TRINIDAD CEMENT LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2013

Ernst & Young

Building a better working world

TRINIDAD CEMENT LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

C O N T E N T S **Page**

Ernst & Young
P.O. Box 158
5/7 Sweet Briar Road
St. Clair, Port of Spain
Trinidad and Tobago

Tel: +1 868 628 1105
Fax: +1 868 622 1153
ey.com

Building a better working world

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TRINIDAD CEMENT LIMITED

We have audited the accompanying consolidated financial statements of Trinidad Cement Limited and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at 31 December 2013 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 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 of financial statements that give a true and fair view 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.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the IASB.

EY

Building a better working world

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TRINIDAD CEMENT LIMITED
(Continued)

Emphasis of matter

Going Concern

Without qualifying our opinion, we draw attention to Note 2 (iii) to the consolidated financial statements which indicate that the Group has $2.0 billion in outstanding debt obligations as presented in its consolidated statement of financial position as at 31 December 2013. Debt service (inclusive of principal and interest) is forecast to be $368 million for 2014.

Note 2 (iii) also indicates that the ability of the 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, plant performance and price adjustments. Should these assumptions not materialize such that the Group is unable to service its debt obligations when due, this will present a going concern risk to the Group.

The consolidated 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 by the Group, the directors have a reasonable expectation that the Group will generate adequate cash flows and profitability which would allow the Group to continue in operational existence in the foreseeable future. On this basis, the directors have maintained the going concern assumption in the preparation of the consolidated financial statements.

This basis of preparation assumes that the Group 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 disclosed in Note 2 (iii) indicate the existence of material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Restatements

Without qualifying our opinion, we draw attention to Note 2 (ii) to the consolidated financial statements which indicate that the financial statements have been restated in respect of a change in accounting policy and for the correction of prior period errors.

Ernst & Young

Port of Spain
TRINIDAD:
2 May 2014

TRINIDAD CEMENT LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

		31 December		1 January
	Notes	**2013**	**2012**	**2012**
Assets		**Restated**	**Restated**	**Restated**
		$	**$**	**$**
Non-current assets				
Property, plant and equipment	8	1,983,111	2,088,542	2,202,002
Goodwill	9	–	1,764	1,764
Pension plan asset	10	134,452	93,170	105,355
Receivables	12	7,437	7,800	10,913
Deferred tax assets	6 (d)	437,371	405,143	377,787
		2,562,371	2,596,419	2,697,821
Current assets				
Inventories	11	599,155	614,525	557,019
Receivables and prepayments	12	179,810	198,759	193,888
Cash at bank and on hand	13	57,804	43,061	57,755
		836,769	856,345	808,662
Total assets		3,399,140	3,452,764	3,506,483

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

TRINIDAD CEMENT LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

	Notes	31 December 2013 Restated $	31 December 2012 Restated $	1 January 2012 Restated $
Equity and liabilities				
Equity				
Stated capital	17 (a)	466,206	466,206	466,206
Unallocated ESOP shares	19	(25,299)	(25,299)	(25,299)
Other reserves	17 (b)	(205,704)	(177,926)	(179,810)
Retained earnings		326,330	222,739	520,891
Equity attributable to the parent		561,533	485,720	781,988
Non-controlling interests		(25,236)	(24,654)	28,276
Total equity		536,297	461,066	810,264
Non-current liabilities				
Long term portion of borrowings	16	1,772,504	1,945,569	2,923
Pension plan liabilities	10	7,246	7,692	5,127
Other post-retirement benefits	10	41,738	42,999	40,593
Deferred tax liabilities	6 (d)	342,623	317,978	314,060
		2,164,111	2,314,238	362,703
Current liabilities				
Short-term advances	14	18,758	40,665	447
Payables and accruals	15	500,695	536,238	657,629
Current portion of borrowings	16	179,279	100,557	1,675,440
		698,732	677,460	2,333,516
Total equity and liabilities		3,399,140	3,452,764	3,506,483

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

These financial statements were approved by the Board of Directors on 2 May 2014 and signed on its behalf by:

Andy J. Bhajan Director

Director

TRINIDAD CEMENT LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2013 Restated $	2012 Restated $	2011 Restated $
Continuing operations				
Revenue	26	1,941,049	1,615,888	1,560,860
Earnings before interest, tax, depreciation, impairment, loss on disposal of assets and restructuring expenses	3	404,337	169,423	98,884
Depreciation	8	(127,863)	(145,414)	(151,814)
Impairment (charges)/reversals and (write-offs)	3	(2,427)	(17,963)	118,885
Loss on disposal of property, plant and equipment	3	(2,484)	(6,806)	(3,429)
Operating profit/(loss)	3	271,563	(760)	62,526
Restructuring expenses	4	–	(112,163)	(67,901)
Finance costs	5	(237,772)	(238,813)	(166,082)
Profit/(loss) before taxation from continuing operations		33,791	(351,736)	(171,457)
Taxation credit/(charge)	6	33,490	7,209	(50,343)
Profit/(loss) for the year from continuing operations		67,281	(344,527)	(221,800)
Discontinued operations				
Operating loss for the year from discontinued operations	28	–	–	(1,681)
Gain on disposal of discontinued operations	28	–	–	11,092
Net income for the year from discontinued operations		–	–	9,411
Profit/(loss) for the year		67,281	(344,527)	(212,389)
Attributable to:				
Shareholders of the parent		58,199	(292,913)	(167,169)
Non-controlling interests		9,082	(51,614)	(45,220)
		67,281	(344,527)	(212,389)
Basic and diluted earnings/(loss) per share (expressed in $ per share)	7	0.24	(1.19)	(0.68)

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

TRINIDAD CEMENT LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	**2013 Restated $**	**2012 Restated $**	**2011 Restated $**
Profit/(loss) for the year		67,281	(344,527)	(212,389)
Other comprehensive income				
Other comprehensive income to be reclassified to profit and loss in subsequent periods:				
Net movement on cash flow hedge (interest rate swap)	17 (b)	–	–	30,645
Income tax effect	17 (b)	–	–	(7,661)
		–	–	22,984
Exchange differences on translation of foreign operations		(37,583)	2,456	(416)
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods		(37,583)	2,456	22,568
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:				
Re-measurement gains/(losses) on pension plans and other post-retirement benefits	10	59,678	(6,341)	(48,230)
Income tax effect		(13,685)	727	12,937
		45,993	(5,614)	(35,293)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		45,993	(5,614)	(35,293)
Other comprehensive income/(loss) for the year, net of tax		8,410	(3,158)	(12,725)
Total comprehensive income/(loss) for the year, net of tax		75,691	(347,685)	(225,114)
Attributable to:				
Shareholders of the parent		75,813	(296,268)	(178,492)
Non-controlling interests		(122)	(51,417)	(46,622)
		75,691	(347,685)	(225,114)

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

TRINIDAD CEMENT LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

		Equity attributable to the Parent						
	Notes	Stated capital $	Unallocated ESOP shares $	Other reserves $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
Year ended 31 December 2013								
Balance at 1 January 2013 as previously stated		466,206	(25,299)	(178,679)	437,558	699,786	(24,653)	675,133
Restatement – correction of prior period errors (Note 2 (ii))		–	–	753	(214,819)	(214,066)	(1)	(214,067)
Balance at 1 January 2013 (restated)		466,206	(25,299)	(177,926)	222,739	485,720	(24,654)	461,066
Other comprehensive (loss)/income	17 (b)	–	–	(27,778)	45,392	17,614	(9,204)	8,410
Profit for the year		–	–	–	58,199	58,199	9,082	67,281
Total comprehensive (loss)/income		–	–	(27,778)	103,591	75,813	(122)	75,691
Dividends	18	–	–	–	–	–	(460)	(460)
Balance at 31 December 2013 (restated)		466,206	(25,299)	(205,704)	326,330	561,533	(25,236)	536,297

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

TRINIDAD CEMENT LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

	Notes	Equity attributable to the Parent						
		Stated capital $	Unallocated ESOP shares $	Other reserves $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
Year ended 31 December 2012								
Balance at 1 January 2012 as previously stated		466,206	(25,299)	(180,069)	864,882	1,125,720	42,411	1,168,131
Restatement – change in accounting policy (Note 2 (ii))		–	–	–	(97,745)	(97,745)	(1,750)	(99,495)
Restatement – correction of prior period errors (Note 2 (ii))		–	–	259	(246,246)	(245,987)	(12,385)	(258,372)
Balance at 1 January 2012 (restated)		466,206	(25,299)	(179,810)	520,891	781,988	28,276	810,264
Other comprehensive income/(loss) (restated)	17 (b)	–	–	1,884	(5,239)	(3,355)	197	(3,158)
Loss for the year (restated)		–	–	–	(292,913)	(292,913)	(51,614)	(344,527)
Total comprehensive income/(loss) (restated)		–	–	1,884	(298,152)	(296,268)	(51,417)	(347,685)
Dividends	18	–	–	–	–	–	(1,513)	(1,513)
Balance at 31 December 2012 (restated)		466,206	(25,299)	(177,926)	222,739	485,720	(24,654)	461,066

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

TRINIDAD CEMENT LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

		Equity attributable to the Parent						
	Notes	**Stated capital $**	**Unallocated ESOP shares $**	**Other reserves $**	**Retained earnings $**	**Total $**	**Non-controlling interests $**	**Total equity $**
Year ended 31 December 2011								
Balance at 1 January 2011 as previously stated		466,206	(28,658)	(202,579)	1,189,938	1,424,907	92,405	1,517,312
Restatement – change in accounting policy (Note 2 (ii))		–	–	–	(59,479)	(59,479)	(477)	(59,956)
Restatement – correction of prior period errors (Note 2 (ii))		–	–	–	(408,566)	(408,566)	(17,030)	(425,596)
Balance at 1 January 2011 (restated)		466,206	(28,658)	(202,579)	721,893	956,862	74,898	1,031,760
Other comprehensive income/(loss) (restated)	17 (b)	–	–	22,769	(34,092)	(11,323)	(1,402)	(12,725)
Loss for the year (restated)		–	–	–	(167,169)	(167,169)	(45,220)	(212,389)
Total comprehensive income/(loss) (restated)		–	–	22,769	(201,261)	(178,492)	(46,622)	(225,114)
Allocation to employees of ESOP shares net of dividends		–	3,359	–	26	3,385	–	3,385
Dividends forfeited	18	–	–	–	233	233	–	233
Balance at 31 December 2011 (restated)		466,206	(25,299)	(179,810)	520,891	781,988	28,276	810,264

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

TRINIDAD CEMENT LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2013 Restated $	2012 Restated $	2011 Restated $
Cash from operations	21	418,642	198,380	160,440
Pension contributions paid	10 (a)	(9,039)	(6,856)	(8,414)
Post-retirement benefits paid	10 (b)	(1,322)	(1,112)	(993)
Taxation paid		(20,893)	(6,088)	(6,812)
Restructuring expenses paid		–	(49,143)	(33,125)
Net interest paid		(204,682)	(59,497)	(10,282)
Net cash generated by operating activities		182,706	75,684	100,814
Investing activities				
Additions to property, plant and equipment	8	(73,957)	(77,913)	(40,721)
Proceeds from disposal of property, plant and equipment		959	35	9,546
Net cash used in investing activities		(72,998)	(77,878)	(31,175)
Financing activities				
Repayment of borrowings		(92,961)	(8,507)	(32,565)
Dividends paid to non-controlling interests		(1,010)	(1,513)	–
Net cash used in financing activities		(93,971)	(10,020)	(32,565)
Net increase/(decrease) in cash		15,737	(12,214)	37,074
Net foreign exchange differences		(994)	(2,033)	(59)
Net cash – beginning of year		43,061	57,308	20,293
Net cash – end of year		57,804	43,061	57,308
Represented by:				
Cash at bank and on hand	13	57,804	43,061	57,755
Bank overdraft		–	–	(447)
		57,804	43,061	57,308

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

1. Incorporation and activities

Trinidad Cement Limited (the "Parent Company") is a limited liability company incorporated and resident in the Republic of Trinidad and Tobago and its shares are publicly traded on the Trinidad and Tobago Stock Exchange (TTSE), Jamaica Stock Exchange (JSE), Barbados Stock Exchange (BSE), Eastern Caribbean Securities Exchange (ECSE) and the Guyana Association of Securities Companies and Intermediaries Inc. (GASCI). Trinidad Cement Limited is the ultimate parent of the Group. The Group (Trinidad Cement Limited and its Subsidiaries) is involved in the manufacture and sale of cement, lime, premixed concrete, packaging materials and the winning and sale of sand, gravel and gypsum. The registered office of the Parent Company is Southern Main Road, Claxton Bay, Trinidad.

