"CONCRETE ROADS... OUR FUTURE!"

CARIBBEAN CEMENT COMPANY LIMITED

1952

2012

"60 Years And Growing Stronger"

Annual Report 2012

www.caribcement.com

ONE CARIBBEAN...
ONE COMPANY
A member of the **TCL GROUP**

ISO/IEC 17025:2005
Laboratory Management System

LABORATORY ACCREDITATION BUREAU

NACLA RECOGNIZED

Certificate of Accreditation

ISO/IEC 17025:2005 **Certificate Number L2342**

Caribbean Cement Company Ltd.

Sir Florizel Glasspole Blvd.
Rockfort, Kingston Jamaica

has met the requirements set forth in L-A-B's policies and procedures, all requirements of ISO/IEC 17025:2005 "General Requirements for the competence of Testing and Calibration Laboratories". *

The accredited lab has demonstrated technical competence to a defined "Scope of Accreditation" and the operation of a laboratory quality management system (refer to joint ISO-ILAC-IAF Communiqué dated 8 January 2009).

Accreditation valid through: December 10, 2015

R. Douglas Leonard, Jr., President, COO
Laboratory Accreditation Bureau
Presented the 10th of December 2012

* See the laboratory's Scope of Accreditation for details of accredited parameters
** Laboratory Accreditation Bureau is found to be in compliance with ISO/IEC 17011:2004 and recognized by ILAC (International Laboratory Accreditation Cooperation) and NACLA (National Cooperation for Laboratory Accreditation)

Current Registrar: Laboratory Accreditation Bureau

Accredited since December 2012

CONTENTS

CARIBBEAN CEMENT COMPANY LIMITED

Registered Office: Rockfort, Kingston
Postal Address: P.O. Box 448, Kingston
Tel: (876) 928-6231-5 Fax: (876) 928-7381
Email: info@caribcement.com

BOARD OF DIRECTORS
Brian Young, *F.C.A. - Chairman*
Rollin Bertrand, *Ph.D*
Bevon Francis, *B.Sc., M.B.A.*
Hollis Hosein, *F.C.C.A., C.A*
Parris A. Lyew-Ayee, *C.D., B.Sc., M. Eng.*
Lincoln Parmasar, *F.C.C.A., C.A., B.Sc.*
Judith Robinson, *F.C.C.A., Ph.D.*

COMPANY SECRETARY
Bernadene Crooks

MANAGEMENT TEAM
F.L.A. Haynes - *General Manager*
Chester Adams
Marchel Burrell
Jascinth Buchanan Wint
Alice Hyde
Brett Johnson
Raymond Mitchell
Dalmain Small
Adrian Spencer
Godfrey Stultz
Everoy Thomas
Ken Wiltshire

SUBSIDIARY COMPANIES
Jamaica Gypsum & Quarries Limited
Rockfort Mineral Bath Complex Limited
Caribbean Gypsum Company Limited

ATTORNEYS-AT-LAW
Dunn Cox
48 Duke Street, Kingston

Michael Hylton & Associates
11a Oxford Road, Kingston 5

Rattray Patterson Rattray
15 Caledonia Avenue, Kingston 5

REGISTRAR & TRANSFER AGENTS
Sagicor Bank Ltd.
60 Knutsford Boulevard, Kingston 5

AUDITORS
Ernst & Young,
8 Olivier Road, Kingston 8

BANKERS
Bank of Nova Scotia Jamaica Ltd.
Citibank, N.A.
National Commercial Bank Jamaica Ltd.
RBTT Bank Jamaica Ltd.

BOARD SUB-COMMITTEES

Audit Committee

Members: Dr. J. Robinson - *Chairperson*
Mr. B. Francis
Mr. H. Hosein

Finance Committee

Members: Mr. B. Young - *Chairman*
Dr. R. Bertrand
Mr. H. Hosein
Dr. J. Robinson

Technical Committee

Members: Mr. B. Francis - *Chairman*
Dr. R. Bertrand
Mr. H. Hosein
Mr. P. A. Lyew-Ayee
Mr. L. Parmasar
Dr. J. Robinson
Mr. B. Young

Corporate Governance Committee
The Corporate Governance Committee was established on March 4, 2005 by Trinidad Cement Limited of which Caribbean Cement Company Limited is a subsidiary.

The Corporate Governance guidelines can be viewed on the Company's website – *www.caribcement.com*.

NOTICE is hereby given that the **SIXTY FOURTH ANNUAL GENERAL MEETING** of **CARIBBEAN CEMENT COMPANY LIMITED** will be held at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 10 on June 25, 2013 at 10:00 a.m. to transact the following business and to consider and, if thought fit, pass the following Resolutions:

1. **AUDITED ACCOUNTS FOR YEAR ENDED DECEMBER 31, 2012**
   To receive the audited accounts for the year ended December 31, 2012, together with the Directors' and Auditors' Reports circulated therewith and declare

   THAT the Balance Sheet and Profit & Loss Account for the year ended December 31, 2012, together with the Reports of the Directors and Auditors now submitted to this meeting, be and are hereby adopted.

2. REMUNERATION OF THE AUDITORS
   To fix the remuneration of the Auditors:

   THAT the remuneration of the Auditors, Ernst & Young, who have signified their willingness to continue in office, be agreed with the Directors.

3. **ELECTION OF DIRECTORS**
   In accordance with Article 96 of the Company's Articles of Association, the following Directors retire by rotation and, being eligible, offer themselves for re-election:

   - Brian Young
   - Rollin Bertrand

   a) **THAT** the retiring Director, Brian Young be and is hereby re-elected.
   b) **THAT** the retiring Director, Rollin Bertrand be and is hereby re-elected.

   Since the last Annual General Meeting, Mr. Derek Jones resigned as a Director, and the Company takes this opportunity to express appreciation for the contribution he made during his tenure.

PURSUANT to Article 100 (A) of the Company's Articles of Association, members qualified to attend and vote at the meeting who wish to nominate a person (other than a retiring Director who may be re-appointed at the meeting) to stand as a Director shall deposit such nomination, in writing, signed by the member at the Registered Office of the Company situated at Rockfort, Kingston addressed to "The Company Secretary, Caribbean Cement Company Limited" between 8:00 a.m. on June 11, 2013 and 4:00 p.m. on June 18, 2013. Each such nomination shall be accompanied by a notice in writing, signed by the person nominated, indicating his/her willingness to be elected.

4. **REMUNERATION OF DIRECTORS**
   To fix the remuneration of the Directors:

   THAT the amount shown in the Accounts of the Company for the year ended December 31, 2012, as remuneration of the Directors for their services as Directors be and is hereby approved.

SPECIAL BUSINESS

As special business to consider the following resolutions, which will be proposed as a special resolution and an ordinary resolution respectively:

Special Resolution

5. **That the Articles of Incorporation of the Company be amended as follows:**

   a) by deleting clause 3.1 of Article 3 and inserting in its place the following clause numbered 3.1:

   "3.1 At the date of the adoption of this clause, the share capital of the Company is divided into 1,349,999,998 shares of which:

   (a) 851,138,000 have been issued as ordinary shares and have been converted to stock units (the "ordinary stock units");

   (b) 15,000,000 have been issued as redeemable preference shares ("the Preference Shares") having attached to them the rights and privileges set out in Article 3.2; and

   (c) a further 100,000,000 shares are hereby constituted as Preference Shares having attached to them the rights and privileges set out in clause 3.2 of Article 3 and ranking pari passu and ratably as respects income, return of capital, voting rights, redemption and in all other respects with the existing Preference Shares."

For the avoidance of any doubt, the redemption price of the Preference Shares listed at sub-paragraphs (b) and (c) above shall be the subscription price.

Ordinary Resolution

6. That the Board of Directors be and is hereby authorized to issue to Trinidad Cement Company Limited ("TCL") any one or more allotment(s) of new redeemable preference shares at such subscription price as the Board may determine and that the whole or part of such subscription price be discharged by TCL releasing the Company from debt owed by the Company to TCL.

   An Explanatory Note outlining the reasons for the issue of the aforesaid Preference shares accompanies this Notice.

7. To transact any other business which may properly be transacted at an Annual General Meeting.

NOTE:
A member may appoint a proxy to attend and vote on his/her behalf. The proxy appointed need not be a member of the Company. An appropriate form of proxy accompanies this Notice.

The proxy form must be signed and deposited duly stamped at the Registered Office of the Company situated at Rockfort, Kingston addressed to "The Company Secretary, Caribbean Cement Company Limited" not less than forty-eight hours before the meeting.

BY ORDER OF THE BOARD

B. Crooks

Bernadene M. Crooks
Company Secretary
Rockfort, Kingston

May 24, 2013

The Directors submit this report and the audited Financial Statements for the year ended December 31, 2012.

FINANCIAL RESULTS

Results for the year are shown on pages 17 to 79 in the Financial Statements. These results reflect the operations and financial position of the Company and its subsidiaries, Jamaica Gypsum & Quarries Limited, Rockfort Mineral Bath Complex Limited and Caribbean Gypsum Company Limited.

HIGHLIGHTS OF THE YEAR ($ Million)

	2012	2011
Turnover	9,084,600	8,033,786
Net Loss	(3,348,265)	(2,613,360)
Total Net (liabilities)/Assets	(2,939,072)	409,193
Loss per Stock Unit	(3.93)	(3.07)

AUDITORS

The retiring auditors, Ernst & Young, having signified their willingness to continue in office, will be deemed to be reappointed in accordance with the provisions of Article 155 of the Company's Articles of Association.

TEN LARGEST STOCKHOLDERS AS AT DECEMBER 31, 2012

TCL (Nevis) Limited	558,688,942
Trinidad Cement Limited	71,876,497
Scancem International (St. Lucia) Ltd	42,187,482
Mayberry West Indies Limited	23,716,714
National Insurance Fund	11,090,961
Guardian Life Limited	6,823,316
PAM Ltd.- Super Clubs Resort P/Plan	5,483,152
National Housing Trust	4,318,904
Subratie, Michael J.G.	4,000,000
VMBS A/C Contributory Pension Scheme	2,840,976
TOTAL	731,026,944

DIRECTORS' STOCKHOLDINGS AS AT DECEMBER 31, 2012

Bevon Francis	175,000
Parris A. Lyew-Ayee	10,000
TOTAL	185,000

SENIOR MANAGERS' STOCKHOLDINGS AS AT DECEMBER 31, 2012

Chester Adams	21,332
Dalmain Small	1,125
Adrian Spencer	3,750
TOTAL	26,207

With the exception of the Directors listed above, no Director or any person/company connected to him/her has a stockholding interest in the Company.

The Directors wish to express thanks to the management and staff for their continued commitment and hard work in 2012.

On behalf of the Board of Directors.

Brian Young
Chairman

May 24, 2013

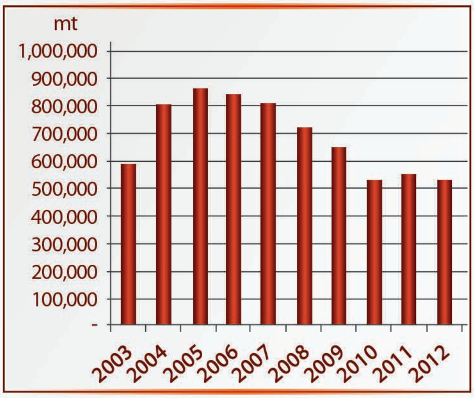
The year 2012 saw a decline in business activity, particularly as the year progressed, and no doubt was largely due to the delays in finalizing a new bilateral arrangement with the International Monetary Fund [IMF]. Housing starts were down and the construction sector experienced an overall decline.

Brian Young
Chairman

In addition, the slow recovery from the disruption caused by Hurricane Sandy in October in terms of both production and domestic and export sales added to the decline for 2012.

Since 2005, when our domestic sales volumes peaked at 862,400 tonnes, sales volumes have declined by 38% due to the contraction in the market and the presence of dumped cement imports. Despite the deterioration in our sales volumes, increases in selling prices, effective cost controls and improved clinker production resulted in a $1 billion improvement in Earnings before Interest, Depreciation, Tax and Amortisation [EBITDA] i.e. $750 million loss for 2012 compared to $1.76 billion loss for 2011.

CCCL Domestic Sales Volumes 2003-2012



In May 2012 our parent company, Trinidad Cement Limited, completed the restructuring of its debt including that of Caribbean Cement Company Limited and its Subsidiaries [CCCL]. The servicing of the restructured debt will be over six years starting with interest in December 2012 which was paid on the due date.

The protracted ill-health and subsequent death of the Venezuelan President and subsequent elections in Venezuela have resulted in a further delay in concluding the negotiations for the export of CCCL cement to Venezuela under the PetroCaribe oil agreement between the Governments of Jamaica and Venezuela. As a consequence of this delay, further impairment losses have been recognized in 2012 and the basis for the qualified opinion issued by the Independent Auditors for 2011 no longer applies.

Performance Summary

The CCCL Group recorded a consolidated loss of $3.35 billion for 2012 compared to a loss of $2.61 billion for the prior year. The substantial increase in the consolidated loss is largely due to the recording of impairment losses and foreign exchange translation losses which in total amounted to $1.56 billion compared to $245 million for 2011. The impairment losses pertain to certain plant and machinery and deferred tax assets, amounting to $384 million and $676 million respectively. The foreign exchange translation losses amount to $506 million. It should be noted that impairment losses are not cash losses and that the impaired plant and machinery may be utilized when market conditions improve, at which time the then fair value of those assets will be recorded in the balance sheet.

