Consolidated Financial Statements of

TRINIDAD CEMENT LIMITED AND ITS' SUBSIDIARIES

December 31, 2017

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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, 2017, 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	Kathryna Baptiste Assee
Managing Director	Group Manager Legal/Company Secretary
Date: February 9, 2018	Date: February 9, 2018

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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, 2017, 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, 2017 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *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 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)

Impairment testing of property, plant and equipment	
See Note 7(t) to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Impairment tests on assets as performed by management involve significant estimation and the application of a high level of judgment relative to key assumptions such as the applicable discount rate and future cash-flows. We consider this a key audit matter because it involves complex and subjective judgements by management regarding long-term sales growth, costs and projected gross margins in the different countries where the Group operates as well as discount rates used to discount future cash flows and expected market share. The outcome of the impairment testing performed by management is sensitive to these assumptions and estimates, such that changes in these assumptions/estimates may result in different impairment test conclusions.	Our audit procedures included testing the Group's methodology and assumptions used in preparing discounted cash flow models and the determination of Cash Generating Unit (CGU). We also evaluated whether the impairment test was performed by management in accordance with that prescribed by accounting Policy Note 7(t). We evaluated and tested the assumptions, methodologies, CGU determination, discount rate, other key data used by management and projected economic growth and compared the latter with reference to historical forecasting accuracy, considering the potential risk of management bias. We challenged the overall results of the calculations and performed our own sensitivity analysis, including a reasonably probable reduction in assumed growth rates and cash flows. We also assessed the Group's disclosures about the sensitivity of the outcome of the impairment assessment to key assumptions such as discount rates and growth rates which cause the carrying amount of the CGU to exceed its recoverable amount. We also assessed the appropriateness of the disclosures in the notes to the consolidated financial statements, with reference to that prescribed by IFRSs.

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Key Audit Matters (continued)

Tax contingencies	
See Note 26 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 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 recognises 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 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.

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Key Audit Matters (continued)

Recoverability of deferred tax assets related to tax loss carry forwards	
See Note 7(h) and 11(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 10, a significant percentage of the Group's trade receivables (44% or $50 million) are aged in excess of 90 days last due and have not been provided by management. The recoverability of trade receivables requires management judgement due to the specific risks associated with each individual trade receivable. There is an element of management 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; • obtained a list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management; • assessed the recoverability of these outstanding receivables through our discussion with management and with reference to detailed receivable listings for the subsequent period; and • assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent settlements. In addition, we evaluated the adequacy of the Group's disclosures regarding trade receivables.

Key Audit Matters (continued)

Timing of Revenue recognition	
See Note 7(g) 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 2017 Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Group's 2017 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 2017 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.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2016 were audited by another auditor who expressed an unqualified opinion on those financial statements on February 23, 2017.

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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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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.

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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 Marissa Quashie.

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Chartered Accountants
Port of Spain
Trinidad and Tobago
February 9, 2018

TRINIDAD CEMENT LIMITED

Consolidated Statement of Financial Position

December 31, 2017

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2017	2016
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,811,779	1,805,255
Employee benefits	9	34,392	37,256
Trade and other receivables	10	114	1,966
Deferred tax assets	11 (d)	332,655	394,075
		2,178,940	2,238,552
Current assets			
Inventories	12	205,374	362,521
Trade and other receivables	10	160,539	134,683
Cash and cash equivalents	13	118,826	186,546
		484,739	683,750
Total assets		2,663,679	2,922,302
EQUITY AND LIABILITIES			
Equity			
Stated capital	14 (a)	827,732	827,732
Unallocated ESOP shares	15	(20,019)	(20,849)
Reserves	14 (b)	(240,405)	(254,305)
Retained earnings		193,890	464,549
Equity attributable to owners of the Company		761,198	1,017,127
Non-controlling interests	16	(8,365)	(221)
Total equity		752,833	1,016,906
Non-current liabilities			
Borrowings	17	669,137	839,646
Employee benefits	9	20,501	24,928
Other post-retirement benefits	9	103,359	94,412
Trade and other payables	18	87	-
Deferred tax liabilities	11 (d)	327,956	344,959
		1,121,040	1,303,945
Current liabilities			
Trade and other payables	18	545,835	472,601
Borrowings	17	243,971	128,850
		789,806	601,451
Total equity and liabilities		2,663,679	2,922,302

The notes on pages 16 to 75 are an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on February 9, 2018 and signed on their behalf by:

AKhord **Director** **Director**

TRINIDAD CEMENT LIMITED

Consolidated Statement of Profit or Loss

For the year ended December 31, 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2017	2016
		$	$
Continuing operations			
Revenue	19	1,712,569	1,887,013
Earnings before interest, tax, depreciation, gain on disposal of property, plant and equipment and restructuring costs	19	312,998	464,226
Depreciation	8	(127,969)	(123,148)
Loss on disposal of property, plant and equipment		(325)	(163)
Stockholding and restructuring costs	12	(81,352)	(72,026)
Impairment charge – Property, plant and equipment	8	(93,418)	-
Manpower restructuring costs	19	(59,023)	(44,464)
Operating (loss) profit		(49,089)	224,425
Finance costs - Net	20	(123,137)	(134,798)
(Loss) profit before taxation		(172,226)	89,627
Taxation	11	(82,916)	(37,205)
(Loss) profit for the year from continuing operations		(255,142)	52,422
(Loss) profit attributable to:			
Owners of the Company	21	(266,165)	36,859
Non-controlling interests	16	11,023	15,563
		(255,142)	52,422

The notes on pages 16 to 75 are an integral part of these consolidated financial statements.