A listing of the Group's subsidiary companies is detailed in Note 23.

2. Significant accounting policies

(i) Basis of preparation

The consolidated financial statements of the Group are prepared under the historical cost convention.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements. An additional statement of financial position as at 1 January 2012 is presented in these consolidated financial statements due to retrospective application of a change in accounting policy relative to IAS 19 "Employee Benefits" (Revised 2011).

In addition, the consolidated financial statements have been updated to include an additional statement of income, comprehensive income, changes in equity and cash flows for the year ended 31 December 2011, together with related notes.

Statement of compliance

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

Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the years ended 31 December 2012 and 2011 except for the standards and interpretations noted below:

2. Significant accounting policies (continued)

(i) Basis of preparation (continued)

New and amended standards and interpretations

The Group applied, for the first time, certain standards and amendments that became applicable for the 2013 financial year. The financial statements have been restated as the Group applied IAS 19 (Revised 2011) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard.

The nature and the impact of each new standard and amendment are described below:

IFRS 10, 'Consolidated Financial Statements'

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The adoption of this standard did not impact the consolidated financial statements.

IFRS 11, 'Joint Arrangements'

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The Group does not have any joint arrangements.

IFRS 12, 'Disclosures of Interests in Other Entities'

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries. While the Group has subsidiaries with material non-controlling interests, there are no unconsolidated structured entities. IFRS 12 disclosures are provided in Note 24.

IFRS 13, 'Fair Value Measurement'

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defines fair value as an exit price.

2. Significant accounting policies (continued)

(i) Basis of preparation (continued)

New and amended standards and interpretations (continued)

Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income (OCI)

The amendments to IAS 1 introduce a grouping of items presented in OCI. Items that will be reclassified (‘recycled’) to profit or loss at a future point in time (e.g., foreign currency translation adjustments) have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group’s financial position or performance. The required disclosure is included in the statement of comprehensive income.

Amendment to IAS 1 – Clarification of the requirement for comparative information

These amendments clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments also clarify that the opening statement of financial position (as at 1 January 2012 in the case of the Group), presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position as at 1 January 2012. The amendments affect presentation only and have no impact on the Group’s financial position or performance. However as described in Note 2 (i) above, the Group has elected to include an additional statement of income, comprehensive income, changes in equity and cash flows for the year ended 31 December 2011 together with the related notes.

IAS 19, ‘Employee Benefits’ (Revised 2011)

The Group applied IAS 19 (Revised 2011) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard. The opening statement of financial position of the earliest comparative period presented (1 January 2012) and the comparative figures have been accordingly restated. IAS 19 (Revised 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the ‘corridor approach’ permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit or surplus.

2. Significant accounting policies (continued)

(i) Basis of preparation (continued)

New and amended standards and interpretations (continued)

IAS 19, 'Employee Benefits' (Revised 2011) (continued)

Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net interest' amount under IAS 19 (Revised 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognized in profit or loss and other comprehensive income in prior years (see the tables below for details). In addition, IAS 19 (Revised 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Specific transitional provisions are applicable to first-time application of IAS 19 (Revised 2011). The Group has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis (see Note 2 (ii) for details).

IFRIC 20, 'Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine.

If the benefit from the stripping activity will be realized in the current period, an entity is required to account for that stripping activity costs as part of the costs of inventory. When the benefit is the improved access to ore, the entity recognizes these costs as a non-current asset, only if certain criteria are met. This is referred to as the 'stripping activity asset'. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset.

If the costs of the stripping activity asset and inventory produced are not separately identifiable, the entity allocates the cost between the two assets using an allocation method based on a relevant production measure.

The adoption of this IFRIC did not impact the consolidated financial statements.

Improvements to IFRS – 2009-2011 cycle

- IFRS 1 – Borrowing costs
- IAS 16 – Classification of servicing equipment

The adoption of these improvements did not impact the consolidated financial statements.

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

2. Significant accounting policies (continued)

(i) Basis of preparation (continued)

Standards issued but not effective

The standards and interpretations that have been issued, but not effective, at the reporting date are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities
- IFRIC Interpretation 21 Levies (IFRIC 21)
- Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting
- IFRS 9 – Financial Instruments
- IFRS 14 – Interim standard on regulatory deferral accounts

These standards, interpretations and amendments are not expected to impact the Group.

(ii) Restatements

Change in accounting policy – IAS 19, 'Employee Benefits' (Revised 2011)

The impact of the adoption of IAS 19 (Revised) on the previously reported years ended 31 December 2012 and 2011 and the current year ended 31 December 2013 is illustrated below:

	2013	**2012**	**2011**
	$	**$**	**$**
Impact on profit or loss for the year:			
Increase in personnel expenses	(25,321)	(5,424)	(5,388)
Decrease in income tax expenses	6,261	968	1,142
Decrease in profit for the year	(19,060)	(4,456)	(4,246)
Impact on other comprehensive income for the year:			
Decrease/(increase) in re-measurement of defined benefit obligation	59,678	(6,341)	(48,230)
(Increase)/decrease in income tax relating to other comprehensive income	(13,685)	727	12,937
Increase/(decrease) in other comprehensive income for the year	45,993	(5,614)	(35,293)
Increase/(decrease) in total comprehensive income for the year	26,933	(10,070)	(39,539)

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

2. Significant accounting policies (continued)

(ii) Restatements (continued)

Change in accounting policy – IAS 19, 'Employee Benefits' (Revised 2011) (continued)

	2013 **$**	**2012** **$**	**2011** **$**
Impact on net assets/equity for the year			
Increase/(decrease) in pension plan asset	29,694	(13,233)	(42,454)
Total non-current assets	29,694	(13,233)	(42,454)
(Increase)/decrease in deferred tax liabilities	(7,424)	1,695	14,079
Decrease/(increase) in post-retirement obligations	4,663	1,468	(11,164)
Total non-current liabilities	(2,761)	3,163	2,915
Net impact on equity	26,933	(10,070)	(39,539)

The restatement resulted in a net reduction of total equity of $60.0 million as at 31 December 2010.

Correction of prior period errors

(a) Impairment of Goodwill and Property, plant and equipment (PPE)

The financial statements have been restated for the impact of impairment charges arising on the previously recorded goodwill which arose on the acquisition of Caribbean Cement Company Limited (Jamaica Subsidiary) and Property, plant and equipment also related to the Jamaica subsidiary as at 31 December 2010. An impairment charge of $506.9 million has been recorded as at 31 December 2010, of which $214.1 million relates to the full impairment of the previously recorded goodwill and $292.8 million relates to a partial impairment of property, plant and equipment. The impact of this restatement is to reduce the previously reported equity by $425.6 million (net of deferred tax of $81.3 million) with a corresponding reduction in total assets as that date. This restatement arose, as the Group concluded that the historical approach to assessing assets for impairment was not in accordance with IAS 36: "Impairment of Assets".

The Group adjusted depreciation expense related to the impairment of property, plant and equipment assets, which resulted in a decrease in depreciation expense of $19.2 million and $4.1 million in 2011 and 2012, respectively.

2. Significant accounting policies (continued)

(ii) Restatements (continued)

Correction of prior period errors (continued)

(a) Impairment of Goodwill and Property, plant and equipment (PPE) (continued)

Based on the results of an impairment test as at 31 December, 2011 and 2012, the Group recorded a reversal of the impairment provision of $198.3 million and $70.6 million respectively for the years ended 31 December 2011 and 2012. The reversal relates to the property, plant and equipment asset only, as none of the previously reported goodwill impairment charge can be reversed.

(b) Accounting for debt restructuring

As described in Note 27, in May 2012 the Group executed a new debt restructuring agreement with its lenders. The financial statements have been restated to reverse debt restructuring costs in the amount of $57.2 million that were previously recorded in 2011 and recorded them in 2012. In accordance with IAS 39 Financial Instruments: "Recognition and Measurement", these costs should not have been accounted for until the new agreement was signed and executed in May 2012.

The impact of the restatement for the previously reported periods ended 31 December 2011 and 2012 is illustrated below.

(c) Impairment of deferred tax asset

The financial statements have been restated for the impact of an impairment charge on the deferred tax asset relating to the Jamaica subsidiary in 2011. The impairment charge is pursuant to IAS 12 "Income Taxes", where sufficient tax profit was not available against which unused tax losses could be utilized. This resulted in an impairment of the deferred tax asset amounting to $34.2 million as at that date.

Previously, this impairment charge was recorded by the Group in the year ended 31 December 2012 and therefore the financial statements are restated to reverse this impairment charge from the 2012 consolidated statement of income and consolidated statement of financial position, to reflect the impairment recorded in 2011 as described above.

(d) Reclassification of withholding tax expense

The financial statements have been restated to reflect the reclassification of certain withholding tax payments previously expensed in arriving at profit before tax for the respective years. In accordance with IAS 12, the withholding tax amounts should have been recorded in the income tax expense line in the consolidated statement of income.

This reclassification had no impact on the previously reported net assets, profit after tax and Basic and Diluted earnings per share of the Group for the year ended 31 December 2011 and 2012. The impact of the reclassification is illustrated below.

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

2. Significant accounting policies (continued)

(ii) Restatements (continued)

Correction of prior period errors (continued)

The impact of the above restatements in relation to Note 2 (ii) (a) to (d) for the previously reported periods ended 31 December 2011 and 2012 is illustrated below:

Year ended 31 December 2011	For the year ended 31 December 2011 – as previously reported (adjusted for the adoption of IAS 19 (Revised)) $	Impact of impairment of Goodwill and PPE restatement $	Impact of accounting for debt restructuring restatement $	Impact of deferred tax asset impairment restatement $	Impact of reclassification of withholding tax expense restatement $	For the year ended 31 December 2011 – as restated $
Impact on the income statement						
Depreciation	(170,979)	19,165	–	–	–	(151,814)
Impairment (charges)/reversals and (write-offs)	(79,386)	198,271	–	–	–	118,885
Operating (loss)/profit	(171,479)	217,436	–	–	16,569	62,526
Restructuring expenses	(103,201)	–	35,300	–	–	(67,901)
Finance costs	(187,960)	–	21,878	–	–	(166,082)
(Loss)/profit before taxation including discontinued operations	(453,229)	217,436	57,178	–	16,569	(162,046)
Taxation	73,965	(60,678)	(12,880)	(34,181)	(16,569)	(50,343)
(Loss)/profit for the year	(379,264)	156,758	44,298	(34,181)	–	(212,389)
Attributable to:						
Shareholders of the Parent	(329,489)	143,668	43,980	(25,328)	–	(167,169)
Non-controlling interests	(49,775)	13,090	318	(8,853)	–	(45,220)
	(379,264)	156,758	44,298	(34,181)	–	(212,389)
Basic and diluted (loss)/earnings per share (expressed in $ per share)	(1.34)	0.58	0.18	(0.10)	–	(0.68)

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

2. Significant accounting policies (continued)

(ii) Restatements (continued)

Correction of prior period errors (continued)

The impact of the above restatements in relation to Note 2 (ii) (a) to (d) for the previously reported periods ended 31 December 2011 and 2012 is illustrated below: (continued)

Year ended 31 December 2011	For the year ended 31 December 2011 – as previously reported (adjusted for the adoption of IAS 19 (Revised))	Impact of impairment of Goodwill and PPE restatement	Impact of accounting for debt restructuring restatement	Impact of deferred tax asset impairment restatement	Impact of reclassification of withholding tax expense restatement	For the year ended 31 December 2011 – as restated
	$	$	$	$	$	$
Impact on other comprehensive income for the year						
Exchange differences on translation of foreign operations	(765)	180	(1)	170	–	(416)
Total effect on comprehensive income/(loss) for the year, net of tax		156,938	44,297	(34,011)	–	
Attributable to:						
Shareholders of the Parent	(341,071)	143,802	43,979	(25,202)	–	(178,492)
Non-controlling interests	(51,267)	13,136	318	(8,809)	–	(46,622)
	(392,338)	156,938	44,297	(34,011)	–	(225,114)

