TCL GROUP

Annual Report 2014

Turning a new page

Building Value

Vision Statement

We are a World Class Group of Companies, committed to leadership in the regional business community and progressive partnering with all our stakeholders through:

- A focus on customer satisfaction with quality products and services;
- Superior financial performance and rate of return to our shareholders;
- Growth through diversification and expansion in our core competency and through nurturing strategic alliances;
- The continuous empowerment of our family of employees participating in a network of mutual support.

Mission Statement

To be a World Class Group of Companies providing quality products and services to our customers and generating a superior rate of return to our shareholders through the optimisation of our human, technological and natural resources.

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* Note: The Notice of the Annual Meeting and Proxy package will be circulated at a later date.

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Corporate Social Responsibility

TCL will lead the local and regional business community in achieving greater sustainable development and progressive partnering with all our stakeholders. It is of mutual interest to the Company, Community and Country for TCL to operate responsibly and develop products and services that address social and environmental challenges.

We will:

1. Continually improve our efforts to corporate sustainability leadership and involve our employees in our social responsibility projects;
2. Participate in local networks and seek ways of benefiting from the transfer of knowledge and expertise;
3. Listen and respond to the varied concerns of all our stakeholders.

TCL employees, members of the company's International Coastal Clean-Up Team after an exercise at Quinam Beach, Siparia.

Corporate Information

Board of Directors of Trinidad Cement Limited
Mr. Wilfred Espinet (Chairman)
Mr. Alejandro Alberto Ramirez Cantu
Mr. Francisco Aguilera Mendoza
Mr. Jean Michel Allard
Mr. Christopher Dehring
Mr. Nigel Edwards
Mr. Michael Glenn Hamel-Smith
Ms. Alison Lewis
Mr. Carlos Alberto Palero Castro
Mr. Wayne Yip Choy

Company Secretary
Ms. Kathryna Baptiste

Group Chief Executive Officer
Mr. Alejandro Alberto Ramirez Cantu (Ag.)

Registered Office
Southern Main Road,
Claxton Bay,
Trinidad & Tobago, W.I.
Phone: (868) 659-0787/0788/0800
Fax: (868) 659-0818
Website: www.tclgroup.com

Bankers
(Local)
Republic Bank Limited
High Street, San Fernando,
Trinidad & Tobago, W.I.

Bankers
(Foreign)
CITIBANK N.A.
111 Wall Street,
New York, NY 10043,
U.S.A.

Auditors
Ernst & Young
5/7 Sweet Briar Road,
St. Clair,
Trinidad & Tobago, W.I.

Registrar & Transfer Agent
Trinidad and Tobago Central Depository Limited
10th Floor, Nicholas Tower,
63-65 Independence Square,
Port of Spain,
Trinidad and Tobago, W.I.

Sub-Registrars
Barbados Central Securities Depository Inc.
8th Avenue, Belleville,
St. Michael, Barbados, W.I.

Jamaica Central Securities Depository
40 Harbour Street,
Kingston, Jamaica, W.I.

Eastern Caribbean Central Securities Registry Limited
Bird Rock, Basseterre,
St. Kitts, W.I.

Trust Company (Guyana) Limited
230 Camp & South Streets,
Georgetown,
Guyana, South America.

Stock Exchanges on which the Company is listed:
Barbados Stock Exchange
8th Avenue, Belleville,
St. Michael,
Barbados, W.I.

Jamaica Stock Exchange
40 Harbour Street,
Kingston,
Jamaica, W.I.

Trinidad & Tobago Stock Exchange
10th Floor, Nicholas Tower,
63-65 Independence Square,
Port of Spain,
Trinidad & Tobago, W.I.

Eastern Caribbean Securities Exchange
Bird Rock, Basseterre,
St. Kitts, W.I.

Guyana Association of Securities Companies and Intermediaries Inc.
Hand in Hand Building,
1 Avenue of the Republic,
Georgetown,
Guyana, South America.

Attorneys-At-Law
Mr. Stuart Young
Barrister-at-Law
Chancery Chambers,
108 Duke Street,
Port-of-Spain
Trinidad & Tobago, W.I.

Mr. Imran Ali
Chancery Chambers,
108 Duke Street,
Port-of-Spain,
Trinidad & Tobago, W.I.

Girwar & Deonarine
Harris Court, 17-19 Court Street,
San Fernando,
Trinidad & Tobago, W.I.

Johnson, Camacho & Singh
First Floor, Briar Place,
10 Sweet Briar Road,
St. Clair,
Port-of-Spain,
Trinidad & Tobago, W.I.

Clarke, Gittens, Farmer
Parker House, Wildey Business Park,
Wildey Road,
St. Michael,
Barbados, W.I.

Hughes, Fields & Stoby
62 Hadfield & Cross Streets,
Werk-en-rust,
Georgetown,
Guyana, South America.

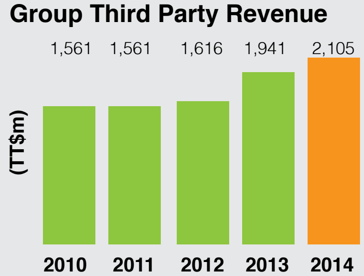
Kelsick, Wilkin & Ferdinand
P.O. Box 174,
Fred Kelsick Building,
Independence Square South,
Basseterre,
St. Kitts, W.I.

Patterson Mair Hamilton
63-67 Knutsford Boulevard,
Kingston 5,
Jamaica, W.I.

