionally, management exercises judgement in the determination of the key assumptions utilized in the impairment tests performed on the property, plant and equipment. These assumptions include the use of a suitable discount rate and applicable cash flow forecasts to be used in the analysis. These variables significantly impact the results and conclusions derived from the impairment tests performed.

(v) Defined contribution plans

The cost of defined benefit pension plans, and other post-retirement benefits are determined using actuarial valuations. The actuarial valuation involves making judgements and assumptions in determining discount rates, expected rates of return on assets, future salary increases, and future pension increases. Due to the long term nature of these plans, such assumptions are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

7. Significant Accounting Policies

The significant accounting policies adopted in the preparation of these consolidated financial statements have been applied consistently to all the periods presented in the consolidated financial statements and are set out below.

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit and loss.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

7. Significant Accounting Policies (continued)

(a) Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The Group assesses at each reporting date whether there is an indication that goodwill maybe impaired. If any such indication exists, or when impairment testing for an asset is required, the Group makes an estimate of the assets recoverable amount.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. All other repairs and maintenance are recognised in profit or loss.

Depreciation is provided on the straight line or reducing balance basis at rates estimated to write-off the assets over their estimated useful lives. The estimated useful lives of assets are reviewed periodically, taking account of commercial and technological obsolescence as well as normal wear and tear, and the depreciation rates are adjusted if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Current rates of depreciation are:

Buildings	-	2%	-	4%
Plant, machinery and equipment	-	3%	-	25%
Motor vehicles	-	10%	-	25%
Office furniture and equipment	-	10%	-	33%

Leasehold land and improvements are amortised over the shorter of the remaining term of the lease and the useful life of the asset. Freehold land and capital work-in-progress are not depreciated. The limestone reserves contained in the leasehold land at a subsidiary is valued at fair market value determined at the date of acquisition of the subsidiary and was subsequently carried at this cost. A depletion charge is recognised based on units of production from those reserves.

7. Significant Accounting Policies (continued)

(b) Property, plant and equipment (continued)

All other limestone reserves which are contained in lands owned by the Group are not carried at fair value, but the related land is stated at historical cost.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(c) Inventories

Plant spares, raw materials and consumables are valued at the lower of weighted average cost and net realizable value. Work in progress and finished goods are valued at the lower of cost and net realisable value. Cost of inventories includes those expenditures incurred in acquiring or producing inventories including production overheads and other conversion costs incurred to bring them to their existing location and condition. Net realisable value is the estimate of the selling price less the costs of completion and direct selling expenses.

(d) Foreign currency translation

Foreign currency transactions

Transactions in foreign currencies are initially recorded by Group entities in their functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency spot rate of exchange ruling at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Exchange differences on foreign currency transactions are recognised in profit or loss.

Foreign entities

On consolidation, assets and liabilities of foreign entities are translated into Trinidad and Tobago dollars at the rate of exchange ruling at the financial reporting date and their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on re-translation are recognised in other comprehensive income. On disposal of the foreign operation, the deferred cumulative amount recognised in other comprehensive income is recognised in profit or loss.

7. Significant Accounting Policies (continued)

(e) Segment information

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices. Revenues are attributable to geographic areas based on the location of the assets producing the revenues.

(f) Financial instruments

Financial instruments carried on the consolidated statement of financial position include cash and bank balances including advances/overdrafts, accounts receivables, accounts payables, and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(g) Leases

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Finance leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

7. Significant Accounting Policies (continued)

(h) Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax

A deferred tax charge is provided, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that future taxable profit will be available against which these deductible temporary differences and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

(i) Employee benefits

Employee benefits include pension plans and post-retirement medical benefits. Defined benefit pension plans are generally funded by payments from employees and by the relevant Group companies, taking into account of the rules of the pension plans and the recommendations of independent professional actuaries.

For defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is calculated based on the advice of independent actuaries who also carry out a full funding valuation of the plans every three years. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates of long term government securities.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods

7. Significant Accounting Policies (continued)

(i) Employee benefits (continued)

Defined contribution plans are accounted for on the accrual basis, as the Group's liabilities are limited to its contributions.

Certain subsidiaries also provide post-retirement healthcare benefits to their retirees. The expected costs of these benefits are measured and recognised in a manner similar to that for defined benefit plans. Valuation of these obligations is carried out by independent professional actuaries using an accounting methodology similar to that for the defined benefit pension plans.

Past service costs are recognised in profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'personnel remuneration and benefits' in profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

(j) Revenue recognition

Sales of goods

As mentioned in note 7 (w), the Group adopted IFRS 15 on January 1, 2018 using the retrospective approach. The Group's policies under IFRS 15 are as follows:

Revenue is recognized at a point in time or over time in the amount of the price, before tax on sales, expected to be received by the Group for goods and services supplied as a result of its ordinary activities, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Revenues are decreased by any trade discounts or volume rebates granted to customers. Transactions between related parties are eliminated in consolidation.

Variable consideration is recognized when it is highly probable that a significant reversal in the amount of cumulative revenue recognized for the contract will not occur and is measured using the expected value or the most likely amount method, whichever is expected to better predict the amount based on the terms and conditions of the contract.

7. Significant Accounting Policies (continued)

(j) Revenue recognition (continued)

Revenue and costs from trading activities, in which the Group acquires finished goods from a third party and subsequently sells the goods to another third-party, are recognized on a gross basis, considering that the Group assumes ownership risks on the goods purchased, not acting as agent or broker.

Interest and investment income

Interest and investment income are recognised as they accrue unless collectability is in doubt.

(k) Trade and other receivables

Trade and other receivables are carried at anticipated realizable value. The policy from December 31, 2017 is to recognize impairment under the expected credit loss. The policy before December 31, 2017 was to record provisions for specific doubtful receivables based on a review of all outstanding amounts at each year-end.

(l) Trade and other payables

Liabilities for trade and other payables, which are normally settled on 30-120 day terms are carried at cost, which represents the consideration to be paid in the future for goods and services received whether or not billed to the Group.

(m) Interest bearing loans and borrowings

Borrowings are initially recognised at the fair value of the consideration received less directly attributable costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in profit or loss.

7. **Significant Accounting Policies** (continued)

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(o) Provisions

Provisions are recorded when the Group has a present or constructive obligation as a result of past events, 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.

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

When the Group can reliably measure the outflow of economic benefits in relation to a specific matter and considers such outflows to be probable, the Group records a provision against the matter. Given the subjectivity and uncertainty of determining the probability amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

(p) Earnings per share

Earnings per share is computed by dividing net profit or loss attributable to the shareholders of the Parent for the year by the weighted average number of ordinary shares in issue during the year. Diluted earnings or loss per share is computed by adjusting the weighted average number of ordinary shares in issue for the assumed conversion of potential dilutive ordinary shares into issued ordinary shares. The Group has no dilutive potential ordinary shares in issue.

(q) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include all cash and bank balances and overdraft balances with maturities of less than three months from the date of establishment.

7. **Significant Accounting Policies** (continued)

(r) Equity compensation benefits

The Group accounts for profit sharing entitlements which are settled in the shares of the Parent Company through an Employee Share Ownership Plan (ESOP) as an expense determined at market value. The cost incurred in administering the Plan is recorded in the statement of income of the Parent Company. The cost of the unallocated shares of the Parent Company, which are treated as treasury shares, is recognised as a separate component within equity.

(s) Equity movements

Stated capital

Ordinary stated capital is classified within equity and is recognised at the fair value of the consideration received by the Company. As equity is repurchased, the amount of consideration paid is recognised as a charge to equity and reported in the consolidated statement of financial position as treasury shares.

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's Board of Directors. Interim dividends are deducted from equity when they are paid. Dividends for the year that are approved after the consolidated statement of financial position date are dealt with as an event after the end of reporting date.

Treasury shares

Own equity instruments which are re-acquired ("treasury shares") are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in other reserves. Such treasury shares are presented separately within equity and are stated at cost.

(t) Impairment of assets

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to dispose and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

7. **Significant Accounting Policies** (continued)

(t) Impairment of assets (continued)

Non-financial assets (continued)

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are separately disclosed in profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amounts in which case the reversal is treated as a revaluation increase. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

Financial assets

The carrying value of all financial assets not carried at fair value through profit or loss is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The identification of impairment and the determination of recoverable amounts is an inherently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable market prices and expected net selling prices.

(u) Fair value measurement

The Group does not measure any assets or liabilities at fair value in its consolidated statement of financial position. The fair values of financial instruments measured at amortised cost are disclosed in Note 28. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

7. Significant Accounting Policies (continued)

(u) Fair value measurement (continued)

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

(v) Financial instruments

Financial instruments carried on the consolidated statement of financial position include cash at bank and short-term deposits, accounts payables, accounts receivables and borrowings.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in the particular recognition methods disclosed in their individual policy statements associated with each item.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Group's financial liabilities include accounts payable and accruals which are recognised initially at fair value.

7. Significant Accounting Policies (continued)

(v) Financial instruments (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in their individual policy statements associated with each item.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(w) Changes in significant accounting policies

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements:

The Group has initially applied IFRS 9, *Financial Instruments* and IFRS 15, *Revenue from Contacts with Customers* from January 1, 2018. A number of other new standards are also effective from January 1, 2018 but do not have a material effect on the Group's financial statements.

Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards, except for separately presenting impairment loss on trade receivables.

The effect of initially applying these standards is mainly attributable to an increase in impairment losses recognised on trade receivables.