TRINIDAD CEMENT LIMITED

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2017
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2017	2016
		$	$
(Loss) profit for the year		(255,142)	52,422
Items that are or maybe reclassified to profit of loss:			
Exchange differences on translation of foreign operations	14 (b)	14,834	(12,864)
Change in fair value of cash flow hedge	14 (b)	3,976	-
		18,810	(12,864)
Items that will not be reclassified to profit or loss:			
Re-measurement gains on pension plans and other post-retirement benefits	9	21,158	36,194
Related tax	11 (c)	(6,678)	2,508
		14,480	38,702
Other comprehensive income for the year, net of tax		33,290	25,838
Total comprehensive (loss) income for the year		(221,852)	78,260
Total comprehensive (loss) income attributable to:			
Owners of the Company		(238,333)	65,790
Non-controlling interests		16,481	12,470
		(221,852)	78,260
Earnings per share:			
Basic and diluted (expressed in $ per share)	21	($0.72)	$0.10

The notes on pages 16 to 75 are an integral part of these consolidated financial statements.

TRINIDAD CEMENT LIMITED

Consolidated Statement of Changes in Equity

For the year ended December 31, 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

		Attributable to Owners of the Company						
	Notes	Stated capital	Unallocated ESOP shares	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
		$	$	$	$	$	$	$
Year ended December 31, 2016								
Balance at January 1, 2016		827,732	(25,299)	(243,485)	404,345	963,293	(12,323)	950,970
Profit for the year		-	-	-	36,859	36,859	15,563	52,422
Other comprehensive (loss) income	14(c)	-	-	(10,820)	39,751	28,931	(3,093)	25,838
Total comprehensive (loss) income		-	-	(10,820)	76,610	65,790	12,470	78,260
Transactions with owners of the Company								
Share-based allocations	15	-	4,450	-	(1,420)	3,030	-	3,030
Dividends	22	-	-	-	(14,986)	(14,986)	(368)	(15,354)
		-	4,450	(10,820)	60,204	53,834	12,102	65,936
Balance at December 31, 2016		827,732	(20,849)	(254,305)	464,549	1,017,127	(221)	1,016,906
Year ended December 31, 2017								
Balance at January 1, 2017		827,732	(20,849)	(254,305)	464,549	1,017,127	(221)	1,016,906
Profit for the year		-	-	-	(266,165)	(266,165)	11,023	(255,142)
Other comprehensive (loss) income	14(c)	-	-	13,900	13,932	27,832	5,458	33,290
Total comprehensive (loss) income		-	-	13,900	(252,233)	(238,333)	16,481	(221,852)
Transactions with owners of the Company								
Share-based allocations	15	-	830	-	(200)	630	-	630
Dividends	22	-	-	-	(7,493)	(7,493)	(26)	(7,519)
Acquisition of NCI without change of control		-	-	-	(10,733)	(10,733)	(24,599)	(35,332)
		-	830	13,900	(270,659)	(255,929)	(8,144)	(264,073)
Balance at December 31, 2017		827,732	(20,019)	(240,405)	193,890	761,198	(8,365)	752,833

The notes on pages 16 to 75 are an integral part of these consolidated financial statements.

TRINIDAD CEMENT LIMITED

Consolidated Statement of Cash Flows

For the year ended December 31, 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2017	2016
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	23	422,610	530,804
Pension contributions paid	9(a)	(9,822)	(10,928)
Post-retirement benefits paid	9(b)	(3,140)	(2,408)
Taxation paid		(42,059)	(62,385)
Net interest paid		(72,104)	(88,842)
Net cash from operating activities		295,485	366,241
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	8	(214,914)	(200,520)
Proceeds from disposal of property, plant and equipment		886	713
Net cash used in investing activities		(214,028)	(199,807)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,135,922)	(261,133)
Proceeds from borrowings		1,029,155	-
Dividends paid		(7,519)	(15,354)
Acquisition of non-controlling interests		(35,332)	-
Net cash used in financing activities		(149,618)	(276,487)
Net (decrease) increase in cash and cash equivalents		(68,161)	(110,053)
Cash and cash equivalents at January 1		186,546	288,500
Effect of movement in exchange rate on cash held		441	8,099
Cash and cash equivalents at December 31		118,826	186,546
Represented by:			
Cash and cash equivalents	13	118,826	186,546

The notes on pages 16 to 75 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), Jamaica Stock Exchange (JSE) and Barbados Stock Exchange (BSE). At the date of approval of the consolidated financial statements, the Company had embarked upon a process of delisting from the JSE and BSE exchanges and were at various stages of completion in this delisting process.

On January 24, 2017 the Company became a subsidiary of Sierra Trading. Consequent to this development, the Group's ultimate parent company became 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 24.

These consolidated financial statements were authorised for issue by Trinidad Cement Limited's Board of Directors on February 9, 2018.

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 9.

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, TCL Packaging Limited and TCL Guyana Inc.

(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.

(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) Employee benefits

The cost of defined benefit pension plans and other post-retirement benefits is 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 recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39: "*Financial instruments: Recognition and Measurement*" either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

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

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 so as 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.

(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.

7. Significant Accounting Policies (continued)

(h) Taxation (continued)

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.

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.

7. Significant Accounting Policies (continued)

(i) Employee benefits (continued)

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account discounts, returns, rebates and sales taxes. The Group has concluded that it is the principal in all its revenue arrangements since it is the primary obligor in all of its revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The following specific recognition criteria must be met before revenue is recognised:

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and the amounts of revenue can be measured reliably.

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. Provision is made for specific doubtful receivables based on a review of all outstanding amounts at the year-end.

7. Significant Accounting Policies (continued)

(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.

(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.

7. Significant Accounting Policies (continued)

(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.

(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.

7. Significant Accounting Policies (continued)

(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. 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.