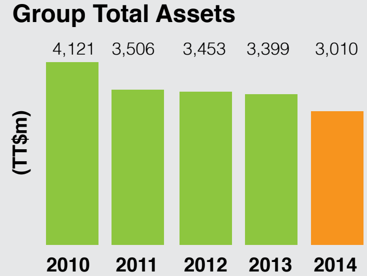
10-year Consolidated Financial Review

	UOM	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Group Third Party Revenue	TT$m	1,429.80	1,719.00	1,923.00	2,074.40	1,755.80	1,561.10	1,560.86	1,615.89	1,941.05	2,104.81
Operating Profit	TT$m	183.90	264.80	349.40	307.20	248.10	(1.20)	62.53	(0.76)	271.56	111.08
Group Profit before Taxation	TT$m	86.80	160.50	245.70	195.90	84.00	(149.60)	(162.05)	(351.74)	33.79	(102.47)
Group Profit attributable to Shareholders	TT$m	160.30	145.70	187.80	137.40	95.80	(48.50)	(167.17)	(292.91)	58.20	(214.39)
Foreign Exchange Earnings	TT $m	162.30	231.80	292.30	362.40	327.70	239.30	271.90	279.60	352.00	309.9
EPS	TT$	0.66	0.60	0.77	0.56	0.39	(0.20)	(0.68)	(1.19)	0.24	(0.87)
Ordinary Dividend per Share	TT$	0.15	0.06	0.07	-	-	-	-	-	-	-
Issued Share Capital – Ordinary	TT $m	466.20	466.20	466.20	466.20	466.20	466.20	466.20	466.20	466.20	466.20
Shareholders' Equity	TT$m	1,031.80	1,159.00	1,313.70	1,372.20	1,459.70	1,424.90	781.99	485.72	561.53	276.98
Group Equity	TT$m	1,139.10	1,267.50	1,442.30	1,504.30	1,579.30	1,517.30	810.26	461.07	536.30	245.53
Total Assets	TT $m	2,948.20	3,230.00	3,621.60	3,994.70	4,034.40	4,120.90	3,506.48	3,452.76	3,399.14	3,010.00
Net Assets per Share	TT$	4.56	5.07	5.77	6.02	6.32	6.07	3.24	1.85	2.15	0.98
Return on Shareholders' Equity	%	15.50	12.60	14.30	10.00	6.60	(3.40)	(21.38)	(60.30)	10.36	(77.40)
Share Price (Dec 31)	TT$	10.00	7.01	7.35	4.00	3.85	2.80	1.79	1.49	2.20	2.50
No. of Shares Outstanding (Dec 31)	'000	249,765.00	249,765.00	249,765.00	249,765.00	249,765.00	249,765.00	249,765.00	249,765.00	249,765.00	249,765.00
Market Capitalisation (Dec 31)	TT$m	2,497.70	1,750.90	1,835.80	999.10	961.60	699.30	447.08	372.15	549.48	624.41
Total Long-term Debt	TT$m	1,181.60	1,253.90	1,395.60	1,444.80	1,359.00	1,242.90	1,678.40	2,046.12	1,951.80	1,848.90
Total Long-term Debt/Equity Ratio	%	103.70	98.90	96.80	96.00	86.10	81.90	207.14	443.78	363.94	753.03

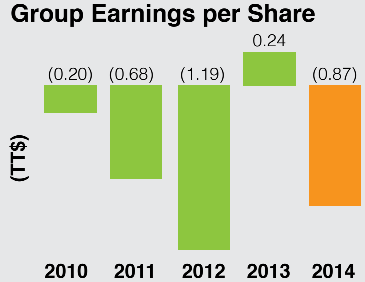
Group Third Party Revenue



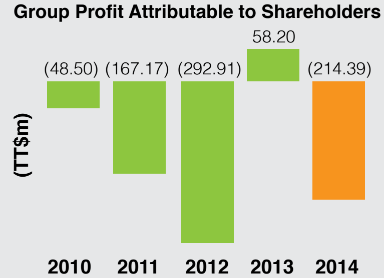
Group Total Assets



Group Earnings per Share

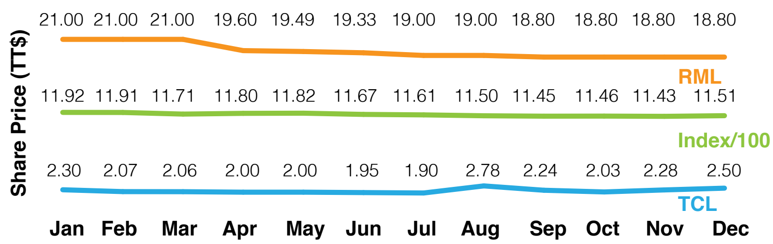


Group Profit Attributable to Shareholders

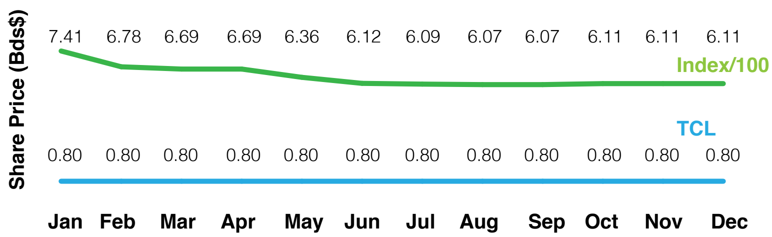


Share & Performance Highlights

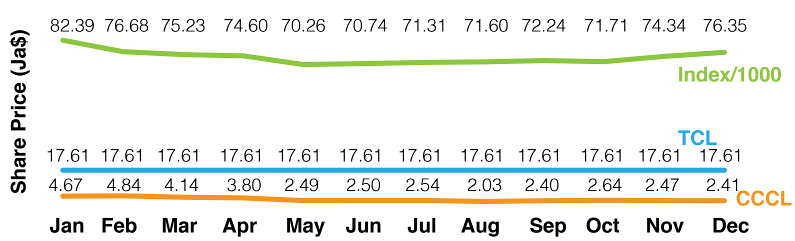
Trinidad & Tobago Stock Exchange



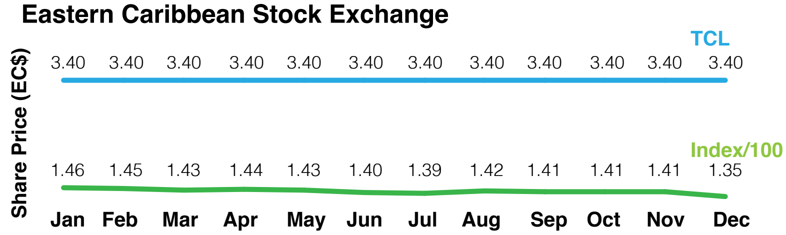
Barbados Stock Exchange



Jamaica Stock Exchange



Eastern Caribbean Stock Exchange



Trading Volumes														
		Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	TOTAL
T'dad	TCL	725,905	277,176	810,484	291,320	327,197	123,814	872,294	1,787,196	42,953	428,845	640,628	595,930	6,923,742
	RML	800	-	-	300	100	350	50	-	200	-	-	-	1,800
BSE	TCL	-	-	-	-	-	-	967	2,001	-	-	-	-	2,968
J'ca	TCL	-	-	-	-	-	-	-	-	-	-	-	-	-
	CCCL	2,559,198	4,092,280	1,455,533	383,888	1,002,887	463,623	112,814	672,761	316,854	283,262	655,554	141,506	12,140,160
ECSE	TCL	-	-	-	-	-	-	-	-	-	-	-	-	-

Share & Performance Highlights (continued)

Distribution of Shareholding

Category	% Distribution
Individuals	36.96%
Sierra Trading	20.00%
Baleno Holdings	8.21%
Unit Trust	3.97%
NIB	10.16%
Banks / Pension Funds	14.22%
Insurance Companies	4.95%
Other Foreign Investors	1.53%