(Expressed in Thousands of Trinidad and Tobago Dollars)

7. **Significant Accounting Policies** (continued)

(w) Changes in significant accounting policies (continued)

- IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell-non financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement.*

As a result of the adoption of IFRS 9, the Group has adopted consequential amendments to IAS 1 *Presentation of Financial Statements*, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Group's approach was to include the impairment of trade receivables in earnings before interest, tax, depreciation, gain on disposal of property, plant and equipment and restructuring costs. Consequently, the Group reclassified impairment losses amounting to $6,661, recognised under IAS 39 *Financial Instruments: Recognition and Measurement*, from 'earnings before interest, tax, depreciation, gain on disposal of property, plant and equipment and restructuring costs' to 'impairment credit (loss) on trade receivables' in the statement of profit or loss for the year ended December 31, 2017. There were no impairment losses on other financial assets.

Additionally, the Group had adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures* that are applied to disclosures about 2018 but have not been generally applied to comparative information.

The following summarises the impact, net tax, of transition to IFRS 9 on the opening balances:

	Retained Earnings	**Non-Controlling Interest**
	$	**$**
Recognition of expected credit losses under IFRS 9	(6,915)	(205)
Impact at January 1, 2018	(6,915)	(205)

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

(Expressed in Thousands of Trinidad and Tobago Dollars)

7. Significant Accounting Policies (continued)

(w) Changes in significant accounting policies (continued)

- IFRS 9 (continued)

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities.

The following table below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and liabilities as at January 1, 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements.

	Original Classification under IAS 39	New Classification under IFRS 9	Original Carrying Amount $	New Carrying Amount $
Financial assets				
Trade receivables	Loans and receivables	Amortised cost	112,975	105,456
Cash and cash equivalents	Loans and receivables	Amortised cost	118,826	118,826
Financial liabilities				
Payables	Other financial liabilities	Amortised cost	327,959	327,959
Borrowings	Other financial liabilities	Amortised cost	913,108	913,108

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

For assets in the scope of IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional allowance for impairment on trade receivables alone of $7,137.

7. **Significant Accounting Policies** (continued)

(w) Changes in significant accounting policies (continued)

- IFRS 9 (continued)

  Transition

  The Group has used an exception not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings as at January 1, 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

  The following assessment has been made on the basis of the facts and circumstances that existed at the date if initial application:

  - The determination of the business model within which a financial asset is held.

- IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations. Under IFRS 15, revenue is recognised when the customer obtains control of the goods and services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. The Group's adoption of IFRS 15 had no impact on revenue recognition.

(x) New, revised and amended standards and interpretations that became effective during the year

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements:

- IFRS 9

  Effective beginning January 1, 2018, IFRS 9 sets forth the guidance relating to the classification and measurement of financial assets and financial liabilities, the accounting for expected credit losses of financial assets and commitments to extend credits, as well as the requirements for hedge accounting; and replaced IAS 39, Financial instruments: recognition and measurement ("IAS 39"). The Group applied IFRS 9 prospectively. The accounting policies were changed to comply with IFRS 9.

7. **Significant Accounting Policies** (continued)

(x) ***New, revised and amended standards and interpretations that became effective during the year*** (continued)

- IFRS 9 (continued)

  The changes required by IFRS 9 are described as follows:

  Among other aspects, IFRS 9 changed the classification categories for financial assets under IAS 39 and replaced them with categories that more closely reflect the measurement method, the contractual cash flow characteristics and the entity's business model for managing the financial asset:

  - Cash and cash equivalents, trade and other accounts receivable and other financial assets, which were classified as "Loans and receivables" and measured at amortized cost under IAS 39, are now classified as "Held to collect" under IFRS 9 and continue to be measured at amortized cost.

  - Investments and non-current accounts receivable that were classified as "Held to maturity" and measured at amortized cost under IAS 39, are now classified as "Held to collect" under IFRS 9 and continue to be measured at amortized cost.

  - Investments that were classified as "Held for trading" and measured at fair value through profit or loss under IAS 39, are now classified as "Other investments" under IFRS 9 and are measured at fair value through profit or loss.

  - Certain investments that were classified as "Held for sale" and measured at fair value through other comprehensive income under IAS 39, are now considered as strategic investments under IFRS 9 and continue to be measured at fair value through other comprehensive income.

  - Financial instruments continue to be measured at fair value through profit or loss under IFRS 9.

  The Group assessed which business models applied to its financial assets and liabilities as of the date of initial application of IFRS 9 and classified its financial instruments into the appropriate IFRS 9 categories.

7. **Significant Accounting Policies** (continued)

(x) ***New, revised and amended standards and interpretations that became effective during the year*** (continued)

- IFRS 9 (continued)

  In addition, under the new impairment model under IFRS 9, based on expected credit losses, impairment losses for the entire lifetime of financial assets, including trade accounts receivable, are recognized on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred, considering for their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability.

  The Company developed an expected credit loss model applicable to its trade accounts receivable that considers the historical performance and economic environment, as well as the credit risk and expected developments for each group of customers and applied the simplified approach upon adoption of IFRS 9.

- IFRS 15

  Under IFRS 15, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, following a five step model: Step 1: Identify the contract(s) with a customer (agreement that creates enforceable rights and obligations); Step 2: Identify the different performance obligations (promises) in the contract and account for those separately; Step 3: Determine the transaction price (amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services); Step 4: Allocate the transaction price to each performance obligation based on the relative stand-alone selling prices of each distinct good or service; and Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation by transferring control of a promised good or service to the customer.

  A performance obligation may be satisfied at a point in time (typically for the sale of goods) or over time (typically for the sale of services and construction contracts). IFRS 15 also includes disclosure requirements to provide comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

7. **Significant Accounting Policies** (continued)

(x) ***New, revised and amended standards and interpretations that became effective during the year*** (continued)

- IFRS 15 (continued)

  After an extensive analysis of its contracts with customers, business practices and operating systems for all the reported periods in all the countries in which the Group operates in order to review the different performance obligations and other promises (discounts, loyalty programs, rebates, etc.) included in such contracts, among other aspects, aimed to determine the differences in the accounting recognition of revenue with respect to prior IFRS.

(y) ***New, revised and amended standards and interpretations not yet effective***

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early-adopted.

The Group is assessing the impact that the following amendments will have on its 2019 financial statements.

- IFRS 16 *Leases,* which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Entities will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of US$5,000 or less.

  Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

  Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

7. **Significant Accounting Policies** (continued)

(y) New, revised and amended standards and interpretations not yet effective (continued)

- IFRIC 23 *Uncertainty over Tax Treatments*, which is effective for annual reporting periods beginning on or after January 1, 2019, clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities, whilst aiming to enhance transparency. IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

  - judgements made;
  - assumptions and other estimates used; and
  - the potential impact of uncertainties that are not reflected.

- Amendments to IFRS 9, *Prepayment Features with Negative Compensation*, which is effective for annual reporting periods beginning on or after January 1, 2019, removes the word "additional" so that negative compensation may be regarded as "reasonable compensation" irrespective of the cause of the early termination. Financial assets with these prepayment features can therefore be measured at amortised cost or at FVOCI if they meet the other relevant requirements of IFRS 9. Retrospective application is required, subject to relevant transitional reliefs.

  The Board clarified that IFRS 9 (as issued in 2014) requires prepares to:

  - recalculate the amortised cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate (EIR); and
  - recognize any adjustment to profit or loss.

  The accounting treatment is therefore consistent with that required for modifications of financial assets that do not result in derecognition. If the initial application of IFRS 9 results in a change in accounting policy for these modifications or exchanges, then retrospective application is required, subject to transitional reliefs.

- Amendments to IAS 19, *Plan Amendment, Curtailment or Settlement,* which is effective for annual reporting periods beginning on or after January 1, 2019, clarifies that:

  - on amendment, curtailment or settlement of a defined benefit plan, the Group can now use updated actuarial assumptions to determine its current service cost and net interest for the period; and
  - the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separate in other comprehensive income.

7. Significant Accounting Policies (continued)

(y) New, revised and amended standards and interpretations not yet effective (continued)

- Annual Improvements to IFRS Standards 2015-2017 Cycle, which is effective for annual reporting periods beginning on or after January 1, 2019:

  - Amendments to IFRS 3, *Business Combinations and* IFRS 11, *Joint Arrangements*, clarifies how a company accounts for increasing its interest in a joint operation that meets the definition of a business. The amendments also provide further guidance on what constitutes the previously held interest. This is the entire previously held interest in the joint operation.

  - Amendments to IAS 12, *Income Taxes,* clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI or equity.

  - Amendments to IAS 23, *Borrowing Costs,* clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that are intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non-qualifying assets – are included in that general pool. The changes are to be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.

- Amendments to Reference to Conceptual Framework in IFRS Standards, which is effective for annual reporting periods beginning on or after January 1, 2020, is a comprehensive revision of the exiting framework. It covers all aspects of standard setting from the objective of financial reporting, to presentation and disclosures. Most of the concepts are not new, the revised framework codifies the IASB's thinking adopted in recent standards. Some areas such as the distinction between liabilities and equity have been removed from the revised Framework, and are being dealt with in separate projects.

(Expressed in Thousands of Trinidad and Tobago Dollars)

8. Correction of Errors

During 2018 the Group discovered that payments for post-retirement medical care of retirees of the Jamaican subsidiaries were erroneously included and accounted for as short-term employee benefits. In accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* the financial statements have been restated to account for the employee benefits liability and expenses arising from commitments to provide this post-retirement medical care consistently with IAS 19, *Employee Benefits*. The impact of the restatement for the previously reported period ended December 31, 2017 is illustrated below.