7. Significant Accounting Policies (continued)

(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.

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.

Financial assets

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.

7. Significant Accounting Policies (continued)

(v) Financial instruments (continued)

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.

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.

7. Significant Accounting Policies (continued)

(w) 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:

- Amendments to IAS 7, *Statement of Cash Flows*, effective for accounting periods beginning on or after January 1, 2017, requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows.

- Amendments to IAS 12, *Income Taxes*, effective for accounting periods beginning on or after January 1, 2017, clarifies the following:

  - The existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

  - A deferred tax asset can be recognised if the future bottom line of the tax return is expected to be a loss, if certain conditions are met.

  - Future taxable profits used to establish whether a deferred tax can be recognised should be the amount calculated before the effect of reversing temporary differences.

  - An entity can assume that it will recover an asset for more than its carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

  - Deductible temporary differences related to unrealised losses should be assessed on a combined basis for recognition unless a tax law restricts the use of losses to deductions against income of a specific type.

The adoption of these amendments did not result in any change to the presentation and disclosures in the financial statements

7. Significant Accounting Policies (continued)

(x) 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 has assessed the relevance of all such new standards, amendments and interpretations with respect to the Group's operations and has determined that the following are likely to have an effect on the consolidated financial statements.

- IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value though profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

  In this regard, the Group adopted an expected credit loss model from its parent Company applicable to its trade accounts receivable that considers the historical performance, as well as the credit risk and expected developments for each group of customers, ready for the prospective adoption of IFRS 9 on January 1, 2018. The preliminary effects for adoption of IFRS 9 on January 1, 2018 related to the new expected credit loss model which do represent any significant impact on the Group's operating results, financial situation and compliance of contractual obligations (financial restrictions), represent an estimated increase in the allowance for doubtful accounts as of December 31, 2017 of approximately $7.2 million that will be recognised against equity.

  According to the options provided by the standard we consider the prospective adoption of IFRS 9 as of January 1, 2018.

7. Significant Accounting Policies (continued)

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

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services.* It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two entities in the same line of business exchange non-monetary assets to facilitate sales to other parties.

  The Group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

  There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

  For the sale of products, revenue is recognised when control of the goods is passed to the customers. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

  Under IFRS 15 revenue will be recognised when the customer obtains control of the goods. Based on the Group's assessment the treatment of sales of products is similar to the required treatment.

  Certain companies of the Group have entered into supply contracts with individual customers. These supply contracts specify the selling prices and discount arrangements that are extended to the respective customers. Discounts are extended to customers in particular markets based on monthly sales volumes and the discounts are recorded in arriving at the revenue for the respective months. Discounts are also extended to customers based on specific criteria of individual transactions. In these circumstance past sales do not entitle customers to obtain discounts on sales of future months.

7. Significant Accounting Policies (continued)

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

- IFRS 15, *Revenue From Contracts With Customers* (continued)

  Under IFRS 15 revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Monthly volume discounts and discounts related to specific criteria are recorded in the month of the related sales and discounts granted for standalone sales are reflected in the revenue recorded from the individual sales.

  Based on the Group's assessment, the revenue recognised is similar to the requirements under IFRS15 and the Group does not expect the application of IFRS 15 to result in a difference in the value and timing of revenue recognition.

- 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.

  The Group is assessing the impact that this amendment will have on its 2019 financial statements.

(Expressed in Thousands of Trinidad and Tobago Dollars)

8. 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, 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
At December 31, 2016					
Cost	444,589	3,352,021	59,433	213,395	4,069,438
Accumulated depreciation and impairment	(205,695)	(2,020,703)	(37,646)	(139)	(2,264,183)
Net book amount	238,894	1,331,318	21,787	213,256	1,805,255
Net book amount					
January 1, 2016	241,801	1,355,286	21,136	111,571	1,729,794
Exchange rate adjustments	2,137	(2,060)	(30)	(929)	(882)
Additions	1,306	29,854	2,219	167,141	200,520
Transfers	6,612	55,018	2,851	(64,481)	-
Disposals and adjustments	-	(937)	(46)	(46)	(1,029)
Depreciation charge	(12,962)	(105,843)	(4,343)	-	(123,148)
December 31, 2016	238,894	1,331,318	21,787	213,256	1,805,255

8. 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 as at December 31, 2017 was based on the fair value. A valuation exercise was undertaken during the year to determine the fair value of the Group and its assets at February 1, 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.

9. 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)

9. **Employee Benefits** (continued)

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

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

	2017 $	2016 $
Pension plan assets	34,392	37,256
Pension plan liabilities	(20,501)	(24,928)
Net pension plan assets (liabilities)	13,891	12,328
Other post-retirement obligations:		
Retiree's medical benefit obligations	(99,976)	(91,112)
Service benefit obligations	(3,383)	(3,300)
Total other post-retirement obligations	(103,359)	(94,412)
Re-measurement gains (losses) recognised in OCI:		
Pension plan	26,462	58,497
Other post-retirement obligations	(5,304)	(22,203)
Total	21,158	36,194
Pension costs charged to profit or loss:		
Pension plan	34,732	30,758
Other post-retirement obligations	6,783	5,934
Total	41,515	36,692

(Expressed in Thousands of Trinidad and Tobago Dollars)

9. 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
	$	$	$
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	917
Sub-total included in profit or loss	(85,408)	50,676	(34,732)
Re-measurement gains (losses) recognised in OCI			
Return on plan assets	-	11,430	11,430
Actuarial changes arising from changes in financial assumptions			
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

The Group expects to contribute $15.5 million to its pension plan in 2018.

The weighted average duration of the defined benefit obligations at December 31, 2017 ranges from 13.7 to 17.7 years (2016: 13.7 to 17.7 years).