Group equity has gone into a negative position of $2.94 billion and the Group continues to rely on the support of its parent company to continue to operate. Consideration is being given to converting a significant portion of the debt due to the parent company into equity to address the negative equity position and the continuing threat of foreign exchange translation losses.

Outlook for 2013

We are very pleased that one of the traditional cement importers has become a customer of CCCL and we have been able to increase our domestic market share. Domestic sales volumes are essential to our viability, particularly as the overall domestic market is expected to continue to decline until such time as the IMF arrangements are finalized. Achieving additional sales in the domestic market is critical if the Group is to meet its commitment under the debt restructuring agreement executed by our parent company. To this end, we continue to pursue various strategies to increase our share of the domestic market.

Dividend

The financial challenges that the Group is faced with at this time does not allow for a dividend to be declared.

Acknowledgements

I wish to acknowledge the continuing financial support from our parent company and to thank my fellow Board Members, the General Manager and his team, all employees and our ever loyal customers for their continuing support in these challenging times which, regrettably, are continuing into its sixth year.

Brian Young
Chairman

L-R – Adam Stewart (Sandals Group), Brian Bennett-Easy (Digicel), Jimmy Lawrence (Wray and Nephew) and Carib Cement Chairman, Brian Young accepting CCCL's Jamaica Observer Business Leaders Award in December 2012 for being one of the top companies doing business in Jamaica for over 50 years.

Caribbean Cement Company Limited and its Subsidiaries recorded a consolidated loss of \$3.35 billion for the year 2012, which represented a deterioration of \$735 million when compared to the previous year.

F. Anthony Haynes, General Manager

The Group's earnings before interest, taxation, depreciation and amortization actually improved by \$1.01 billion to \$750 million loss. However this position was eroded by impairment charges to idle plant and tax assets (\$1.06 billion), increase in interest charges (\$160 million) and foreign exchange translation losses (\$506 million).

The decision was taken, in accordance with best accounting practices, to fully impair the Kiln 4 and Mill 3 assets, which have not operated since 2008, and also impair the deferred tax credit in light of the continuing poor economic environment. The foreign exchange translation losses, which increased by \$471 million over 2011, came about as a result of the 11% devaluation in the Jamaican currency, compared to the 1% depreciation in 2011.

OUR VALUE INDICATORS

Health, Safety, Security and the Environment
Our employees maintained their unblemished safety record, going through the year without a lost time accident. This represented the third consecutive year in which there were no employee related lost time accidents. At the end of December, Carib Cement employees had worked 1,190 days and Jamaica Gypsum and Quarries (JGQ) employees had worked 1,921 days, without a lost time accident. The promotion of a safe and healthy work environment remains a key focus area for Management and steps are being taken in 2013 to strengthen the documented management systems in regard to health and safety.

The ISO 14001:2004 environmental management system was recertified in 2012. While complying with NEPA standards for air quality, 2012 was a particularly challenging year for the control of fugitive dust emissions. The tight liquidity situation led to the under-maintenance of key dust collectors, with the Kiln 5 main baghouse being a significant contributor to this result.

Plant effluents however improved, with zero non-conformances in this area during the last quarter of the year.

There were no significant security incidents during the year. Carib Cement maintained its ISPS port certification.

During the course of the year, the Health, Safety & Environment and the Security departments were merged to form the Health, Safety, Security & Environment Department. The merger of these departments presented clear opportunities to leverage synergies in the two functions.

Quality
There were no instances of non-conforming cement entering the market and subsequently being delivered to the customer as all cement dispatched met the relevant JS and ASTM standard specifications. The ISO 9001 accreditation was maintained during the year. In addition the Company was successful in receiving ISO/IEC17025:2005 laboratory accreditation for the eight mandatory ASTM standards for testing cement.

Members of the ISO 17025 Accreditation Team

The ISO/IEC 17025 standard is a global ISO standard outlining the general requirements to ensure the competency of laboratories doing testing and calibration. The Carib Cement laboratory management system, therefore, had to demonstrate that it could successfully and consistently meet the international standard requirements. In its assessment for accreditation, the laboratory consistently generated credible test data for eight ASTM standard test methods on cement prior to its release to the market.

Carib Cement took the decision to have its laboratory internationally accredited as a part of its focus on continuous improvement in all aspects of its operations and its corporate social responsibility in ensuring a product in the marketplace of consistently high quality. Carib Cement is the only company in Jamaica with an internationally accredited laboratory.

MARKET REVIEW

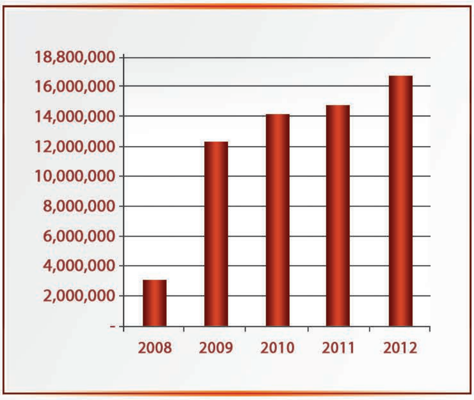
For the year, Carib Cement delivered 755,070 tonnes of cement which was 2% below the prior year sales volumes. After the fillip of a 4% domestic market growth in 2011, the domestic market went back into decline, contracting by 3%. The expected growth in the market was not realized as the country's economic situation did not improve as was envisaged.

Carib Cement maintained its market share but our local sales suffered a similar 3% decline. For most of the year the competitive environment remained unchanged, with dumped cement imports coming in from Domicem in the Dominican Republic and from Vulcan and Titan in Florida. Over the year however, one of the importers commenced purchasing cement from Carib Cement, while still importing from Titan. At the end of 2012, they had agreed to suspend their import business and enter into an agreement with Carib Cement to become an exclusive distributor of our product.

Two price increases were implemented during the year to cater for inflationary pressures and to begin to address the significant price depression and suppression that had eroded prices over the last few years. While price increases are never popular, there was general understanding and support from our customers in this regard. Customer satisfaction surveys showed that customers were highly satisfied with product quality, availability, service and information flows, but less so with the commercial arrangements. In the current environment, the Company needs to exercise extreme caution as to how our credit portfolio is managed.

The Company continued to provide technical assistance to our customers, especially blockmakers and ready mix concrete operators. A campaign to promote the greater use of cement in roads was also initiated and several presentations were rolled out to key industry stakeholders. The presentations highlighted the historical costs of building and maintaining asphalt roads and the benefits to be achieved through the use of cement soil stabilized bases and concrete pavements. The presentation underscored the fact that while a concrete pavement may cost approximately 10% more than an asphalt roadway, the reduced maintenance costs effectively justifies the additional expenditure. The promotion of concrete roads as a viable alternative to the asphaltic pavements is a key focus area for growing cement sales in 2013.

CCCL USD Export Revenue 2008-2012



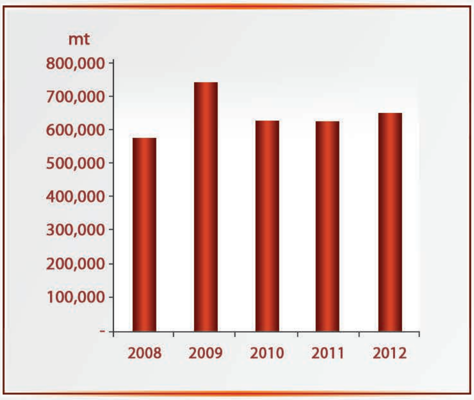
Export sales volumes were up 1% over the prior year, with our major market outlets being Haiti and Guyana. However, export revenue was up 25% on 2011, reflective of several price adjustments effected in the various markets, improved bulk cement prices to new markets and the depreciation in the Jamaican dollar exchange rate. New contracts were entered into with regional cement giants, Cemex and ARGOS, for the supply of bulk cement to Haiti and the Eastern Caribbean. This arrangement has continued into 2013. Export sales were further boosted by the strike at Trinidad Cement Limited (TCL) when, during the months of April and May, over 61,000 tonnes of cement was exported into Trinidad and other established TCL markets.

OPERATIONS REVIEW

The manufacturing performance continued to be challenged by the dearth of cash to effect timely, preventive maintenance works. However clinker production improved by 4% over the previous year, totalling 652,578 tonnes. Cement production amounted to 766,297 tonnes, which was 1% below the 2011 performance but 5,220 tonnes above the sales volumes.

The new sales contract arrangements provided for certain pre-payments that allowed the Company to begin the process of procuring much needed capex maintenance spares and begin the needed restoration works. The outstanding required works to restore plant reliabilities and improve energy efficiencies will be executed in the first half of 2013.

CCCL Clinker Production Volumes 2008-2012



HUMAN RESOURCE REVIEW

We started the year with all industrial contracts having expired and a wider industrial relations climate that was characterized by a certain sense of despair with respect to the future. The issues of job security, declining disposable income and rising inflation remained paramount. In fact Jamaica posted its highest unemployment rate for more than a decade in April. In this context, and amidst the uncertainties surrounding the financial challenges facing the Company, the union negotiations were settled with zero percent salary and wage increases but some improvements in allowances. Because of the protracted negotiations, the Company will be engaging the unions with regard to new collective agreements in 2013.

JAMAICA GYPSUM & QUARRIES (JGQ)

JGQ continued to provide the shale, gypsum and pozzolan needed to support the cement manufacturing operations. Gypsum mining operations were considerably scaled back compared to previous years and inventories drawn down. Exploratory drilling was completed in the new Halberstadt quarry and the geochemical analysis completed. The investigation revealed reserves of approximately six million tonnes of gypsum/anhydrite. In 2013, a detailed mining plan to economically exploit these reserves will be developed.

BUSINESS OUTLOOK

The Business Environment

In recent years, global economic development has been volatile if nothing else and market conditions today remain unpredictable. Persistent risks to economic health include high unemployment, debt and low growth in developed countries, and access to financing for developing countries. The Eurozone has been at the epicentre of financial market volatility, characterised by increased political and financial uncertainty, and doubts about the different governments' ability to deliver on fiscal adjustment and reform, as well as about the extent of partner countries' willingness to help. The lukewarm outlook for the US market has compounded this situation amid continuing concerns of that country's debt crises, political stalemates and sovereign default.

Reduced demand in these developed countries has slowed growth in various emerging market economies, which have driven global growth over the recent years. In addition to a weaker external environment, many emerging economies have also been impacted by decelerated domestic demand, perceived growth uncertainty and increased investor risk aversion. While the short-term outlook for Latin America remains upbeat, the Caribbean's future economic environment is clouded by a fragile and uncertain external environment, still high oil prices, high food prices and capacity constraints in select economies.

The Jamaican economy's performance continues to be anaemic at best. A number of factors have impacted the outcome of the local economic performance, such as the decline in the global economy and its severe negative impact on Jamaica's main trading partners, the undermining of business confidence with the delay in signing a new IMF Agreement and the consequential constraints on government spending, and the short-lived benefits of the JDIP program.

The construction sector has been one of the areas most hard hit by the downturn in market activity, with the consequential loss of jobs contributing to the highest unemployment figures in the last decade. While there have been several pronouncements around substantial new projects, that would, if realized, provide significant stimulus for construction growth, it has become difficult to generate much enthusiasm for a turnaround in the construction sector. Taking a sober view of the economic fundamentals, our outlook for 2013 is that cement demand will remain static at best and in fact the probability for significant growth in the short to medium term is low.

Revenue Generation - the Domestic Market

In such a market it is imperative that we position our prices in line with other regional cement manufacturers and that price corrections be installed in a timely manner to correct inflationary increases. At the same time we recognize that we must continue to deliver a value proposition that exceeds the expectation of our customers. Our value proposition must be to deliver high quality products to a growing customer base, enhanced by strong customer service, relationship building and technical assistance, pre and post purchase. We also intend to more fully integrate our Company's Corporate Social Responsibility programme into the Company's marketing thrust, to reinforce with the marketplace that we are "More than just Cement".

Our focus on revenue generation is also geared towards maximizing our market share, through the displacement of imports. As previously noted, we were very pleased to have one of the traditional cement importers become an exclusive purchaser of Carib Cement. We believe that this arrangement provides superior benefits for both the manufacturer and the distributor, is in the best interest of Jamaica and is something that the remaining importers should embrace. At the same time, we continue to press for the suspension of dumped cement imports that continue to place unnecessary strain on the currency exchange rate, while promoting the economies in foreign countries and undermining Jamaican businesses and jobs.

Finally, promoting the greater use of cement in soil stabilized bases and concrete roads are key strategies for 2013 to increase domestic revenues. Historically road construction in Jamaica has utilized imported asphalt, even though it is a well-established fact that concrete pavements provide significantly improved life cycle costs. Although there have been recent high visibility concrete road constructions, viz. the Bog Walk Gorge and Fern Gully, the use of concrete pavements in the road network is low and therefore it provides a significant opportunity to create a new sales avenue for cement, thereby growing the domestic market.

Revenue Generation - Export Markets

The export market remains an important segment and steps will be taken to grow this market in 2013. In addition to Haiti and the Caricom markets, we intend to explore opportunities in the Central American market, where several countries are experiencing sizeable economic growth. The export markets remain an important source of hard currency and provide the opportunity to more fully utilize our plant assets.

Driving Manufacturing Excellence

In the first half of 2013, focus will be placed on carrying out the much needed capex maintenance works to restore the plant to the desired levels of reliability and efficiency, and improve the environmental performance. Funds have also been identified for the acquisition of new laboratory equipment that will improve our testing and analytical capabilities.