Group Performance Highlights			2014	2013	% Change
Income Statement					
	Group Third Party Revenue	$m	2,104.81	1,941.05	8.4%
	Group Profit/(Loss) attributable to Shareholders	$m	(214.39)	58.20	468.4%
	Foreign exchange earnings	$m	309.90	352.00	-12.0%
Balance Sheet					
	Total Assets	$m	3,010.00	3,399.14	-11.4%
	Shareholders' Equity	$m	276.98	561.53	-50.7%
	Net Assets per Share	$	0.98	2.15	-54.2%
	Total Long-term Debt	$m	1,848.90	1951.80	5.3%
	Total Long-term Debt to Equity Ratio	%	753.03	363.94	-106.9%
Operational Highlights					
TCL	Clinker production	'000 tonnes	646.1	612.3	5.5%
	Cement sales - Local	"	666.0	618.2	7.7%
	Cement sales - Export	"	170.3	196.2	-13.2%
	Cement sales - Total	"	836.1	814.4	2.7%
CCCL	Clinker production	'000 tonnes	795.0	696.1	14.2%
	Cement sales - Local	"	598.2	594.8	0.6%
	Cement sales - Export	"	232.8	223.5	4.1%
	Cement sales - Total	"	826.9	818.3	1.1%
ACCL	Clinker production	'000 tonnes	195.3	199.9	-2.3%
	Cement sales - Local	"	80.5	83.8	-3.9%
	Cement sales - Export	"	147.2	153.7	-4.3%
	Cement sales - Total	"	226.1	237.5	-4.8%
TPL	Paper sack production	millions	29.0	31.7	-8.4%
	Paper sack sales	"	27.9	30.7	-9.1%
TPM	Sling/Bag production	thousands	329.3	136.3	141.6%
	Sling sales	"	315.6	355.5	-11.2%
	Jumbo bag sales	"	46.3	13.3	248.1%
RML Group	Concrete sales – T&T, Barbados	'000m^3	145.8	127.3	14.6%
JGQ	Gypsum sales	'000 tonnes	45.2	48.3	-6.4%

Board of Directors

Wilfred Espinet (Chairman),
Carlos Alberto Palero Castro,
Christopher Dehring.

Wayne Yip Choy, Alejandro Ramirez Cantu (Ag. CEO), Jean Michel Allard, Francisco Aguilera Mendoza.

Michael Glenn Hamel-Smith, Alison Lewis, Nigel Edwards.

About our Board of Directors

Mr. Wilfred Espinet – Chairman

Mr. Wilfred Espinet was appointed to the Board in August 2014. He is a businessman with considerable international experience in Manufacturing, Shipping and Retail industries in several countries. He is a former Director of Associated Brands Industries Limited; Managing Director of Consolidated Biscuits Ltd. and Chocolate Products Ltd. in Malta and President Director General of Cheval Blanc S.A. in France. He is a Past President of the Trinidad and Tobago Manufacturers' Association.

He is also the Chairman of Aeromarine International Logistics Company, which has operations in North America, Central America and the Caribbean, and Mayfair, a Cosmetic Retailer with outlets throughout the Caribbean.

Mr. Alejandro Ramirez Cantu – Executive Director Nominated by CEMEX, S.A. de C.V. ("CEMEX")

Mr. Alejandro Ramirez Cantu was appointed to the Board in October 2012 and Acting Chief Executive Officer of Trinidad Cement Limited and its Subsidiaries in August 2014. Prior to his executive appointment at TCL, he was Country Director of CEMEX Puerto Rico where the company attained marked improvements in its operations. From October 2012, CEMEX business units in Peru and Argentina also reported to him.

Mr. Ramirez Cantu joined CEMEX in July 2000 and has held various positions including Strategic Planning Director and Projects Director at CEMEX Central, Planning Vice President of the Philippines and Asia, Country Manager (Thailand), Vice President of Planning (Venezuela), Vice President of Strategic Projects (South America and the Caribbean) and Director of Corporate Affairs (Americas).

Mr. Ramirez Cantu has extensive experience in the management of business units as well as development and implementation of operating and corporate strategies. He holds an MBA with a Major in Finance from the Wharton School of the University of Pennsylvania and a BSc. in Industrial and Systems Engineering from the Monterrey Institute of Technology, Mexico.

Mr. Jean Michel Allard – Non Executive Director (Nominated by the Steering Committee of Lenders)

Mr. Jean Michel Allard was appointed to the Board in March 2012. He is an Independent Expert in the cement industry and a Senior Advisor to the IFC (World Bank). Mr. Allard gained extensive experience during his forty year tenure with the Vicat Group, an international cement organisation. He served as the Deputy Chief Executive Officer for 22 years and as a member of the Board during the period 1983 to 2009. Prior to these appointments, he has held several managerial positions within the company. Mr. Allard's other ancillary assignments included membership on the Board of Directors of Syndicat Français de l'Industrie Cimentière and Chairman of the National Commission on Safety for the French Cement Profession.

Mr. Wayne Yip Choy – Non Executive Director (Nominated by the Steering Committee of Lenders)

Mr. Wayne Yip Choy was appointed to the Board in November 2013. He is a retired businessman with over thirty-seven years' experience. He began his career in 1976 as Managing Director of Sweetheart Cakes Ltd., which was subsequently renamed Kiss Baking Company Ltd. He spent a total of twenty-eight years at that company. Mr. Yip Choy also served as the Managing Director of Caribbean Development Company Limited (makers of Carib and Stag alcoholic beverages) and Angostura Holdings Limited. He is also a Past President of the Trinidad and Tobago Manufacturers' Association.

Ms. Alison Lewis – Non Executive Director

Ms. Alison Lewis was appointed to the Board in August 2014. She is a former Public Servant who served for over twenty-nine years in the Ministry of Finance and rose to the position of Permanent Secretary of that Ministry, a position that she held for eleven years. She has served as a member of a number of Boards of Directors including the Boards of the Central Bank of Trinidad and Tobago, the Trinidad and Tobago Securities and Exchange Commission, the Trinidad and Tobago Unit Trust Corporation and the Heritage and Stabilisation Fund. Ms. Lewis has recently been appointed to the Board of Republic Bank Ltd. During the period 2001 to 2003 she served as advisor to the Executive Director at the World Bank in Washington DC before returning home in 2003 and being appointed Permanent Secretary.

Ms. Lewis holds a BA. in Economics and Management from the University of the West Indies (UWI), St. Augustine and became a distinguished awardee on the occasion of the UWI Alumni's 25th anniversary.

Mr. Christopher Dehring – Non Executive Director

Mr. Christopher Dehring was appointed to the Board in August 2014. He is the Chairman of LIME Jamaica and a member of the senior executive team of Cable & Wireless Communications PLC. He also holds directorships in The Bahamas Telecommunications Company, Cable and Wireless Barbados, Telecommunications Services of Trinidad and Tobago, Caribbean Cement Company Ltd. and KLE Group Ltd. Prior to Cable and Wireless Communications PLC, he was the CEO of the ICC Cricket World Cup 2007, staging the world's 3rd largest global sporting event across 9 Caribbean countries and involving 9,000 persons.

In 2002, Mr. Dehring conceptualised and launched Sportsmax - the Caribbean's first sports television channel, broadcast in twenty-six countries and sold recently to a major telecommunications company. He was recently appointed Chairman of Jamaica Sports with a mandate to build on the success of the Jamaican sports brand and expand that sub-sector of the country's tourism industry. Mr. Dehring was also the founder and former President & CEO of Dehring Bunting & Golding, Jamaica's first investment bank, listed on the Jamaica and Trinidad & Tobago stock exchanges and sold to Scotiabank in 2006.