(a) Consolidated statement of financial position

			Impact of Correction of Error	
January 1, 2017	**Note**	**As previously Stated**	**Adjustments**	**As Restated**
		$	**$**	**$**
Non-current assets				
Deferred tax assets		394,075	8,794	402,869
Equity				
Retained earnings		464,549	(19,548)	445,001
Non-controlling interests	16	(221)	(6,832)	(7,053)
Non-current liabilities				
Other post-retirement benefits		94,412	35,174	129,586

			Impact of Correction of Error	
December 31, 2017	**Notes**	**As previously Stated**	**Adjustments**	**As Restated**
		$	**$**	**$**
Non-current assets				
Deferred tax assets	11(d)	332,655	11,176	343,831
Equity				
Reserves	14(b)	(240,405)	(662)	(241,067)
Retained earnings		193,890	(24,182)	169,708
Non-controlling interests	16	(8,365)	(8,684)	(17,049)
Non-current liabilities				
Other post-retirement benefits		103,359	44,704	148,063

(Expressed in Thousands of Trinidad and Tobago Dollars)

8. Correction of Errors (continued)

(b) Consolidated statement of profit or loss

		Impact of Correction of Error		
December 31, 2017	**Notes**	**As Previously Stated**	**Adjustments**	**As Restated**
		$	**$**	**$**
Earnings before interest, depreciation, amortisation, tax, stockholding and inventory restructuring and manpower restructuring costs		312,998	(2,518)	310,480
Taxation charge		(82,916)	629	(82,287)
Profit for the year		(255,142)	(1,889)	(257,031)
Loss attributable to:				
Owners of the Company	22	(266,165)	(1,400)	(267,565)
Non-controlling interests	17	11,023	(489)	10,534
		(255,142)	(1,889)	(257,031)
Consolidated statement of comprehensive income				
Item that may never be reclassified to profit or loss:				
Exchange differences on translation of foreign operations:		14,834	(893)	13,941
Items that will not be reclassified to profit or loss:				
Re-measurement gains on pension plans and other post-retirement benefits		21,158	(5,821)	15,337
Related tax charge		(6,678)	1,455	(5,223)
		14,480	(4,366)	10,114
Total comprehensive loss attributable to:				
Owners of the Company		(238,333)	(5,297)	(243,630
Non-controlling interests		16,481	(1,851)	14,630
		(221,852)	(7,148)	(229,000)

(Expressed in Thousands of Trinidad and Tobago Dollars)

9. Property, Plant and Equipment

	Land and Buildings	Plant, Machinery and Equipment and Motor Vehicles	Office Furniture and Equipment	Capital Work in Progress	Total
	$	$	$	$	$
At December 31, 2018					
Cost	484,293	3,075,194	48,154	225,833	3,833,474
Accumulated depreciation and impairment	(255,645)	(1,639,157)	(43,333)	(42,273)	(1,980,408)
Net book amount	228,648	1,436,037	4,821	183,560	1,853,066
Net book amount					
January 1, 2018	222,455	1,293,613	19,026	276,685	1,811,779
Exchange rate adjustments	6,499	17,341	(10,611)	(7,551)	5,678
Additions	634	52,749	419	115,859	169,661
Transfers	12,454	189,320	393	(202,167)	-
Disposals and adjustments	1,731	(8,116)	(1,275)	734	(6,926)
Depreciation charge	(15,125)	(108,870)	(3,131)	-	(127,126)
December 31, 2018	228,648	1,436,037	4,821	183,560	1,853,066
At December 31, 2017					
Cost	466,368	3,428,825	58,855	318,740	4,272,788
Accumulated depreciation and impairment	(243,913)	(2,135,212)	(39,829)	(42,055)	(2,461,009)
Net book amount	222,455	1,293,613	19,026	276,685	1,811,779
Net book amount					
January 1, 2017	238,894	1,331,318	21,787	213,256	1,805,255
Exchange rate adjustments	2,990	10,572	88	571	14,221
Additions	8,180	32,983	449	173,302	214,914
Transfers	23,948	43,516	966	(68,430)	-
Disposals and adjustments	(45)	(1,093)	(86)	-	(1,224)
Depreciation charge	(12,085)	(112,271)	(3,613)	-	(127,969)
Impairment charge	(39,427)	(11,412)	(565)	(42,014)	(93,418)
December 31, 2017	222,455	1,293,613	19,026	276,685	1,811,779

9. Property, Plant and Equipment (continued)

In accordance with IAS 36: "*Impairment of assets*", management performed an impairment test on Property, Plant and Equipment (PPE) and related assets of the Barbados subsidiary (ACCL) and recorded an impairment provision of $93.4 million. The recoverable amount of $66.5 million was based on the fair value. A valuation exercise was undertaken during 2017 to determine the fair value of the Group and its assets at 1 February 2017. The valuation was conducted by external, independent professionals having appropriate qualifications and experience in the location and assets valued. The valuator used the market approach to value real property (land) and the cost approach to value buildings and machinery and equipment. This valuation was used to measure the fair value of the PPE in Barbados at December 31, 2017.

10. Employee Benefits

The Trinidad Cement Limited Employees' Pension Fund Plan, a defined benefit plan, is sectionalised for funding purposes into three segments to provide retirement pensions to the retirees of Trinidad Cement Limited ("TCL"), TCL Packaging Limited ("TPL") and Readymix (West Indies) Limited ("RML"). Another pension plan, resident in Barbados, covers the employees of Arawak Cement Company Limited and Premix and Precast Concrete Incorporated. Employees of TCL Ponsa Manufacturing Limited are paid an end of service lump sum payment directly by the Company.

The Parent Company's employees and employees of TPL and RML are members of the Trinidad Cement Limited Employees' Pension Fund Plan (the Plan). This is a defined benefit pension plan which provides pensions related to employees' length of service and basic earnings at retirement. The Plan's financial funding position is assessed by means of triennial actuarial valuations carried out by an independent professional actuary. The Actuarial Valuation report (the Report) as at December 31, 2015 revealed that the TCL section was in surplus by $77.1 million but the RML and TPL sections were in deficit by $6.1 million and $2.2 million respectively. The next triennial actuarial valuation is due as at December 31, 2018.

The Report recommended service contribution rates for TCL, RML and TPL as a percentage of salaries at 10%, 17.4% and 25.7% respectively.

Employees of Arawak Cement Company Limited are members of a defined benefit pension plan (the ACCL Plan), which became effective in September 1994. The ACCL Plan is established under an irrevocable trust and its assets are invested through an independently administered segregated fund policy. The triennial actuarial valuation was last carried out as at January 2013 and showed a funding surplus of $4.3 million. The actuary has recommended that the Company contributes at the rate of 1% of members' earnings.

(Expressed in Thousands of Trinidad and Tobago Dollars)

10. Employee Benefits (continued)

The numbers below are extracted from information supplied by independent actuaries.

Pension plan assets (liabilities) and other post-retirement obligations:

	2018 $	Restated 2017 $
Pension plan assets	14,233	34,392
Pension plan liabilities	(12,359)	(20,501)
Net pension plan assets	1,874	13,891
Other post-retirement obligations:		
Retiree's medical benefit obligations	(159,559)	(144,680)
Service benefit obligations	(1,393)	(3,383)
Total other post-retirement obligations	(160,952)	(148,063)
Re-measurement gains (losses) recognised in OCI:		
Pension plan	(16,234)	26,462
Other post-retirement obligations	(8,296)	(11,125)
	(24,530)	15,337
Pension costs charged to profit or loss:		
Pension plan	(16,589)	34,732
Other post-retirement obligations	(10,502)	(10,502)
	(27,091)	24,230

(Expressed in Thousands of Trinidad and Tobago Dollars)

10. Employee Benefits (continued)

(a) Changes in the defined benefit obligation and fair value of plan assets:

	Defined Benefit Obligation	Fair Value of Plan Assets	Net Pension Plan Asset
	$	$	$
Restated Balance at January 1, 2018	(966,917)	980,808	13,891
Pension cost charged to profit or loss			
Current service cost	(16,321)	(2,298)	(18,619)
Past service cost	-	-	-
Net interest	(52,447)	54,477	2,030
Sub-total included in profit or loss	(68,768)	52,179	(16,589)
Re-measurement gains (losses) recognised in OCI			
Return on plan assets	-	(46,686)	(46,686)
Actuarial changes arising from changes in financial assumptions			
Experience adjustments	31,709	(1,257)	30,452
Sub-total included in OCI	31,709	(47,943)	(16,234)
Other movements			
Contributions by employee	(10,441)	10,441	-
Contributions by employer	-	20,752	20,752
Benefits paid	64,472	(64,472)	-
Other movements	(207)	261	54
Sub-total – other movements	53,824	(33,018)	20,806
Balance at December 31, 2018	(950,152)	952,026	1,874

The Group expects to contribute $12.1 million to its pension plan in 2019.

The weighted average duration of the defined benefit obligations at December 31, 2018 ranges from 13.7 to 17.7 years (2017: 13.7 to 17.7 years).