As always, this capital expenditure will be supported by an effective management approach to ensure that identified benefits are quickly realized and sustained. While there will be continuing challenges around the anaemic market and the imperatives of generating sufficient free cash flows to service the new debt restructuring arrangement, barring any catastrophes, your Board and Management remain intent on maintaining effective controls and building on the improvements of the last year.

F.L.A. Haynes
General Manager

OUR MISSION

Caribbean Cement Company Limited, a member of the TCL Group of Companies, is committed to providing high quality products and services in an environmentally friendly manner, achieving the financial objectives of its shareholders, meeting the needs of customers and employees whilst adding value to the community.

Caribbean Cement Company Limited (CCCL), nestled in the foothills of the Blue Mountain range, is the only manufacturer of Portland cement in Jamaica. Located in Rockfort, Kingston, CCCL has been producing high quality cement using 100% Jamaican raw materials since 1952. The raw materials used in the manufacturing process are all mined within 10 miles of the plant.

CCCL boasts its own ports for the shipment of cement, gypsum/anhydrite and pozzolan.

The Company has a state-of-the-art Kiln - Kiln 5 and Cement Mill - Mill 5, bringing the Company's clinker manufacturing capacity to 1.3 million tonnes and cement manufacturing capacity to 2 million tonnes per annum.

CCCL is listed on the Jamaica Stock Exchange and is a major contributor to the Jamaican economy directly employing more than 400 persons.

Over 90% of structures present in Jamaica today were built using Carib Cement.

Giving Back to the Community…

Carib Cement demonstrates its commitment to corporate social responsibility through the support of education, sports and community development.

The Company is an endowing partner of the MultiCare Foundation for the upliftment of inner-city youth which is active in 31 schools.

Through the Health Committee, the Company has supported Ward 1 at the Bustamante Hospital for Children since 1983 and undertook the refurbishment of the ward in 2012.

A Concrete Conference in association with the Jamaica Institution of Engineers, sharing best practices in the construction industry is sponsored annually.

CCCL is involved in a mentorship programme at the Harbour View Primary School and indirectly provides mentoring through the Industrial Work Experience Programme, various High Schools, University of Technology (UTECH), Caribbean Maritime Institute, HEART, Job Shadowing and Summer Employment programmes for students of the University of the West Indies (UWI).

Back-to-School assistance is extended to students in the Rockfort community and its environs each year.

The CCCL Calvin Foster Memorial Scholarship, is awarded to students of UWI or UTECH who are Jamaican Nationals between the ages of 18 and 30, for study in the Faculty of Engineering or Social Sciences at UWI, or Faculty of Business Administration or Engineering at UTECH. The scholarship alternates between both institutions on an annual basis. Students are bonded to work in Jamaica for a period of two years on completion of their studies.

Minister of Science, Technology, Energy & Mining, Phillip Paulwell, and Human Resource Manager, Dalmain Small, in conversation with Carib Cement's "Jamaica 50" and "60th Anniversary" Scholarship Awardees, Britney Blackwood and Frederick Brown.

ISO 9001:2008
Quality Management System

National Certification Body of Jamaica

Certificate of Conformity

The National Certification Body of Jamaica
has assessed the quality management system of:

Caribbean Cement Company Limited

Rockfort, Kingston 2, Jamaica
Spanish Town Depot, Lot 16, Twickenham Park, Spanish Town, Jamaica
Mandeville Depot, Winston Jones Highway, Mandeville, Jamaica
Montego Bay Depot, Sagicor complex, Montego Freeport, Montego Bay, Jamaica

(hereinafter called the Organization) and hereby declares that the organization is in conformance with:

ISO 9001:2008

This certificate is valid for the following scope:

Manufacture and distribution of type 1 (ordinary) and 1P (blended) Portland cement.

This certificate given is valid only to the Organization and its related processes, having been verified only at the address above. This Certification is granted subject to the rules of the system governing the certification referred to above, and the Organization hereby covenants with the National Certification Body of Jamaica to observe and comply with the said rules. The validity of this certificate is subject to ongoing surveillance and when accompanied with Annex 1 of 1 to certificate number CCCL-280910-001.

Jacqueline Scott-Brown

Authorized Signature
National Certification Body of Jamaica
A Unit of the Bureau of Standards Jamaica
6 Winchester Road, Kingston 10, Jamaica
t (876) 619-1131 f (876) 906-2298
www.bsj.org.jm/ncbj

National Certification Body of Jamaica

ANAB ACCREDITED

Issue Date: 27 February 2012 Expiry Date: 23 September 2013 Initial Certification Date: 24 September 2010 Certificate No: CCCL-280910-001

Current Registrar: National Certification Body of Jamaica

Certified since October 2007

Jamaica Gypsum & Quarries Limited

Jamaica Gypsum & Quarries Limited (JGQ), a wholly owned subsidiary, was acquired from the National Investment Bank of Jamaica in 1990 as part of the Company's strategy to control its major sources of raw material. JGQ produces Gypsum, Anhydrite, Fines and Shale for both local and export markets. The company exports most of its product to markets in South America and the Caribbean.

Caribbean Gypsum Company Limited

Caribbean Gypsum Company's major asset is its 167 acres of gypsum/anhydrite quarry lands which considerably enhance the reserves of raw materials available to the CCCL Group. Work has commenced to open the new Halberstadt quarry. Exploratory drilling and geochemical analysis indicate that there are reserves of approximately 6 million tonnes of gypsum/anhydrite at that location.

Rockfort Mineral Bath Complex Limited

Rockfort Mineral Bath Complex Limited (RMBC) has been providing a refreshing experience to Jamaicans and visitors since its discovery in the aftermath of the Great Earthquake of 1907.

The waters of the bath flow from cold water springs in the surrounding mountain range. Many patrons credit healing and good health to the radioactivity and saline content of the water.

In 1992, RMBC was incorporated as a wholly owned subsidiary of Carib Cement to develop the historical site and operate the spa as one of the Company's community outreach programmes.

Jamaica Gypsum & Quarries Limited
Rockfort Mineral Bath Complex Limited
Caribbean Gypsum Company Limited

BOARD OF DIRECTORS

- Brian Young - *Chairman*
- Rollin Bertrand
- Bevon Francis
- Hollis Hosein
- Parris A. Lyew-Ayee
- Judith Robinson

SENIOR OFFICERS

- F.L.A. Haynes - *General Manager*
- Jascinth Buchanan Wint - *Actg. Finance Manager*
- Bernadene Crooks - *Company Secretary*

"CONCRETE ROADS... OUR FUTURE!"

WHY WE SHOULD USE CONCRETE ROADS IN JAMAICA...

Economic Benefits:

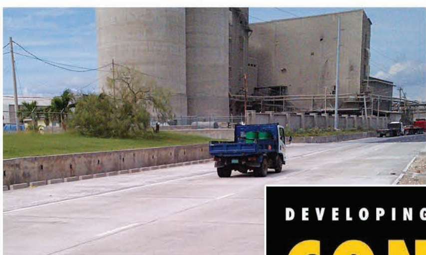
1. Maintenance costs of concrete roads are lower than asphaltic roads over the life of the road. Asphaltic roads could cost 250% to 300% more than concrete roads to maintain.

2. Concrete roads in Jamaica can be made using all local materials including cement. Cement prices in Jamaica are more stable than asphalt prices.

3. Concrete roads will save foreign exchange.

4. Concrete roads will sustain local industries and save jobs.

5. Concrete roads will help build a more robust economy.



Environmental Benefits:

1. Concrete roads can be recycled. Roads that are no longer useful can be crushed to make material that can be reused (high quality base or fill material).

2. Less energy is required to illuminate concrete roads and so less fossil fuel is needed to generate electricity.

3. Concrete roads greatly reduce the possibility of petrochemicals draining into and polluting waterways as in the case of asphaltic roads during construction and maintenance.

Safety Benefits:

1. Braking on concrete roads is better. Braking distance on concrete roads is 30% shorter than on asphaltic roads.

2. Concrete roads reflect 33% - 50% more light than asphaltic roads.

CARIBBEAN CEMENT COMPANY LIMITED

TEN YEAR FINANCIAL SUMMARY
(In $'000 except for items *)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
SALES	9,084,600	8,033,786	7,929,783	8,869,260	8,805,293	7,847,307	6,730,968	5,999,295	5,452,759	4,016,643
(Loss) profit before taxation	(2,672,105)	(2,983,995)	(2,242,360)	(241,028)	571,932	681,172	363,348	215,451	859,012	632,300
Cement Claims				-	-	(21,500)	(304,539)	-	-	-
Taxation	(676,160)	370,635	685,167	96,516	(155,494)	(137,549)	18,357	(46,524)	(16,651)	(177,416)
Net (loss) profit	(3,348,265)	(2,613,360)	(1,557,193)	(144,512)	416,438	522,123	77,166	168,927	842,361	454,884
*Net (loss) profit per Share	(3.93)	(3.07)	(1.83)	(0.17)	0.49	0.61	0.09	0.20	0.99	0.53
Cash Distribution/ Dividend Proposed	-	-	-	-	-	-	-	-	59,580	59,580
*Cash Distribution/ Dividend per Share	-	-	-	-	-	-	-	-	0.07	0.07
EBITDA	(750,438)	(1,760,893)	(1,623,526)	465,889	1,153,105	996,134	277,438	393,708	1,044,382	915,607
Shareholders Equity	(2,939,072)	409,193	3,022,553	3,240,096	3,458,584	3,155,921	2,747,573	2,784,182	2,771,121	2,102,115
*Share Holders' Equity Per Share	(3.45)	0.48	3.55	3.81	4.06	3.71	3.23	3.27	3.26	2.47
Capital Expenditure - Other	-	-	-	-	-	24,548	37,246	83,605	120,211	368,178
Capital Expenditure - CWIP	149,217	98,093	362,160	972,132	572,198	1,127,567	966,303	819,523	269,743	98,372
Total Capital Expenditure	149,217	98,093	362,160	972,132	572,198	1,152,115	1,003,549	903,128	389,954	466,550
Depreciation and Amortisation	430,695	518,402	386,852	317,835	318,307	312,196	273,467	262,190	269,380	217,488
Working Capital	191,424	(588,543)	(839,251)	(47,509)	8,052	453,813	50,968	(53,261)	118,665	(346,746)
Property Plant & Equip't Before Dep'n	9,136,341	9,286,740	9,201,962	8,852,624	7,901,716	7,333,573	6,214,072	5,222,734	4,319,606	3,979,743
Long Term debt	797,712	3,827	4,006	3,178	6,117	7,897	12,288	10,248	9,315	9,013
Total Third Party Debt	832,173	560,100	684,533	793,155	608,273	422,892	751,118	455,955	98,134	206,800
Parent Company Debt	7,881,126	5,210,290	3,107,745	2,424,062	1,334,164	1,894,038	1,526,057	1,069,856	639,744	788,903
Total Debt	8,713,299	5,770,390	3,792,278	3,217,217	1,942,437	2,316,930	2,277,175	1,525,811	737,878	995,703
*Cement imported (tonnes)	-	-	-	-	46,062	25,988	119,032	-	-	-
*Clinker imported (tonnes)	-	-	-	-	75,931	73,599	77,520	101,434	41,192	Zero
*Pozzolan Imported (tonnes)	-	-	-	-	-	-	-	114,812	35,319	4,200
*Production										
Cement	760,296	766,274	723,489	736,560	724,528	773,019	760,815	844,843	808,070	607,682
Clinker	652,579	628,287	629,444	742,208	578,067	519,598	604,174	542,114	605,814	600,980
*Cement Sold - tonnes										
Local	536,349	553,157	531,605	652,651	720,260	807,484	843,295	862,400	800,354	589,433
Export	218,722	216,757	195,163	88,912	28,463	5,964	-	2,762	3,501	16,058
TOTAL	755,071	769,914	726,768	741,563	748,723	813,448	843,295	865,162	803,855	605,491
*Clinker Export - tonnes	12,673	31,228	69,418	88,259	-	-	-	-	-	-

Auditors' Report
&
Financial Statements

INDEX

ERNST & YOUNG

Chartered Accountants

8 Olivier Road
Kingston 8
Jamaica

Tel: 876 925 2501
Fax: 876 755 0413
www.ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Caribbean Cement Company Limited and its Subsidiaries

We have audited the accompanying financial statements of Caribbean Cement Company Limited and its Subsidiaries (the "Group") and Caribbean Cement Company Limited (the "Company") which comprise the consolidated and company statements of financial position as at 31 December 2012, and the related consolidated and company statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

A member firm of Ernst & Young Global Limited
Partners: Allison Peart, Linval Freeman, Andrew Tom

ERNST & YOUNG
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT, CONTINUED

To the Shareholders of Caribbean Cement Company Limited and its Subsidiaries, Continued

Opinion
In our opinion, the financial statements give a true and fair view of the financial positions of the Group and the Company as at 31 December 2012, and of the Group's and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 (iii) in the financial statements which states that the Group reported a shareholders' deficit of 2,939 million (Company: $3,081 million) as at 31 December 2012 and reported a loss before taxation of $2,672 million (Company: $2,683 million) for the year then ended. In addition the Group is reporting $7,881 million (Company: $7,881 million) in outstanding parent (TCL) and related company (TCL Group) obligations on its consolidated statement of financial position as at 31 December 2012.