He is a graduate of West Virginia Wesleyan College where he attained a BSc. in Marketing and Economics.

Mr. Michael Glenn Hamel-Smith – Non Executive Director

Mr. Michael Glenn Hamel-Smith was appointed to the Board in August 2014. He is a partner and the Head of the Banking & Finance Practice Group at M. Hamel-Smith & Co. and has been practicing law for over seventeen years. He is admitted to practice both in the State of Florida and in Trinidad and Tobago. He began his legal career in 1998 in the International and Corporate Departments of one of the largest international law firms headquartered in Miami before joining M. Hamel-Smith & Co., in 2002.

Mr. Hamel-Smith obtained his Legal Education Certificate from the Hugh Wooding Law School and his Juris Doctor degree from the University of Miami, School of Law as a Deans' Honor Scholar. He also holds a Bachelors of Business Administration degree in International Business and Management Information Systems from Florida International University where he graduated as a Faculty Scholar at the top of his class. Mr. Hamel-Smith's legal practice focuses on bank finance and regulation, secured and unsecured lending, project finance, mergers and acquisitions, securities advisory matters and capital markets transactions.

Mr. Hamel-Smith currently serves as a Director and Vice President of the American Chamber of Commerce of Trinidad & Tobago, having previously served as Chair of its Legislative Committee for several years. He is also a Regional Board Advisory Member for the Association of Caribbean Corporate Counsel.

Mr. Nigel Edwards – Non Executive Director (Nominated by the Trinidad and Tobago Unit Trust Corporation)

Mr. Nigel Edwards was appointed to the Board in August 2014. He is the Vice President – Finance at the Trinidad and Tobago Unit Trust Corporation. Mr. Edwards began his career at the Ministry of Finance in 1993 where he worked on several areas of government policy in relation to financial services. In his early career, he worked on originating global equity transactions from emerging markets for an international merchant bank in London. He later spent over fifteen years working in various areas of the financial services sector of the ANSA McAL Group of Companies, including: investment banking, corporate finance, structured lending, investment management as well as accounting and finance before moving on to be the Chief Executive of the ANSA McAL Group's life insurance subsidiary. He has been involved in several advisory mandates for mergers and acquisitions, corporate restructuring and equity issuance.

Mr. Edwards graduated from the University of the West Indies, St. Augustine, with a B.Sc. degree in Management Studies and subsequently attained an M.Sc. in Finance from the London Business School.

Mr. Francisco Aguilera Mendoza – Non Executive Director (Nominated by CEMEX)

Mr. Francisco Aguilera Mendoza was appointed to the Board in August 2014. He is the Vice President for Trading Americas and Group Shipping for CEMEX. Mr. Aguilera Mendoza was appointed to the position in August 2011 and is responsible for the trading of cement and clinker for CEMEX in the Americas, including the Caribbean Region. He also oversees all the shipping activities for the company.

Mr. Aguilera Mendoza joined CEMEX in June 1996, and has held positions in various areas throughout CEMEX's US operations including: Logistics Manager, Sales Administration Director, Aggregate Operations VP, and VP & General Manager for the Concrete Pipe Division. Prior to his current role, he was VP of Trading for Europe, Middle East, Africa and Asia, based in Madrid, Spain. He has extensive experience in the building materials industry, especially in fields such as General Management, Logistics Operations, International Commerce and Post Merger Integrations.

He holds an MBA with a Major in Operations from the Kellogg Graduate School of Management of Northwestern University, and a BSc in Mechanical and Industrial Engineering from the Monterrey Institute of Technology, Mexico.

Mr. Carlos Alberto Palero Castro – Non Executive Director (Nominated by CEMEX)

Mr. Carlos Alberto Palero Castro was appointed to the Board in August 2014. He is CEMEX's Cement Operations Director for Panama and Cartagena. Within this role, he is responsible for cement production for Panama and Cartagena and has directed the start-up of a complete pyro-processing line at Panama and designed CEMEX's cement scheme for participation in the Panama Canal Project Expansion.

Mr. Palero Castro joined CEMEX in 1999 and has held positions in various areas including: Process Manager, Quality Manager and Plant Director in several plants in Mexico. In addition, Mr. Palero Castro has participated in multiple projects for CEMEX, including various due diligence processes in South America and efficiency increasing efforts in the region.

He holds an MBA from the Monterrey Institute of Technology, Mexico and a BSc in Electromechanical Engineering from the Panamerican University, Mexico.

Corporate Governance

TCL Group – Board Sub-Committees

GOVERNANCE COMMITTEE

The TCL Group recognises that a robust corporate governance system redounds to the overall benefit of the organisation by fostering better performance and by facilitating a lower risk of malfeasance as well as a lower cost of capital. Based on the guiding principles of fairness, transparency and accountability, the Company strives to maintain a high standard of corporate governance through the establishment of a comprehensive and efficient framework of policies, procedures and systems and the promotion of a responsible corporate culture throughout the Group. The TCL Group is committed to adhering to the principles and practices of good corporate governance and the Governance Committee, a Subcommittee of the Board, establishes the foundations for compliance.

Members: Ms. Alison Lewis (Chairman)
Mr. Michael Glenn Hamel-Smith
Mr. Nigel Edwards
Mr. Alejandro Ramirez Cantu
Ms. Kathryna Baptiste (Recording Secretary)

The role of the Corporate Governance Committee is reflected on the Company's Website – www.tclgroup.com

AUDIT COMMITTEE

The Audit Committee is a Subcommittee of the Board charged with the responsibility for:

1. Appointment and ongoing assessment of the External Auditors;
2. Reviewing and advising the Board on the integrity of financial statements;
3. Oversight of the establishment, implementation and assessment of the Risk Management Function;
4. Ensuring that an effective system of internal controls is established and maintained;
5. Assessing compliance with applicable laws and regulations; and
6. Monitoring and assessing the internal audit function.

Members: Mr. Nigel Edwards (Chairman)
Mr. Jean Michel Allard
Ms. Alison Lewis
Mr. Gewan Armoogam (Recording Secretary)

FINANCE COMMITTEE

The objectives of the Board Finance Committee are two-fold:

1. To enhance the financial strength and shareholder value of the TCL Group by providing guidance and recommendations on issues which have a major financial impact on the TCL Group; and
2. To enhance communication and understanding between TCL Group's management and the Board on financial matters.

A summary of the unofficial terms of reference of the Finance Committee follows:

1. Review all significant issues of a financial nature before they are presented for consideration to the Board;
2. Review the adequacy and sourcing of working capital for the TCL Group;
3. Evaluate and recommend proposals for the ongoing long-term financing of the TCL Group;
4. Examine and/or develop proposals for reducing the tax obligation of the TCL Group and the efficient management of its tax affairs;
5. Review annual budgets and five-year plans for the TCL Group before submission for approval to the Board;
6. Examine and/or develop solutions for problems of a financial nature arising from changes in accounting standards, tax regulations and governmental legislation;
7. Develop a set of financial objectives for the TCL Group; and
8. Determine the appropriate capital structure for the TCL Group.