(Expressed in Thousands of Trinidad and Tobago Dollars)

10. Employee Benefits (continued)

(a) Changes in the defined benefit obligation and fair value of plan assets (continued):

	Defined Benefit Obligation	Fair Value of Plan Assets	Net Pension Plan Asset
	$	$	$
Balance at January 1, 2017	(941,920)	954,248	12,328
Pension cost charged to profit or loss			
Current service cost	(24,957)	(2,107)	(27,064)
Past service cost	(8,485)	-	(8,485)
Net interest	(51,966)	52,783	817
Sub-total included in profit or loss	(85,408)	50,676	(34,732)
Re-measurement gains (losses) recognized in OCI			
Return on plan assets	-	11,430	11,430
Experience adjustments	19,547	(4,515)	15,032
Sub-total included in OCI	19,547	6,915	26,462
Other movements			
Contributions by employee	(5,420)	5,420	-
Contributions by employer	-	9,822	9,822
Benefits paid	46,306	(46,306)	-
Other movements	(22)	33	11
Sub-total – other movements	40,864	(31,031)	9,833
Balance at December 31, 2017	(966,917)	980,808	13,891

(Expressed in Thousands of Trinidad and Tobago Dollars)

10. **Employee Benefits** (continued)

(b) Changes in the other post-retirement benefits

	2018 $	2017 $
Balance at January 1	(148,063)	(129,586)
Pension cost charged to profit or loss		
Current service cost	(3,846)	(4,172)
Past service cost	-	1,729
Net interest	(8,917)	(8,059)
Sub-total included in profit or loss	(12,763)	(10,502)
Re-measurement (losses) gains recognised in OCI		
Actuarial changes arising from changes in demographic assumptions	-	2,616
Actuarial changes arising from changes in financial assumptions	(6,967)	(6,764)
Experience adjustments	(1,329)	(6,977)
Sub-total included in OCI	(8,296)	(11,125)
Other movements		
Benefits paid	7,457	4,344
Other benefits	713	(1,194)
Sub-total – other movements	8,170	3,150
Balance at December 31	(160,952)	(148,063)

(c) The major categories of plan assets of the fair value of the total plan assets are, as follows:

	2018 %	2017 %
Cash and cash equivalents	4	6
Equities	44	43
Bonds	51	50
Mortgages	1	1
	100	100

Overseas equities are quoted on actively traded markets. Local equities are quoted on relatively illiquid markets.

(Expressed in Thousands of Trinidad and Tobago Dollars)

10. Employee Benefits (continued)

(d) Principal actuarial assumptions used in determining pension plan and other post-retirement benefits for the Group

Pension plan

The actual return on plan assets for 2018 amounted to $25,322 (2017: $57,330).

	2018 %	2017 %
Discount rate at December 31:		
Trinidad Cement Limited Employees' Pension Fund Plan	5.50	5.50
Arawak Cement Company Limited Pension Fund Plan	7.75	7.75
Future salary increases:		
Trinidad Cement Limited Employees' Pension Fund Plan	5.00	5.00
Arawak Cement Company Limited Pension Fund Plan	6.75	6.75

		2018	2017
Post-retirement mortality for pensioners at 60:	Male	21.0	21.0
	Female	25.1	25.1

A quantitative sensitivity analysis for significant assumptions as at December 31, 2018 is as shown below:

Assumptions Sensitivity level: 1%	**Discount Rate Increase**	**Discount Rate Decrease**	**Future Salary Increases Increase**	**Future Salary Increases Decrease**	**Life Expectancy of Pensioners Increase by 1 year**
Impact on the defined benefit obligation	(117)	149	47	(39)	14

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(Expressed in Thousands of Trinidad and Tobago Dollars)

10. Employee Benefits (continued)

(d) ***Principal actuarial assumptions used in determining pension plans and other post-retirement benefits for the Group*** (continued)

Other post-retirement obligations

	2018 %	2017 %
Discount rate at December 31:		
Trinidad and Tobago	5.5	5.5
Jamaica	7.0	8.0
Future medical claims inflation		
Trinidad and Tobago	5.0	5.0
Jamaica	6.0	7.0

		2018	2017
Post-retirement mortality for pensioners at 60:	Male	21.0	21.0
	Female	25.1	25.1

A quantitative sensitivity analysis for significant assumptions as at December 31, 2018 is as shown below:

Assumptions Sensitivity level: 1%	Discount Rate Increase	 Decrease	Future Medical Claims Inflation Increase	 Decrease	Life Expectancy Increase by 1 year
Impact on the defined benefit obligation	(21)	27	26	(21)	5

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Group expects to contribute $5.790 million to its other post-retirement benefits in 2018.

(Expressed in Thousands of Trinidad and Tobago Dollars)

11. Trade and Other Receivables

	2018 $	2017 $
Trade receivables	128,486	144,111
Less: provision for doubtful debts	(29,886)	(31,136)
Trade receivables (net)	98,600	112,975
Sundry receivables and prepayments	57,997	30,217
Due from group companies (Note 26)	1,742	6,361
Deferred expenditure	-	865
Taxation recoverable	14,663	10,235
	173,002	160,653
Presented in the consolidated statement of financial position as follows:		
Non-current	-	114
Current	173,002	160,539
	173,002	160,653

	Total	Neither past due nor impaired	Past due but not impaired 1-90 days	91-180 days	Over 180 days
	$	$	$	$	$
2018	98,600	63,198	32,568	2,746	88
2017	112,975	62,936	47,531	1,949	559

As at year end, the impairment provision for trade receivables assessed to be doubtful was $29.9 million (2017: $31.1 million). Movements in the provision for impaired receivables were as follows:

	2018 $	2017 $
At January 1	31,136	43,669
Adjustment on initial application of IFRS 9	7,136	-
Charge for the year	(2,415)	6,661
Unused amounts reversed/written off	(5,971)	(19,194)
At December 31	29,886	31,136

(Expressed in Thousands of Trinidad and Tobago Dollars)

	2018	Restated 2017
	$	$

12. Taxation

(a) Taxation charge

	2018 $	Restated 2017 $
Deferred taxation (Note 12(c))	44,070	36,305
Current taxation	19,101	45,982
	63,171	82,287

(b) Reconciliation of applicable tax rate to effective tax rate

	2018		Restated 2017	
	$	%	$	%
Profit (loss) before taxation	56,159	100	(174,744)	100
Tax charge calculated at 30% (2017: 30%)	16,848	30	(52,423)	(30)
Movement in deferred tax income assets not recognised and net effect of other charges	48,858	87	109,613	62
Impact of income not subject to tax	(4,576)	(8)	(6,953)	(4)
Business and green fund levies	6,005	11	6,983	4
Impact of change in Trinidad and Tobago tax rate	-	-	(50)	-
Others	(1,992)	(4)	-	-
Effect of different tax rates outside Trinidad and Tobago	(2,181)	(4)	25,117	15
Taxation charge reported in the profit of loss	63,171	112	82,287	47

As at December 31, 2018, a deferred tax asset of $127.9 million (2017: $332.6 million) in relation to tax losses and capital allowances available for reducing future tax payments was not recognised in the consolidated statement of financial position given a level of uncertainty regarding their utilization within a reasonable time.

Trinidad Cement Limited has tax losses of $701.2 million (2017: $1.359 million) available for set off against future taxable profits. Caribbean Cement Company Limited and its subsidiaries have tax losses of $84.5 million (2017: $115.5 million) available for set off against future taxable profits.

(Expressed in Thousands of Trinidad and Tobago Dollars)

12. Taxation (continued)

(b) Reconciliation of applicable tax rate to effective tax rate (continued)

Arawak Cement Company Limited has tax losses of $371 million (2017: $370 million) available for set off against future taxable profits. These tax losses expire over a 6 year period ending in 2025.

These losses are subject to agreement with the respective tax authorities.

	2018	Restated 2017
	$	$
(c) Movement in deferred tax net balance:		
Net balance at January 1	15,872	57,910
Exchange rate and other adjustments	(750)	(510)
Credit (charge) to profit or loss	(44,070)	(36,305)
Charge to other comprehensive income	7,615	(5,223)
Net balance at December 31 (Note 11(d))	21,333	15,872
(d) Components of the deferred tax assets (liabilities) are as follows:		
Deferred tax assets:		
Tax losses carry forward	127,940	288,001
Interest accrual	813	805
Other post-retirement benefits	44,082	41,169
*Others	6,954	13,856
Balance at December 31	179,789	343,831

* Comprises mainly accruals and provisions.

(Expressed in Thousands of Trinidad and Tobago Dollars)

12. Taxation (continued)

(d) Components of the deferred tax assets (liabilities) are as follows (continued)

	2018	Restated 2017
	$	$
Deferred tax liabilities:		
Property, plant and equipment	(201,038)	(325,737)
Pension plan assets	-	(1,192)
Others	(84)	(1,030)
Balance at December 31	(201,122)	(327,959)
Net deferred tax (liabilities) assets	(21,333)	15,872

13. Inventories

	2018	2017
	$	$
Plant spares	48,052	50,978
Raw materials and work in progress	70,617	47,931
Consumables	64,069	65,971
Finished goods	46,444	40,494
	229,182	205,374

Inventories are shown as net of obsolescence provision of $25.2 million (2017: $13.0 million) in respect of plant spares and consumables.

14. Cash and Cash Equivalents

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(Expressed in Thousands of Trinidad and Tobago Dollars)

15. Stated Capital and Reserves

(a) Stated capital

Authorised
An unlimited number of ordinary and preference shares of no par value

	2018	Restated 2017
Issued and fully paid		
374,647,704 ordinary shares of no par value	827,732	827,732

(b) Reserves

	2018	Restated 2017
Balance at January 1	(241,067)	(254,305)
Other comprehensive loss		
Currency translation	(4,342)	10,292
Change in fair value of cash flow hedge	(2,946)	2,946
	(7,288)	13,238
Balance at December 31	(248,355)	(241,067)

Foreign currency translation account

This reserve records exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Hedging reserve

This account records the effective portion of the valuation and liquidation effects from derivative instruments under cash flow hedging relationships, which are recorded temporarily in stockholders' equity.