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

2. Significant accounting policies (continued)

(ii) Restatements (continued)

Correction of prior period errors (continued)

The impact of the above restatements in relation to Note 2 (ii) (a) to (d) for the previously reported periods ended 31 December 2011 and 2012 is illustrated below: (continued)

Impact on assets/(liabilities) and equity as at 1 January 2012	As at 1 January 2012 – as previously reported (adjusted for the adoption of IAS 19 (Revised)) $	Impact of impairment of Goodwill and PPE at 1 January 2011 $	Impact of impairment of Goodwill and PPE restatement $	Impact of accounting for debt restructuring restatement $	Impact of deferred tax asset impairment restatement $	Impact of reclassification of withholding tax expense restatement $	As at 1 January 2012 – as restated $
Property, plant and equipment	2,277,294	(292,783)	217,491	–	–	–	2,202,002
Goodwill	215,831	(214,067)	–	–	–	–	1,764
Deferred tax asset	424,674	–	–	(12,876)	(34,011)	–	377,787
Deferred tax liability	(334,761)	81,254	(60,553)	–	–	–	(314,060)
Payables and accruals	(714,802)	–	–	57,173	–	–	(657,629)
Total effect on net assets		(425,596)	156,938	44,297	(34,011)	–	
Other reserves	(180,069)	–	134	(1)	126	–	(179,810)
Non-controlling interests	40,661	(17,030)	13,136	318	(8,809)	–	28,276
Retained earnings	767,137	(408,566)	143,668	43,980	(25,328)	–	520,891
Total effect on equity		(425,596)	156,938	44,297	(34,011)	–	

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

2. Significant accounting policies (continued)

(ii) Restatements (continued)

Correction of prior period errors (continued)

The impact of the above restatements in relation to Note 2 (ii) (a) to (d) for the previously reported periods ended 31 December 2011 and 2012 is illustrated below: (continued)

Year ended 31 December 2012	For the year ended 31 December 2012 – as previously reported (adjusted for the adoption of IAS 19 (Revised))	Impact of impairment of Goodwill and PPE restatement	Impact of accounting for debt restructuring restatement	Impact of deferred tax asset impairment restatement	Impact of reclassification of withholding tax expense restatement	For the year ended 31 December 2012 – as restated
	$	$	$	$	$	$
Impact on the income statement						
Depreciation	(149,486)	4,072	–	–	–	(145,414)
Impairment (charges)/reversals and (write-offs)	(88,552)	70,589	–	–	–	(17,963)
Operating (loss)/profit	(90,295)	74,661	–	–	14,874	(760)
Restructuring expenses	(49,143)	–	(63,020)	–	–	(112,163)
Finance costs	(244,655)	–	5,842	–	–	(238,813)
(Loss)/profit before taxation including discontinued operations	(384,093)	74,661	(57,178)	–	14,874	(351,736)
Taxation	(4,073)	(20,945)	12,880	34,181	(14,874)	7,209
(Loss)/profit for the year	(388,166)	53,756	(44,298)	34,181	–	(344,527)
Attributable to:						
Shareholders of the Parent	(324,340)	50,079	(43,980)	25,328	–	(292,913)
Non-controlling interests	(63,826)	3,677	(318)	8,853	–	(51,614)
	(388,166)	53,756	(44,298)	(34,181)	–	(344,527)
Basic and diluted (loss)/earnings per share (expressed in $ per share)	(1.32)	0.20	(0.18)	0.10	–	(1.19)

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

2. Significant accounting policies (continued)

(ii) Restatements (continued)

Correction of prior period errors (continued)

The impact of the above restatements in relation to Note 2 (ii) (a) to (d) for the previously reported periods ended 31 December 2011 and 2012 is illustrated below: (continued)

Year ended 31 December 2012	**For the year ended 31 December 2012 – as previously reported (adjusted for the adoption of IAS 19 (Revised))**	**Impact of impairment of Goodwill and PPE restatement**	**Impact of accounting for debt restructuring restatement**	**Impact of deferred tax asset impairment restatement**	**Impact of reclassification of withholding tax expense restatement**	**For the year ended 31 December 2012 – as restated**
	$	**$**	**$**	**$**	**$**	**$**
Impact on other comprehensive income for the year						
Exchange differences on translation of foreign operations	1,790	856	(20)	(170)	–	2,456
Total effect on comprehensive income/(loss) for the year, net of tax		54,612	(44,318)	34,011	–	
Attributable to:						
Shareholders of the Parent	(328,189)	50,714	(43,995)	25,202	–	(296,268)
Non-controlling interests	(63,801)	3,898	(323)	8,809	–	(51,417)
	(391,990)	54,612	(44,318)	34,011	–	(347,685)

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

2. Significant accounting policies (continued)

(ii) Restatements (continued)

Correction of prior period errors (continued)

The impact of the above restatements in relation to Note 2 (ii) (a) to (d) for the previously reported periods ended 31 December 2011 and 2012 is illustrated below: (continued)

Impact on assets/(liabilities) and equity as at 31 December 2012	As at 1 January 2011 – as previously reported (adjusted for the adoption of IAS 19 (Revised)) $	Cumulative impact of restatements on 1 January 2012 brought forward $	Impact of impairment of Goodwill and PPE restatement $	Impact of accounting for debt restructuring restatement $	Impact of deferred tax asset impairment restatement $	Impact of reclassification of withholding tax expense restatement $	As at 31 December 2012 – as restated $
Property, plant and equipment	2,088,542	(75,292)	75,292	–	–	–	2,088,542
Goodwill	215,831	(214,067)	–	–	–	–	1,764
Deferred tax asset	405,143	(46,887)	21	12,855	34,011	–	405,143
Deferred tax liability	(317,978)	20,701	(20,701)	–	–	–	(317,978)
Payables and accruals	(536,238)	57,173	–	(57,173)	–	–	(536,238)
Total effect on net assets		(258,372)	54,612	(44,318)	34,011	–	
Other reserves	(178,679)	259	632	(12)	(126)	–	(177,926)
Non-controlling interests	(24,653)	(12,385)	3,901	(326)	8,809	–	(24,654)
Retained earnings	437,558	(246,246)	50,079	(43,980)	25,328	–	222,739
Total effect on equity		(258,372)	54,612	(44,318)	34,011	–	

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

2. Significant accounting policies (continued)

(ii) Restatements (continued)

Correction of prior period errors (continued)

The correction of accounting errors as described above has impacted the 2013 balances and amounts as presented in the consolidated financial statements for the year ended 31 December 2013 as approved by the directors on 27 February 2014. The 2013 balances and amounts have been corrected and restated in these financial statements, and the impact of these restatements is presented below:

Year ended 31 December 2013	**31 December 2013 – as previously reported (adjusted for the adoption of IAS 19 (Revised))**	**Cumulative impact of restatements on 1 January 2013 brought forward**	**Impact of reclassification of withholding tax expense restatement**	**31 December 2013 – as restated**
	$	**$**	**$**	**$**
Impact on the statement of income				
Earnings before interest, tax, depreciation, impairment, loss on disposal of assets and restructuring expenses	423,423	–	(19,086)	404,337
Taxation	14,404	–	19,086	33,490
Impact on statement of financial position				
Goodwill	214,067	(214,067)	–	–
Other reserves	(206,457)	753	–	(205,704)
Retained earnings	541,149	(214,819)	–	326,330

2. Significant accounting policies (continued)

(iii) Going concern

The Group has reported a profit before taxation of $33.8 million for the year ended 31 December 2013 (loss of $351.8 million in 2012) and there is $2.0 billion in outstanding debt obligations as presented in the consolidated statement of financial position as at 31 December 2013.

For the Group, debt service (inclusive of principal and interest) is forecast to be $368 million for 2014 (2013: $293 million). The key risks to the Group's sustainability are declining domestic markets and unexpected plant stoppages due to technical problems with plant assets. Debt service as a percentage of budgeted Group EBITDA ranges from 67% in 2014 to 55% in 2018. The Group's operating results in recent years have been below the budgeted targets given the declining market demand and plant challenges arising from constrained working capital.

Based on the forecast cash-flows for 2014, management has performed a sensitivity analysis under different scenarios. Should the Group achieve less than 85% of its 2014 forecast net cash flow there would be a cash shortfall which may compromise debt service in 2014. However, depending on the level of the shortfall, management can manage its capital expenditure and working capital, to a limited extent over a few quarters, to recover certain levels of the shortfall and therefore not compromise its 2014 debt service obligations. A major cash flow risk for the Group is the potential settlement of substantial retroactive wages and salaries consequent upon the determination of the industrial dispute in Trinidad.

The Group's strategies to achieve sustainability include aggressively pursuing new markets and additional market share in existing markets. Approximately 5% growth in domestic cement sales volume is projected in the budget for Trinidad with no growth in domestic market demand for Jamaica and Barbados for 2014. In Jamaica, Caribbean Cement Company Limited (CCCL) is projecting additional domestic market share. The Group will be adjusting its selling prices in response to rising input cost whenever this is required. The reliability of the Jamaica plant has been restored with demonstrated improved output in 2013 and major works were completed at the Barbados plant in December 2013 and therefore output in 2014 is premised on improved plant performance. The Group is also pursuing the refinancing of its debt portfolio with the objectives of reducing interest cost and the annual debt service payment requirement. Indications from market participants are that these objectives can be achieved in 2014.

The Group's cash generation and performance are especially sensitive to the level of economic activity and government spending in the Caribbean countries which are the Group's key markets. Particularly important, are the markets of Trinidad and Tobago, Jamaica, Barbados and Guyana and where there are declining or low levels of GDP (Gross Domestic Product) growth, high unemployment, unsustainable government debt or adverse government policies, there will be a risk to the performance and financial position of the Group.

The ability of the 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, plant performance and price adjustments. Should these assumptions not materialize such that the Group is unable to service its debt obligations when due, this will present a going concern risk to the Group.

2. Significant accounting policies (continued)

(iii) Going concern (continued)

Based on current plans and strategies being pursued and implemented the directors have a reasonable expectation that the Group will generate adequate cash flows and profitability which would allow the Group to continue in operational existence for the foreseeable future.

On this basis, the directors have maintained the going concern assumption in the preparation of these consolidated financial statements. This basis of preparation assumes that the Group will be able to realize its assets and discharge its liabilities in the ordinary course of business. The factors described above indicate the existence of material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

(iv) Basis of consolidation

These consolidated financial statements comprise the financial statements of Trinidad Cement Limited (the Parent) and its subsidiaries (collectively 'the Group') as at 31 December and for the year then ended. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. Significant accounting policies (continued)

(iv) Basis of consolidation (continued)

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

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

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

(v) Significant accounting judgements, estimates and assumptions

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

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and has concluded that the Group has the resources to continue in business for the foreseeable future. Therefore the financial statements are prepared on the going concern basis. Note 2 (iii) describes the material uncertainties which may impact the Group's ability to continue as a going concern.

2. Significant accounting policies (continued)

(v) Significant accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets

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

Taxes

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

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.

Pension and post-retirement benefits

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

2. Significant accounting policies (continued)

(v) Significant accounting judgements, estimates and assumptions (continued)

Property, plant and equipment

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

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

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

Provision for doubtful debts

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

(vi) Business combinations and goodwill

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

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

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. 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.

2. Significant accounting policies (continued)

(vi) Business combinations and goodwill (continued)

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.

(vii) Property, plant and equipment

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

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

Current rates of depreciation are:

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

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

2. Significant accounting policies (continued)

(vii) Property, plant and equipment (continued)

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

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

(viii) Inventories

Plant spares, raw materials and consumables are valued at the lower of weighted average cost and net realisable value.

Work in progress and finished goods are valued at the lower of cost, including attributable production overheads, and net realisable value. Net realisable value is the estimate of the selling price less the costs of completion and direct selling expenses.