Note 2 (iii) also indicates that the key risks to the Group's and Company's sustainability are declining domestic markets and unexpected increases in key input costs that are not recoverable. The Group is also dependent on continued support from the parent company, TCL. The financial statements have been prepared on the going concern basis because, as described in Note 2 (iii), based on current plans and strategies being pursued and implemented, including the successful completion of the debt restructure exercise in May 2012, the directors have a reasonable expectation that the Group and the TCL Group will generate adequate cash flows and profitability which would allow the Group and the Company to continue in operational existence in the foreseeable future.

This basis of preparation presumes that both the Group and the Company will continue to receive the support of the parent company (TCL) and will be able to realize its assets and discharge its liabilities in the ordinary course of business. The factors described above, along with other matters as set forth in Note 2 (iii) indicates the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as going concerns and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Report on Additional Requirements of the Jamaican Companies Act
We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act in the manner so required.

Ernst & Young

Chartered Accountants
Kingston, Jamaica

25 March 2013

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position
As at 31 December 2012
(Expressed in Jamaican Dollars)

	Notes	2012 $'000	2011 $'000
NET ASSETS			
Non-current assets			
Property, plant and equipment	13	4,472,213	5,094,159
Deferred tax asset	9	-	676,160
Due from related company	17	73,153	-
Intangible assets	15	-	931
		4,545,366	5,771,250
Current assets			
Inventories	18	2,765,081	2,250,690
Receivables and prepayments	19	898,951	667,354
Due from related companies	20	1,837	65,243
Taxation recoverable		32,765	42,262
Cash and cash equivalents	21	244,303	153,584
		3,942,937	3,179,133
Current liabilities			
Bank overdraft	22	-	34,353
Payables and accruals	23	2,714,076	2,722,841
Due to parent and related companies	24	1,002,976	440,603
Income tax payable		-	13,606
Short-term loans	26	-	554,882
Current portion of long-term loans	27	34,461	1,391
		3,751,513	3,767,676
Working capital surplus (deficit)		191,424	(588,543)
Non-current liabilities			
Due to parent and related companies	24	6,878,150	4,769,687
Long-term loans	27	797,712	3,827
		7,675,862	4,773,514
TOTAL NET (LIABILITIES) ASSETS		(2,939,072)	409,193

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position
As at 31 December 2012
(Expressed in Jamaican Dollars)

	Notes	2012 $'000	2011 $'000
SHAREHOLDERS' (DEFICIT) EQUITY			
Share capital:			
Ordinary	28	1,808,837	1,808,837
Preference	28	1,339,650	1,339,650
Reserves:			
Realized capital gain	28	1,413,661	1,413,661
Accumulated losses		(7,501,220)	(4,152,955)
GROUP (DEFICIT) EQUITY		(2,939,072)	409,193

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

On 25 March 2013, the Board of Directors authorized these financial statements for issue.

.... Director
Brian Young

.... Director
Dr. Rollin Bertrand

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Comprehensive Income
Year ended 31 December 2012
(Expressed in Jamaican Dollars)

	Notes	2012 $'000	2011 $'000
Revenue	6	9,084,600	8,033,786
Loss before interest, depreciation, amortisation and tax	6	(750,438)	(1,760,893)
Depreciation and amortisation	6	(430,695)	(518,402)
Impairment losses	13,14,18	(383,577)	(210,781)
Operating loss		(1,564,710)	(2,490,076)
Interest income		2,221	928
Debt restructuring costs		(11,719)	(28,487)
Finance costs	8	(1,097,897)	(466,360)
Loss before taxation		(2,672,105)	(2,983,995)
Taxation (charge) credit	9	(676,160)	370,635
Net loss for the year	10	(3,348,265)	(2,613,360)
Total comprehensive loss attributable to equity holders		(3,348,265)	(2,613,360)
Loss per ordinary stock unit (expressed in $ per share)	11	($3.93)	($3.07)

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement Of Changes In Equity
Year ended 31 December 2012
(Expressed in Jamaican Dollars)

	Realized capital gain $'000	Accumulated (losses) profits $'000	Total reserves $'000	Ordinary share capital $'000	Preference share capital $'000	Total capital & reserves $'000
Balance as at 1 January 2011	1,413,661	(1,539,595)	(125,934)	1,808,837	1,339,650	3,022,553
Total comprehensive loss for the year	-	(2,613,360)	(2,613,360)	-	-	(2,613,360)
Balance as at 31 December 2011	1,413,661	(4,152,955)	(2,739,294)	1,808,837	1,339,650	409,193
Total comprehensive loss for the year	-	(3,348,265)	(3,348,265)	-	-	(3,348,265)
Balance as at 31 December 2012	1,413,661	(7,501,220)	(6,087,559))	1,808,837	1,339,650	(2,939,072)

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows
Year ended 31 December 2012
(Expressed in Jamaican Dollars)

	Notes	2012 $'000	2011 $'000
Cash flows from operating activities			
Loss before taxation		(2,672,105)	(2,983,995)
Adjustments for:			
Depreciation, amortization and impairment of property, plant and equipment		701,852	711,694
Inventory impairment		112,420	-
Loss (gain) on disposal of property, plant and equipment		69,842	(1,733)
Interest income		(2,221)	(928)
Interest expense	8	592,153	431,875
Goodwill impairment	14	-	17,489
Unrealized foreign exchange losses		510,720	41,164
		(687,339)	(1,784,434)
(Increase) decrease in inventories		(626,811)	27,803
Increase in receivables and prepayments		(222,088)	(129,825)
Decrease in due from related companies		63,406	80,168
Increase in payables and accruals		77,449	433,826
Decrease (increase) in due to related companies		562,373	(501,247)
Cash used in operations		(833,010)	(1,873,709)
Interest received		2,221	928
Interest paid		(95,044)	(34,046)
Taxation paid		(13,606)	(24,770)
Net cash used in operating activities		(939,439)	(1,931,597)
Cash flows from investing activities			
Additions to property, plant and equipment	13	(149,217)	(98,093)
Proceeds from disposal of property, plant and equipment		400	1,734
Net cash used in investing activities		(148,817)	(96,359)
Cash flows from financing activities			
Repayment of loans		(1,933)	(124,433)
Related companies		1,215,261	2,285,717
Net cash provided by financing activities		1,213,328	2,161,284
Increase in cash and cash equivalents		125,072	133,328
Net cash and cash equivalents - beginning of year		119,231	(14,097)
Net cash and cash equivalents – end of year		244,303	119,231
Represented by:			
Cash at bank and short term deposits	21	244,303	153,584
Bank overdraft	22	-	(34,353)
		244,303	119,231

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Company Statement of Financial Position
As at 31 December 2012
(Expressed in Jamaican Dollars)

	Notes	2012 $'000	2011 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	4,335,698	4,947,106
Investment in subsidiaries	16	85,938	89,310
Deferred tax asset	9	-	676,160
Due from related company	17	46,859	-
		4,468,495	5,712,576
Current assets			
Inventories	18	2,662,358	2,190,715
Receivables and prepayments	19	837,190	614,280
Due from related companies	20	1,837	42,586
Taxation recoverable		32,765	42,262
Due from subsidiary	25	32,047	32,252
Cash and cash equivalents	21	235,296	135,908
		3,801,493	3,058,003
Current liabilities			
Bank overdraft	22	-	34,353
Payables and accruals	23	2,637,580	2,687,429
Due to parent and related companies	24	1,002,976	440,603
Short-term loans	26	-	554,882
Current portion of long-term loans	27	34,461	1,391
		3,675,017	3,718,658
Working capital surplus (deficit)		126,476	(660,655)
Non-current liabilities			
Due to parent and related companies	24	6,878,150	4,769,687
Long-term loans	27	797,712	3,827
		7,675,862	4,773,514
TOTAL NET (LIABILITIES) ASSETS		(3,080,891)	278,407

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Company Statement of Financial Position
As at 31 December 2012
(Expressed in Jamaican Dollars)

	Notes	2012 $'000	2011 $'000
STOCKHOLDERS' (DEFICIT) EQUITY			
Share capital:			
Ordinary	28	1,808,837	1,808,837
Preference	28	1,339,650	1,339,650
Reserves:			
Realized capital gain	28	1,413,656	1,413,656
Accumulated losses		(7,643,034)	(4,283,736)
COMPANY (DEFICIT) EQUITY		(3,080,891)	278,407

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

On 25 March 2013, the Board of Directors authorized these financial statements for issue.

.... Director
Brian Young

.... Director
Dr. Rollin Bertrand

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Company Statement of Comprehensive Income
Year ended 31 December 2012
(Expressed in Jamaican Dollars)

	Notes	2012 $'000	2011 $'000
Revenue	6	9,006,629	7,927,399
Loss before interest, depreciation and tax	6	(775,316)	(1,715,310)
Depreciation		(416,863)	(500,237)
Impairment losses	13,14,16,18	(386,949)	(193,292)
Operating loss		(1,579,128)	(2,408,839)
Interest income		2,173	891
Debt restructuring costs		(11,719)	(28,487)
Finance costs	8	(1,094,464)	(466,278)
Loss before taxation		(2,683,138)	(2,902,713)
Taxation (charge) credit	9	(676,160)	361,580
Net loss for the year	10	(3,359,298)	(2,541,133)
Total comprehensive loss attributable to equity holders		(3,359,298)	(2,541,133)

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Company Statement of Changes In Equity
Year ended 31 December 2012
(Expressed in Jamaican Dollars)

	Realized capital gain $'000	Accumulated losses $'000	Total reserves $'000	Ordinary share capital $'000	Preference share capital $'000	Total capital & reserves $'000
Balance as at 1 January 2011	1,413,656	(1,742,603)	(328,947)	1,808,837	1,339,650	2,819,540
Total comprehensive loss for the year	-	(2,541,133)	(2,541,133)	-	-	(2,541,133)
Balance as at 31 December 2011	1,413,656	(4,283,736)	(2,870,080)	1,808,837	1,339,650	278,407
Total comprehensive loss for the year	-	(3,359,298)	(3,359,298)	-	-	(3,359,298)
Balance as at 31 December 2012	1,413,656	(7,643,034)	(6,229,378)	1,808,837	1,339,650	(3,080,891)

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

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Company Statement of Cash Flows
Year ended 31 December 2012
(Expressed in Jamaican Dollars)

	Notes	2012 $'000	2011 $'000
Cash flows from operating activities			
Loss before taxation		(2,683,138)	(2,902,713)
Adjustments for:			
Depreciation and impairment of property, plant and equipment		688,020	693,529
Inventory impairment		112,420	-
Impairment of investment in subsidiary		3,372	-
Loss (gain) on disposal of property, plant and equipment		54,821	(1,733)
Interest income		(2,173)	(891)
Interest expense	8	585,650	431,875
Unrealized foreign exchange losses		514,063	41,299
		(726,965)	(1,738,634)
(Increase) decrease in inventories		(584,063)	78,790
Increase in receivables and prepayments		(216,745)	(115,506)
Decrease in due from related companies		40,749	76,542
Increase in payables and accruals		42,868	423,402
Increase (decrease) in due to parent and related companies		562,373	(501,247)
Increase (decrease) increase in due to subsidiary		205	(130,569)
Cash used in operations		(881,578)	(1,907,222)
Interest received		2,173	891
Interest paid		(95,044)	(34,046)
Net cash used in operating activities		(974,449)	(1,940,377)
Cash flows from investing activities			
Additions to property, plant and equipment	13	(131,832)	(97,767)
Proceeds from disposal of property, plant and equipment		400	1,734
Net cash used in investing activities		(131,432)	(96,033)
Cash flows from financing activities			
Repayment of loans		(1,933)	(124,433)
Related companies		1,241,555	2,285,717
Net cash provided by financing activities		1,239,622	2,161,284
Increase in cash and cash equivalents		133,741	124,874
Net cash and cash equivalents - beginning of year		101,555	(23,319)
Net cash and cash equivalents – end of year		235,296	101,555
Represented by:			
Cash at bank and short term deposits	21	235,296	135,908
Bank overdraft	22	-	(34,353)
		235,296	101,555

The accompanying notes form an integral part of these financial statements

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

1. Corporate information

Caribbean Cement Company Limited (the "Company") and its Subsidiaries are incorporated under the laws of Jamaica. The Company is a limited liability public company listed on the Jamaica Stock Exchange and is domiciled in Jamaica.

The Company is a 65.65% owned subsidiary of TCL (Nevis) Limited. TCL (Nevis) Limited is a wholly owned subsidiary of Trinidad Cement Limited (the "Ultimate Parent Company") which also owns 8.45% of the ordinary shares of the Company. The principal activities of Caribbean Cement Company Limited and its Subsidiaries (the "Group") are the manufacture and sale of cement and the mining and sale of gypsum, shale and pozzolan. The Group operates in Jamaica.

The registered office of the Company is Rockfort, Kingston, Jamaica.

2. Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Jamaican Companies Act.

(ii) Basis of measurement

These financial statements have been prepared under the historical cost convention.

(iii) Going concern

The Group has a reported shareholders' deficit of $2,939 million (Company: $3,081 million) as at 31 December 2012 and reported a loss before taxation of $2,672 million (Company: $2,683 million) for the year then ended. In addition the Group is reporting $7,881 million (Company: $7,881 million) in outstanding parent (TCL) and related company (TCL Group) obligations on its statement of financial position as at 31 December 2012.