(Expressed in Thousands of Trinidad and Tobago Dollars)

9. 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, 2016	(990,125)	963,490	(26,635)
Pension cost charged to profit or loss			
Current service cost	(27,686)	(2,137)	(29,823)
Net interest	(49,933)	48,998	(935)
Sub-total included in profit or loss	(77,619)	46,861	(30,758)
Re-measurement gains (losses) recognised in OCI			
Return on plan assets	-	(30,682)	(30,682)
Actuarial changes arising from changes in financial assumptions	63,059	-	63,059
Experience adjustments	26,120	-	26,120
Sub-total included in OCI	89,179	(30,682)	58,497
Other movements			
Contributions by employee	(6,028)	6,028	-
Contributions by employer	-	10,928	10,928
Benefits paid	44,584	(44,584)	-
Other movements	(1,911)	2,207	296
Sub-total – other movements	36,645	(25,421)	11,224
Balance at December 31, 2016	(941,920)	954,248	12,328

(Expressed in Thousands of Trinidad and Tobago Dollars)

9. Employee Benefits (continued)

(b) Changes in the other post-retirement benefits

	2017 $	2016 $
Balance at January 1	(94,412)	(68,583)
Pension cost charged to profit or loss		
Current service cost	(3,581)	(2,564)
Past service cost	1,729	-
Net interest	(4,931)	(3,370)
Sub-total included in profit or loss	(6,783)	(5,934)
Re-measurement (losses) gains recognised in OCI		
Actuarial changes arising from changes in demographic assumptions	-	(10,591)
Actuarial changes arising from changes in financial assumptions	-	7,813
Experience adjustments	(5,304)	(19,525)
Sub-total included in OCI	(5,304)	(22,303)
Other movements		
Benefits paid	3,140	2,408
Sub-total – other movements	3,140	2,408
Balance at December 31	(103,359)	(94,412)

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

	2017 %	2016 %
Cash and cash equivalents	6	6
Equities	43	42
Bonds	50	52
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)

9. 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 2017 amounted to $57,330 (2016: $18,335).

	2017	2016
	%	%
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	2.50

		2017	2016
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, 2017 is as shown below:

Assumptions	Discount Rate		Future Salary Increases		Life Expectancy of Pensioners
Sensitivity level: 1%	Increase	Decrease	Increase	Decrease	Increase by 1 year
Impact on the defined benefit obligation	(5,609)	7,588	4,393	(3,360)	931

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)

9. 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

	2017	2016
	%	%
Discount rate at December 31	5.5	5.5
Future medical claims inflation	5.0	5.0

		2017	2016
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, 2017 is as shown below:

Assumptions	Discount Rate		Future Medical Claims Inflation		Life Expectancy
Sensitivity level: 1%	Increase	Decrease	Increase	Decrease	Increase by 1 year
Impact on the defined benefit obligation	(14,278)	18,167	17,737	(14,164)	3,559

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 $3.254 million to its other post-retirement benefits in 2018.

(Expressed in Thousands of Trinidad and Tobago Dollars)

10. Trade and Other Receivables

	2017 $	2016 $
Trade receivables	144,111	141,075
Less: provision for doubtful debts	(31,136)	(43,669)
Trade receivables (net)	112,975	97,406
Sundry receivables and prepayments	30,217	25,517
Due to group companies (Note 25)	6,361	979
Deferred expenditure	865	1,054
Taxation recoverable	10,235	12,672
	160,653	136,649
Presented in the consolidated statement of financial position as follows:		
Non-current	114	1,966
Current	160,539	134,683
	160,653	136,649

Included within trade receivables are balances due from three classes of customers with agreed repayment terms over one year and therefore $0.1 million (2016: $2.0 million) is presented as a non-current asset.

			Past due but not impaired		
	Total $	Neither past due nor impaired $	1-90 days $	91-180 days $	Over 180 days $
2017	112,975	62,936	47,531	1,949	559
2016	97,406	49,156	23,998	7,230	17,022

As at December 31, the impairment provision for trade receivables assessed to be doubtful was $31.1 million (2016: $43.7 million). Movements in the provision for impaired receivables were as follows:

	2017 $	2016 $
At January 1	43,669	38,379
Charge for the year	6,661	10,961
Unused amounts reversed/written off	(19,194)	(5,671)
At December 31	31,136	43,669

(Expressed in Thousands of Trinidad and Tobago Dollars except as otherwise stated)

	2017	2016
	$	$

11. Taxation

(a) Taxation charge

	2017 $	2016 $
Deferred taxation (Note 11(c))	36,934	(8,405)
Current taxation	45,982	45,610
	82,916	37,205

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

	2017		2016	
	$	%	$	%
(Loss) profit before taxation	(172,226)	100	89,627	100
Tax charge calculated at 30% (2016: 25%)	(51,668)	(30)	22,407	25
Net effect of other charges and disallowances	(7,268)	(4)	(10,601)	(12)
Movement in deferred tax income assets not recognised	116,755	68	11,274	13
Impact of income not subject to tax	(6,953)	(4)	(9,801)	(11)
Business and green fund levies	6,983	4	8,797	10
Impact of change in Trinidad and Tobago tax rate	(50)	-	6,754	8
Effect of different tax rates outside Trinidad and Tobago	25,117	15	8,375	9
Taxation charge reported in the profit of loss	82,916	49	37,205	42

Based on the Budget Presentation on October 2, 2017, the Minister of Finance of the Government of Trinidad and Tobago announced a change in corporation tax rate from 25% to 30% for Companies, on chargeable income less than $1 million. The change was enacted by the Parliament of Trinidad and Tobago and was subsequently assented to on December 19, 2017. This change in tax rate is effective from January 1, 2018.