(ix) Foreign currency translation

The consolidated financial statements are presented in Trinidad and Tobago dollars (expressed in thousands), which is the Parent's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions

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

Foreign entities

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

2. Significant accounting policies (continued)

(x) Deferred expenditure

The cost of installed refractories, chains and grinding media is amortised over a period of six to twelve months to match the estimated period of their economic usefulness.

(xi) Segment information

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

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

(xii) Financial instruments

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

(xiii) Leases

Operating leases

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

Finance leases

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

(xiv) Taxation

Current income tax

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

2. Significant accounting policies (continued)

(xiv) Taxation (continued)

Deferred income tax

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

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

(xv) Pension plans and post-retirement medical benefits

Defined benefit pension plans are generally funded by payments from employees and by the relevant Group companies, taking into account of the rules of the pension plans and the recommendations of independent professional actuaries.

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

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

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

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under 'personnel remuneration and benefits' in the consolidated statement of income:

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

2. Significant accounting policies (continued)

(xvi) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, taking into account discounts, rebates and sales taxes. The following specific recognition criteria must be met before revenue is recognised:

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest and investment income

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

(xvii) Trade and other receivables

Trade and other receivables are carried at anticipated realisable value. Provision is made for specific doubtful receivables based on a review of all outstanding amounts at the year-end.

(xviii) Trade and other payables

Liabilities for trade and other payables, which are normally settled on 30-90 day terms are carried at cost, which represents the consideration to be paid in the future for goods and services received whether or not billed to the Group.

(xix) Interest bearing loans and borrowings

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

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

(xx) 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 respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Significant accounting policies (continued)

(xxi) Provisions

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

(xxii) Earnings per share

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

(xxiii) Cash and cash equivalents

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

(xxiv) Equity compensation benefits

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

(xxv) Equity movements

Stated capital

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

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

Treasury shares

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

2. Significant accounting policies (continued)

(xxvi) Impairment of assets

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to 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. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are separately disclosed in the consolidated statement of income.

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

Financial assets

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

2. Significant accounting policies (continued)

(xxvii) Fair value measurement

The Group does not measure any assets or liabilities at fair value in its consolidated statement of financial position. The fair values of financial instruments measured at amortized cost are disclosed in Note 22. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

(xxviii) Comparative information

The financial statements have been restated as a result of the impact of the matters described in Note 2 (ii).

Certain other minor charges in presentation relating to comparative information have been made in these consolidated financial statements. However, these changes had no effect on operating results, net loss or net assets for the Group in the previous year. These are as follows:

- Unsecured insurance premium financing facilities in the amount of $8.8 million have been reclassified from payables and accruals to short-term advances. This comparative change is presented in Note 15 – Payables and accruals and Note 14 – Short-term advances.

- US$25 million commercial paper in the amount of $192.6 million has been reclassified and presented under the “Promissory notes” classification within borrowings (previously recorded within “Term loans”). This comparative change is presented in Note 16 – Borrowings.

- $17.8 million has been reclassified from plant, machinery and equipment and motor vehicles to capital work in progress. This comparative change is presented in Note 8 – Property, plant and equipment.

- Interest and finance charges of $953.9 million have been presented within the Liquidity risk maturity profile. This comparative change is presented in Note 25 – Financial risk management.

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

2. Significant accounting policies (continued)

(xxviii) Comparative information (continued)

- Short-term advances of $40.7 million (2011: Nil) which was previously included in arriving at cash and cash equivalents for the year in the consolidated statement of cash flows, is now reclassified and presented within changes in net current assets within payables and accruals in arriving at net cash generated by operating activities. This change is reflected in Note 21 – Cash from operations and in the consolidated statement of cash flows.

3. Operating profit/(loss)	**Notes**	**2013 Restated $**	**2012 Restated $**	**2011 Restated $**
Revenue		1,941,049	1,615,888	1,560,860
Less expenses:				
Personnel remuneration and benefits (see below)		443,972	441,053	439,086
Fuel and electricity		399,116	390,210	412,712
Raw materials and consumables		214,031	234,592	172,989
Operating expenses		227,626	236,515	197,210
Equipment hire and haulage		144,997	142,262	155,400
Repairs and maintenance		96,601	95,136	95,933
Changes in finished goods and work in progress		18,630	(78,919)	2,332
Other income (see below)		(8,261)	(14,384)	(13,686)
Earnings before interest, tax, depreciation, impairment, loss on disposal of assets and restructuring expenses		404,337	169,423	98,884
Depreciation		(127,863)	(145,414)	(151,814)
Impairment (charges)/reversals and (write-offs) (see below)		(2,427)	(17,963)	118,885
Loss on disposal of property, plant and equipment		(2,484)	(6,806)	(3,429)
Operating profit/(loss)		271,563	(760)	62,526
Impairment (charges)/reversals and (write-offs)				
Property, plant and equipment	8	(663)	–	–
Property, plant and equipment Kiln 4 assets	8	–	(80,752)	(79,386)
Other property, plant and equipment in Jamaica	8		70,589	198,271
Goodwill impairment	9	(1,764)	–	–
Inventories		–	(7,800)	–
		(2,427)	(17,963)	118,885

Included under plant and machinery is the Kiln 4 assets in Jamaica which is currently not operating. In accordance with IAS 36: "Impairment of assets", management assessed the Kiln 4 assets for impairment and recorded an impairment provision of $77.9 million in 2012 (2011: $79.4 million) to effectively write down the asset to its' recoverable amount. Additionally, part of the asset was considered obsolete resulting in the write off of $2.9 million.

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

3. Operating profit/(loss) (continued)

In accordance with IAS 36: "Impairment of assets", management assessed other property, plant and equipment in Jamaica and recorded a reversal of impairment provision of $70.6 million in 2012 (2011: $198.3 million) due to changes in the recoverable amount based on fair value less cost of disposal.

In accordance with IAS 2: "Inventories" a write-down of $7.8 million was recognized in 2012 as an expense for spares relating to the idle Kiln 4 asset. The write downs arose from the delay in the projected reactivation of the assets.

	2013 $	2012 Restated $	2011 Restated $
Personnel remuneration and benefits include:			
Salaries and wages	352,168	349,049	356,063
Other benefits	42,260	46,640	38,624
Statutory contributions	20,027	18,927	18,698
Pension costs – defined contribution plan	3,944	4,029	3,999
Termination benefits	3,331	7,623	7,151
Net pension expense – defined benefit plans (Note 10 (a))	22,242	14,785	14,551
	443,972	441,053	439,086
Operating profit is stated after deducting directors' fees of:			
Directors' fees	701	792	790
Other income includes:			
Delivery and trucking services	4,624	2,209	4,650
Miscellaneous income	3,637	12,175	9,036
	8,261	14,384	13,686

4. Restructuring expenses

There were no debt restructuring expenses in 2013. In 2012, the debt restructuring expenses included stamp duty of $11.6 million, legal and advisory fees of $24.9 million and a loss of $75.6 million relating to the difference between the carrying amount of the original borrowings and the fair value of the new loans (see Note 27). In 2011, debt restructuring expenses included legal and advisory fees of $40.4 million which related to the eventual debt restructuring and a SWAP termination cost of $27.5 million.

5. Finance costs	2013 $	2012 Restated $	2011 Restated $
Interest expense	217,850	205,372	162,908
Interest income	(1,210)	(251)	(83)
	216,640	205,121	162,825
Foreign currency exchange loss	21,132	33,692	3,257
	237,772	238,813	166,082

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

6. Taxation

a) Taxation credit/(charge)

	2013 Restated $	2012 Restated $	2011 Restated $
Deferred taxation (Note 6 (c))	21,353	24,080	(24,020)
Current taxation	12,137	(16,871)	(26,323)
	33,490	7,209	(50,343)

The Company records withholding taxes within income tax expense. Effective 29 June 2013 an intra-group obligation of US$75 million owed to the Parent Company, Trinidad Cement Limited (TCL), by the Jamaican subsidiary, CCCL, was restructured to strengthen the equity position of the subsidiary and significantly reduce its earnings statement exposure to foreign exchange rate fluctuations. Pursuant to CCCL shareholders' approval, US$37 million was converted to redeemable preference shares and further obligations of US$38 million were converted into an additional capital contribution to CCCL. As a consequence of the capital restructuring, accrued withholding tax of TT$38.8 million associated with the obligations was no longer payable by CCCL and accordingly was reversed in June 2013 and therefore this credit of $38.8 million has been included in current income tax for the year 2013.

b) Reconciliation of applicable tax (charge)/ credit to effective tax credit/(charge)

	2013 Restated $	2012 Restated $	2011 Restated $
Profit/(loss) before taxation from continuing operations	33,791	(351,736)	(171,457)
Gain before taxation from discontinued operations	–	–	9,411
Profit/(loss) before taxation	33,791	(351,736)	(162,046)
Tax (charge)/credit calculated at 25%	(8,448)	87,934	40,511
Net effect of other charges and disallowances	15,851	(19,750)	(54,535)
Tax losses for which deferred tax income were not recognized/(recognized)	7,455	(97,662)	(80,181)
Impact of income not subject to tax	26,595	33,537	32,358
Business and green fund levies	(2,925)	(2,449)	(2,315)
Effect of different tax rates outside Trinidad and Tobago	(5,038)	5,599	13,819
Taxation credit/(charge) reported in the consolidated statement of income	33,490	7,209	(50,343)

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

6. Taxation (continued)

b) Reconciliation of applicable tax (charge)/credit to effective tax credit/(charge) (continued)

As at 31 December 2013, a deferred tax asset of $113.5 million in relation to tax losses and capital allowances available for reducing future tax payments was not recognised in the statement of financial position given a level of uncertainty regarding their utilization within a reasonable time.

At 31 December 2013, tax losses which were previously impaired by Caribbean Cement Company Limited were recognized as a deferred tax asset of $7.5 million as the Group believes that it is probable that taxable profit will be available due to the improvement in the trading performance and outlook for the subsidiary such that these losses can be utilized.

Trinidad Cement Limited has tax losses of $1,036 million (2012: $945 million) available for set off against future taxable profits.

Caribbean Cement Company Limited and its subsidiaries have tax losses of $301.1 million (2012: $527.2 million) available for set off against future taxable profits.

Readymix (West Indies) Limited and its subsidiaries have tax losses of $7.5 million (2012: $15.2 million) available for set off against future taxable profits.

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

	2013 $	2012 Restated $
c) Movement in deferred tax net balance:		
Net balance at 1 January	87,165	63,727
Exchange rate and other adjustments	(85)	(1,369)
Credit to earnings	21,353	24,080
(Charge)/credit to other comprehensive income	(13,685)	727
Net balance at 31 December (Note 6 (d))	94,748	87,165

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

	2013 $	2012 Restated $
6. Taxation (continued)		
d) Components of the deferred tax (liabilities)/ assets are as follows:		
Deferred tax assets:		
Tax losses carry forward	293,858	274,333
Capital allowances carry forward	40,328	40,111
Interest accrual	62,992	71,690
Others	40,193	19,009
Balance at 31 December	437,371	405,143
Deferred tax liabilities:		
Property, plant and equipment	(306,213)	(294,850)
Pension plan assets	(30,830)	(20,834)
Others	(5,580)	(2,294)
Balance at 31 December	(342,623)	(317,978)
Net deferred tax asset	94,748	87,165

	2013 $	2012 Restated $	2011 Restated $
7. Earnings per share			
The following reflects the income and share data used in the earnings per share computation:			
Net profit/(loss) for the year attributable to equity holders of the Parent - continuing operations	58,199	(292,913)	(173,851)
Net profit/(loss) for the year attributable to equity holders of the Parent - discontinued operations	–	–	6,682
Net profit/(loss) for the year attributable to equity holders of the Parent	58,199	(292,913)	(167,169)
Weighted average number of ordinary shares issued (net of treasury shares) (thousands of units)	246,013	245,869	245,869

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

7. **Earnings per share** (continued)	**2013** **$**	**2012 Restated** **$**	**2011 Restated** **$**
The following reflects the income and share data used in the earnings per share computation: (continued)			
Basic earnings/(loss) per share – continuing operations (expressed in $ per share)	$0.24	($1.19)	($0.71)
Basic earnings per share – discontinued operations (expressed in $ per share)	$0.00	$0.00	$0.03
Basic and diluted earnings/(loss) per share (expressed in $ per share)	$0.24	($1.19)	($0.68)
Basic and diluted loss per share as previously reported (expressed in $ per share)		($1.32)	($1.34)

The balance of the TCL Employee Share Ownership Plan relating to the cost of unallocated shares held by the Plan is presented as a separate component in equity. The weighted average number of unallocated shares of 3.752 million (2012: 3.896 million; 2011: 3.896 million) held by the Plan during the year is deducted in computing the weighted average number of ordinary shares in issue. The Group has no dilutive potential ordinary shares in issue.