The Group is projecting additional market share by attracting current importers of cement to be supplied by Caribbean Cement Company Limited (CCCL). To counter rising input costs and to increase margins, the Group has increased its selling prices during 2012, further increases were made in January 2013 and the Group continues to implement cost reduction initiatives.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

2. Significant accounting policies (continued)

(iii) Going concern (continued)

The sustainability of the Group is dependent on the continued support, if needed, and forbearance by TCL on the repayment of outstanding debt obligations by CCCL. The Group's third party debt obligations amount to $832m which can be serviced from the projected cash generation. The significant obligation to make lease payments of net US$16.5m in 2013 is to the parent company who advised of its willingness to exercise a degree of flexibility if needed. TCL is committed to improving the capital position of the CCCL Group and in that regard a number of options are being considered to address the shareholders' deficiency as reported at year end.

The key risks to the Group's sustainability are declining domestic markets and unexpected increases in key input costs that are not recoverable. The Group's cash generation and performance are especially sensitive to the level of economic activity (GDP: Gross Domestic Product) and government spending. Declining or low levels of GDP growth, high unemployment and unsustainable government debt, if prevailing, will pose a major risk to the results of the Group.

The TCL Group, parent company, has outstanding debt of TT$2.05 billion as at 31 December 2012 and debt service of TT$293 million for the year then ended. The ability of the TCL Group to generate the sustained incremental cash flows to meet its significant debt service obligations is sensitive to the successful implementation of the strategies and the key assumptions around market size growth, new markets, cost reductions and price adjustments. Should these assumptions not materialize such that the TCL Group is unable to service its debt obligations when due, this will pose a going concern risk to the TCL Group.

Based on current plans and strategies being pursued and implemented, including the successful completion of the debt restructure exercise in May 2012, the directors have a reasonable expectation that the Group and Company will generate adequate cash flows and profitability which would allow the Group and Company to continue in operational existence for the foreseeable future.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

2. Significant accounting policies (continued)

(iii) Going concern (continued)

On this basis, the Directors have maintained the going concern assumption in the preparation of these financial statements. This basis of preparation presumes that both the Group and the Company will continue to receive the support of the parent company (TCL) and will be able to realize its assets and discharge its liabilities in the ordinary course of business. The factors described above indicates the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as going concerns and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

3. Basis of consolidation

The Group's financial statements present the results of operations and financial position of the Company and its Subsidiaries as follows:

Subsidiaries:	**Ownership Level**
Jamaica Gypsum & Quarries Limited	100 %
Caribbean Gypsum Company Limited	100 %
Rockfort Mineral Bath Complex Limited	100 %

The financial statements for the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Subsidiaries, being those companies in which the Group has an interest of more than one half voting rights are fully consolidated from the date of acquisition, being the date on which the Group obtained control.

All intra-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full.

Caribbean Gypsum Company Limited had no trading activities during the year.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

4. Changes in accounting policies and disclosures and future changes in accounting standards

a) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following amendments to IFRS effective as of 1 January 2012:

- IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets – Effective 1 January 2012
- IFRS 1 First-time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters – Effective 1 July 2011
- IFRS 7 Financial Instruments: Disclosures (Amendment) – Effective 1 July 2011

The adoption of the standards or interpretations is described below:

IAS 12 Income Taxes – Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value and introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. It includes the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis. The amendment is effective for annual periods beginning on or after 1 January 2012 and has no effect on the Group's financial position, performance or its disclosures.

IFRS 1 First-time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

The IASB provided guidance on how an entity should resume presenting IFRS financial statements when its functional currency ceases to be subject to hyperinflation. The amendment is effective for annual periods beginning on or after 1 July 2011. The amendment had no impact to the Group.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

4. Changes in accounting policies and disclosures and future changes in accounting standards (continued)

a) Changes in accounting policies and disclosures (continued)

IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendment is effective for annual periods beginning on or after 1 July 2011. The Group does not have any assets with these characteristics so there has been no effect on the presentation of its financial statements.

b) Future changes in accounting standards and interpretations

The Group has not adopted early the following new and revised IFRS's and IFRIC interpretations that have been issued but are not yet effective:

- IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 – Effective 1 July 2012
- IAS 19 Employee Benefits (Revised) – Effective 1 January 2013
- IAS 27 Separate Financial Statements – Effective 1 January 2013
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011) – Effective 1 January 2013
- IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32 – Effective 1 January 2014
- IFRS 1 Government Loans – Amendments to IFRS 1 – Effective 1 January 2013
- IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7 – Effective 1 January 2013
- IFRS 9 Financial Instruments: Classification and Measurement effective 1 January 2015
- IFRS 10 Consolidated Financial Statements – Effective 1 January 2013
- IFRS 11 Joint Arrangements – Effective 1 January 2013
- IFRS 12 Disclosure of Interests in Other Entities – Effective 1 January 2013
- IFRS 13 Fair Value Measurement – Effective 1 January 2013

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

4. Changes in accounting policies and disclosures and future changes in accounting standards (continued)

b) Future changes in accounting standards and interpretations (continued)

- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine – Effective 1 January 2013
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – Effective 1 January 2014

Management is currently assessing the impact of the new standards and interpretations on the Group's financial reporting.

Annual Improvements May 2012

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards and are not expected to have a material impact on the financial statements:

- IFRS 1 First–time Adoption of International Financial Reporting Standards
- IAS 1 Presentation of Financial Statements
- IAS 16 Property Plant and Equipment
- IAS 32 Financial Instruments, Presentation
- IAS 34 Interim Financial Reporting

These improvements are effective for annual periods beginning on or after 1 January 2013.

5. Significant accounting policies

a) Interest bearing loans and borrowings

Borrowings are stated initially at cost, being the fair value of consideration received net of transaction cost associated with the borrowings. After initial recognition, borrowings are measured at amortized cost using the effective interest method; any difference between proceeds and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

5. Significant accounting policies (continued)

b) Property, plant and equipment

Land and buildings held for use in the production or supply of goods and services or for administrative purposes and certain machinery and equipment are stated in the statement of financial position at their historical cost, less any subsequent accumulated depreciation and impairment losses.

Other property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred. Land and capital work in progress are not depreciated.

Depreciation is calculated on the straight-line method over the useful lives of the assets. Current annual rates of depreciation are:

Buildings	2.5%	to	5%
Plant, machinery and equipment	3%	to	33.3%
Office furniture and equipment	25%	to	33.3%
Motor vehicles	20%	to	33.3%

Leasehold land and improvements are amortized over the remaining term of the lease.

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

The useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

It is the Group’s policy to capitalize interest on loans specific to capital projects during the period of construction.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

5. Significant accounting policies (continued)

c) Inventories

Plant spares and raw materials 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, including attributable production overheads, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the costs of completion and estimated costs necessary to make the sale.

d) Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, short-term deposits, receivables, short-term loans, long-term loans, related company balances and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair values of the Group's and the Company's financial instruments are discussed in Note 34.

e) Foreign currency translation

The Group's functional and presentation currency is Jamaican dollars. Monetary assets and liabilities denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the date of the statement of financial position. Non-monetary assets and liabilities and transactions denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the date of the transaction. Exchange differences on foreign currency translations are recognized in the statement of comprehensive income. Exchange rates are determined by the published weighted average rate at which commercial banks trade in foreign currencies.

f) Taxation

The taxation charge is based on the results for the year as adjusted for items, which are non-assessable or disallowed. The taxation charge is calculated using the tax rate in effect at the statement of financial position date.

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 recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

5. Significant accounting policies (continued)

f) Taxation (continued)

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 profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date.

g) Pension benefits

The Group has a defined contribution pension scheme for all permanent employees. The scheme is managed by an outside agency. The Group's liability is limited to its contributions which are accounted for on the accrual basis and charged to the statement of comprehensive income in the period to which they relate.

h) Revenue recognition

Revenue is recognized 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, excluding discounts, rebates, and other sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from the sale of goods is recognized when the significant risk and rewards of ownership of goods have been passed to the buyers and the amounts of revenue can be measured reliably, which is usually on the on delivery of goods.

Rental and interest income are recognized as they accrue unless collectability is in doubt.

i) Receivables and payables

Trade receivables are carried at anticipated realizable value. A provision is made for doubtful receivables based on a review of outstanding amounts at the year end. Bad debts are written off when identified.

Liabilities for trade and other accounts payable, which are normally settled on 30 to 90 days terms, are recorded at amounts representing the fair value of the consideration to be paid in the future for goods and services received by the statement of financial position date, whether or not billed.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

5. Significant accounting policies (continued)

j) Net cash and cash equivalents

For the purpose of the statement of cash flows, net cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of bank overdraft.

k) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. The areas involving the highest degree of judgement or estimation are:

(i) Accruals

Amounts accrued for certain expenses are based on estimates and are included in payables and accruals.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired on an annual basis. This requires an estimate of the value in use of the cash generating units to which goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of these cash flows.

(iii) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given 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. 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 reasonable tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Group.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

5. Significant accounting policies (continued)

k) Use of estimates and judgements (continued)

(iii) Tax (continued)

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

(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.

(v) Allowance for impairment losses on receivables

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individually significant receivables with similar characteristics, such as credit risks.

(vi) Provision for inventory obsolescence

Estimates of provision for inventory obsolescence are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. Estimates of provision for obsolescence also take into consideration the purpose for which the inventory is held.

l) Earnings per stock unit

The earnings per stock unit is computed by dividing profit attributable to ordinary stockholders by the weighted average number of ordinary stock units in issue during the year. The Group has no potentially dilutive ordinary shares in issue.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

5. Significant accounting policies (continued)

m) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. The expense relating to any provision is charged to the statement of comprehensive income net of any reimbursement.

n) 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 the statement of comprehensive income over the period of the lease on a straight line basis.

o) Deferred expenditure

The costs of installed refractories and grinding media are amortized over a period of six to twelve months to match the estimated period of their economic usefulness.

p) Impairment of 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 sell 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. Where 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. In determining fair value less costs to sell, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the valuation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

5. Significant accounting policies (continued)

p) Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized 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 recognized. 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 loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

The following criteria are also applied in assessing impairment of goodwill:

- Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired;

- Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit, to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount of the cash-generating unit to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December.

q) Investments

Equity investments in subsidiaries, classified as non-current, are stated at cost less impairment adjustments.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

5. Significant accounting policies (continued)

r) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other segments. The Group bases its segment reporting on business segments whose results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available and, from which it earns income and incurs expenses.

s) Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, they are carried at cost less accumulated amortization and any accumulated impairment losses.

Amortization of these assets is computed on the straight line method over a three year period.

t) 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

u) 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 acquired 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.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

5. Significant accounting policies (continued)

u) Business combinations and goodwill (continued)

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IAS 39 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 recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

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.

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.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

6. Operating loss

Operating loss consists of the following:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Revenue	9,084,600	8,033,786	9,006,629	7,927,399
Expenses:				
Raw materials and consumables	863,696	737,565	1,086,729	973,131
Fuels and electricity	3,270,034	3,176,908	3,261,355	3,159,124
Personnel remuneration and benefits (Note 7)	1,941,761	1,888,956	1,894,922	1,820,769
Repairs and maintenance	396,801	385,617	380,124	350,848
Operating lease	1,714,720	1,590,915	1,714,720	1,590,915
Marketing and selling expenses	220,713	123,687	201,532	113,030
Cement transportation	408,121	376,332	392,637	352,490
Insurance	236,536	216,641	225,481	208,555
Training and staff development	79,429	56,091	79,429	56,091
Technical assistance fees and related charges	155,025	140,410	151,170	138,523
Security	108,393	118,443	86,312	97,085
Equipment hire	514,697	461,884	424,901	342,666
Other operating expenses	470,356	366,925	408,665	314,790
Changes in inventories of finished goods and work in progress	(545,039)	159,846	(508,032)	166,233
Total expenses	9,835,243	9,800,220	9,799,945	9,684,250
Loss before other income	(750,643)	(1,766,434)	(793,316)	(1,756,851)
Other income	205	5,541	18,000	41,541
Loss before interest, tax and depreciation	(750,438)	(1,760,893)	(775,316)	(1,715,310)
Depreciation and amortization	(430,695)	(518,402)	(416,863)	(500,237)
Impairment losses	(383,577)	(210,781)	(386,949)	(193,292)
Operating loss	(1,564,710)	(2,490,076)	(1,579,128)	(2,408,839)

Depreciation and amortization includes $30,880,000 (2011: $120,539,000) representing amounts for accelerated depreciation for certain assets.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

6. Operating loss (continued)

Other operating expenses/ (other income) includes:

	Group		Company	
	2012	**2011**	**2012**	**2011**
Loss (gain) on disposal of property, plant and equipment	69,843	(1,681)	54,821	(1,733)

Operating loss is arrived at after charging:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Audit fees	11,910	11,910	10,595	10,595
Directors' emoluments:				
Fees	8,776	7,774	8,776	7,774

7. Personnel remuneration and benefits

Personnel remuneration and benefits consist of the following:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Wages and salaries	1,467,646	1,436,825	1,431,006	1,387,954
Statutory contributions	134,626	120,037	129,657	113,297
Pension costs (Note 29)	55,671	53,442	55,447	53,218
Redundancy costs	1,638	43,127	-	34,051
Other personnel costs	282,180	235,525	278,812	232,249
	1,941,761	1,888,956	1,894,922	1,820,769

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

8. Finance costs

Finance costs consist of the following:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Interest expense	592,153	431,875	585,650	431,875
Loss on currency exchange	505,744	34,485	508,814	34,403
	1,097,897	466,360	1,094,464	466,278

9. Taxation

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Statement of comprehensive income				
Taxation consists of:				
Deferred tax (charge) credit	(676,160)	370,635	(676,160)	361,580
Income tax charge	-	-	-	-
	(676,160)	370,635	(676,160)	361,580