Members: Mr. Alejandro Ramirez Cantu (Chairman)
Mr. Nigel Edwards
Mr. Wayne Yip Choy
Mr. Parasram Heerah (Acting Group Finance Manager)
Mr. Osben Cuffie (Recording Secretary)

HUMAN RESOURCE COMMITTEE

The members of the Human Resource Committee were appointed at a Board meeting, which was held on January 22, 2015. In order to ensure excellence in TCL Group's human capital and cultural initiatives, the Human Resource Committee's strategic direction and vision are aligned to the Company's strategic plan. The following categories of policies are administered by the Human Resource Committee:

- Talent acquisition
- Organisation capacity building
- Performance management
- Executive development
- Organisational structure and design
- Employee wellness

A summary of the Terms of Reference of the Human Resource Committee follows:

1. To formulate policies for the TCL Group's Human Resource Management function and to make recommendations to the Board for approval and adoption;
2. To review, approve and ensure compliance with existing administrative policies and recommend to the Board the adoption of proposals for all senior managers and executives across the TCL Group;
3. To ensure that the TCL Group Human Resource function provides efficient services to all Subsidiaries utilising equitable, transparent and contemporary performance management measures and systems; and
4. To act autonomously and approve on its own account specific human capital initiatives and recommendations that fall within the overall ambit of pre-existing Board approved policies and systems.

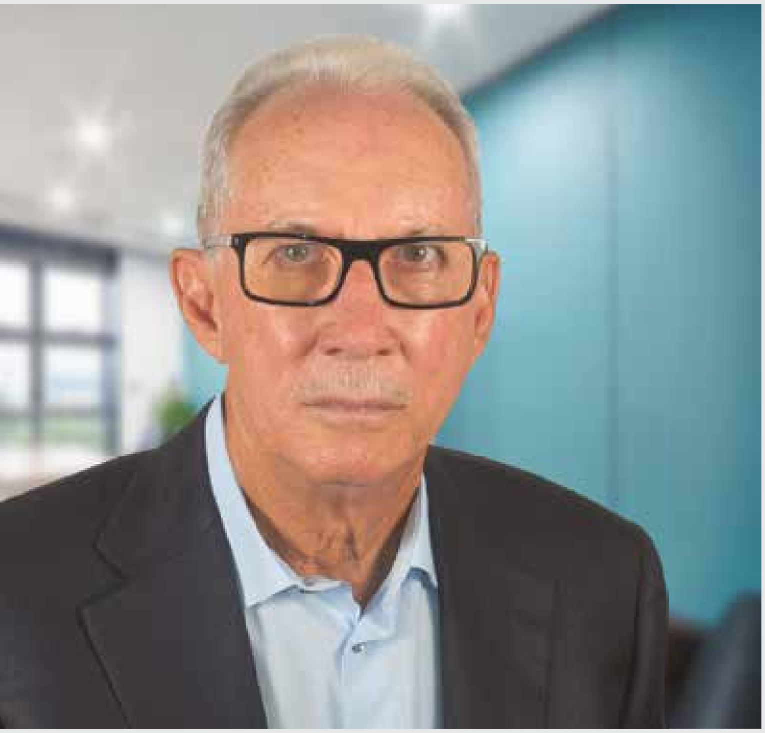
Members: Mr. Alejandro Ramirez Cantu
Mr. Christopher Dehring
Ms. Alison Lewis
Mr. Nigel Edwards
Mrs. Sharon Diaz (Human Resource Manager (TCL)/Group Coordinator)

TCL BOARD OPERATING COMMITTEE

The Board Operating Committee operates in the delegated authority of the Board of Directors and is charged with oversight responsibility for operational and ancillary activities at Trinidad Cement Limited's Mayo and Claxton Bay locations and submission of recommendations to the Board for consideration.

Members: Mr. Hollis N. Hosein (Chairman)
Mr. Alejandro Ramirez Cantu
Mr. Parasram Heerah (Acting Group Finance Manager)
Mr. Jinda Maharaj (Group Manufacturing Development Manager & Acting General Manager -TCL)
Mr. Anton Ramcharan
Mr. Hayden Ferreira
Ms. Lisel Cozier (Recording Secretary)

Group Chairman's Review



Mr. Wilfred Espinet
Group Chairman

On August 19, 2014 Trinidad Cement Limited ("TCL" or "the Company") underwent a major change of direction. After a prolonged battle with shareholders seeking to effect change in governance and management, the High Court cleared the path for a Special Meeting of the Company. At this meeting, seven new directors received unanimous support for their appointment to the board by votes representing more than 83% of the issued shares of TCL.

The new Board was faced with the challenge of plotting a new course, with little or no knowledge of the internal operations of the Company, in an environment with a highly developed culture of secrecy and intrigue. With the appointment of external consultants, analyses of the finances and the operations were commissioned. These reports formed the basis upon which a restructuring plan was developed.

The Company was unable to meet its commitments to its creditors when they became due in September 2014 and was clearly on the edge of insolvency. Employees, who had a prolonged and bitter dispute with management two years earlier, were awarded salaries and benefits by the courts amounting to some TT$80 million. Additionally, the cash generated from operations was insufficient to service capital and interest. This situation starved the Company of working capital, resulting in critical maintenance and capital expenditure being sacrificed.

The Board targeted three categories of stakeholders to participate in a plan to transform the Company: its employees, Lenders and shareholders. The objective was to make TCL a globally competitive company, with the financial strength to withstand the shocks and volatility that is today's norm. The Board, free of history, used the window of opportunity that was available to it to implement a plan which was based on repairing destroyed relationships.

Employees and their representative Union had previously carried deep resentment toward the Company. They were reengaged in forming an alliance to fend off the impending collapse which threatened to destroy their benefits due, as well as their livelihood. An agreement was reached with the Union settling outstanding wages and benefits for the period covered by the Court's Award 2009-2011, in addition to the period 2012-2014. The Company is also actively pursuing a settlement of the 2015-2017 period, committed to the preservation of employees' welfare.

In January 2010, TCL had commenced negotiations with its Lenders (made up of banks and bond holders), which concluded in May 2012, after prolonged and combative negotiations. The result was that the Company became saddled with a debt which was greater than had existed previously. TCL had informed its Lenders that it was unable to meet its debt service in 2010 and ended up with a larger debt at a higher interest rate and an accelerated repayment schedule of principal.

Within the first month of the Board taking office in August, PricewaterhouseCoopers was commissioned to perform the financial assessment of the Company. The results clearly showed that monies due to creditors could not be met by TCL, compelling the Board to engage in negotiations with its Lenders to restructure the debt. As part of the negotiations, the Board determined that it was imperative that new equity capital was required as the debt was already at an unmanageable level. The Board had also determined that the addition of equity would also put the Company in a stronger position when negotiating with the Lenders for reduced interest rates and generous discounts on the repayment of outstanding principal.