8. Property, plant and equipment

	Land and buildings **$**	**Plant, machinery and equipment and motor vehicles** **$**	**Office furniture and equipment** **$**	**Capital work in progress** **$**	**Total** **$**
At 31 December 2013					
Cost	439,477	3,254,791	102,068	64,182	3,860,518
Accumulated depreciation and impairment	(176,698)	(1,619,637)	(81,072)	–	(1,877,407)
Net book amount	262,779	1,635,154	20,996	64,182	1,983,111
Net book amount					
1 January 2013 (Restated)	289,992	1,716,041	20,105	62,404	2,088,542
Exchange rate adjustments	(15,479)	(28,759)	(576)	(2,177)	(46,991)
Additions and transfers	2,548	41,651	4,675	25,083	73,957
Disposals and adjustments	585	15,927	745	(21,128)	(3,871)
Depreciation charge	(14,867)	(109,043)	(3,953)	–	(127,863)
Impairment charge and write off	–	(663)	–	–	(663)
31 December 2013	262,779	1,635,154	20,996	64,182	1,983,111

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

8. Property, plant and equipment (continued)

	Land and buildings $	Plant, machinery and equipment and motor vehicles $	Office furniture and equipment $	Capital work in progress $	Total $
At 31 December 2012					
Cost	460,920	3,289,276	96,095	62,404	3,908,695
Accumulated depreciation and impairment	(170,928)	(1,573,235)	(75,990)	–	(1,820,153)
Net book amount (Restated)	289,992	1,716,041	20,105	62,404	2,088,542
Net book amount					
1 January 2012 (Restated)	287,749	1,842,578	24,925	46,750	2,202,002
Exchange rate adjustments	(9,449)	(18,131)	(351)	(1,353)	(29,284)
Additions and transfers	6,711	21,795	1,070	48,337	77,913
Disposals and adjustments	9,129	16,773	540	(32,954)	(6,512)
Depreciation charge	(10,535)	(128,587)	(6,292)	–	(145,414)
Impairment reversal	6,387	62,365	213	1,624	70,589
Impairment charge and write off	–	(80,752)	–	–	(80,752)
31 December 2012 (Restated)	289,992	1,716,041	20,105	62,404	2,088,542

The net carrying value of assets held under finance leases within property, plant and equipment amounted to $1.3 million (2012: $2.3 million) as at 31 December 2013. It is the Group's policy to capitalise interest on borrowings specific to capital projects during the period of construction. No borrowing costs were capitalised in 2013 (2012: Nil).

In accordance with IAS 36: "Impairment of Assets", management tested and as a consequence impaired the Kiln 4 asset in Jamaica and recorded in 2012 an impairment loss of $77.9 million. Additionally, part of the asset was considered obsolete which was written off in 2012 by an amount of $2.9 million.

In accordance with IAS 36, management assessed other property, plant and equipment in Jamaica and recorded a reversal of impairment of $70.6 million in 2012 due to changes in the recoverable amount based on fair value less cost of disposal.

The reversal represents the improved trading conditions in Jamaica and the impact on the future outlook and the resulting future cash flow projections.

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

9. **Goodwill**	**2013 Restated $**	**2012 Restated $**
Cost	269,147	269,147
Accumulated impairment	(269,147)	(267,383)
Net book amount	–	1,764
Net book amount		
1 January	1,764	1,764
Impairment charge for the year	(1,764)	–
31 December	–	1,764

Based on the results of impairment tests, an impairment charge of $1.8 million was recorded in 2013 to fully write off the goodwill attributable to the subsidiary of Readymix (West Indies) Limited.

Impairment testing of goodwill

Goodwill was acquired through business combinations with Caribbean Cement Company Limited (CCCL) and a subsidiary of Readymix (West Indies) Limited (RML). As stated above the goodwill of the Readymix (West Indies) Limited subsidiary was fully impaired in 2013. The recoverable amount of the RML cash generating unit was determined using value in use with pre-tax cash flow projections that were approved by the Board of Directors and applying sensitivity analysis to the data. The calculation of value in use is most sensitive to assumptions regarding market share, gross margins and discount rates.

The following highlights the goodwill and impairment information for the RML cash-generating unit:

	Subsidiary of Readymix (West Indies) Limited
Carrying amount of goodwill	$1.8 million
Basis for recoverable amount	Value in use
Discount rate	12.54%
Discount rate (extrapolation period)	12.54%
Cash flow projection term	5 years
Growth rate (extrapolation period)	1%

As described in Note 2 (ii) (a), the Group restated the financial statements to reflect the impact of the full impairment of the goodwill arising on the acquisition of CCCL.

10. Pension plans and other post-retirement benefits

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

The Parent Company's employees and employees of TCL Packaging Limited and Readymix (West Indies) Limited are members of the Trinidad Cement Limited Employees' Pension Fund Plan. This is a defined benefit Pension Plan which provides pensions related to employees' length of service and basic earnings at retirement. The Plan's financial funding position is assessed by means of triennial actuarial valuations carried out by an independent professional actuary. The preliminary Actuarial Valuation report as at 31 December 2012 revealed that the Trinidad Cement Limited section was in surplus by $53.5 million but the Readymix (West Indies) Limited and TCL Packaging Limited sections were in deficit by $3.1 million and $8.1 million respectively. The next triennial actuarial valuation is due as at 31 December 2015.

The report recommended service contribution rates for TCL, RML and TPL as a percentage of salaries at 6%, 21% and 32.7% respectively.

A roll-forward valuation in accordance with IAS 19 "Employee Benefits", using assumptions indicated below, was done as at 31 December 2013 for the sole purpose of preparing these consolidated financial statements.

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

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

10. Pension plans and other post-retirement benefits (continued)

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

	2013 $	2012 Restated $	2011 Restated $
Pension plan assets/(liabilities) and other post-retirement obligations:			
Net pension plan assets	134,452	93,170	105,355
Net pension plan liabilities	(7,246)	(7,692)	(5,127)
Net pension plan asset	127,206	85,478	100,228
Other post-retirement obligations:			
Retiree's medical benefit obligations	(39,647)	(40,909)	(38,790)
Service benefit obligations	(2,091)	(2,090)	(1,803)
Total other post-retirement obligations	(41,738)	(42,999)	(40,593)

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

	Defined benefit obligation $	Fair value of plan assets $	Net benefit asset $
Balance at 1 January 2013 – restated	**(816,890)**	**902,368**	**85,478**
Pension cost charged to profit or loss			
Current service cost	(24,859)	(1,769)	(26,628)
Past service cost	(5)	–	(5)
Net interest	(41,559)	45,950	4,391
Sub-total included in profit or loss	**(66,423)**	**44,181**	**(22,242)**
Re-measurement gains/(losses) in OCI			
Return on plan assets	–	59,592	59,592
Actuarial changes arising from changes in financial assumptions	1,717	(1,702)	15
Experience adjustments	(3,717)	–	(3,717)
Sub-total included in OCI	**(2,000)**	**57,890**	**55,890**

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

10. Pension plans and other post-retirement benefits (continued)

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

	Defined benefit obligation $	Fair value of plan assets $	Net benefit asset $
Other movements			
Contributions by employee	(6,727)	6,727	–
Contributions by employer	–	9,039	9,039
Benefits paid	36,024	(36,024)	–
Other movements	(986)	27	(959)
Sub-total – other movements	**28,311**	**(20,231)**	**8,080**
Balance at 31 December 2013	**(857,002)**	**984,208**	**127,206**

The Group expects to contribute $9.6 million to its defined benefit plan in 2014.

The weighted average duration of the defined benefit obligations at 31 December 2013 ranges from 14.1 to 20.5 years.

	Defined benefit obligation $	Fair value of plan assets $	Net benefit asset $
Balance at 1 January 2012 – restated	**(729,588)**	**829,816**	**100,228**
Pension cost charged to profit or loss			
Current service cost	(18,834)	(1,684)	(20,518)
Net interest	(40,191)	45,924	5,733
Sub-total included in profit or loss	**(59,025)**	**44,240**	**(14,785)**
Re-measurement gains/(losses) in OCI			
Return on plan assets	–	55,556	55,556
Actuarial changes arising from changes in financial assumptions	(58,756)	–	(58,756)
Experience adjustments	(3,614)	–	(3,614)
Sub-total included in OCI	**(62,370)**	**55,556**	**(6,814)**

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

10. Pension plans and other post-retirement benefits (continued)

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

	Defined benefit obligation $	Fair value of plan assets $	Net benefit asset $
Other movements			
Contributions by employee	(6,081)	6,081	–
Contributions by employer	–	6,856	6,856
Benefits paid	40,021	(40,021)	–
Other movements	153	(160)	(7)
Sub-total – other movements	**34,093**	**(27,244)**	**6,849**
Balance at 31 December 2012 – restated	**(816,890)**	**902,368**	**85,478**
Balance at 1 January 2011 – restated	**(619,777)**	**762,687**	**142,910**
Pension cost charged to profit or loss			
Current service cost	(19,888)	(1,924)	(21,812)
Past service cost	(1,964)	–	(1,964)
Net interest	(38,687)	47,912	9,225
Sub-total included in profit or loss	**(60,539)**	**45,988**	**(14,551)**
Re-measurement gains/(losses) in OCI			
Return on plan assets	–	37,614	37,614
Actuarial changes arising from changes in demographic assumptions	–	–	–
Actuarial changes arising from changes in financial assumptions	(42,000)	(3,228)	(45,228)
Experience adjustments	(29,111)	–	(29,111)
Sub-total included in OCI	**(71,111)**	**34,386**	**(36,725)**
Other movements			
Contributions by employee	(6,837)	6,837	–
Contributions by employer	–	8,414	8,414
Benefits paid	28,344	(28,344)	–
Other movements	332	(152)	180
Sub-total – other movements	**21,839**	**(13,245)**	**8,594**
Balance at 31 December 2011 – restated	**(729,588)**	**829,816**	**100,228**

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

10. Pension plans and other post-retirement benefits (continued)

(b) Changes in the other post-retirement benefits

	2013 $	2012 $	2011 $
Balance at 1 January - restated	**(42,999)**	**(40,593)**	**(27,148)**
Pension cost charged to profit or loss			
Current service cost	(1,733)	(1,789)	(1,271)
Past service cost	–	–	–
Net interest	(2,117)	(2,202)	(1,665)
Sub-total included in profit or loss	**(3,850)**	**(3,991)**	**(2,936)**
Re-measurement gains/(losses) in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	(1,352)	132	–
Actuarial changes arising from changes in financial assumptions	–	(3,108)	(4,277)
Experience adjustments	5,141	3,449	(7,228)
Sub-total included in OCI	**3,789**	**473**	**(11,505)**
Other movements			
Benefits paid	1,322	1,112	993
Other movements	–	–	3
Sub-total – other movements	**1,322**	**1,112**	**996**
Balance at 31 December – restated	**(41,738)**	**(42,999)**	**(40,593)**

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

10. Pension plans and other post-retirement benefits (continued)

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

	2013	**2012**	**2011**
Cash and cash equivalents	5%	6%	10%
Equities	41%	42%	40%
Bonds	51%	48%	46%
Mortgages	1%	2%	2%
Real estate	1%	1%	1%
Other	1%	1%	1%

Equities are quoted on actively traded markets.

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

Pension plans

The actual return on plan assets for 2013 amounted to $103,840 (2012: $101,479; 2011: $82,293).