Up to December 31, 2018, the Group maintained a forward contract negotiated with CEMEX S.A. de C.V. to hedge the price of diesel fuel with the objective of changing the risk profile and fixing the price of fuel. The aggregate notional amount of the contract is $Nil (2017: US$2,911,000), with an estimated aggregate fair value of $Nil (2017: US$566,000). The contract was designated as a cash flow hedge of diesel fuel consumption, and as such, changes in fair value were recognised initially in other comprehensive income and were recycled to profit or loss as the related diesel volumes are consumed. Gains or losses in fair value of this contract recognised in other comprehensive income amounted to Nil (2017: US$566,000). Realised gain on hedge of fuel price reversed through the OCI amounted to $3,976.

(Expressed in Thousands of Trinidad and Tobago Dollars)

15. Stated Capital and Reserves (continued)

(c) Other comprehensive income, net of tax

The disaggregation of changes of other comprehensive income (loss) by type of reserve is shown below:

	Hedging Reserve	Foreign Currency Translation Account	Retained Earnings	Total
	$	$	$	$
Year ended 31 December 2018				
Other comprehensive loss				
Currency translation	-	(5,622)	-	(5,622)
Change in fair value of cashflow hedge	(3,976)	-	-	(3,976)
Re-measurement gains on pension plans and other post-retirement benefits	-	-	(16,915)	(16,915)
	(3,976)	(5,622)	(16,915)	(26,513)

	Hedging Reserve	Foreign Currency Translation Account	Retained Earnings	Total
	$	$	$	$
Year ended 31 December 2017				
Other comprehensive loss				
Currency translation	-	13,941	-	13,941
Change in fair value of cashflow hedge	3,976	-	-	3,976
Re-measurement gains on pension plans and other post-retirement benefits	-	-	10,114	10,114
	3,976	13,941	10,114	28,031

(Expressed in Thousands of Trinidad and Tobago Dollars)

16. Employee Share Ownership Plan (ESOP)

	Thousands of shares 2018	2017
Employee share ownership plan		
Number of shares held - unallocated	2,845	2,845
Number of shares held - allocated	3,447	3,447
	6,292	6,292

	2018 $	2017 $
Cost of unallocated ESOP shares		
Balance at January 1	20,019	20,849
Share-based allocations	-	830
Balance at December 31	20,019	20,019
Fair value of shares held - unallocated	7,767	10,669
Fair value of shares held - allocated	9,410	12,926
	17,177	23,595
Charge to profit or loss for provision of shares allocated to employees	77	433

The Parent Company operates an Employee Share Ownership Plan ("the Plan" or "ESOP") to give effect to a contractual obligation to pay profit sharing bonuses to employees via shares of the Parent Company based on a set formula. Employees may acquire additional company shares to be held in trust by the Trustees, but the costs of such purchases are for the employee's account. All permanent employees of the Parent Company and certain subsidiaries are eligible to participate in the Plan that is directed, including the voting of shares, by a Management Committee comprising management of the Parent Company and the general employee membership. Independent Trustees are engaged to hold in trust all shares in the Plan as well as to carry out the necessary administrative functions.

Shares acquired by the ESOP are funded by the Parent Company's contributions. The cost of the shares so acquired, and which remain unallocated to employees have been recognised in shareholders' equity under 'Unallocated ESOP Shares'. The fair value of shares was derived from the closing market price prevailing on the Trinidad and Tobago Stock Exchange at the reporting date.

(Expressed in Thousands of Trinidad and Tobago Dollars)

17. Material Partly-Owned Subsidiaries - (Non-controlling Interests)

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

Proportion of equity held by non-controlling interests:

Name	Country of Incorporation and Operation	2018	2017
Caribbean Cement Company Limited (Group)	Jamaica	26%	26%
Readymix (West Indies) Limited	Trinidad and Tobago	2.3%	2.3%
TCL Packaging Limited	Trinidad and Tobago	20%	20%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago	35%	35%
TCL Guyana Inc.	Guyana	0%	20%

	2018 $	2017 $
Accumulated balances of material non-controlling interests		
Caribbean Cement Company Limited	(6,134)	(26,487)
Readymix (West Indies) Limited	(3,066)	(2,674)
TCL Packaging Limited	7,030	7,444
TCL Ponsa Manufacturing Limited	4,654	4,368
TCL Guyana Inc.	-	8,984
	2,484	(8,365)
Profit (loss) allocated to material non-controlling interests		
Caribbean Cement Company Limited	30,817	15,280
Readymix (West Indies) Limited	(292)	(1,339)
TCL Packaging Limited	(487)	(4,544)
TCL Ponsa Manufacturing Limited	166	746
TCL Guyana Inc.	446	391
	30,650	10,534

(Expressed in Thousands of Trinidad and Tobago Dollars)

17. Material Partly-Owned Subsidiaries - (Non-controlling Interests) (continued)

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of income for 2018:

	Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited	TCL Guyana Inc.
	$	$	$	$	$
Revenue	934,816	86,357	47,522	25,416	138,183
Operating expenses	(719,891)	(99,859)	(51,417)	(24,904)	(136,405)
Finance costs (net)	(52,565)	25	1,530	(37)	(1,821)
Profit (loss) before tax	162,360	(13,477)	(2,365)	475	(43)
Income tax	(43,376)	600	(72)	-	(287)
Total comprehensive income	**110,733**	**(12,890)**	**(2,074)**	**817**	**(525)**
Attributable to non-controlling interests	29,940	(292)	(414)	286	407

Summarised statement of income for 2017:

	Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited	TCL Guyana Inc.
	$	$	$	$	$
Revenue	872,882	120,690	47,853	21,947	148,981
Operating expenses	(787,594)	(147,738)	(71,958)	(19,811)	(143,989)
Finance costs (net)	(2,699)	(276)	1,792	(4)	(2,360)
Profit (loss) before tax	82,589	(27,324)	(22,313)	2,132	2,632
Income tax	(21,704)	7,260	(406)	-	(679)
Total comprehensive income	69,408	(16,580)	(20,653)	2,292	2,017
Attributable to non-controlling interests	19,639	(1,260)	(4,131)	802	404

(Expressed in Thousands of Trinidad and Tobago Dollars)

17. Material Partly-Owned Subsidiaries - (Non-controlling Interests) (continued)

Summarised statement of financial position as at December 31, 2018:

	Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited	TCL Guyana Inc.
	$	$	$	$	$
Inventories, cash and bank balances and other current assets	160,140	41,820	55,332	17,036	36,810
Property, plant and equipment and other non-current assets	1,321,257	54,600	1,709	2,806	40,417
Trade and other payables and other current liabilities	(195,393)	(53,375)	(16,451)	(5,151)	(31,450)
Interest bearing loans, borrowings and deferred tax and other non-current liabilities	(1,032,028)	9,604	(5,442)	(1,393)	(1,408)
Total equity	253,976	52,649	35,148	13,298	44,369

	Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited	TCL Guyana Inc.
	$	$	$	$	$
Attributable to:					
Equity holders of parent	260,110	55,715	28,117	8,644	44,369
Non-controlling interests	(6,134)	(3,066)	7,031	4,654	-
	253,976	52,649	35,148	13,298	44,369

(Expressed in Thousands of Trinidad and Tobago Dollars)

17. Material Partly-Owned Subsidiaries - (Non-controlling Interests) (continued)

Summarised statement of financial position as at December 31, 2017:

	Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited	TCL Guyana Inc.
	$	$	$	$	$
Inventories, cash and bank balances and other current assets	213,670	76,712	57,545	16,201	41,729
Property, plant and equipment and other non-current assets	505,611	44,351	1,952	2,938	39,565
Trade and other payables and other current liabilities	(171,069)	(59,362)	(17,020)	(3,275)	(34,670)
Interest bearing loans, borrowings and deferred tax and other non-current liabilities	(39,277)	8,235	(5,255)	(3,383)	(1,708)
Total equity	508,935	69,936	29,777	8,113	35,933

	Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited	TCL Guyana Inc.
	$	$	$	$	$
Attributable to:					
Equity holders of parent	535,422	72,610	29,777	8,113	35,933
Non-controlling interests	(26,487)	(2,674)	7,445	4,368	8,983
	508,935	69,936	37,222	12,481	44,916

(Expressed in Thousands of Trinidad and Tobago Dollars)

17. Material Partly-Owned Subsidiaries - (Non-controlling Interests) (continued)

Summarized cash flow information for the year ended December 31, 2018:

	Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited	TCL Guyana Inc.
	$	$	$	$	$
Operating	224,410	(25,874)	(7,728)	669	(657)
Investing	(868,028)	22,492	9,426	(165)	(5,584)
Financing	(578,177)	-	-	-	-
Net (decrease) increase in cash and cash equivalents	(1,221,795)	(3,382)	1,698	504	(6,241)

Summarized cash flow information for the year ended December 31, 2017:

	Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited	TCL Guyana Inc.
	$	$	$	$	$
Operating	163,114	12,575	(3,377)	(476)	(4,499)
Investing	(118,091)	(17,279)	(2,787)	(702)	(1,770)
Financing	3,884	-	-	-	(129)
Net (decrease) increase in cash and cash equivalents	48,907	(4,704)	(6,164)	(1,178)	(6,398)

(Expressed in Thousands of Trinidad and Tobago Dollars)

18. Borrowings

	2018 $	2017 $
Maturity of borrowings		
One year	19,124	243,971
Two to five years	922,469	669,137
Gross borrowings	941,593	913,108
Current portion of borrowings	(19,124)	(243,971)
Non-current portion of borrowings	922,469	669,137
Currency denomination of borrowings		
US dollar	476,071	669,137
Local currencies	465,522	243,971
	941,593	913,108
Interest expense profile		
Fixed rates	208,564	-
Floating rates	715,029	913,108

	2018 %	2017 %
Weighted average effective interest rate	6.68	6.34

No collateral is pledged as security for the above loans.