The Board set about negotiating with the Lenders from as early as October 2014 with a view of securing terms and conditions that the Company would be able to service based on its cash generating capability. These negotiations were concluded in March 2015 and the Company was able to negotiate a 2% reduction in interest rates, forgiveness of penalty interest, a principal payment schedule that was based on its cash flows and discounts on the principal repayment of between 10% and 20% if the loans are prepaid. Those negotiations, including the execution of all the required documentation were completed within six months in a tough but collaborative environment with this key stakeholder group of Lenders.

To achieve the increase in equity, TCL undertook a Rights Issue. The Board held the view that the existing shareholders had lost substantial value in their portfolios over a period of seven years and should be given the opportunity to regain some value envisaged from the restructuring. CEMEX, the largest single shareholder of TCL and the third largest cement company in the world, was also approached to bring their expertise to bear in aiding the recovery of the Company. CEMEX, as an extensive worldwide organisation, has the technical, marketing, financing and procurement wherewithal which could have a substantially beneficial impact on TCL's bottom line.

In light of the fact that a precondition of the debt restructuring was that the Company raise a minimum of US$50 million in equity, and given the strategic and tactical gains to be had from a deeper relationship with CEMEX, the Board entered into discussions with CEMEX to ensure the success of the Rights Issue while at the same time, bolstering the relationship between TCL and CEMEX. Recognising that existing shareholders and other stakeholders harbored suspicions of CEMEX's intentions following their failed takeover attempt in 2002, we took the view that should CEMEX wish to expand their stake in the Company, they should be given the opportunity to do so through an agreement to issue to them any unsubscribed allotment of the Rights Issue. This mechanism also had the benefit of guaranteeing the success of the issue and ultimately, the debt restructuring.

The Rights Issue successfully closed on March 31, 2015. I am happy to report that the three stakeholders which were identified by the Board to engage in restructuring the Company's finances have all participated in the successful outcome. In the incredibly short period of seven months, Employees, Lenders and Shareholders have come together in an unprecedented exercise that has rescued TCL from what was undoubtedly a misguided course of destruction of wealth and livelihoods.

SUMMARY FINANCIAL PERFORMANCE

Group revenues for 2014 crossed the two billion dollar mark. Record sales of $2.1 billion was $164 million or 8% more than 2013. Both Trinidad and Jamaica had better year-on-year performances from volume and price increases. Jamaica also benefited from increased clinker sales to Venezuela under the PetroCaribe Agreement. Readymix (West Indies) Limited increased revenue by 20% through increased volumes which were 15% above the previous year. Arawak Cement Company Limited in Barbados continued to struggle as a result of a depressed local market and unplanned plant shutdowns. Their soft local economy made it impossible to offset the increased cost through price initiatives.

EBITDA from continuing operations increased marginally from $407.7 million in 2013 to $407.8 million in 2014. Exceptional operating cost of $19 million incurred by the former Board in a failed attempt to refinance TCL's debt, together with exceptional expenditure in legal fees, higher production cost in Barbados and increases in employee benefits, all negatively affected this.

On advice from the auditors, the Board felt it prudent to make impairment provisions of $154 million. This, in addition to higher interest accrued as a penalty that resulted from the Event of Default which occurred when TCL suspended debt payments in Q3, decreased the after tax profits from $67 million in 2013 to a loss of $211 million in 2014. Increases in taxation to $109 million in 2014 from a credit of $34 million in the previous year was also a significant factor in after tax performance for 2014.

On the positive sid,e the Company recorded a healthy increase in cash generation. From $419 million in 2013 the cash from operations rose to $444 million in 2014. The steps taken to reduce operational cost have already shown benefits and cash generation is expected to continue on its upward trajectory.

Group Chairman's Review (continued)

STRATEGIC INTENT AND OUTLOOK

Having successfully crossed major hurdles in 2014, TCL is better positioned for improvement and success in 2015. The Group will focus on innovation and increasing the efficiency of its operations as well as a renewed emphasis on customer satisfaction. To this end, the five (5) major objectives include:

- Operating with efficiency, sustainability and care;
- Providing innovative products and solutions;
- Delivering excellent service;
- Valuing and developing our people; and
- Strengthening links with stakeholders.

ACKNOWLEDGMENTS

In the relatively short period of time that the newly constituted Board has been at the helm, it is undeniable that significant achievements have been attained, all of which are in the best interest of the TCL Group. Resounding successes have been registered in all legal matters; the debt restructuring with Lenders; the removal of the 20% restriction on share ownership; the Rights Issue and negotiations with the OWTU. None of this would have been possible without the cooperation and dedication of the Board of Directors, the shareholders and the employees. I would like to specially thank my fellow Directors who have worked tirelessly to ensure the success of the projects undertaken thus far. They have indeed gone beyond the call of duty, giving freely of their time and expertise whenever needed. I would also like to thank the shareholders for their overwhelming support in not only electing the new Board, but also in supporting its initiatives, which is a testament to the trust placed in us. In addition, I would like to express my gratitude to the employees of the TCL Group and their representative Unions, who have embraced the change and exhibited their commitment and loyalty to the Company. Special congratulations go out to the hard working Management and Staff through whose efforts the Group was able to record the highest revenue in its history. Finally, I would like to thank the customers of the TCL Group and all our other valued stakeholders for their ongoing support. It is with great optimism that I look ahead, confident that with the continued backing of our stakeholders, TCL is destined to continue along the path to financial viability and success.

Wilfred Espinet
Group Chairman

Group Executive Committee

Kathryna Baptiste, Group Manager Legal / Company Secretary; Alejandro Ramirez Cantu, Ag. Group Chief Executive Officer; Jinda Maharaj, Group Manufacturing Development Manager / Ag. General Manager – TCL.

Parasram Heerah, Ag. Group Finance Manager; Derrick Isaac, General Manager – TPL & TPM; F.L. Anthony Haynes, General Manager, Caribbean Cement Company Limited; Egwin Daniel, General Manager – International Business & Marketing.

Manan Deo, General Manager, Readymix (W.I.) Limited; Rupert Greene, General Manager, Arawak Cement Company Limited; Andres Peña, Group Strategy Implementation Manager.

Not in picture: Sharon Diaz, Human Resource Manager (TCL) / Group Coordinator.

About our Group Executive Committee

Mr. Alejandro Ramirez Cantu – Acting Group Chief Executive Officer

Mr. Alejandro Ramirez Cantu was appointed to the Board in October 2012 and Acting Chief Executive Officer of Trinidad Cement Limited and its Subsidiaries in August 2014. Prior to his executive appointment at TCL, he was Country Director of CEMEX Puerto Rico where the company attained marked improvements in its operations. From October 2012, CEMEX business units in Peru and Argentina also reported to him.

Mr. Ramirez Cantu joined CEMEX in July 2000 and has held positions in various areas including Strategic Planning Director and Projects Director at CEMEX Central, Planning Vice President of the Philippines and Asia, Country Manager (Thailand), Vice President of Planning (Venezuela), Vice President of Strategic Projects (South America and the Caribbean) and Director of Corporate Affairs (Americas).