The impact to the consolidated financial statements as at December 31, 2017 was a net decrease in the deferred tax expense reported in profit or loss of $50 thousand and a net increase in the income tax credit to Other Comprehensive Income of $62 thousand.

(Expressed in Thousands of Trinidad and Tobago Dollars except as otherwise stated)

11. Taxation (continued)

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

As at December 31, 2017, a deferred tax asset of $215.8 million (2016: $99.34 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 $1.359 million (2016: $1.226 million) available for set off against future taxable profits. Caribbean Cement Company Limited and its subsidiaries have tax losses of $115.5 million (2016: $175.7 million) available for set off against future taxable profits.

Arawak Cement Company Limited has tax losses of $370 million (2016: $267 million) available for set off against future taxable profits. These tax losses expire over a 6 year period ending in 2024.

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

	2017	2016
	$	$
(c) Movement in deferred tax net balance:		
Net balance at January 1	49,116	38,364
Exchange rate and other adjustments	(805)	(161)
(Charge) credit to profit or loss	(36,934)	8,405
(Charge) credit to other comprehensive income	(6,678)	2,508
Net balance at December 31 (Note 11(d))	4,699	49,116
(d) Components of the deferred tax assets (liabilities) are as follows:		
Deferred tax assets:		
Tax losses carry forward	288,001	356,276
Interest accrual	805	2,900
Other post-retirement benefits	29,993	27,248
*Others	13,856	7,651
Balance at December 31	332,655	394,075

* Comprises mainly accruals and provisions.

(Expressed in Thousands of Trinidad and Tobago Dollars except as otherwise stated)

11. Taxation (continued)

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

	2017 $	**2016** $
Deferred tax liabilities:		
Property, plant and equipment	(325,737)	(343,107)
Pension plan assets	(1,192)	(1,035)
Others	(1,027)	(817)
Balance at December 31	(327,956)	(344,959)
Net deferred tax assets	4,699	49,116

12. Inventories

	2017 $	**2016** $
Plant spares	50,978	105,523
Raw materials and work in progress	47,931	139,787
Consumables	65,971	75,342
Finished goods	40,494	41,869
	205,374	362,521

Inventories are shown as net of obsolescence provision of $13.0 million (2016: $$18.8 million) in respect of plant spares and consumables.

In June 2016, the Group undertook a comprehensive review of its inventory of spares and consumables and has determined the optimal stockholding and reorder levels for the Group. As a result the Group has written down overstocked spares and consumables to their net realisable value in accordance with IAS 2: "Inventories" and recorded an expense of $72 million in 2016.

In 2017 the Group undertook to align its procedures and integrate its processes with the ultimate parent company. New inventory consumption plans were developed and optimal stockholding and reorder levels were further reduced. Overstocked spares and consumables were written down to their net realizable values and an expense of $81 million was recorded. These expenses have been accounted for as a changes in accounting estimates consistent with IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors" resulting from new developments in relation to the implementation of a more robust preventative maintenance programme and closer proximity to wider operational and technical capabilities.

(Expressed in Thousands of Trinidad and Tobago Dollars)

13. Cash and Cash Equivalents

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

	2017	2016
	$	$
14. Stated Capital and Reserves		
(a) Stated capital		
Authorised		
An unlimited number of ordinary and preference shares of no par value		
Issued and fully paid		
374,647,704 ordinary shares of no par value	827,732	827,732
(b) Reserves		
Balance at January 1	(254,305)	(243,485)
Other comprehensive loss		
Currency translation	10,954	(10,820)
Change in fair value of cash flow hedge	2,946	-
	13,900	(10,820)
Balance at December 31	(240,405)	(254,305)

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.

As of December 31, 2017, 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 US$2,911,000. The contract has been designated as a cash flow hedge of diesel fuel consumption, and as such, changes in fair value are recognised initially in OCI and are recycled to profit or ,loss as the related diesel volumes are consumed. Gains in fair value of this contract recognised in OCI amounted to $3,976.

(Expressed in Thousands of Trinidad and Tobago Dollars)

14. 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 2017				
Other comprehensive income (loss)				
Currency translation		14,834	-	14,834
Change in fair value of cashflow hedge	3,976	-	-	3,976
Re-measurement gains on pension plans and other post-retirement benefits	-	-	14,480	14,480
	3,976	14,834	14,480	33,290

	Foreign Currency Translation Account $	Retained Earnings $	Total $
Year ended 31 December 2016			
Other comprehensive income (loss)			
Currency translation	(10,820)	-	(10,820)
Re-measurement gains on pension plans and other post-retirement benefits	-	39,751	39,751
	(10,820)	39,751	28,931

(Expressed in Thousands of Trinidad and Tobago Dollars)

15. Employee Share Ownership Plan (ESOP)

	Thousands of shares	
	2017	**2016**
Employee share ownership plan		
Number of shares held - unallocated	2,845	2,986
Number of shares held - allocated	3,447	3,306
	6,292	6,292

	2017	**2016**
	$	**$**
Cost of unallocated ESOP shares		
Balance at January 1	20,849	25,299
Share-based allocations	830	4,450
Balance at December 31	20,019	20,849
Fair value of shares held - unallocated	10,669	13,138
Fair value of shares held - allocated	12,926	14,548
	23,595	27,686
Charge to profit or loss for provision of shares allocated to employees	433	1,425

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)

16. 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	2017	2016
Caribbean Cement Company Group	Jamaica	26%	26%
Readymix (West Indies) Limited	Trinidad and Tobago	2.3%	29%
TCL Packaging Limited	Trinidad and Tobago	20%	20%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago	35%	35%
TCL Guyana Inc.	Guyana	20%	20%