		2013	**2012**	**2011**
Discount rate at 31 December:				
Trinidad Cement Limited Employees' Pension Fund Plan		5.00%	5.00%	5.50%
Arawak Cement Company Limited Pension Fund Plan		7.75%	7.75%	7.75%
Future salary increases:				
Trinidad Cement Limited Employees' Pension Fund Plan		5.00%	5.00%	5.00%
Arawak Cement Company Limited Pension Fund Plan		6.75%	6.75%	6.75%
Post-retirement mortality for pensioners at 60:	Male	21.0	21.0	21.0
	Female	25.4	25.4	25.4

A quantitative sensitivity analysis for significant assumptions as at 31 December 2013 is as shown below:

Assumptions	**Discount rate**		**Future salary increases**		**Life expectancy of pensioners**
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**increase by 1 year**
Impact on the defined benefit obligation	(61,071)	69,149	138,986	(120,421)	58,607

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

10. Pension plans and other post-retirement benefits (continued)

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

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

Other post-retirement obligations:

		2013	2012	2011
Discount rate at 31 December		5%	5%	5.5%
Future medical claims inflation		5%	5%	5%
Post-retirement mortality for pensioners at 65:	Male	21.0	21.0	21.0
	Female	25.1	25.1	25.1

A quantitative sensitivity analysis for significant assumptions as at 31 December 2013 is as shown below:

Assumptions	Discount rate		Future medical claims inflation		Life expectancy
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	increase by 1 year
Impact on the defined benefit obligation	(6,055)	7,781	7,699	(6,107)	1,485

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

The Group expects to contribute $1.2 million to its other post-retirement benefits in 2014.

11. Inventories

	2013 $	2012 $
Plant spares	152,922	154,565
Raw materials and work in progress	246,332	253,434
Consumables	132,132	126,917
Finished goods	67,769	79,609
	599,155	614,525

Inventories are shown as net of obsolescence provision of $17.0 million (2012: $20.3 million).

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

12. Receivables and prepayments	2013 $	2012 $
Trade receivables	156,433	154,445
Less: provision for doubtful debts	(34,449)	(33,129)
Trade receivables (net)	121,984	121,316
Sundry receivables and prepayments	56,777	67,622
Deferred expenditure	3,453	9,586
Taxation recoverable	5,033	8,035
	187,247	206,559

Presented in the consolidated statement of financial position as follows:

	2013 $	2012 $
Non-current	7,437	7,800
Current	179,810	198,759
	187,247	206,559

Included within trade receivables are balances due from three (3) customers with agreed repayment terms over one year and therefore $7.4 million (2012: $7.8 million) is presented as a non-current asset.

			Past due but not impaired		
	Total	Neither past due nor impaired	1-90 days	91-180days	Over 180 days
	$	$	$	$	$
2013	121,984	57,559	27,501	10,479	26,445
2012	121,316	57,667	36,521	5,335	21,793

As at 31 December, the impairment provision for trade receivables assessed to be doubtful was $34.4 million (2012: $33.1 million). Movements in the provision for impaired receivables were as follows:

	2013 $	2012 $
At 1 January	33,129	25,922
Charge for the year	2,201	8,067
Unused amounts reversed/written off	(881)	(860)
At 31 December	34,449	33,129

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

13. Cash at bank and on hand

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

14. Short-term advances	**2013 $**	**2012 $**
Short-term advances	18,758	40,665

Short-term advances are comprised of an unsecured deposit advanced from a customer with a balance of $14.9 million (2012: $31.3 million) and unsecured insurance premium financing with an outstanding balance of $3.8 million (2012: $9.4 million).

15. Payables and accruals	**2013 $**	**2012 Restated $**
Sundry payables and accruals	315,622	345,297
Trade payables	169,276	180,146
Statutory obligations	8,580	7,795
Interest and other finance charges	6,610	1,779
Taxation payable	607	1,221
	500,695	536,238

16. Borrowings	**2013 $**	**2012 $**
Maturity of borrowings:		
One year	179,279	100,557
Two years	190,805	171,766
Three years	218,445	190,236
Four years	242,715	217,325
Five years and over	1,120,539	1,366,242
Gross borrowings	1,951,783	2,046,126
Current portion of total borrowings	(179,279)	(100,557)
Borrowings non-current portion	1,772,504	1,945,569

In May 2012, the Group concluded a restructuring of the debt portfolio. As a consequence of the restructuring of the debt, an Override Agreement and Intercreditor Agreements were executed between the company and its Lenders, which synchronized debt service payments and among other conditions established the maintenance of financial ratio covenants. Individual loan agreements continue to be in force to the extent not varied by the Override Agreement and Intercreditor Agreements. Interest and principal payable will be paid quarterly through to December 2018 with the last principal payment being 43% of the restructured debt of $2.027 billion. Under the Override Agreement, there are cross guarantee undertakings and pledging of Group company assets to secure the restructured debt.

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

16. Borrowings (continued)	**2013 $**	**2012 $**
Type of borrowings:		
Bonds	945,238	983,903
Term loans	819,325	867,274
Promissory notes	185,909	192,607
Finance lease obligations	1,311	2,342
	1,951,783	2,046,126
Currency denomination of borrowings		
US dollar	718,682	746,188
Local currencies	1,233,101	1,299,938
	1,951,783	2,046,126
Interest rate profile		
Fixed rates	1,581,966	1,661,084
Floating rates	369,817	385,042
	1,951,783	2,046,126

	2013	**2012**
The weighted average effective interest rate for borrowings is:	9.9%	9.9%

a) Bonds

(i) Barbados $50 million Bond

This bond, with current book value of TT$128.8 million (2012: TT$133.5 million), is secured by a charge on the fixed and floating assets of Arawak Cement Company Limited and carries rates of interest in the range 9.4% to 11.45% for the four tranches (2012: 9.4% to 11.45%).

(ii) TT$346.5 million Bond

This bond, with current book value of TT$161.2 million (2012: TT$167.9 million), is secured by a charge on the assets of the TCL Group and carries a fixed rate of interest of 6.87% per annum plus 200 basis points.

(iii) TT$187 million Bond

This bond, with current book value of TT$202.1 million (2012: TT$210.4 million), is secured by a charge on the assets of the TCL Group and carries a fixed rate of interest of 8.95% per annum plus 200 basis points.

16. Borrowings (continued)

a) Bonds (continued)

(iv) TT$100 million Bond

This bond, with current book value of TT$89.9 million (2012: TT$93.7 million), is secured by a charge on the assets of the TCL Group and carries a fixed interest rate of 8.5% per annum plus 200 basis points.

(v) TT$315 million Bond

This bond, with current book value of TT$363.2 million (2012: TT$378.4 million), is secured by a charge on the assets of the TCL Group and carries a fixed rate of interest of 9.1% per annum plus 200 basis points.

b) Term loans

(i) US$25 million 'A' Loan

This loan, with current book value of TT$132 million (2012: TT$136.8 million), is secured by a charge on the assets of the TCL Group and carries a floating rate of interest of 6 month Libor plus 425 basis points with Floor on Libor of 4% (currently 8.25%) (2012: 8.25%).

(ii) US$10 million 'C' Loan

This loan, with current book value of TT$71.5 million (2012: TT$74.0 million), is secured by a charge on assets of the TCL Group and carries a floating rate of interest of 6 month Libor plus 300 basis points (currently 8.25%) (2012: 8.25%).

In addition to interest, the lender is entitled to an additional annual margin capped at 1000 basis points above Libor calculated on the excess Earnings before Interest, Taxes, Depreciation and Amortisation ('Ebitda') of Caribbean Cement Company Limited over US$20.0 million.

(iii) US$20 million 'Parallel' Loan

This loan, with current book value of TT$127.8 million (2012: TT$132.4 million), is secured by a charge on assets of the TCL Group and carries a floating rate of interest of 6 month Libor plus 475 basis points with a Floor on Libor of 4% (currently 8.25%) (2012: 8.25%).

(iv) US$5.92 million Loan

This loan, with current book value of TT$37.5 million (2012: TT$38.9 million), is secured by a charge on assets of the TCL Group and carries a floating rate of interest of 6 month Libor plus 425 basis points (currently 8.25%) (2012: 8.25%). This represents the termination of the interest rate swap in 2011 which was converted into a loan.

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

16. Borrowings (continued)

b) Term loans (continued)

(v) TT$18.5 million loan

This loan with a current book value of $1.0 million (2012: $2.9 million), is secured by a charge on the fixed and floating assets of Readymix (West Indies) Limited and carries a floating rate of interest of 5.5% (2012: 5.5%).

c) Other Bank Term loans $450.4 million (2012: $484.9 million)

These loans with current book value of $441.9 million (2012: $465.6 million) represent former overdraft and short-term loans converted into medium term loans as part of the debt restructuring. The loans are denominated in Trinidad and Tobago, Barbados, Jamaican and United States dollars and carry interest with rates ranging from 6.25% to 24.5% (2012: 6.25% to 24.5%), and are secured by the assets of the Group.

Loans on the books of Readymix (West Indies) Limited with a current book value of $7.6 million (2012: TT$16.6 million) is unsecured TT Dollar loans with rates ranging from 5.5% to 9.75% (2012: 5.5% to 9.75%).

d) Promissory notes

US$25 million commercial paper.

This loan with current book value of TT$185.9 million (2012: TT$192.6 million) is secured by a charge on assets of the TCL Group and carries a fixed rate of interest of 7.25% per annum plus 200 basis points with 4% Floor on Libor (currently 9.25%) (2012: 9.25%).

e) Finance leases

Finance leases consist of the obligations for a number of motor vehicles acquired under finance lease agreements with monthly installments over a period of four to five years. The agreements are secured by the related motor vehicles and inherent finance charges are in the range of 10% to 11.6% per annum (2012: 10% to 11.6%).

Included in total borrowings are finance leases amounting to $1.3 million (2012: $2.3 million). The minimum lease payments under these finance leases are as follows:

	2013 **$**	**2012** **$**
Due not more than one year	764	1,097
Due in years two to five	658	1,617
Total minimum lease payments	1,422	2,714
Less: Finance charges	(111)	(372)
Total net present value	1,311	2,342

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

	2013 $	2012 $
17. Stated capital and other reserves		
(a) Stated capital		
Authorised		
An unlimited number of ordinary and preference shares of no par value		
Issued and fully paid		
249,765,136 (2012: 249,765,136) ordinary shares of no par value	466,206	466,206

(b) Other reserves

	Foreign currency translation account $	Hedging reserve $	Total other reserves $
Year ended 31 December 2013			
Balance at 1 January 2013	(177,926)	–	(177,926)
Other comprehensive income:			
Currency translation	(27,778)	–	(27,778)
Total other comprehensive income	(27,778)	–	(27,778)
Balance at 31 December 2013	(205,704)	–	(205,704)
Year ended 31 December 2012			
Balance at 1 January 2012	(179,810)	–	(179,810)
Other comprehensive income:			
Currency translation	1,884	–	1,884
Total other comprehensive income	1,884	–	1,884
Balance at 31 December 2012	(177,926)	–	(177,926)
Year ended 31 December 2011			
Balance at 1 January 2011	(179,595)	(22,984)	(202,579)
Other comprehensive income:			
Currency translation and other adjustments	(215)	–	(215)
Net charge on swap transferred to statement of income (interest)	–	4,195	4,195
Net charge on swap transferred to statement of income (restructuring)	–	26,450	26,450
Deferred taxation on swap obligation	–	(7,661)	(7,661)
Total other comprehensive income	(215)	22,984	22,769
Balance at 31 December 2011	(179,810)	–	(179,810)

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

17. Stated capital and other reserves (continued)

(b) Other reserves (continued)

Nature and purpose of reserves

Foreign currency translation account

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

Hedging reserve
This account records the effective portion of the cashflow hedge relating to future periods. The Hedge arrangement was terminated in 2011.