Mr. Ramirez Cantu has extensive experience in the management of business units as well as development and implementation of operating and corporate strategies. He holds an MBA with a Major in Finance from the Wharton School of the University of Pennsylvania and a BSc. in Industrial and Systems Engineering from the Monterrey Institute of Technology, Mexico.

Mr. Andres Peña - Group Strategy Implementation Manager

Andres Peña assumed the position of Group Strategy Implementation Manager on November 1, 2013. Prior to joining the TCL Group, he served as Regional and Export Manager at Corpacero, a leading steel company in Colombia. Mr. Peña has over eighteen years' experience in sales and business development, twelve of which were spent in the cement industry. During his career, he has developed a passion for capturing new markets and possesses a deep understanding of the Latin American construction industry, attributes which are undoubtedly beneficial to the Group.

Mr. Peña holds a Business Administration Degree from the University of Texas at Arlington and a Marketing Graduate Degree from the Universidad del Norte in Barranquilla, Colombia.

Mr. F.L. Anthony Haynes - General Manager, Caribbean Cement Company Limited

Anthony Haynes was appointed General Manager of Caribbean Cement Company Limited (CCCL), Jamaica in January 2002. Prior to this, he held the post of General Manager at Trinidad Cement Limited, Claxton Bay, during the period 1998 to 1999. Mr. Haynes possesses extensive experience in the manufacturing and energy industries. He was a Trinidad and Tobago National Scholarship winner in 1972 and holds a BSc in Electrical and Electronic Engineering from London University, England, and an MBA from the University of Liverpool.

Mr. Derrick Isaac - General Manager, TCL Packaging Limited and TCL Ponsa Manufacturing Limited

Derrick Isaac joined the Company in July 1995 and has held managerial positions at Caribbean Cement Company Limited, Jamaica; Trinidad Cement Limited, Trinidad and Tobago, and Arawak Cement Company Limited, Barbados. He is a Fellow of the Chartered Association of Certified Accountants (FCCA) and a member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT). He holds a Masters of Business Administration from the University of New Orleans, and is also an Associate Member of the Association of Certified Fraud Examiners (ACFE).

Mr. Egwin Daniel - General Manager - International Business and Marketing

Egwin Daniel joined the Company in October, 2006. He has extensive International Marketing and Financial experience having worked in these fields in Canada, USA and throughout the Caribbean for twenty-one years, seven of which were spent abroad in the French and Spanish Caribbean, working in the private sector providing Senior Management expertise in the International Money Markets and Distribution. He holds an MBA from the University of Concordia, Canada and a BSc from Mc Gill University, Canada.

Mr. Jinda Maharaj - Group Manufacturing Development Manager and Acting General Manager, Trinidad Cement Limited

Jinda Maharaj joined the Company in May 1989 and was appointed Group Manufacturing Development Manager in May, 2012. In addition to his substantive duties, Mr. Maharaj was appointed Acting General Manager of Trinidad Cement Limited in January, 2015. He was formerly the Group Energy Optimisation Manager, a position which he held from October, 2010. Mr. Maharaj possesses a wealth of knowledge and experience, having been with the TCL Group for twenty six years. He has held various positions throughout the Group, including Engineering Services Manager, Materials Manager, Production Manager, Operations Manager (all at Trinidad Cement Limited) as well as General Manager and Operations Manager at Arawak Cement Company Limited and Operations Manager at Caribbean Cement Company Limited.

Mr. Maharaj holds a BSc in Mechanical Engineering and an MSc in Production Engineering and Management, both from The University of the West Indies, St. Augustine.

Mrs. Sharon Diaz - Human Resource Manager (TCL) and Group Coordinator

Sharon Diaz joined the Company in January 2015. Prior to this, Mrs. Diaz has served as an organisational leader and innovator, for more than fifteen years, enhancing and streamlining divisions within esteemed national and global companies. She has been recognised as an influential communicator and facilitator and fosters highly collaborative and positive workplace environments. Mrs. Diaz has served both as a Human Resource Manager and Human Resource Consultant internationally and throughout Trinidad & Tobago specialising in leadership development, change management, organisational development, workflow optimisation and process improvement.

Ms.Kathryna Baptiste - Group Manager Legal / Company Secretary

Kathryna Baptiste joined the Company in September, 2012. She is an Attorney-at-Law with over eighteen years' experience in various facets, including Corporate, Commercial and Employment Law. Prior to joining the Company, Ms. Baptiste was the Manager Legal/Company Secretary at Trinidad and Tobago National Petroleum Marketing Company Limited from October 2005 to April 2010 and conducted private practice in the areas of corporate and commercial law from June 2010 to August 2012.

Ms. Baptiste obtained a Bachelor of Laws (LL.B) (Honours) Degree from the University of the West Indies and a Legal Education Certificate (LEC) from the Hugh Wooding Law School, St. Augustine, Trinidad and Tobago. She also holds an Executive Masters of Business Administration (EMBA 2011) (Distinction) Degree from the Arthur Lok Jack Graduate School of Business, Trinidad and Tobago and is a member of the Law Association of Trinidad and Tobago.

Mr. Parasram Heerah - Acting Group Finance Manager

Parasram Heerah joined the Company in November 1984. He held the position of Finance Manager (TCL) from August 1995 and has been appointed to act as the Finance Manager of the TCL Group, effective November 2014. He has several years of experience in public accounting, internal auditing and management. Mr. Heerah is a former member of the Board of Governors on the Institute of Internal Auditors of Trinidad and Tobago and is also a former member of the Council of ICATT. He is an FCCA, a member of the ICATT and a Certified Public Accountant.

Mr. Rupert Greene - General Manager, Arawak Cement Company Limited

Rupert Greene joined the Company in April 1995. He started at Arawak Cement Company Limited as an Accountant and was promoted to the position of Finance Manager in July 1997, a title he held for eleven years before assuming the role of General Manager of that Company in 2008. During the period January 2014 to February 2015, Mr. Greene held the position of General Manager of TCL Packaging Limited and TCL Ponsa Manufacturing Limited in Trinidad and Tobago. Prior to joining the TCL Group, he acquired several years of accounting experience, having held various senior positions at other organisations.

Mr. Greene graduated with honours from the University of the West Indies with a Bachelor's Degree in Accounting.

Mr. Manan Deo - General Manager, Readymix (W.I.) Limited

Manan Deo was appointed General Manager, Readymix (West Indies) Limited in 2005. He joined the TCL Group as Marketing Manager of TCL Packaging Limited in 1995 and was appointed the General Manager of both TCL Packaging Limited and TCL Ponsa Manufacturing Limited in October 1997. During his tenure, both TPL and TPM won "Exporter of the Year" awards in their respective categories, particularly as a result of market breakthroughs into Columbia, Venezuela and most significantly, Cuba.

Mr. Deo is fluent in Spanish and holds a BSc in Management Studies from the University of the West Indies, St. Augustine, Trinidad and Tobago, as well as an Executive MBA (Distinction) with an emphasis on International Marketing. He is currently the Vice-Chairman of the Board of the JC McDonald Home for the Aged.