	2017	2016
	$	$
Accumulated balances of material non-controlling interests		
Caribbean Cement Company Limited	(26,487)	(47,157)
Readymix (West Indies) Limited	(2,674)	23,189
TCL Packaging Limited	7,444	11,575
TCL Ponsa Manufacturing Limited	4,368	3,566
TCL Guyana Inc.	8,984	8,606
	(8,365)	(221)
Profit (loss) allocated to material non-controlling interests		
Caribbean Cement Company Limited	15,769	17,527
Readymix (West Indies) Limited	(1,339)	(2,600)
TCL Packaging Limited	(4,544)	57
TCL Ponsa Manufacturing Limited	746	515
TCL Guyana Inc.	391	64
	11,023	15,563

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

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

Summarized statement of income for 2016:

	Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited	TCL Guyana Inc.
	$	$	$	$	$
Revenue	838,432	139,936	57,077	24,059	150,265
Operating expenses	(765,522)	(149,440)	(59,416)	(22,949)	(148,783)
Finance costs (net)	(2,625)	(203)	2,782	362	(542)
Profit (loss) before tax	70,285	(9,707)	443	1,472	940
Income tax	(2,612)	785	(157)	-	(621)
Total comprehensive income	53,597	(13,035)	110	1,931	2,308
Attributable to non-controlling interests	15,096	(3,787)	22	676	462

(Expressed in Thousands of Trinidad and Tobago Dollars)

16. 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)

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

Summarized statement of financial position as at December 31, 2016:

	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	194,924	94,767	84,230	17,222	36,644
Property, plant and equipment and other non-current assets	403,145	38,932	105	2,494	40,205
Trade and other payables and other current liabilities	(140,945)	(48,521)	(21,398)	(6,227)	(31,860)
Interest bearing loans, borrowings and deferred tax and other non-current liabilities	(27,007)	1,359	(5,062)	(3,300)	(1,961)
Total equity	430,117	86,537	57,875	10,189	43,028
Attributable to:					
Equity holders of parent	477,274	63,348	46,300	6,623	34,422
Non-controlling interests	(47,157)	23,189	11,575	3,566	8,606
	430,117	86,537	57,875	10,189	43,028

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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)

Summarized cash flow information for the year ended 31 December 2016:

	Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited	TCL Guyana Inc.
	$	$	$	$	$
Operating	91,502	7,739	9,161	(600)	16,720
Investing	(90,273)	(16,215)	(1,840)	(593)	(2,201)
Financing	(10,923)	-	-	-	(1,841)
Net (decrease) increase in cash and cash equivalents	(9,694)	(8,476)	7,321	(1,193)	12,678

(Expressed in Thousands of Trinidad and Tobago Dollars)

17. Borrowings

	2017 $	2016 $
Maturity of borrowings		
One year	243,971	128,850
Two to five years	669,137	839,646
Gross borrowings	913,108	968,496
Current portion of borrowings	(243,971)	(128,850)
Non-current portion of borrowings	669,137	839,646
Currency denomination of borrowings		
US dollar	669,137	728,690
Local currencies	243,971	239,806
	913,108	968,496
Interest rate profile		
Floating rates	913,108	968,496

	2017 %	2016 %
The weighted average effective interest rate for borrowings is:	6.34	9.10

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).

Revolving Loan ($669.1 million)

On the April 25, 2017 the Company negotiated a revolving loan with the following key terms:

(i) The facility allows a maximum principal balance of US$150 million.

(ii) The Principal bears interest at a rate of LIBOR + 4.99% (effective 6.83% per annum)

17. Borrowings (continued)

Revolving Loan ($669.1 million) (continued)

On the April 25, 2017 the Company negotiated a revolving loan with the following key terms (continued):

(iii) Interest payments commenced on June 30, 2017 and are payable semi-annually thereafter. with the last payment due on April 25, 2020.

(iv) Principal is repayable on April 24, 2020. Prepayments of principal are allowed without penalty.

Short-term Loan ($244.0)

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.

At December 31, 2017, the TCL Group was compliant with the terms and covenants of both loan agreements.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18. Trade and Other Payables

	2017 $	2016 $
Sundry payables and accruals	296,127	278,188
Trade payables	178,051	178,909
Due to group companies (Note 25)	47,870	4,156
Interest and other finance charges	2,683	9,704
Taxation payable	940	673
Statutory obligations	20,251	5,127
	545,922	472,601
Presented in the consolidated statement of financial position as follows:		
Non-current	87	-
Current	545,835	472,601
	545,922	472,601

19. Operating Profit

	2017 $	2016 $
Revenue	1,712,569	1,887,013
Less expenses:		
Personnel remuneration and benefits (see below)	389,692	428,642
Fuel and electricity	318,593	287,839
Operating expenses	236,072	208,750
Raw materials and consumables	160,334	196,107
Equipment hire and haulage	128,336	128,296
Repairs and maintenance	93,952	123,213
Changes in finished goods and work in progress	74,013	52,088
Other income (see below)	(1,423)	(2,148)
Earnings before interest, tax, depreciation, and loss on disposal of property, plant and equipment, and manpower and stockholding restructuring costs	294,449	464,226
Manpower restructuring costs (see below)	(59,023)	(44,464)
Stockholding and inventory restructuring costs (Note 12)	(81,352)	(72,026)
Depreciation (Note 8)	(127,969)	(123,148)
Impairment (Note 8)	(93,418)	-
Loss on disposal of property, plant and equipment (Note 23)	(325)	(163)
Operating (loss) profit	(49,089)	224,425

(Expressed in Thousands of Trinidad and Tobago Dollars)

19. 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.

As described further in Note 12, the Group recorded an expense of $81 million in 2017 (2016: $72 million) in relation to a stockholding and inventory programme.