(c) Other comprehensive income net of tax

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

	Foreign currency translation account $	Retained earnings $	Total other reserves $
Year ended 31 December 2013			
Other comprehensive income:			
Currency translation	(27,778)	–	(27,778)
Re-measurement gains/(losses) on pension plans and other post-retirement benefits	–	45,392	45,392
	(27,778)	45,392	17,614
Year ended 31 December 2012			
Other comprehensive income:			
Currency translation	1,884	–	1,884
Re-measurement gains/(losses) on pension plans and other post-retirement benefits	–	(5,239)	(5,239)
	1,884	(5,239)	(3,355)

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

17. Stated capital and other reserves (continued)

(c) Other comprehensive income net of tax (continued)

	Foreign currency translation account $	Hedging reserve $	Retained earnings $	Total $
Year ended 31 December 2011				
Other comprehensive income:				
Currency translation and other adjustments	(215)	–	–	(215)
Net charge on swap transferred to statement of income (interest)	–	3,146	–	3,146
Net charge on swap transferred to statement of income (restructuring)	–	19,838	–	19,838
Re-measurement gains/ (losses) on pension plans and other post retirement benefits	–	–	(34,092)	(34,092)
	(215)	22,984	(34,092)	(11,323)

18. Dividends

The Parent Company has not declared nor paid any dividends during the year 2013 or in respect of 2012. During the year 2011 the Parent company wrote back $0.2 million to retained earnings representing dividend cheques which were not presented for payment for more than six years

Dividends represents the dividends of subsidiaries in respect of non-controlling interests during the year of $0.46 million (2012: $1.513 million).

19. Employee share ownership plan (ESOP)

	2013 $	2012 $
Employee share ownership plan		
Number of shares held - unallocated (thousands)	3,752	3,752
Number of shares held - allocated (thousands)	4,216	3,953
	7,968	7,705
Fair value of shares held - unallocated	8,254	5,590
Fair value of shares held - allocated	9,275	5,890
	17,529	11,480
Cost of unallocated ESOP shares	25,299	25,299
Charge to earnings for shares allocated to employees	400	500

19. Employee share ownership plan (ESOP) (continued)

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

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

20. Capital commitments and contingent liabilities

Capital commitments

The Group has contractual capital commitments of $7.8 million as at December 2013 (2012: $7.6 million).

Contingent liabilities

There are contingent liabilities amounting to $20.7 million (2012: $10 million) for various claims, assessments, bank guarantees, and bonds against the Group. Included therein, are several pending legal actions and other claims in which the Group is involved. It is the opinion of the directors, based on the information provided by the Group's attorneys at law, that owing to the uncertainty of these possible liabilities no provision has been made in these consolidated financial statements in respect of these matters.

The Board of Inland Revenue in Trinidad and Tobago has disallowed expenditure amounting to $102.1 million claimed by the Parent Company in respect of fiscal year 2007. The Parent Company has formally objected to this assessment as it is of the view that the claim is well supported in law and will defend its position in the resolution process. No provision has been made in the consolidated financial statements in respect of this matter as the possible liability is not considered probable.

The subsidiary in Guyana was given a commitment by the Government of Guyana in 2006 to have the corporate tax rate for non-commercial companies of 30 percent made applicable to its operations. Subsequent action by the Guyana Revenue Authority held that the corporate tax rate for commercial companies of 40 percent was applicable. The subsidiary computes its corporation tax liability on the basis of the original commitment received while it contests through court action the failure to honour the original commitment. No provision has been made in these consolidated financial statements for the higher tax rate as the possible liability is not considered probable. This contingent liability amounts to $15.5 million as at year end.

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

21. Cash from operations

	Notes	2013 Restated $	2012 Restated $	2011 Restated $
Profit/(loss) before taxation from continuing operations		33,791	(351,736)	(171,457)
Profit before taxation from discontinued operations		–	–	9,411
Profit/(loss) before taxation		33,791	(351,736)	(162,046)
Adjustments to reconcile profit/(loss) before taxation to net cash generated by operating activities:				
Depreciation	8	127,863	145,414	151,814
Net impairment charges/(reversals) and write-offs	3	2,427	17,963	(118,885)
Interest expense net of interest income	5	237,772	238,813	166,082
Restructuring expenses	4	–	112,163	67,901
ESOP share allocation and sale of shares net of dividends		–	–	3,385
Pension plan expense	10 (a)	22,242	14,785	14,551
Other post-retirement benefit expense	10 (b)	3,850	3,991	2,936
Loss on disposal of property, plant and equipment	3	2,484	6,806	3,429
Gain from disposal of subsidiary		–	–	(11,092)
Other non-cash items		–	–	3,907
		430,429	188,199	121,982
Changes in net current assets				
(Increase)/decrease in inventories		(7,290)	(65,642)	12,053
Decrease/(increase) in receivables and prepayments		13,197	(2,217)	(22,966)
(Decrease)/increase in payables and accruals		(17,694)	78,040	49,371
		418,642	198,380	160,440

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

22. Fair values

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

	Carrying amount 2013 $	**Fair value 2013 $**	**Carrying amount 2012 $**	**Fair value 2012 $**
Financial assets:				
Cash at bank	57,804	57,804	43,061	43,061
Trade receivables	121,984	121,984	121,316	121,316
Financial liabilities:				
Short-term advances	18,758	18,758	40,665	40,665
Borrowings	1,951,783	1,951,783	2,046,126	2,046,126
Trade payables	169,276	169,276	180,146	180,146
Interest and finance charges	6,610	6,610	1,779	1,779

Based on indicative interest rates provided by potential other lenders, the carrying value of borrowings approximate their fair value.

23. Subsidiary undertakings

The Group's subsidiaries are as follows:

Company	**Country of incorporation**	**Ownership level 2013**	**2012**
Readymix (West Indies) Limited	Trinidad and Tobago	71%	71%
TCL Packaging Limited	Trinidad and Tobago	80%	80%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago	65%	65%
TCL Leasing Limited	Trinidad and Tobago	100%	100%
Caribbean Cement Company Limited	Jamaica	74%	74%
Jamaica Gypsum and Quarries Limited	Jamaica	74%	74%
Rockfort Mineral Bath Complex Limited	Jamaica	74%	74%
Caribbean Gypsum Company Limited	Jamaica	74%	74%
Arawak Cement Company Limited	Barbados	100%	100%

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

23. Subsidiary undertakings (continued)

Company	**Country of incorporation**	**Ownership level 2013**	**2012**
Premix & Precast Concrete Incorporated	Barbados	60%	60%
TCL Trading Limited	Anguilla	100%	100%
TCL Service Limited	Nevis	100%	100%
TCL (Nevis) Limited	Nevis	100%	100%
TCL Guyana Inc.	Guyana	80%	80%

TCL Haiti Inc. SA (THI) was incorporated in January 2012 in Haiti, however, due to ongoing discussions with a third party that will affect the shareholding and operations of THI, no shares have been issued to date. At present THI is expected to be a majority owned subsidiary of TCL (Nevis) Limited.

Key management compensation of the Group

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

	2013	**2012 Restated**
	$	**$**
Short-term employment benefits	32,388	28,302
Pension plan and post-retirement benefits	923	637

24. Material partly-owned subsidiaries

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

Proportion of equity held by non-controlling interests:

Name	**Country of incorporation and operation**	**2013**	**2012**
Caribbean Cement Company Group	Jamaica	26%	26%
Readymix (West Indies) Limited	Trinidad & Tobago	29%	29%
TCL Packaging Limited	Trinidad & Tobago	20%	20%
TCL Ponsa Manufacturing Limited	Trinidad & Tobago	35%	35%
TCL Guyana Inc.	Guyana	20%	20%

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

24. **Material partly-owned subsidiaries** (continued)	**2013** **$**	**2012 Restated** **$**
Accumulated balances of material non-controlling interests:		
Caribbean Cement Company Limited	(73,835)	(73,501)
Readymix (West Indies) Limited	25,243	26,906
TCL Packaging Limited	12,669	11,402
TCL Ponsa Manufacturing Limited	3,858	4,435
TCL Guyana Inc.	6,829	6,104
	(25,236)	(24,654)
Profit/(loss) allocated to material non-controlling interests:		
Caribbean Cement Company Limited	9,428	(51,029)
Readymix (West Indies) Limited	(2,430)	(2,292)
TCL Packaging Limited	1,857	742
TCL Ponsa Manufacturing Limited	(526)	292
TCL Guyana Inc.	753	673
	9,082	(51,614)

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

Summarized statement of profit or loss for 2013:

	Caribbean Cement Company Limited **$**	**Readymix (West Indies) Limited** **$**	**TCL Packaging Limited** **$**	**TCL Ponsa Manufacturing Limited** **$**	**TCL Guyana Inc.** **$**
Revenue	770,342	175,580	73,349	17,236	137,967
Operating expenses	(696,371)	(172,115)	(61,576)	(18,718)	(132,197)
Finance costs (net)	(74,167)	(1,889)	(70)	(20)	(1)
(Loss)/profit before tax	(196)	1,576	11,703	(1,502)	5,769
Income tax	7,455	(3,162)	(2,416)	–	(2,006)
Profit/(loss) for year	7,259	(1,586)	9,287	(1,502)	3,763
Total comprehensive income	7,259	1,103	8,151	(1,373)	3,663
Attributable to non-controlling interests	1,880	(2,239)	1,630	(481)	753

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

24. Material partly-owned subsidiaries (continued)

Summarized statement of profit or loss for 2012:

	Caribbean Cement Company Limited	**Readymix (West Indies) Limited**	**TCL Packaging Limited**	**TCL Ponsa Manufacturing Limited**	**TCL Guyana Inc.**
	$	**$**	**$**	**$**	**$**
Revenue	657,453	136,528	62,877	16,470	109,265
Operating expenses	(749,465)	(144,320)	(57,955)	(15,615)	(103,977)
Finance costs (net)	(81,296)	(2,156)	(110)	(22)	(184)
(Loss)/profit before tax	(173,308)	(9,948)	4,812	833	5,104
Income tax	(56,038)	1,396	(1,105)	–	(1,737)
(Loss)/profit for year	(229,346)	(8,552)	3,707	833	3,367
Total comprehensive income	(229,346)	(9,394)	3,034	826	3,367
Attributable to non-controlling interests	(59,401)	(524)	607	289	673

Summarized statement of financial position as at 31 December 2013:

	Caribbean Cement Company Limited	**Readymix (West Indies) Limited**	**TCL Packaging Limited**	**TCL Ponsa Manufacturing Limited**	**TCL Guyana Inc.**
	$	**$**	**$**	**$**	**$**
Inventories, cash and bank balances and other current assets	260,604	87,679	56,195	14,467	32,184
Property, plant and equipment and other non-current assets	295,647	55,446	34,467	2,353	44,607
Trade and other payables and other current liabilities	(184,627)	(49,209)	(15,356)	(3,706)	(40,754)
Interest bearing loans, borrowings and deferred tax and other non-current liabilities	(81,844)	(6,023)	(11,962)	(2,091)	(1,892)
Total equity	289,780	87,893	63,344	11,023	34,145
Attributable to:					
Equity holders of parent	364,673	90,394	50,675	7,165	27,316
Non-controlling interests	(74,893)	(2,501)	12,669	3,858	6,829

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

24. Material partly-owned subsidiaries (continued)

Summarized statement of financial position as at 31 December 2012:

	Caribbean Cement Company Limited $	**Readymix (West Indies) Limited $**	**TCL Packaging Limited $**	**TCL Ponsa Manufacturing Limited $**	**TCL Guyana Inc. $**
Inventories, cash and bank balances and other current assets	273,640	98,300	43,998	21,261	24,783
Property, plant and equipment and other non-current assets	315,448	60,227	44,289	2,469	48,132
Trade and other payables and other current liabilities	(260,355)	(63,978)	(21,494)	(8,969)	(40,581)
Interest bearing loans, borrowings and deferred tax and other non-current liabilities	(532,705)	(7,759)	(9,781)	(2,090)	(1,816)
Total equity	(203,972)	86,790	57,012	12,671	30,518
Attributable to:					
Equity holders of parent	(126,353)	87,052	45,610	8,236	24,414
Non-controlling interests	(77,619)	(262)	11,402	4,435	6,104

Summarized cash flow information for the year ending 31 December 2013:

	Caribbean Cement Company Limited $	**Readymix (West Indies) Limited $**	**TCL Packaging Limited $**	**TCL Ponsa Manufacturing Limited $**	**TCL Guyana Inc. $**
Operating	15,609	16,873	7,886	836	292
Investing	(36,450)	(5,770)	(238)	(69)	(269)
Financing	18,152	(8,521)	(3,302)	(182)	–
Net (decrease)/increase in cash and cash equivalents	(2,689)	2,582	4,346	585	23

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

24. Material partly-owned subsidiaries (continued)

Summarized cash flow information for the year ending 31 December 2012:

	Caribbean Cement Company Limited	**Readymix (West Indies) Limited**	**TCL Packaging Limited**	**TCL Ponsa Manufacturing Limited**	**TCL Guyana Inc.**
	$	**$**	**$**	**$**	**$**
Operating	(67,988)	17,920	6,007	(1,077)	8,355
Investing	(10,770)	(12,324)	(815)	(10)	(47)
Financing	87,809	(4,402)	(1,513)	–	(6,605)
Net increase/(decrease) in cash and cash equivalents	9,051	1,194	3,679	(1,087)	1,703

25. Financial risk management

Introduction

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

Risk management structure

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

Credit risk

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

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

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

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

25. Financial risk management (continued)

Credit risk (continued)

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

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

	Gross maximum exposure	
	2013	**2012**
	$	**$**
Trade receivables	121,984	121,316
Cash at bank	57,804	43,061
Credit risk exposure	179,788	164,377

Credit risk related to receivables

Customer credit risk is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all credit customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. At 31 December 2013, the Group had eighteen (18) customers (2012: thirteen (13) customers) that owed the Group more than $2 million each and which accounted for 63% (2012: 41%) of all trade receivables.