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

9. Taxation (continued)

The taxation (charge) credit differs from the theoretical amount that would arise using the income tax rate as follows:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Loss before taxation	(2,672,105)	(2,983,995)	(2,683,138)	(2,902,713)
Taxed at 33.3%	890,702	994,665	894,379	967,571
Effect of change in tax rate to 25%	(530,212)	-	(523,330)	-
Tax on non-assessable income	13,106	14,806	9,563	-
Tax on non-allowable expenses	(83,687)	(27,273)	(81,095)	(21,421)
Other	2,749	6,828	356	9,389
Increase in tax benefits not recognised	(968,818)	(618,391)	(976,033)	(593,959)
Effective tax (charge) credit	(676,160)	370,635	(676,160)	361,580

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Deferred tax asset (liability)				
Balance at beginning of year	676,160	305,525	676,160	314,580
Deferred tax (charge) credit for the year	(676,160)	370,635	(676,160)	361,580
Balance at end of year, net	-	676,160	-	676,160

During the year, the Group recorded a full impairment charge on the net deferred tax asset, therefore reporting a nil deferred tax asset position at year end.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

9. Taxation (continued)

The significant components of deferred tax asset (liability) are as follows:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Deferred tax liability:				
Property, plant and equipment	(793,928)	(1,119,094)	(792,564)	(1,110,585)
Unrealized exchange gains	(33,057)	(10,407)	(32,221)	(10,407)
	(826,985)	(1,129,501)	(824,785)	(1,120,992)
Deferred tax asset:				
Tax losses	2,073,716	2,194,069	2,042,491	2,149,513
Accrued vacation	33,818	47,148	33,346	46,407
Accrued redundancy	1,606	3,669	1,606	3,669
Interest payable	177,906	175,582	177,906	175,582
Unrealized exchange losses	132,308	7,658	132,308	7,658
Other	7,196	8,282	7,120	8,282
	2,426,550	2,436,408	2,394,777	2,391,111
	1,599,565	1,306,907	1,569,992	1,270,119
Tax benefits not recognised	(1,599,565)	(630,747)	(1,569,992)	(593,959)
	-	676,160	-	676,160

Subject to agreement with the Taxpayer Audit and Assessment Department, losses available for offset against future profits amount to approximately $8,274,444,000 (2011 - $6,582,208,000) for the Group and $8,149,542,000 (2011 - $6,448,538,000) for the Company.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

10. Loss after taxation and accumulated losses

	2012 $'000	2011 $'000
a) The net (loss) profit is dealt with in the financial statements as follows:		
Company	(3,359,298)	(2,541,133)
Subsidiaries	11,033	(72,227)
Group	(3,348,265)	(2,613,360)
b) The accumulated (losses) profits are reflected in the financial statements as follows:		
Company	(7,643,034)	(4,283,736)
Subsidiaries	141,814	130,781
Group	(7,501,220)	(4,152,955)

11. Loss per ordinary stock unit

	Group	
	2012 $'000	2011 $'000
Loss attributable to stockholders	(3,348,265)	(2,613,360)
Number of stock units in issue (thousands)	851,138	851,138
Loss per ordinary stock unit (expressed in $ per share)	($3.93)	($3.07)

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

12. Related party transactions

Terms and conditions of transactions with related parties:

Parties are considered to be related if they are members of the same group or are jointly controlled by the same entity. Related parties also include those who have the ability to exercise significant influence over the entity or are members of key management. CCCL and its subsidiaries are part of the Trinidad Cement Limited Group. Transactions with related parties are made on terms equivalent to those that prevail in an arm's length transaction.

a) Transactions with Trinidad Cement Limited and its subsidiaries:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Included in the statement of comprehensive income:				
(Income) expenses –				
Sale of gypsum	(4,229)	(16,940)	-	-
Sale of cement	(998,771)	(411,972)	(998,771)	(411,972)
Sale of clinker	(64,616)	(124,753)	(64,616)	(124,753)
Freight charges	-	15,512	-	15,512
Technical fee charges	72,672	75,814	72,672	75,814
Purchase of goods and materials	359,463	434,003	359,463	434,003
Interest charges on advances	277,946	242,613	277,946	242,613
Operating lease (Note 13)	1,714,720	1,590,915	1,714,720	1,590,915

Included in the statement of financial position:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Short-term amounts (repaid) received net	552,476	(419,798)	556,263	(423,423)
Long-term amounts received net	2,108,463	2,606,975	2,108,463	2,606,975

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

12. Related party transactions (continued)

b) Transactions between the Company and its subsidiaries:

	Company	
	2012 $'000	**2011** $'000
Included in the Company statement of comprehensive income:		
Purchase of gypsum, shale and pozzolan	217,164	201,029
Port fees paid	3,252	5,276
Management fee received	(18,000)	(36,000)
Subvention	9,559	9,896

c) Compensation of directors and key management personnel

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Short-term employee benefits	113,445	86,875	113,445	86,875
Directors' fees	8,776	7,774	8,776	7,774
	122,221	94,649	122,221	94,649

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

13. Property, plant and equipment

Property, plant and equipment consist of the following:

Group:

	2012				
	Land and buildings $'000	**Plant machinery, equipment and motor vehicles** $'000	**Office furniture and equipment** $'000	**Capital work in progress** $'000	**Total** $'000
At cost					
1 January 2012	1,168,199	7,375,810	306,301	436,430	9,286,740
Additions	-	-	-	149,217	149,217
Disposals and adjustments	(2,474)	(296,519)	(623)	-	(299,616)
Transfers	126,455	285,894	7,526	(419,875)	-
31 December 2012	1,292,180	7,365,185	313,204	165,772	9,136,341
Accumulated depreciation					
1 January 2012	518,509	3,443,702	230,370	-	4,192,581
Charges during the year	35,767	380,558	13,439	-	429,764
Impairment	-	271,157	-	-	271,157
Disposals	(2,452)	(226,351)	(571)	-	(229,374)
31 December 2012	551,824	3,869,066	243,238	-	4,664,128
Net book value					
31 December 2012	740,356	3,496,119	69,966	165,772	4,472,213

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

13. Property, plant and equipment (continued)

Property, plant and equipment consist of the following:

Group:

	2011				
	Land and buildings $'000	**Plant machinery, equipment and motor vehicles** $'000	**Office furniture and equipment** $'000	**Capital work in progress** $'000	**Total** $'000
At cost					
1 January 2011	1,168,199	7,382,220	303,665	347,878	9,201,962
Additions	-	-	-	98,093	98,093
Disposals and adjustments	-	(13,315)	-	-	(13,315)
Transfers	-	6,905	2,636	(9,541)	-
31 December 2011	1,168,199	7,375,810	306,301	436,430	9,286,740
Accumulated depreciation					
1 January 2011	483,678	2,798,976	214,342	-	3,496,996
Charges during the year	34,831	464,749	16,028	-	515,608
Impairment	-	193,292	-	-	193,292
Disposals and adjustments	-	(13,315)	-	-	(13,315)
31 December 2011	518,509	3,443,702	230,370	-	4,192,581
Net book value					
31 December 2011	649,690	3,932,108	75,931	436,430	5,094,159

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

13. Property, plant and equipment (continued)

Property, plant and equipment consist of the following:

Company:

	2012				
	Land and buildings $'000	**Plant machinery, equipment and motor vehicles** $'000	**Office furniture and equipment** $'000	**Capital work in progress** $'000	**Total** $'000
At cost					
1 January 2012	1,025,910	7,184,916	304,931	417,156	8,932,913
Additions	-	-	-	131,832	131,832
Disposals and adjustments	(2,474)	(233,807)	(571)	-	(236,852)
Transfers	126,455	285,894	7,526	(419,875)	-
31 December 2012	1,149,891	7,237,003	311,886	129,113	8,827,893
Accumulated depreciation					
1 January 2012	467,835	3,290,257	227,715	-	3,985,807
Disposals and adjustments	(2,452)	(178,609)	(571)	-	(181,632)
Impairment	-	271,157	-	-	271,157
Charges during the year	30,722	372,702	13,439	-	416,863
31 December 2012	496,105	3,755,507	240,583	-	4,492,195
Net book value					
31 December 2012	653,786	3,481,496	71,303	129,113	4,335,698

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

13. Property, plant and equipment (continued)

Property, plant and equipment consist of the following:

Company:

	2011				
	Land and buildings $'000	**Plant machinery, equipment and motor vehicles** $'000	**Office furniture and equipment** $'000	**Capital work in progress** $'000	**Total** $'000
At cost					
1 January 2011	1,025,910	7,191,326	302,295	328,930	8,848,461
Additions	-	-	-	97,767	97,767
Disposals and adjustments	-	(13,315)	-	-	(13,315)
Transfers	-	6,905	2,636	(9,541)	-
31 December 2011	1,025,910	7,184,916	304,931	417,156	8,932,913
Accumulated depreciation					
1 January 2011	438,048	2,655,580	211,965	-	3,305,593
Disposals and adjustments	-	(13,315)	-	-	(13,315)
Impairment	-	193,292	-	-	193,292
Charges during the year	29,787	454,700	15,750	-	500,237
31 December 2011	467,835	3,290,257	227,715	-	3,985,807
Net book value					
31 December 2011	558,075	3,894,659	77,216	417,156	4,947,106

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

13. Property, plant and equipment (continued)

a) In August 2004, an arrangement to lease Kiln 4 from Trinidad Cement Limited (TCL) was executed by the Company. This lease extends to 2014 (Note 31) and can be terminated at the option of the Company.

In December 2008, Kiln 5 was completed and commissioned. Certain units of the kiln are owned by TCL and the rest is owned by the Company. On 1 December 2008, the Company entered into a lease arrangement with TCL which ends in 2028, in respect of the units that TCL owns (Note 31).

Cement Mill 5 assets are partly owned by TCL and the rest is owned by the Company. On commissioning of the Mill in January 2010, the Company entered into a lease arrangement with TCL in respect of the units that TCL owns. (Note 31)

b) TCL obtained loans in the amount of US$105,000,000 in order to finance the construction of Kiln 5 and Cement Mill 5. The loans are secured by a first charge on Kiln 5 and Cement Mill 5, owned by TCL but leased to the Company. The Company's fixed and floating assets are pledged to secure TCL's loans. The pledged assets include the ownership interest in subsidiaries. The Group is also a guarantor of loans that are taken by the parent or fellow subsidiaries of the parent as well as the leasehold interest in the quarry held by Jamaica Gypsum & Quarries Limited is pledged.

c) Included under plant and machinery is the Kiln 4 asset with a carrying value of $321,651,000 as at 1 January 2012. This asset is not currently operating. The Group has reviewed the recoverable amounts of the Kiln 4 assets that were not operational and has concluded that the carrying amount of the asset is impaired. The impairment losses of $271,157,000 (2011: $193,292,000) representing write-down of idle assets have been recognized in the statement of comprehensive income. The remaining $50,494,000 represents the carrying value of the assets that are still operational and not impaired.

14. Goodwill

Goodwill arises on consolidation and relates to the acquisition of Jamaica Gypsum & Quarries Limited. In 2011, the Group performed its annual impairment test as at 31 December 2011. The future cash flows from Jamaica Gypsum and Quarries Limited were considered and a rate of 17.5% used to discount the future cash flows. As a result of this analysis, management recognised an impairment charge of $17,489,000 which was recorded in the consolidated statement of comprehensive income in 2011. This represents the full impairment of the goodwill previously carried.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

15. Intangible assets

	The Group		
	Exploration cost $'000	**Dredging cost** $'000	**Total 2012** $'000
At cost			
1 January and 31 December 2012	2,521	13,570	16,091
Accumulated amortization			
1 January 2011	2,521	9,845	12,366
Amortization	-	2,794	2,794
1 January 2012	2,521	12,639	15,160
Amortization	-	931	931
31 December 2012	2,521	13,570	16,091
Net book value			
31 December 2012	-	-	-
31 December 2011	-	931	931

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

16. Investment in subsidiaries

Investment in subsidiaries consists of the following:

	Company	
	2012	**2011**
	$'000	$'000
At cost:		
Jamaica Gypsum and Quarries Limited		
375,000,000 ordinary shares	79,000	79,000
Rockfort Mineral Bath Complex Limited		
21,000,000 ordinary shares	6,310	6,310
Impairment loss	(3,372)	-
	2,938	6,310
Caribbean Gypsum Company Limited		
1,000 ordinary shares	4,000	4,000
	85,938	89,310

During the year, an impairment charge was recorded against the Company's investment in Rockfort Mineral Bath Complex Limited.

17. Due from related company

The trade amount due from a related company has been converted to a five (5) year loan effective December 2012. It is unsecured and repayable in quarterly installments commencing March 2014.

Arawak Cement Company Limited:

Interest rate per annum %	The Group 2012 US $'000	2011 US$'000	2012 $'000	2011 $'000
9.50	285	-	26,294	-
9.50	510	-	46,859	-
	795	-	73,153	-

Interest rate per annum %	The Company 2012 US $'000	2011 US$'000	2012 $'000	2011 $'000
9.50	510	-	46,859	-
	510	-	46,859	-

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

18. Inventories

Inventories consist of the following:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Plant spares	764,504	797,914	764,504	797,914
Consumables	382,987	281,855	382,987	281,855
Raw materials and work in progress	1,238,364	778,312	1,220,536	766,356
Finished goods	504,486	389,908	419,591	341,889
Goods in transit	9,132	16,311	9,132	16,311
	2,899,473	2,264,300	2,796,750	2,204,325
Provision for obsolescence and impairment	(134,392)	(13,610)	(134,392)	(13,610)
	2,765,081	2,250,690	2,662,358	2,190,715

Included in the provision for obsolescence and impairment is $112,420,000 for spares relating to the idle Kiln #4 asset which have been fully impaired (Note 13c). Finished goods as presented above, in the amount of $494,743,000 are presented at net realizable value.