	2017	2016
	$	$
Personnel remuneration and benefits include		
Salaries and wages	278,952	321,472
Other benefits	53,683	51,952
Statutory contributions	19,563	20,525
Pension costs – defined contribution plan	2,762	3,262
Termination benefits	-	673
Net pension expense – defined benefit plans (Note 9(a))	34,732	30,758
	389,692	428,642
Operating profit is stated after deducting Directors' fees		
Directors' fees	646	1,589
Other income includes		
Miscellaneous income	(1,423)	(2,148)
	(1,423)	(2,148)

20. Finance Costs – Net

	2017	2016
	$	$
Interest expense on borrowings	63,579	86,012
Other finance costs	50,270	22,974
Bank and related charges	1,811	2,404
Interest income	(454)	(537)
	115,206	110,853
Foreign currency exchange loss	7,931	23,945
	123,137	134,798

(Expressed in Thousands of Trinidad and Tobago Dollars)

20. Finance Costs – Net (continued)

Debt Extinguishment

As described in Note 17, 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.

21. Earnings per Share

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

	2017	2016
	$	$
(Loss) profit for the year attributable to owners of the Company	(266,165)	36,859
Weighted average number of ordinary shares issued (net of treasury shares) (thousands of units)	371,698	371,030
Basic and diluted (loss) earnings per share (Expressed in $ per share)	(0.72)	0.10

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 2.950 million (2016: 3.618 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.

22. Dividends

	2017	2016
	$	$
2017: 2¢ per share (2016: 4¢)	7,493	14,986

During the year, the Parent Company declared and paid a dividend of $7.5 million (2016: $15 million).

During the year a subsidiary paid dividends of $.026 million (2016: $0.368 million) to non-controlling interests.

(Expressed in Thousands of Trinidad and Tobago Dollars)

23. Cash Generated from Operations

	Notes	2017 $	2016 $
(Loss) profit for the year		(172,226)	89,627
Adjustments for:			
- Depreciation	8	127,969	123,148
- Impairment – charge on property, plant and equipment	8	93,418	-
- Stockholding and restructuring costs	12	81,352	72,026
- Finance costs (net)	24	123,137	134,798
- ESOP share allocation and sale of shares net of dividends		630	3,030
- Pension plan expense	9 (a)	34,732	30,758
- Other post-retirement benefits expense	9 (b)	6,783	5,934
- Loss on disposal of property, plant and equipment		325	163
		296,120	459,484
Changes in:			
- Inventories		77,522	48,958
- Trade and other receivables		(24,043)	79,501
- Trade and other payables		72,966	(57,139)
Cash generated from operating activities		422,610	530,804

24. Subsidiary Undertakings

The Group's subsidiaries are as follows:

Company	Country of Incorporation	Principal Activities	Ownership Level 2017	Ownership Level 2016
Readymix (West Indies) Limited	Trinidad and Tobago		97.7%	71%
TCL Packaging Limited	Trinidad and Tobago		80%	80%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago		65%	65%
TCL Leasing Limited	Trinidad and Tobago		100%	100%
Caribbean Cement Company Limited	Jamaica		74%	74%
Jamaica Gypsum and Quarries Limited	Jamaica		74%	74%
Rockfort Mineral Bath Complex Limited	Jamaica		74%	74%
Caribbean Gypsum Company Limited	Jamaica		74%	74%
Arawak Cement Company Limited	Barbados		100%	100%

(Expressed in Thousands of Trinidad and Tobago Dollars)

24. Subsidiary Undertakings (continued)

The Group's subsidiaries are as follows (continued)

Company	Country of Incorporation	Principal Activities	Ownership Level 2017	2016
Premix & Precast Concrete Incorporated	Barbados		58.6%	42.6%
TCL Trading Limited	Anguilla		100%	100%
TCL (Nevis) Limited	Nevis		100%	100%
TCL Guyana Inc.	Guyana		80%	80%
Arawak Concrete Solutions Limited	Barbados		100%	100%
TTLI Trading Limited	Barbados		100%	100%
TGI Concrete Solutions Inc.	Guyana		100%	-

Effective September 2014, the Board of Directors discontinued the operations of Premix & Precast Concrete Incorporated. TGI Concrete Solutions Inc. was incorporated during the year.

25. 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)

25. 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:

	2017	**2016**
	$	**$**
Sales for the year	11,710	23,579
Purchases for the year	115,950	49,904
Management fee expenses	24,792	24,273
Trade receivables at year end (Note 10)	6,361	979
Trade payables at year end (Note 18)	47,870	4,156
Long-term debt (Note 17)	669,137	-
Interest and other finance charges	381	-
Interest charges	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.

	2017	**2016**
	$	**$**
Key management compensation of the Group		
Short-term employment benefits	27,383	28,513
Pension plan and post-retirement benefits	711	398

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)

26. Capital Commitments and Contingent Liabilities

Capital commitments

The Group has contractual capital commitments of $149.9 million as at December 31, 2017 (2016: $113.1 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 $83.9 million (2016: $88 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	260.6 million	-
2010	247.4 million	12.9 million
2011	129.3 million	31.2 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 and 2008. The Parent Company has filed notices of objections with the Tax Appeal Board and these matters are being heard. 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)

26. 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

During the year the GRA raised assessments of $0.860 million for additional tax payments relative to the years 2012 to 2014. The Subsidiary has objected to the assessments and has been granted an Order Nisi in the application directed to the Commissioner General of the GRA to show cause why his decision to maintain the assessment of corporate tax at the commercial rate should not be quashed. No provision has been made in these consolidated financial statements for the higher tax rate as the possible liability is not considered probable.