Credit risk related to cash at bank

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

Liquidity risk

The Group monitors its risk to a shortage of funds by considering planned and probable expenditures against projected cash inflows from operations, from the settlement of financial assets such as accounts receivable and levels of cash sales. The Group's objective is to fund its operations and activities within the framework of the terms of the debt restructuring agreed with lenders. Working credit lines have been withdrawn and access to longer term credit funding has been severely restricted. Accordingly, the Group is dependent on internally generated funds to cover most of its funding needs.

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

25. Financial risk management (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities at 31 December:

2013	On demand $	1 year $	2 to 5 years $	> 5 years $	Total $
Short-term advances	2,914	15,844	–	–	18,758
Borrowings	7,607	171,672	1,772,504	–	1,951,783
Interest and finance charges	963	189,854	555,936	–	746,753
Trade payables	–	169,276	–	–	169,276
	11,484	546,646	2,328,440	–	2,886,570

2012	On demand $	1 year $	2 to 5 years $	> 5 years $	Total $
Short-term advances	8,763	31,902	–	–	40,665
Borrowings	16,675	83,882	824,308	1,121,261	2,046,126
Interest and finance charges	–	203,565	646,355	103,952	953,872
Trade payables	–	180,146	–	–	180,146
	25,438	499,495	1,470,663	1,225,213	3,220,809

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy financial position in order to support its business activities and maximise shareholder value. The Group is required to comply with several financial ratios and other quantitative targets in accordance with loan agreements. The Group is required to achieve Leverage, Debt Service and Net Worth financial ratio targets in accordance with the revised terms of the debt restructuring agreed with lenders. The Group was in compliance with these ratios at year end.

Foreign currency risk

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

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

25. Financial risk management (continued)

Foreign currency risk (continued)

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

	Increase/decrease in US/Euro rate	Effect on profit before tax $	Effect on equity $
2013			
US dollar	+1%	(7,078)	(5,309)
	-1%	7,078	5,309
Euro	+1%	(39)	(29)
	-1%	39	29
2012			
US dollar	+1%	(7,690)	(5,768)
	–1%	7,690	5,768
Euro	+1%	(60)	(45)
	–1%	60	45

The effect on profit is shown net of US dollar financial assets (2013: $78.6 million, 2012: $67.5 million), and liabilities (2013: $791.9 million, 2012: $845.3 million) and EURO net financial liabilities (2013: $3.8 million, 2012: $6 million).

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

2013	**TTD**	**USD**	**JMD**	**BDS**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
ASSETS						
Cash at bank	11,394	37,502	3,536	136	5,236	57,804
Trade receivables	45,326	41,082	21,309	2,040	12,227	121,984
	56,720	78,584	24,845	2,176	17,463	179,788
LIABILITIES						
Short-term advances	2,914	15,590	–	254	–	18,758
Borrowings	1,015,852	719,177	47,411	169,343	–	1,951,783
Interest and finance charges	530	5,933	49	98	–	6,610
Trade payables	14,613	51,205	64,583	30,099	8,776	169,276
	1,033,909	791,905	112,043	199,794	8,776	2,146,427
NET (LIABILITIES)/ASSETS	(977,189)	(713,321)	(87,198)	(197,618)	8,687	(1,966,639)

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

25. Financial risk management (continued)

Foreign currency risk (continued)

2012	**TTD**	**USD**	**JMD**	**BDS**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
ASSETS						
Cash at bank	11,906	18,385	6,953	555	5,262	43,061
Trade receivables	47,785	49,145	11,869	5,652	6,865	121,316
	59,691	67,530	18,822	6,207	12,127	164,377
LIABILITIES						
Short-term advances	–	40,059	–	606	–	40,665
Borrowings	1,072,226	746,188	52,263	175,449	–	2,046,126
Interest and finance charges	837	367	471	104	–	1,779
Trade payables	18,572	58,716	58,017	35,638	9,203	180,146
	1,091,635	845,330	110,751	211,797	9,203	2,268,716
NET (LIABILITIES)/ASSETS	(1,031,944)	(777,800)	(91,929)	(205,590)	2,924	(2,104,339)

Other currencies include the Euro.

Interest rate risk

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

The interest rate exposure of borrowings is as follows:

	2013	**2012 Restated**
	$	**$**
At fixed rate	1,581,966	1,661,084
At floating rates	369,817	385,042

Interest rate risk table

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

	Increase/decrease in basis points	**Effect on profit before tax**
		$
2013	+100	(3,698)
	–100	3,698
2012	+100	(3,850)
	–100	3,850

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

26. Financial information by segment

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

26.1 Operating segment information

2013	Cement $	Concrete $	Packaging $	Consolidation adjustments $	Total $
Total revenue	2,102,515	175,580	90,585	–	2,368,680
Inter-segment revenue	(343,612)	–	(84,019)	–	(427,631)
Third party revenue	1,758,903	175,580	6,566	–	1,941,049
Depreciation and impairment	124,499	8,443	1,179	(3,831)	130,290
(Loss)/profit before tax (restated)	(404,510)	(185)	10,201	428,285	33,791
Segment assets (restated)	3,787,827	147,028	98,814	(634,529)	3,399,140
Segment liabilities	3,291,902	54,843	24,447	(508,349)	2,862,843
Capital expenditure	67,335	6,249	373	–	73,957
Operating cash flows	104,639	16,873	8,722	52,472	182,706
Investing cash flows	(66,870)	(5,770)	(307)	(51)	(72,998)
Financing cash flows	(9,725)	(8,521)	(3,484)	(72,241)	(93,971)
Net increase in cash and cash equivalents	28,044	2,582	4,931	(19,820)	15,737

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

26. Financial information by segment (continued)

26.1 Operating segment information (continued)

2012	Cement $	Concrete $	Packaging $	Consolidation adjustments $	Total $
Total revenue	1,744,067	136,528	79,347	–	1,959,942
Inter-segment revenue	(271,510)	–	(72,544)	–	(344,054)
Third party revenue	1,472,557	136,528	6,803	–	1,615,888
Depreciation and reversal of impairment (restated)	161,018	6,100	1,760	(5,501)	163,377
(Loss)/profit before tax (restated)	(582,060)	(8,163)	5,637	232,850	(351,736)
Segment assets (restated)	4,101,084	159,911	110,785	(919,016)	3,452,764
Segment liabilities (restated)	3,852,473	69,318	41,285	(971,378)	2,991,698
Capital expenditure	64,778	12,310	825	–	77,913
Operating cash flows	(24,847)	17,920	4,930	77,681	75,684
Investing cash flows	(154,630)	(12,324)	(825)	89,901	(77,878)
Financing cash flows	137,514	(4,402)	(1,513)	(141,619)	(10,020)
Net (decrease)/increase in cash and cash equivalents	(41,963)	1,194	2,592	25,963	(12,214)

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

26. Financial information by segment (continued)

26.1 Operating segment information (continued)

2011	**Cement** $	**Concrete** $	**Packaging** $	**Consolidation adjustments** $	**Total** $
Total revenue	1,691,382	116,242	91,036	–	1,898,660
Inter-segment revenue	(257,287)	–	(80,513)	–	(337,800)
Third party revenue	1,434,095	116,242	10,523	–	1,560,860
Depreciation and reversal of impairment (restated)	27,931	8,543	2,159	(5,704)	32,929
(Loss)/profit before tax (restated)	(226,205)	(693)	8,889	46,552	(171,457)
Segment assets (restated)	4,119,549	159,796	113,339	(886,201)	3,506,483
Segment liabilities (restated)	3,314,166	61,080	40,051	(719,078)	2,696,219
Capital expenditure	38,484	1,856	381	–	40,721
Operating cash flows	143,160	569	18,211	(61,126)	100,814
Investing cash flows	(250,838)	7,554	(381)	212,490	(31,175)
Financing cash flows	196,683	(915)	–	(228,333)	(32,565)
Net increase in cash and cash equivalents	89,005	7,208	17,830	(76,969)	37,074

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

26. Financial information by segment (continued)

26.2 Geographical segment information

	Revenue 2013 $	Revenue 2012 $	Revenue 2011 $	Non-current assets 2013 $	Non-current assets 2012 Restated $	Additions property plant and equipment 2013 $	Additions property plant and equipment 2012 $
Trinidad and Tobago	718,584	562,753	527,131	1,299,550	1,358,258	33,859	48,060
Jamaica	648,869	482,768	499,111	359,982	393,459	36,864	10,799
Barbados	174,359	161,221	169,107	280,780	299,911	2,966	15,706
Other countries	399,237	409,146	365,511	50,236	46,478	268	3,348
Group total	1,941,049	1,615,888	1,560,860	1,990,548	2,098,106	73,957	77,913

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

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

27. Debt restructuring

In 2010, 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 $1,673 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 Group with the lenders and these consolidated 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 $51 million were made on 30 December 2012. As described in Note 16 payments of principal and interest on the restructured debt has been synchronized into quarterly installments from March 2013 through December 2018, with the last principal payment being 43% of the restructured debts.

Because the terms of the Override Agreement were substantially different than the terms of its existing debt arrangements, the Group accounted for the Override Agreement as an extinguishment of its existing borrowings. As a result, on 10 May 2012, the Group recorded a total extinguishment loss of $112.2 million of which $75.6 million represented the difference between the carrying amount of the original borrowings and the fair value of the new loans. The extinguishment loss is presented within restructuring expenses in the consolidated statement of income.

The Override Agreement has imposed the following key covenants and restrictions on the TCL Group:

a) Compliance with certain financial covenants for the TCL Group commencing from 31 March 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).

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

c) Dividends cannot exceed US$3 million per annum and can only be paid when Debt/EBIDA is less than or equal to 3.

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

At year end, the TCL Group was in compliance with all terms of the Override Agreement including all payments and ratio covenants.

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

28. Assets classified as held for sale

The operations of two of the Group's subsidiaries namely Island Concrete Products N.V. and Island Concrete SARL located in St. Maarten and St. Martin respectively, were suspended effective 1 December 2009 and subsequently disposed in 2011, due to a major decline in the demand for concrete on the island. The Group recognised a gain of $11.092 million in 2011 on disposal of these subsidiaries.

As at 31 December 2010, the subsidiaries were classified as a disposal group held for sale and as a discontinued operation. The results of the subsidiary for the year ended 31 December 2011 are presented below:

	2011 **$**
Revenue	–
Expenses	(1,681)
Operating loss	(1,681)
Finance costs	–
Loss before tax from discontinued operations	(1,681)
Taxation	–
Loss for the year from discontinued operations	(1,681)

29. Subsequent events

Subsequent to the year end, the Board of Directors of the Group approved the refinancing of the restructured debt portfolio of the Group by the proposed issuance of new bonds for US$325 million in the United States, Canada and Trinidad markets. The new bond issue is estimated to increase the Group's level of debt by US$30 million.

EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

For more information about our organization, please visit ey.com.