19. Receivables and prepayments

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Trade receivables	493,315	387,792	463,053	361,825
Sundry receivables and prepayments	516,564	298,374	473,604	268,748
	1,009,879	686,166	936,657	630,573
Less: Impairment provision	(110,928)	(18,812)	(99,467)	(16,293)
	898,951	667,354	837,190	614,280

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

19. Receivables and prepayments (continued)

Changes in impairment provision

	Group individually impaired		Company individually impaired	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Balance as at 1 January	18,812	42,600	16,293	40,327
Charges (recoveries)	92,116	(23,788)	83,174	(24,034)
Balance as at 31 December	110,928	18,812	99,467	16,293

As at 31 December, the aging analysis of trade receivables net of impaired provision is as follows:

			The Group Past due but not impaired			
	Total $'000	**Neither past due nor impaired** $'000	**< 30 days** $'000	**30-60 days** $'000	**61-90 days** $'000	**> 90 days** $'000
2012	382,387	261,916	87,722	4,308	6,529	21,912
2011	368,980	169,651	70,740	417	70,222	57,951

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

19. Receivables and prepayments (continued)

			The Company			
			Past due but not impaired			
	Total	Neither past due nor impaired	< 30 days	30-60 days	61-90 days	>90 days
	$'000	$'000	$'000	$'000	$'000	$'000
2012	363,586	260,927	85,148	2,752	1,990	12,769
2011	345,532	168,756	66,115	(1,764)	68,723	43,702

20. Due from related companies

Due from related companies consists of the following:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	$'000	$'000	$'000	$'000
Readymix (West Indies) Limited	53	49	53	49
Arawak Cement Company Limited	-	65,006	-	42,349
TCL Ponsa Manufacturing	1,770	-	1,770	-
TCL Guyana Limited	14	188	14	188
	1,837	65,243	1,837	42,586

These balances are unsecured and carry no fixed repayment terms.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

21. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Cash at bank and in hand	164,451	153,584	155,444	135,908
Short-term deposits	79,852	-	79,852	-
	244,303	153,584	235,296	135,908

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

22. Bank overdraft

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Bank overdraft	-	34,353	-	34,353

This balance was reclassified into long term loans under the Group's debt restructuring exercise. The applicable interest rate in 2011 was 22.25% per annum. (Note 35)

23. Payables and accruals

Payables and accruals consist of the following:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Sundry payables and accruals	1,397,035	1,360,442	1,345,018	1,333,294
Trade payables	1,204,727	1,257,760	1,181,426	1,251,161
Statutory obligations	112,314	104,639	111,136	102,974
	2,714,076	2,722,841	2,637,580	2,687,429

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

24. Due to parent and related companies

The amounts due to parent and related companies consist of the following:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
TCL Ponsa Manufacturing Ltd	-	3,946	-	3,946
TCL Guyana Limited	14	-	14	-
Trinidad Cement Limited	6,891,985	4,542,862	6,891,985	4,542,862
TCL (Nevis) Limited	266,040	185,227	266,040	185,227
TCL Packaging Limited	425,473	412,370	425,473	412,370
TCL Trading Limited	297,613	65,885	297,613	65,885
	7,881,125	5,210,290	7,881,125	5,210,290
Long-term	6,878,150	4,769,687	6,878,150	4,769,687
Short-term	1,002,976	440,603	1,002,976	440,603
	7,881,126	5,210,290	7,881,126	5,210,290

	Group and Company	
	2012 $'000	**2011** $'000
The long term amount comprises the following:		
Trinidad Cement Limited	6,342,039	4,463,554
TCL Packaging Limited	365,036	147,204
TCL Trading Limited	58,405	54,254
TCL Nevis Limited	112,670	104,675
	6,878,150	4,769,687

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

24. Due to parent and related companies (continued)

Trinidad Cement Limited:

Loan #	Interest rate per annum %	2012 US$'000	2011 US$'000	2012 $'000	2011 $'000
1	10.50	3,625	3,625	337,036	313,077
2	10.00	2,249	2,249	209,104	194,240
3	10.00	13,706	13,706	1,274,357	1,183,766
4	10.00	1,100	1,100	102,275	95,005
5	10.00	1,434	1,434	133,338	123,859
6	10.00	1,300	1,300	120,871	112,278
7	10.00	600	-	55,787	-
		24,014	23,414	2,232,768	2,022,225
		TT$'000	TT$'000		
8	10.00	23,700	23,700	343,381	318,314
		23,700	23,700	343,381	318,314
		US$'000	US$'000		
Long term payables		40,481	24,581	3,765,890	2,123,015
		40,481	24,581	3,765,890	2,123,015
				6,342,039	4,463,554

Loan # 1 represents Kiln 5 lease payable renegotiated as a long term loan in September 2009. It is repayable in sixteen equal quarterly installments, and initially was to commence March 2013. In December 2012, a review of the Company's loan portfolio was done and the repayment was rescheduled to commence March 2014.

Loan # 2 represents Kiln 5 lease payable converted to a long term loan in March 2010. In December 2011, the loan was rescheduled to mature in March 2014.

Loan # 3 represents lease obligations (Kiln 5 and Cement Mill 5) and Kiln 5 current payable converted to a long term loan in September 2010. It is rescheduled to be repaid upon maturity on 31 December 2016.

Loan # 4 represents amounts advanced to the Company to aid with severance payment in June 2011. It is repayable upon maturity on 31 March 2015.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

24. Due to parent and related companies (continued)

Trinidad Cement Limited (continued):

Loan # 5 represents amounts advanced to the company to aid with coal purchase in July 2011. It is repayable upon maturity on 31 March 2014.

Loan # 6 represents amounts advanced to the company to aid with coal purchase in September 2011. It is repayable upon maturity on 31 December 2016.

Loan # 7 represents advance for coal purchase in February 2012 and was payable upon maturity November 2012. In December 2012, the loan was rescheduled to be repaid upon maturity December 2014.

Loan # 8 represents Kiln 4 lease payable converted to a long term loan in December 2009. In December 2011, the loan was rescheduled to mature in March 2014.

The long term balance of US$40,481,000 (2011: US$24,581,000) represents lease obligation (Kiln 5 and Cement Mill 5) advance payment, Kiln 5 current account and interest payable converted to long term.

TCL Packaging Limited:

Loan #	Interest rate per annum %	2012 TT $'000	2011 TT$'000	2012 $'000	2011 $'000
1	9.50	10,960	10,960	158,796	147,204
2	8.50	2,082	-	30,104	-
		13,042	10,960	188,900	147,204
		US$'000	US$'000		
3	8.50	1,894	-	176,136	-
				365,036	147,204

Loan # 1 was received in 2006 with an original amount of TT$9.2m. In December 2010, outstanding interest of TT$1.7m was capitalized bringing the total loan value to TT$10.96m. The loan is repayable in four equal installments commencing June 2014 after it was rescheduled in December 2012.

Loan # 2 represents the conversion of outstanding interest payable of TT$2.082 on TPL's TT$10.960m loan at 31 December 2012. It is repayable at maturity at 31 March 2019 or earlier.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

24. Due to parent and related companies (continued)

TCL Packaging Limited (continued)

Loan # 3 represents the conversion of a portion (US$1.894m) of outstanding trade payable balance to TPL at December 31, 2012. It is repayable in 16 equal installments commencing March 2014.

TCL Trading Limited:

Loan #	Interest rate per annum %	2012 US$'000	2011 US$'000	2012 $'000	2011 $'000
1	7.00	410	410	38,160	35,448
2	7.50	218	218	20,245	18,806
		628	628	58,405	54,254

Loan # 1 was received in 2008 and is repayable in four semi-annual installments which began June 2009. The loan was rescheduled in 2012 and repayments are now scheduled to commence June 2014.

Loan # 2 represents the conversion of short term advances to a long term loan. It is repayable in twelve equal quarterly installments which began March 2009. The loan has been rescheduled and repayments are slated to start March 2014.

TCL Nevis Limited:

Interest rate per annum %	2012 US$'000	2011 US$'000	2012 $'000	2011 $'000
10.00	1,212	1,212	112,670	104,676
	1,212	1,212	112,670	104,676

The loan above represents management fees converted to a long term loan in September 2010. It has been rescheduled and is now repayable upon maturity in September 2014.

All parent and related party loans as stated above are unsecured.

25. Due from subsidiary

This amount represents the net trade amounts due from Jamaica Gypsum & Quarries Limited and management fees charged by the parent company.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

26. Short-term loans

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
RBC Bank Jamaica Limited (see table below)	-	554,882	-	554,882
	-	554,882	-	554,882

RBC Bank Jamaica Limited

Loan #	Interest rate per annum %	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
1	9.50	-	59,882	-	59,882
2	15.75	-	135,000	-	135,000
3	18.25	-	360,000	-	360,000
		-	554,882	-	554,882

At December 2011, the Company was in default of all loan agreements. Therefore as required by IAS 1: "Presentation of financial statements," all loan balances were classified as current liabilities in 2011. In May 2012, the debt restructuring exercise was finalized and as such these loans have been reclassified as long term (Note 27).

27. Long-term loans

Long-term loans are repayable as follows:

	Group and Company	
	2012 $'000	**2011** $'000
Amounts repayable within:		
One year	34,461	1,391
Two years	68,277	1,330
Three years	69,205	1,313
Four years	71,324	1,184
Five years	588,906	-
	832,173	5,218
Current portion	(34,461)	(1,391)
Non-current portion	797,712	3,827

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

27. Long-term loans (continued)

RBC Bank Jamaica Limited

These loans are:

		Group and Company			
Loan #	**Interest rate per annum %**	**2012**	**2011**	**2012**	**2011**
		US$'000	**US$'000**	**$'000**	**$'000**
1	11.50	854	-	79,123	-
2	17.75	-	-	182,155	-
3	20.25	-	-	505,282	-
4	24.50	-	-	62,328	-
5	18.25	-	-	-	762
		-	-	749,765	762
			-	828,888	762
Other					
	20.76	-	-	3,285	4,456
		-	-	832,173	5,218

Loan #s 1 - 4 were reclassified under the debt restructuring exercise. These loans are repayable in quarterly installments commencing March 2013.

Loan # 5 was repaid during the year.

The loan classified as "Other", represents a motor vehicle loan which was provided to a Company executive in accordance with the Company's motor vehicle policy. The loan is secured by a bill of sale over the vehicle. The loan is repayable in equal monthly installments.

As a consequence of the restructuring of the Group's and Company's debt, an Override Agreement was executed between the TCL Group and the Lenders, which synchronized debt service payments among setting other conditions including the maintenance of ratio covenants. The individual loan agreements continue to be in force to the extent not varied by the Override Agreement. Interest and principal will be paid quarterly from March 2013 through to December 2018 with the last principal payment being 43% of the restructured debt. Under the Override Agreement, the CCCL Group's assets are pledged to secure its debt and that of fellow companies in the TCL Group of which CCCL Group is also a guarantor.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

28. Share capital and reserves

Share capital consists of the following:

	Number of units	Number of units
	2012 (000)	**2011** (000)
Authorized:		
Ordinary shares of no par value	1,350,000	1,350,000
Preference shares	15,000	15,000

	Number of units	Number of units	Group and Company	
	2012 (000)	**2011** (000)	**2012** \$'000	**2011** \$'000
Issued and fully paid:				
Ordinary stock units of no par value	851,138	851,138	1,808,837	1,808,837
Preference shares	15,000	15,000	1,339,650	1,339,650
			3,148,487	3,148,487

(a) On 5 January 2010 at an Extraordinary General Meeting the members approved a resolution for the conversion of US\$15,000,000 of the Company's indebtedness to TCL into fifteen million (15,000,000) redeemable preference shares of US\$1 each.

The preference shares confer upon the holders thereof no right at any time to receive any dividend beyond such dividend as the Company may, at its discretion, declare upon the preference shares provided that if the Company shall declare any dividend on its ordinary stock units it shall at the same time declare a dividend on the preference shares at a rate no lower than the rate declared on the ordinary stock units. All dividends declared upon the preference shares shall be paid in United States dollars.

The preference shares may be redeemed at any time at the sole discretion of the Company.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

28. Share capital and reserves (continued)

(b) Realized capital gain represents the profit from the sale of certain machinery and equipment in August 1999 which was credited to the statement of earnings over the 10 year period of the original operating lease (Note 13).

29. Pension plan

The Group participates in a defined contribution pension plan which is managed by an independent party, Sagicor Life Jamaica Limited. This plan is mandatory for all categories of permanent employees. Contributions are 10% of pensionable salary for both employee and employer. The amount of annual pension at any date shall be that pension which can be secured by the accumulated contribution plus interest to that date. The Group's and Company's contributions in the year amounted to $55,671,000 (2011 - $53,442,000) and $55,447,000 (2011 - $53,218,000) respectively.

30. Contingencies

There are several pending legal actions and other claims, estimated at $28,000,000 (2011 - $60,000,000), in which the Group is involved. It is the opinion of the directors, based on the information provided by the Company's attorneys, that liability, if any, arising out of these claims is not considered probable. Accordingly, no provision has been made in these financial statements in respect of these matters.