27. 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:

	2017		2016	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	$	**$**	**$**	**$**
Financial assets				
Cash at bank	118,826	118,514	186,546	186,546
Trade receivables	112,975	112,977	97,406	97,406
Financial liabilities				
Borrowings	913,108	913,108	968,496	968,496
Trade payables	178,051	178,051	178,909	178,909
Interest and finance charges	2,683	2,683	9,704	9,704

28. 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)

28. 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	
	2017	**2016**
	$	**$**
Due to Group Companies	6,361	979
Trade receivables	112,975	97,406
Cash at bank	118,826	186,546
Credit risk exposure	231,162	284,931

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, 2017, the Group had 10 customers (2016: thirteen customers) that owed the Group more than $2 million each and which accounted for 40% (2016: 76%) of all trade receivables.

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.

(Expressed in Thousands of Trinidad and Tobago Dollars)

28. Financial Risk Management (continued)

Risk management structure (continued)

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 include 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
	$	$	$	$	$
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

	On demand	1 year	2 to 5 years	> 5 years	Total
	$	$	$	$	$
2016					
Borrowings	-	187,335	1,003,264	-	1,190,599
Interest and finance charges	-	9,704	-	-	9,704
Trade payables	-	174,753	-	-	174,753
Due to group companies	-	4,156	-	-	4,156
	-	375,948	1,003,264	-	1,379,212

(Expressed in Thousands of Trinidad and Tobago Dollars)

28. Financial Risk Management (continued)

Risk management structure (continued)

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.

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
		$	$
2017			
US dollar	+1%	(6,081)	(4,257)
	–1%	6,081	4,257
Euro	+1%	(22)	(15)
	–1%	22	15
2016			
US dollar	+1%	(6,033)	(4,525)
	–1%	6,033	4,525
Euro	+1%	(73)	(55)
	–1%	73	55

(Expressed in Thousands of Trinidad and Tobago Dollars)

28. 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 $126.0 million (2016: $146.1 million) and liabilities $739.3 million (2016: $749.3 million) and EURO financial assets $0.05 million (2016: $0.5 million) and net financial liabilities $2.3 million (2016: $7.9 million).

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

	TT	US	JM	BDS	Other	Total
	$	$	$	$	$	$
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)
2016						
Assets						
Cash at bank	16,161	120,443	33,886	13	16,043	186,546
Trade receivables	40,859	25,640	20,690	2,081	8,136	97,406
	57,020	146,083	54,576	2,094	24,179	283,952
Liabilities						
Borrowings	239,805	728,691	-	-	-	968,496
Interest and finance charges	2,206	7,498	-	-	-	9,704
Trade payables	44,419	16,751	99,895	5,691	12,153	178,909
	286,430	752,940	99,895	5,691	12,153	1,157,109
Net (Liabilities) Assets	(229,410)	(606,857)	(45,319)	(3,597)	12,026	(873,157)

Other currencies include the Euro.

(Expressed in Thousands of Trinidad and Tobago Dollars)

28. 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:

	2017 $	2016 $
At floating rates	913,108	968,496

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 $
2017	+100	(6,691)
	–100	6,691
2016	+100	(9,684)
	–100	9,684

(Expressed in Thousands of Trinidad and Tobago Dollars)

29. 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
	$	$	$	$	$
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	(450,392)	(27,324)	(20,181)	325,671	(172,226)
Segment assets	3,082,702	134,642	80,971	(634,636)	2,663,679
Segment liabilities	2,684,067	60,414	31,268	(864,903)	1,910,846
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)

29. Financial Information by Segment (continued)

Operating segment information (continued)

	Cement	Concrete	Packaging	Consolidation Adjustments	Total
	$	$	$	$	$
2016					
Total revenue	2,019,321	139,936	80,288	-	2,239,545
Inter-segment revenue	(279,428)	-	(73,104)	-	(352,532)
Third party revenue	1,739,893	139,936	7,184	-	1,887,013
Depreciation	117,982	6,859	2,032	(3,725)	123,148
Profit before tax	25,623	(9,730)	1,915	71,819	89,627
Segment assets	3,556,747	140,617	104,051	(879,113)	2,922,302
Segment liabilities	2,602,229	49,788	35,987	(782,608)	1,905,396
Capital expenditure	177,804	20,282	2,434	-	200,520
Operating cash flows	266,514	7,739	8,561	83,427	366,241
Investing cash flows	(177,053)	(16,215)	(2,433)	(4,106)	(199,807)
Financing cash flows	(189,084)	-	-	(87,403)	(276,487)
Net (decrease) increase in cash and cash equivalents	(99,623)	(8,476)	6,128	(8,082)	(110,053)

(Expressed in Thousands of Trinidad and Tobago Dollars)

29. Financial Information by Segment (continued)

Geographical segment information

	Revenue 2017	Revenue 2016	Non-Current Assets 2017	Non-Current Assets 2016	Additions Property Plant and Equipment 2017	Additions Property Plant and Equipment 2016
	$	$	$	$	$	$
Trinidad and Tobago	485,665	668,958	1,207,655	1,244,980	49,985	79,330
Jamaica	848,369	771,733	490,476	385,418	118,092	90,272
Barbados	45,039	39,523	74,197	135,574	44,091	28,716
Other countries	333,495	406,799	39,565	41,249	2,746	2,202
Group total	1,712,569	1,887,013	1,811,893	1,807,221	214,914	200,520

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.

30. Operating Lease

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

	2017	2016
	$	$
Within one year	2,821	3,485
After one year, but less than five years	2,792	4,392
More than five years	3,369	5,304
	8,982	13,181

Operating lease expenses amounting to $3.39 million (2016: $5 million) are included within the other operating expenses

31. 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.