On April 26, 2017 the Company repaid the Amended and Restated Credit Agreement loan ("5-year term loan") with the proceeds of a revolving loan from a related company and a short-term syndicated loan. Upon settlement of the 5-year term loan the Company recorded an expense of $44.9 million representing unamortised loan fees and expenses. This expense is included in other finance cost (Note 20).

18. Borrowings (continued)

(a) Revolving Loan ($476.0 million)

On the April 25, 2017 and May 28, 2017, the Company negotiated revolving facilities with a related company with the following key terms:

(i) Two revolving lines, that allows a maximum principal balance of US$202 million (US$150 million and US$52 million) and one fixed line that allows a maximum principal balance of US$50 million.

(ii) The Principal for the revolving lines bears interest at a rate of LIBOR 6M + 4.99% (effective 7.49% per annum) for the US$150 million and LIBOR 3M + 4.20% (effective 6.59% per annum) for the US$52 million, the fixed line bears interest at a fixed rate of 7.25% per annum.

(iii) Interest payments commenced on June 30, 2017 for the US$150 million facility and are payable semi-annually thereafter; in May 30, 2018 for the US$50 million and are payable semi-annually thereafter and US$52 million and are payable in a quarterly basis with the last payment due on May 27, 2025.

(iv) Principal is repayable on April 25, 2020 for the US$150 million facility and May 27, 2025 for the US$50 million and US$52 million facility. Prepayments of principal are allowed without penalty.

(b) Short-term Loan ($244.0 million)

On the April 25, 2017 the Company negotiated a short-term loan. The key terms of the short-term syndicated loan and subsequent amendments are:

(i) The loan was for an original Principal amount of TT$245 million.

(ii) The Principal bears interest at a rate of 3 Month TT Treasury Bill + 375 basis points (effective 5.02% per annum).

(iii) Interest payments commenced on July 26, 2017 and are payable quarterly thereafter with the last payment due on April 26, 2018.

(iv) Principal is repayable on April 26, 2018. Prepayments of principal are allowed without penalty.

(v) The Group's borrowings cannot exceed US$145 million.

18. Borrowings (continued)

On July 24, 2018 the Group settled the short-term loan with the proceeds of 3 3-year loan facilities negotiated with the lenders of the short-term syndicate facility. The terms of these loans are disclosed below.

(c) 3 year Loan ($244.0 million)

On the July 24, 2018, the company negotiated a loan agreement with Citibank (Trinidad and Tobago) Limited as lender and two loans agreement with First Citizens Bank Limited as lender with the following key terms:

(i) The loan was for an original Principal amount of TT$110 million with Citibank and TT$120 million and TT$90 million with First Citizens.

(ii) The 3 Principal loans bears interest at a rate of 3 Month Open Market Operation + 305 basis points (effective 4.25% per annum).

(iii) Interest payments commenced on August 31, 2018 for the loans and are payable on quarterly thereafter basis with the last payment due on July 26, 2021.

(iv) Principal is repayable on July 26, 2021 for the loans with Citibank and TT$120 million First Citizens bank line, the TT$90 million line with First Citizens Bank is payable on a quarterly basis (TT$4.5 million). Prepayments of principal are allowed without penalty.

(v) The Group's borrowings cannot exceed US$145 million.

At December 31, 2018, the TCL Group was compliant with the terms and covenants of both loan agreements.

(d) 5 year-term Loan ($163.7 million)

On the November 30, 2018 the Company negotiated an unsecured revolving loan facility for 5 year. The key terms of the credit line are:

(i) The loan was for an original principal amount of JD$3,076 million.

(ii) The Principal bears interest at a fixed rate of 7.45% per annum.

(iii) Interest payments commenced on November 30, 2018 and are payable quarterly thereafter with the last payment due on November 30, 2023.

(iv) Principal is repayable on 30 November 2023. Prepayments of principal are allowed without penalty.

(Expressed in Thousands of Trinidad and Tobago Dollars)

19. Trade and Other Payables

	2018 $	2017 $
Sundry payables and accruals	217,592	296,127
Trade payables	229,447	178,051
Due to group companies (Note 26)	75,362	47,870
Interest and other finance charges	2,437	2,683
Taxation payable	751	940
Statutory obligations	13,144	20,251
	538,733	545,922
Presented in the consolidated statement of financial position as follows:		
Non-current	86	87
Current	538,647	545,835
	538,733	545,922

20. Operating Profit

	2018 $	2017 $
Revenue	1,721,123	1,712,569
Less expenses:		
Personnel remuneration and benefits (see below)	330,651	392,210
Fuel and electricity	362,599	318,593
Operating expenses	240,137	229,413
Raw materials and consumables	199,300	160,334
Equipment hire and haulage	112,220	128,336
Repairs and maintenance	85,319	93,952
Changes in finished goods and work in progress	68,088	74,013
Other income (see below)	(19,955)	(1,423)
Earnings before interest, tax, depreciation, and loss on disposal of property, plant and equipment, manpower and stockholding restructuring costs and impairment	342,764	317,141
Manpower restructuring costs (see below)	(84,930)	(59,023)
Stockholding and inventory restructuring costs	7,831	(81,352)
Depreciation (Note 9)	(127,126)	(127,969)
Impairment (Note 9)	-	(93,418)
Impairment of trade receivables	2,415	(6,661)
Loss on disposal of property, plant and equipment	(238)	(325)
Operating profit (loss)	140,716	(51,607)

(Expressed in Thousands of Trinidad and Tobago Dollars)

20. Operating Profit (continued)

Manpower restructuring costs mainly comprise severance costs incurred during implementation of restructuring programme during the year. The objective of the restructuring programs is to improve cost efficiency.

The Group recorded a credit of $7.8 million in 2018 (2017: $81 million expense) in relation to a stockholding and inventory programme.

	2018	2017
	$	$
Personnel remuneration and benefits include		
Salaries and wages	254,224	278,952
Other benefits	40,166	56,201
Statutory contributions	16,975	19,563
Pension costs – defined contribution plan	2,697	2,762
Net pension expense – defined benefit plans (Note 9(a))	16,589	34,732
	330,651	392,210
Operating profit is stated after deducting Directors' fees		
Directors' fees	674	646
Other income includes		
Miscellaneous income	19,939	1,423

21. Finance Costs – Net

	2018	2017
	$	$
Interest expense on borrowings	65,835	63,579
Other finance costs	(35)	50,270
Bank and related charges	1,682	1,811
Interest income	(1,958)	(454)
	65,524	115,206
Foreign currency exchange loss	19,033	7,931
	84,557	123,137

(Expressed in Thousands of Trinidad and Tobago Dollars)

21. Finance Costs – Net (continued)

Debt extinguishment

As described in Note 18, the Company prepaid the 5-year term loan on April 26, 2017 and recorded an expense of $44.9 million. This expense is included in other finance cost.

22. Earnings per Share

The following reflects the income and share data used in the earnings per share computation:

	2018 $	2017 $
Loss for the year attributable to owners of the Company	(37,662)	(266,165)
Weighted average number of ordinary shares issued (net of treasury shares) (thousands of units)	371,803	371,698
Basic and diluted (loss) earnings per share (Expressed in $ per share)	(0.10)	(0.72)

The balance of the TCL Employee Share Ownership Plan (the Plan) relating to the cost of unallocated shares held by the Plan is presented as a separate component in equity. The weighted average number of unallocated shares of 2,845 million (2017: 2,950 million shares) held by the Plan during the year is deducted in computing the weighted average number of ordinary shares in issue. The Group has no dilutive potential ordinary shares in issue.

23. Dividends

	2018 $	2017 $
2018: no dividend declared or paid (2017: 2¢)	-	7,493

During the year of 2017, the Parent Company declared and paid a dividend of $7.5 million.

During the year of 2017 a subsidiary paid dividends of $0.026 million to non-controlling interests.