31. Commitments

a) Operating leases

The Company has commitments of $32,452,830,000 (US$350,172,000) under the operating leases with Trinidad Cement Limited, which are payable semi-annually in United States dollars (Note 6).

In the year ending 31 December:

	$'000
2013	1,529,166
2014	1,714,519
2015	1,899,872
2016	2,085,226
2017 - 2024	25,224,047
	32,452,830

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

31. Commitments (continued)

b) Guarantees

The Company has provided guarantees in the form of letters of credit and indemnity to third parties in the amount of $10,500,000 for 2012 and 2011.

c) Capital commitment

The amount of $37,000,000 (US$400,000) was approved and contracted as at 31 December 2012 in respect of the capital projects. There were no capital commitments in 2011.

32. Limestone reserves

The major raw material used in the cement manufacturing process is limestone. The limestone requirements of the Company are met from reserves in land leased from the Government of Jamaica. The lease term has 36 years remaining but exploitable reserves are expected to have a life of 166 years based on the current extraction rate. Deep reserves have a further exploitable life of approximately 124 years. These limestone reserves are not recorded in these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

33. Operating segment reporting

As at 31 December 2012

	Cement $'000	Gypsum and pozzolan $'000	Adjustments and eliminations $'000	Consolidated $'000
Revenue				
External customers	9,012,719	71,881	-	9,084,600
Inter-segment	9,559	220,416	(229,975)	-
Total revenue	9,022,278	292,297	(229,975)	9,084,600
Segment results				
Depreciation and amortization	417,996	12,699	-	430,695
Impairment losses	386,949	-	(3,372)	383,577
Segment (loss) profit before tax	(2,683,973)	2,625	9,243	(2,672,105)
Operating assets	8,278,953	309,507	(100,157)	8,488,303
Operating liabilities	11,351,906	107,516	(32,047)	11,427,375
Other disclosure				
Capital expenditure	131,832	17,385	-	149,217

As at 31 December 2011

	Cement $'000	Gypsum and pozzolan $'000	Adjustments and eliminations $'000	Consolidated $'000
Revenue				
External customers	7,933,992	99,794	-	8,033,786
Inter-segment	9,729	206,305	(216,034)	-
Total revenue	7,943,721	306,099	(216,034)	8,033,786
Segment results				
Depreciation and amortization	501,368	17,034	-	518,402
Impairment losses	210,781	-	-	210,781
Segment loss before tax	(2,902,058)	(108,867)	26,930	(2,983,995)
Operating assets	8,780,573	279,416	(109,606)	8,950,383
Operating liabilities	8,493,392	80,050	(32,252)	8,541,190
Other disclosure				
Capital expenditure	97,767	326	-	98,093

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

34. Financial risk management objectives and policies

The Group's principal financial liabilities comprise bank loans and overdrafts, operating leases, trade payables and related party balances. The Group has various financial assets such as trade receivables, cash and short-term deposits and related party balances which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has no significant concentrations of credit risk. Cash and short-term deposits are placed with reputable financial institutions. The primary concentration of the Group's credit risk is with its trade receivables, which is mitigated by regular credit evaluation of its customers' credit worthiness and credit limits. In addition, receivable balances are monitored on an ongoing basis to mitigate the Group's exposure to bad debts.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At 31 December 2012, the Group had no significant exposure to interest rate risk as all borrowings are at fixed rates. At 31 December 2011, the Group's exposure related to bank overdraft which had a floating interest rate. The interest rate exposure of borrowings is as follows:

	Group		Company	
	2012 $'000	**2011** $'000	**2012** $'000	**2011** $'000
Total borrowings:				
At fixed rates	7,710,323	5,329,787	7,710,323	5,329,787
At floating rates	-	34,353	-	34,353
	7,710,323	5,364,140	7,710,323	5,364,140
Weighted average effective interest rates:				
	(%)	(%)	(%)	(%)
Bank overdraft	-	22.3	-	22.3
Bank borrowings (US$ loans)	11.5	9.5	11.5	9.5
Other bank borrowings	20.0	19.6	20.0	19.6
Related party loans	10.0	10.0	10.0	10.0

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

34. Financial risk management objectives and policies (continued)

Interest rate risk (continued)
The following table demonstrates the sensitivity to a reasonably possible change in interest rates of the Group's and Company's loss before tax, with all other variables held constant.

	Group & Company	
	Increase/decrease in basis points	Effect on loss before tax $'000
2012		
JMD	+400	-
JMD	-100	-
2011		
JMD	+100	(344)
JMD	-100	344

Foreign currency risk
Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures. Such exposure arises from purchases by the Group in currencies other than its functional currency. Approximately sixty percent (60%) of the Group's purchases are denominated in or sensitive to currencies other than its functional currency.

The following table demonstrates the sensitivity to a reasonably possible change in the following exchange rates of the Group's and the Company's loss before tax, with all other variables held constant.

		Change in Exchange rate	Group Effect on loss before tax $'000	Company Effect on loss before tax $'000
2012	US$	+1%	64,095	64,383
	US$	-10%	(640,949)	(643,825)
	TT$	+1%	14,791	14,791
	TT$	-10%	(147,909)	(147,909)
	Euro	+1%	75	75
	Euro	-10%	(749)	(749)

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

34. Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

		Change in exchange rate	Group Effect on loss before tax $'000	Company Effect on loss before tax $'000
2011	US$	+1%	30,719	157,003
	US$	-1%	(30,719)	(157,003)
	TT$	+1%	21,694	108,471
	TT$	-1%	(21,694)	(108,471)
	Euro	+1%	114	571
	Euro	-1%	(114)	(571)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Group maintains a balance between continuity of funding and flexibility through the use of bank overdraft, bank loans and related party financing.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2012 based on contractual undiscounted payments.

	The Group					
As at 31 December 2012	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Interest bearing loans and borrowings	-	5,720	28,741	3,909,972	-	3,944,433
Due to related companies	-	-	1,002,976	3,765,890	-	4,768,866
Trade and other payables	-	2,714,076	-	-	-	2,714,076
	-	2,719,796	1,031,717	7,675,862	-	11,427,375

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

34. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	The Group					
As at 31 December 2011	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Interest bearing loans and borrowings	34,353	297	555,976	2,650,499	-	3,241,125
Due to related companies	-	-	440,603	2,123,015	-	2,563,618
Trade and other payables	-	2,722,841	-	-	-	2,722,841
	34,353	2,723,138	996,579	4,773,514	-	8,527,584

The table below summarizes the maturity profile of the Company's financial liabilities at 31 December 2012 based on contractual undiscounted payments.

	The Company					
As at 31 December 2012	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Interest bearing loans	-	5,720	28,741	3,909,972	-	3,944,433
and borrowings			-			
Due to related companies	-	-	1,002,976	3,765,890	-	4,768,866
Trade and other payables	-	2,637,580	-	-	-	2,637,580
	-	2,643,300	1,031,717	7,675,862	-	11,350,879

	The Company					
As at 31 December 2011	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Interest bearing loans and borrowings	34,353	297	555,976	2,650,499	-	3,241,125
Due to related companies	-	-	440,603	2,123,015	-	2,563,618
Trade and other payables	-	2,687,429	-	-	-	2,687,429
	34,353	2,687,726	996,579	4,773,514-	-	8,492,172

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

34. Financial risk management objectives and policies (continued)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business, maximize shareholder value, and comply with externally imposed capital ratio requirements.

The Group manages its capital structure and makes adjustments, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models.

	The Group			
	Carrying amount		Fair values	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	244,303	153,584	244,303	153,584
Receivables	898,951	667,354	898,951	667,354
Due from related companies	1,837	65,243	1,837	65,243
Financial liabilities				
Bank overdraft	-	34,353	-	34,353
Payables	2,714,076	2,643,052	2,714,076	2,643,052
Due to related companies	7,881,126	5,210,290	4,131,629	3,380,073
Short term loans	-	554,882	-	554,882
Long term loans	832,173	5,218	366,695	2,929

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

34. Financial risk management objectives and policies (continued)

Fair values (continued)

	The Company			
	Carrying amount		Fair values	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	235,296	135,908	235,296	135,908
Receivables	837,190	614,280	837,190	614,280
Due from related companies	48,975	74,838	35,278	74,838
Financial liabilities				
Bank overdraft	-	34,353	-	34,353
Payables	2,637,580	2,609,304	2,637,580	2,609,304
Due to related companies	7,881,126	5,210,290	5,439,491	3,380,073
Short term loans	-	554,882	-	554,882
Long term loans	832,173	5,218	366,695	2,929

35. Debt Restructuring

In 2010 the ultimate parent company, Trinidad Cement Limited (TCL) commenced negotiations with its lenders for the restructuring of its debt portfolio. On 14 January 2011, TCL declared a moratorium on debt service payments by all entities in the Group and thereafter debt service payments falling due were not paid by TCL and its subsidiaries (the "TCL Group").

Debt agreements covering loans amounting to TT$1,673 million (US$261 million) in the TCL Group as at 31 December 2011 were therefore in default. However, lenders did not seek to enforce their security and legal rights, which remained unchanged whilst negotiations were in progress with TCL. By 31 December 2011, TCL and its lenders had reached agreement in principle on the features of the restructuring and its key terms.

On 10 May 2012, the agreements to give effect to the debt restructuring were executed by the TCL Group with the lenders and these financial statements have been prepared in accordance with the restructuring agreements. Under the terms of the new agreement interest payments on the outstanding debt amounting to TT$51 million (US$7.96 million) was paid on 30 December 2012. As described in Note 27, the restructured debt has effectively been bundled into one portfolio of debt with quarterly payments of principal and interest to be repaid from March 2013 through December 2018, with the last principal payment being 43% of the restructured debt.

CARIBBEAN CEMENT COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated and Company Financial Statements
31 December 2012
(Expressed in Jamaican Dollars)

35. Debt Restructuring (continued)

The override agreement has imposed the following key covenants and restrictions on the TCL group:

1. Compliance with certain financial covenants for the TCL Group commencing from March 31, 2013 and quarterly thereafter. This includes a consolidated coverage ratio (ratio of EBITDA to interest), consolidated leverage ratio (ratio of Debt to EBITDA) and consolidated total liabilities to tangible net worth (ratio of total liabilities to shareholders equity).

2. The TCL Group's capital expenditure cannot exceed US $15 million (excluding Readymix W.I. Limited and TCL Packaging Limited).

3. Dividends cannot exceed US$3m per annum and can only be paid when Debt / EBITDA is less than or equal to 3.

4. At each quarter end, if cash balance is greater than US$15m after accounting for any impending debt service payment, the excess is payable to lenders as an additional debt service payment.

Form of Proxy - 2013

Please affix
$100 postage
stamp here

I/We ____
(Name of Shareholder)

of ____
(Address)

being a member(s) of the above named Company, hereby appoint ______________________ of
(Name of Proxy)

____ or failing him/her
(Address)

____ of
(Name of Proxy)

____
(Address)

as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on June 25, 2013 at 10:00 a.m. and at any adjournment thereof.

Signed this day of 2013

____
(Signature)

Please indicate with an "X" in the spaces below how you wish your Proxy to vote on the resolutions listed below. Unless otherwise instructed, the Proxy will vote as he thinks fit.

RESOLUTION	For	Against
Resolution 1 - Adoption of Accounts		
Resolution 2 - Remuneration of Auditors		
Resolution 3 - Election of Directors		
(a) Brian Young		
(b) Rollin Bertrand		
Resolution 4 - Remuneration of Directors		
Special Resolution 5 - Amendment to Articles		
Ordinary Resolution 6 - Issue of Shares to TCL		

Note:

1. To be valid, this Form of Proxy must be lodged at the Registered Office of the Company not less than forty-eight hours before the meeting.
2. Any alteration in this Form of Proxy shall be initialed.
3. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, seniority being determined by the order in which the names stand on the register.
4. If the appointer is a Corporation, this Form of Proxy must be executed under its Common Seal.
5. Please affix a $100.00 postage stamp in the space provided above.

Postal address: CARIBBEAN CEMENT COMPANY LIMITED
P.O. Box 448 Kingston

Registered Office: Rockfort, Kingston

Please cut here

ISO 14001:2004
Environmental Management System

Certificate US07/793

The management system of

Caribbean Cement Company Limited

Rockfort
Kingston 2, Jamaica

has been assessed and certified as meeting the requirements of

ISO 14001 : 2004

For the following activities:

Open pit mining of limestone, storage of raw materials, raw meal processing for clinkerization, fuel preparation and storage, cement milling, storage, packaging and dispatch of ordinary and blended Portland Cement.

Further clarifications regarding the scope of this certificate and the applicability of ISO 14001 : 2004 requirements may be obtained by consulting the organization.

This certificate is valid from 7 February 2013 until 7 February 2016 and remains valid subject to satisfactory surveillance audits.
Recertification audit due a minimum of 60 days before the expiration date.
Issue 3 : 31 January 2013.
Certified since February 2007.

Authorized by

Zachary C Pivarnik
Director of Accreditation, North America

Systems & Services Certification, a Division of SGS North America, Inc.
201 Route 17 North, Rutherford, NJ 07070, USA
t (201) 508-3000 f (201) 935-4555 www.us.sgs.com

This certificate remains the property of SGS and shall be returned upon request

Page 1 of 1

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Current Registrar: SGS

Certified since February 2007

CARIB CEMENT

Caribbean Cement Company Limited

MORE THAN JUST CEMENT

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