(Expressed in Thousands of Trinidad and Tobago Dollars)

24. Cash Generated from Operations

	Notes	2018 $	Restated 2017 $
Profit (loss) for the year		56,159	(174,744)
Adjustments for:			
- Depreciation	8	127,126	127,969
- Impairment – charge on property, plant and equipment	8	-	93,418
- Stockholding and restructuring costs	12	(7,831)	81,352
- Finance costs (net)	24	84,557	123,137
- ESOP share allocation and sale of shares net of dividends		-	630
- Pension plan expense	9 (a)	16,589	34,732
- Other post-retirement benefits expense	9 (b)	12,763	10,502
- Loss on disposal of property, plant and equipment		238	325
		289,601	297,321
Changes in:			
- Inventories		(16,908)	77,522
- Trade and other receivables		(19,688)	(24,043)
- Trade and other payables		(32,936)	73,015
Cash generated from operating activities		220,069	423,815

25. Subsidiary Undertakings

The Group's subsidiaries are as follows:

Company	Country of Incorporation	Principal Activities	Ownership Level 2018	Ownership Level 2017
Readymix (West Indies) Limited	Trinidad and Tobago	Concrete batching	97.7%	97.7%
TCL Packaging Limited	Trinidad and Tobago	Packaging production	80%	80%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago	Packaging production	65%	65%
TCL Leasing Limited	Trinidad and Tobago	Leasing	100%	100%
RML Property Development Limited	Trinidad and Tobago	Property development	100%	100%
Caribbean Cement Company Limited	Jamaica	Cement production	74%	74%
Jamaica Gypsum and Quarries Limited	Jamaica	Mining and port management	74%	74%
Rockfort Mineral Bath Complex Limited	Jamaica	Spa facility	74%	74%
Caribbean Gypsum Company Limited	Jamaica	Mining	74%	74%
Arawak Cement Company Limited	Barbados	Cement production	100%	100%

(Expressed in Thousands of Trinidad and Tobago Dollars)

25. Subsidiary Undertakings (continued)

The Group's subsidiaries are as follows (continued)

Company	Country of Incorporation	Principal Activities	Ownership Level 2018	2017
Premix & Precast Concrete Incorporated	Barbados	Concrete batching	58.6%	58.6%
TCL Trading Limited	Anguilla	Cement distribution	100%	100%
TCL (Nevis) Limited	Nevis	Holding company	100%	100%
TCL Guyana Inc.	Guyana	Cement distribution	100%	80%
Arawak Concrete Solutions Limited	Barbados	Cement production	100%	100%
TTLI Trading Limited	Barbados	Cement distribution	100%	100%
TGI Concrete Solutions Inc.	Guyana	Concrete batching	100%	100%

On May 23, 2014, RML Property Development Limited ("RML Property''), a limited liability company was incorporated under the Companies Act, 1995 in the Republic of Trinidad and Tobago and is a wholly owned subsidiary of the Readymix (West Indies) Limited. This subsidiary has had no trading activities to date.

Effective September 2014, the Board of Directors discontinued the operations of Premix & Precast Concrete Incorporated.

TGI Concrete Solutions Inc. was incorporated during the year.

26. Related Party Disclosures

A party is related to the Group if:

(a) The party is a subsidiary or an associate of the Group;

(b) The party is, directly or indirectly, either under common control or subject to significant influence with the Group or has significant or joint control of the Group.

(c) The party is a close family member of a person who is part of key management personnel or who controls the Group;

(d) The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the Group;

(e) The party is a joint venture in which the Group is a venture partner;

(f) The party is a member of the Group's or its parent's key management personnel;

(g) The party is a post-employment benefit plan for the Group's employees.

(h) The party, or any member of a group of which it is a part, provides key management personnel services to TCL or its Parent.

(Expressed in Thousands of Trinidad and Tobago Dollars)

26. Related Party Disclosures (continued)

The Group has entered into related party transactions with respect to the purchase and sale of product with CEMEX S.A.B. de C.V. ("CEMEX"). In addition, during 2015, the Company has entered into a management agreement with a subsidiary of CEMEX to provide managerial and technical support to the TCL Group.

The following table provides the total amount of transactions and balances at year end that have been entered into with the CEMEX Group for the relevant financial year:

	2018	2017
	$	$
Sales for the year	34,376	11,710
Purchases for the year	188,463	115,950
Management fee expenses	22,593	24,792
Trade receivables at year end (Note 11)	1,742	6,361
Trade payables at year end (Note 19)	75,362	47,870
Long-term debt (Note 18)	476,071	669,137
Interest and other finance charges	(339)	381
Interest charges	48,784	31,087

These related party transactions are made on terms equivalent to those that prevail in arm's length transactions. Outstanding trade receivables and trade payable balances are unsecured and interest free and no provision has been established at year end for these balances.

	2018	2017
	$	$
Key management compensation of the Group		
Short-term employment benefits	21,789	27,383
Pension plan and post-retirement benefits	680	711

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

(Expressed in Thousands of Trinidad and Tobago Dollars)

27. Capital Commitments and Contingent Liabilities

Capital commitments

The Group has contractual capital commitments of $33.5 million as at December 31, 2018 (2017: $149.9 million).

Contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has an element of litigation risk inherent to its operations. As a result, it is involved in various litigation and regulatory investigations and proceedings both in Trinidad and Tobago and in other jurisdictions, arising in the ordinary course of the Group's business.

There are contingent liabilities amounting to $37.6 million (2017: $83.9 million) for various claims, assessments, bank guarantees, and bonds against the Group. Included therein, are several pending legal actions and other claims in which the Group is involved. Based on the information provided by the Group's attorneys at law, owing to the uncertainty of the outcome of these possible liabilities, no provision has been made in these consolidated financial statements in respect of these matters.

The Board of Inland Revenue (the "BIR") has disallowed expenditure claimed by the Parent Company in respect of the following fiscal years:

Fiscal Years	Disallowed Expenditure $	Additional Tax Assessed $
2007	102.1 million	-
2008	284.4 million	-
2009	235.2 million	-
2010	247.4 million	12.9 million
2011	129.3 million	14.5 million

This has been objected to as the Parent Company is of the view that its claim is well supported in law and will defend its position in the resolution process. The BIR has confirmed their assessment in respect of the tax years of 2007, 2008 and 2009. The Parent Company has appealed a decision of the Board of Inland Revenue to disallow expenditure claimed by TCL (viz. wear and tear allowances, interest expense, management charges and other deductions), in respect of those fiscal years. All directions have been complied with and hearings (cross-examination of witnesses) are scheduled to take place on 18 and 19 February 2019. No provision has been made in these consolidated financial statements in respect of this matter as the possible liability is not considered probable. Subject to the future resolution of this matter, there may be a reduction in the accumulated tax losses of the Parent Company and future tax liabilities in respect of these years.

(Expressed in Thousands of Trinidad and Tobago Dollars)

27. Capital Commitments and Contingent Liabilities (continued)

Contingent liabilities (continued)

The subsidiary in Guyana (the Subsidiary) was given a commitment by the Government of Guyana in 2006 to have the corporate tax rate for non-commercial companies of 30 percent made applicable to its operations. Subsequent action by the Guyana Revenue Authority (the GRA) held that the corporate tax rate for commercial companies of 40 percent was applicable. The Subsidiary computes its corporation tax liability on the basis of the original commitment received while it contests through court action the failure to honour the original commitment

On the December 13, 2017 the above matter engaged the attention of the Full Bench of the Court of Appeal. The AG's office has appointed an Arbitrator and TGI has requested Mr. Timothy Jonas, a commercial attorney to act as its arbitrator. On January, 2019 the Court will appoint the Third Arbitrator and schedule a date for the arbitration proceedings. No provision has been made in these consolidated financial statements for the higher tax rate as the possible liability is not considered probable.

28. Fair Values

The fair values of cash at bank and on hand, receivables, payables and current portion of borrowings approximate their carrying amounts due to the short-term nature of these instruments. The fair values of these instruments and long term borrowings are presented below:

	2018		2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$	$	$	$
Financial assets				
Cash at bank	229,353	229,353	118,826	118,514
Trade receivables	99,607	99,607	112,975	112,977
Financial liabilities				
Borrowings	941,593	941,593	913,108	913,108
Trade payables	229,447	229,447	178,051	178,051
Interest and finance charges	2,437	2,437	2,683	2,683

29. Financial Risk Management

Introduction

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt prices, interest rates, market liquidity conditions and foreign currency exchange rates which are accentuated by the Group's foreign operations, the earnings of which are denominated in foreign currencies. Accordingly, the Group's financial performance and position are subject to changes in the financial markets. Overall risk management measures are focused on minimising the potential adverse effects on the financial performance of the Group of changes in financial markets.

Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies, principles and policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Group in compliance with the policies approved by the Board of Directors.

a. Credit risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Significant changes in the economy, or in the state of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided at year end. Management therefore carefully manages its exposure to credit risk.

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one customer, or group of customers, and to geographical and industry segments. Such risks are monitored on an ongoing basis and limits on the levels of credit risk that the Group can engage in are approved by the Board of Directors.

Exposure to credit risk is further managed through regular analysis of the ability of debtors and financial institutions to settle outstanding balances, meet capital and interest repayment obligations and by changing these lending limits when appropriate. The Group does not generally hold collateral as security.

(Expressed in Thousands of Trinidad and Tobago Dollars)

29. Financial Risk Management (continued)

Risk management structure (continued)

a. *Credit risk* (continued)

The following table shows the maximum exposure to credit risk for the components of the consolidated statement of financial position:

	Gross Maximum Exposure 2018	Gross Maximum Exposure 2017
	$	$
Due from Group Companies	1,742	6,361
Trade receivables	99,607	112,975
Cash at bank	77,737	118,826
Credit risk exposure	179,086	231,162

Credit risk related to receivables

Customer credit risk is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all credit customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. At December 31, 2018, the Group had 9 customers (2017: 10 customers) that owed the Group more than $2 million each and which accounted for 50% (2017: 40%) of all trade receivables.

Expected credit loss assessment for trade receivables as at January 1 and December 31, 2018

The Group estimates expected credit losses ("ECL") on trade receivables using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers. ECL rates are calculated for each major operating and geographic segment. The following table provides information about the ECL's for trade receivables as at 31 December 2018.

Geographical Segment	Weighted Average Loss Rate	Gross Carrying Amount	Impairment Loss Allowance
Trinidad and Tobago	36%	39,923	14,267
Jamaica	1%	19,014	275
Barbados	2%	17,434	417
Other countries	29%	52,115	14,927

(Expressed in Thousands of Trinidad and Tobago Dollars)

29. Financial Risk Management (continued)

Risk management structure (continued)

a. Credit risk (continued)

Credit risk related to cash at bank

Credit risks from balances with banks and financial institutions are managed in accordance with Group policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

b. Liquidity risk

The Group monitors its risk to a shortage of funds by considering planned and probable expenditures against projected cash inflows from operations, from the settlement of financial assets such as accounts receivable and levels of cash sales.

The table below summarises the maturity profile of the Group's financial liabilities based on their undiscounted cash flows at December 31. The balance includes principal and interest over the remaining term to maturity and therefore would differ from the carrying amounts shown in the statement of financial position.

	On demand	1 year	2 to 5 years	> 5 years	Total
	$	$	$	$	$
2018					
Borrowings	-	32,061	500,259	443,520	975,840
Interest and finance charges	-	2,437	-	-	2,437
Trade payables	-	229,361	86	-	229,447
Due to group companies	-	75,362	-	-	75,362
	-	339,221	500,345	443,520	1,283,086

(Expressed in Thousands of Trinidad and Tobago Dollars)

29. Financial Risk Management (continued)

Risk management structure (continued)

b. Liquidity risk (continued)

	On demand	1 year	2 to 5 years	> 5 years	Total
	$	$	$	$	$
2017					
Borrowings	-	293,439	729,339	-	1,022,778
Interest and finance charges	-	2,683	-	-	2,683
Trade payables	-	178,051	-	-	178,051
Due to group companies	-	47,783	87	-	47,870
	-	521,956	729,426	-	1,251,382

c. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy financial position in order to support its business activities and maximise shareholder value. Management monitors operating cash flows, return on capital and working capital.

d. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses.

Risk management in this area is active to the extent that hedging strategies are available and cost effective.

(Expressed in Thousands of Trinidad and Tobago Dollars)

29. Financial Risk Management (continued)

Risk management structure (continued)

d. ***Foreign currency risk*** (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, of profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity:

	Increase/decrease in US/Euro rate	Effect on profit before tax $	Effect on equity $
2018			
US dollar	+1%	(5,269)	(3,688)
	–1%	5,269	3,688
Euro	+1%	(39)	(27)
	–1%	39	27
2017			
US dollar	+1%	(6,081)	(4,257)
	–1%	6,081	4,257
Euro	+1%	(22)	(15)
	–1%	22	15

(Expressed in Thousands of Trinidad and Tobago Dollars)

29. Financial Risk Management (continued)

Risk management structure (continued)

d. ***Foreign currency risk*** (continued)

The effect on profit is shown net of US dollar financial assets $68.8 million (2017: $126 million) and liabilities $595.7 million (2017: $739.3 million) and EURO financial assets $0.05 million (2017: $0.05 million) and net financial liabilities $4.0 million (2017: $2.3 million).

The aggregate value of financial assets and liabilities by reporting currency are as follows:

	TT	US	JM	BDS	Other	Total
	$	$	$	$	$	$
2018						
Assets						
Trade receivables	25,654	24,293	18,739	9,327	21,594	99,607
Due from related party	-	1,743	-	-	-	1,743
Cash and cash equivalents	16,712	42,817	9,989	3,968	4,254	77,740
	42,366	68,853	28,728	13,295	25,848	179,090
Liabilities						
Borrowings	300,750	476,071	164,771	-	-	941,592
Interest and finance charges	381	2,056	-	-	-	2,437
Trade payables	49,478	42,176	112,027	16,503	9,262	229,446
Due to related party	-	75,363	-	-	-	75,363
	350,609	595,666	276,798	16,503	9,262	1,248,838
Net (liabilities) assets	(308,243)	(526,813)	(248,070)	(3,208)	16,586	(1,069,748)
2017						
Assets						
Trade receivables	19,266	32,766	24,952	19,610	16,381	112,975
Due from related party	-	6,362	-	-	-	6,362
Cash and cash equivalents	11,382	86,895	10,154	1,217	9,181	118,526
	30,648	126,023	35,106	20,827	25,562	238,166
Liabilities						
Borrowings	243,971	669,137	-	-	-	913,108
Interest and finance charges	2,302	381	-	-	-	2,683
Trade payables	44,327	14,810	76,839	40,074	1,999	178,051
Due to related party	-	47,871	-	-	-	47,870
	290,600	732,199	76,839	40,074	1,999	1,141,712
Net (liabilities) assets	(259,952)	(606,176)	(41,733)	(19,247)	23,563	(903,545)

Other currencies include the Euro.

(Expressed in Thousands of Trinidad and Tobago Dollars)

29. Financial Risk Management (continued)

Risk management structure (continued)

e. *Interest rate risk*

Interest rate risk for the Group centers on the risk that debt service cash outflow will increase due to changes in market interest rates. At the reporting date, the Group's exposure to changes in interest rates relates primarily to bank loans which have a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed, variable rate debt and financial derivatives.

The interest rate exposure of borrowings is as follows:

	2018 $	2017 $
At floating rates	715,029	913,108

Interest rate risk table

The following table shows the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax:

	Increase/decrease in basis points	Effect on profit before tax $
2018	+100	(7,150)
	-100	(7,150)
2017	+100	(6,691)
	–100	6,691

(Expressed in Thousands of Trinidad and Tobago Dollars)

30. Financial Information by Segment

The Group is organized and managed on the basis of the main product lines provided which are cement, concrete and packaging. Management records and monitors the operating results of each of the business units separately for the purpose of making decisions about resource allocations and performance assessment. Transfer pricing between operating segments is on an arm's length basis.

Operating segment information

	Cement	Concrete	Packaging	Consolidation Adjustments	Total
	$	$	$	$	$
2018					
Total revenue	1,867,067	83,330	72,517	-	2,022,914
Inter-segment revenue	237,962	-	63,829	-	301,791
Third party revenue	1,629,105	83,330	8,688	-	1,721,123
Depreciation	126,139	5,455	2,564	(7,032)	127,126
Profit before tax	(91,034)	(13,477)	(1,890)	162,560	56,159
Segment assets	3,172,640	113,574	79,338	(838,542)	2,527,010
Segment liabilities	2,998,459	56,633	30,892	(1,230,802)	1,855,182
Capital expenditure	159,865	8,260	1,536	-	169,661
Operating cash flows	42,361	(25,874)	(7,059)	116,111	125,539
Investing cash flows	(144,111)	22,492	9,261	(55,538)	(167,896)
Financing cash flows	56,438	-	-	(55,307)	1,131
Net (decrease) increase in cash and cash equivalents	(45,312)	(3,382)	2,202	5,266	(41,226)

(Expressed in Thousands of Trinidad and Tobago Dollars)

30. Financial Information by Segment (continued)

Operating segment information (continued)

	Cement	Concrete	Packaging	Consolidation Adjustments	Total
	$	$	$	$	$
2017					
Total revenue	1,870,226	120,541	69,232	-	2,059,999
Inter-segment revenue	284,603	-	62,827	-	347,430
Third party revenue	1,585,623	120,541	6,405	-	1,712,569
Depreciation	123,952	5,239	2,333	(3,555)	127,969
Loss before tax	(452,910)	(27,324)	(20,181)	325,671	(174,744)
Segment assets	3,093,878	134,642	80,971	(634,636)	2,674,855
Segment liabilities	2,728,771	60,414	31,268	(864,903)	1,955,550
Capital expenditure	203,724	8,181	3,009	-	214,914
Operating cash flows	227,206	12,575	(3,853)	59,557	295,485
Investing cash flows	(194,116)	(17,279)	(3,489)	856	(214,028)
Financing cash flows	(91,473)	-	-	(58,146)	(149,619)
Net (decrease) increase in cash and cash equivalents	(58,383)	(4,704)	(7,342)	2,268	(68,161)

(Expressed in Thousands of Trinidad and Tobago Dollars)

30. Financial Information by Segment (continued)

Geographical segment information

	Revenue 2018	Revenue 2017	Non-Current Assets 2018	Non-Current Assets 2017	Additions Property Plant and Equipment 2018	Additions Property Plant and Equipment 2017
	$	$	$	$	$	$
Trinidad and Tobago	393,117	485,665	471,247	1,207,655	44,835	49,985
Jamaica	915,159	848,369	1,232,331	490,476	71,167	118,092
Barbados	43,332	45,039	107,277	74,197	47,931	44,091
Other countries	366,374	333,495	40,417	39,565	3,963	2,746
Group total	1,717,982	1,712,569	1,848,964	1,811,893	167,896	214,914

The revenue information above represents third party revenue based on the location of the customers' operations. Other countries include Guyana, Venezuela, the OECS islands and Brazil.

Non-current assets comprise property, plant and equipment and receivables.

31. Operating Lease

Other operating leases represents the lease commitments of the Group. The accumulated future minimum lease payments are as below:

	2018	2017
	$	$
Within one year	7,220	2,821
After one year, but less than five years	14,389	2,792
More than five years	10,650	3,369
	32,259	8,982

Operating lease expenses amounting to $7.7 million (2017: $3.39 million) are included within the other operating expenses

32. Subsequent Events

There are no events occurring after these consolidated statement of financial position date and before the date of approval of these consolidated financial statements by the Board of Directors that require adjustment to or disclosure in these consolidated financial statements.