Acting Group CEO's Report & Management Discussion 2014

Mr. Alejandro Ramirez Cantu
Acting Group Chief Executive Officer

INTRODUCTION

An era of change was heralded in the TCL Group when a new Board and Management was instituted in August, 2014. This is discussed further in the Group Chairman's Review on page 12.

The immediate mandate of the new Board was to ascertain the precise financial position of the Group, prepare an overall and balanced restructuring plan (incorporating all major stakeholders: lenders, shareholders and the representative Union) and to encourage employees to remain focused on the Group's core business. It was critical that the new mandate be carried out forthwith, as it soon became evident that the company would not have been able to honour its imminent loan instalment due in September 2014 and for the rest of 2014.

Additionally, a preliminary review of the Group's major operations was conducted in order to determine the gaps and to craft the way forward. The areas identified for improvement were incorporated into the overall restructuring plan and various changes were immediately implemented so as to increase the effectiveness of the Group's operations.

The aforementioned initiatives were effected with a view of ensuring the Group's ultimate survival and sustainability for the future.

Today, the Group is well positioned to "Turn the Page" and look to a brighter and stronger future.

1.0 HEALTH SAFETY AND ENVIRONMENT (HSE)

Occupational Safety and Health

At the end of 2014, the Group reported an improvement in the year's safety performance as compared with 2013, with a 20% reduction in the number of 'lost time accidents' (LTAs) among all categories of employees, i.e. permanent, casuals and contractor employees. In addition, TCL Ponsa Manufacturing Limited (TPM), and Jamaica Gypsum and Quarries Limited (JGQ) achieved the record of over seven (7) continuous years without any LTAs among all categories of employees. TCL Packaging Limited (TPL) and TCL Guyana Inc. (TGI), similarly, closed the year with over six (6) continuous years without an LTA. The TCL Group has not received any adverse notice regarding breaches of Occupational Safety and Health (OSH) legal requirements from any Regulatory Authority.

Caribbean Cement Company Limited (CCCL) achieved OHSAS 18001 certification for its occupational health and safety management system. The Group maintained its 3-pronged strategy for occupational safety and health, with focus on: building robust OSH Systems, embedding a positive safety culture and OSH risk management. The behaviour-based safety programme has continued at Arawak Cement Company Limited (ACCL), TPL and TPM. The system of proactive reporting of hazardous conditions and behaviours is in effect at all companies.

Environmental Management

In 2014, TGI attained ISO 14001 certification for its Environmental Management System, becoming the first company in Guyana to be so certified. For that achievement, TGI also received the President's Award from the Guyana Manufacturing and Services Association (GMSA). TGI, as well as the other ISO 14001 EMS-certified companies in the Group (CCCL, ACCL and TCL), successfully completed all EMS audits in 2014 and maintained the certification status, demonstrating the Group's commitment to pollution prevention, compliance with legislation and attention to continual improvement of its environmental performance.

In 2014, ACCL received external complaints of dust emissions. Those were primarily due to issues relating to the electrostatic precipitator, the pre-heater and the low burn bin. Repairs have been carried out. No other company has received external environmental complaints.

2.0 FINANCIAL REVIEW AND ANALYSIS

Review of 2014

From a financial perspective, the year 2014 was indeed an eventful one. Those events included an unsuccessful attempt to refinance the Group's long-term debt on the international market, a 'hold' being placed on debt service payments in September, commencement of negotiations with lenders to secure more favourable terms and a decision to impair certain assets of the Group based on the economic outlook relating to those specific assets. On a more positive note, a comprehensive review of the organisation was undertaken and a restructuring plan developed with a view of securing the long-term viability of the Group. Other noteworthy positives included the Group recording its highest ever revenue of $2.1 billion while the plant in Jamaica supplied 155k metric tonnes of clinker (2013 - 37k metric tonnes) to the Government of Venezuela as part of the Trade Compensation Mechanism enshrined in the PetroCaribe Agreement.

Revenue

The Group's third party revenue of $2.1 billion in 2014 increased by $164 million or 8% compared with 2013. This was mainly driven by growth in the Trinidad domestic market, price increases in Trinidad, Jamaica and Guyana, as well as 119k metric tonnes increased clinker sales in 2014 by CCCL.

Domestic revenues increased by 13% mainly due to (i) a price increase in Trinidad and Tobago and Jamaica of 9% and 11% respectively, which was implemented in July, 2014 (ii) a domestic cement sales volume increase of 4% to 1.35 million metric tonnes, and (iii) a concrete revenue increase of 20%, mainly driven by a 15% increase in sales volume. Selling prices in Barbados remained unchanged as the domestic market continued to be depressed in 2014.

The packaging sector's third party revenue increased by 6% over 2013 to $7 million.

The combined export sales volume for cement and clinker increased by 15% due to the net increase of 119k metric tonnes of clinker sold to Venezuela under the PetroCaribe Agreement. Cement export volume declined by 29k metric tonnes or 5% compared with 2013, due to a combination of decreased demand in some markets, increased competition in other markets and product unavailability in some instances, as plants sought to satisfy domestic demand first and then export the surplus.

Operating Expenses

Earnings before Interest, Taxes, Depreciation, Impairment and Loss on disposal of property, plant and equipment from continuing operations was relatively flat as the increased revenue generated was eroded by operating cost increases, mainly in Barbados, and the costs of the unsuccessful debt refinancing exercise amounting to $19 million.

Impairment charges in 2014 increased by $154 million, mainly due to charges required at ACCL. Deteriorating market conditions in Barbados made it necessary for the Group to impair its investments in ACCL.

The operations of Premix & Precast Concrete Inc. (Barbados), a subsidiary of Readymix West Indies Limited (RML), was discontinued as at September 30, 2014, due to the prolonged operating losses at this location, resulting in a loss of $6 million for 2014.

Net Finance Costs

Net finance costs decreased by TT$24 million, of which approximately $18 million was due to lower foreign exchange losses, arising in part from the capital restructuring of CCCL in 2013, while in 2014, the depreciation of the Jamaican dollar was less than that in 2013. In addition, interest expense for 2014 was $6 million lower than in 2013, due to lower principal balances as a result of debt service repayments prior to September 2014. This net finance cost reduction was achieved despite the effect of having to accrue interest at a 2% higher rate in the last quarter of the year, as the Group suspended all principal debt repayments due in September 2014 and December 2014 respectively.

Taxation

The Taxation line for 2014 reflects a charge for the year of $109 million whilst in 2013 there was a net credit of $34 million. The tax charge for 2014 included the impairment of $86 million of deferred tax assets as opposed to a tax credit in 2013 of $39 million arising from the capital restructuring of CCCL.

Acting Group CEO's Report & Management Discussion 2014 (continued)

Liquidity & Financial Position

The TCL Group generated $444 million in cash from Operations in 2014 compared with $419 million in the previous year. In 2014, total debt service was $289 million, 3% lower than the previous year's $298 million, mainly due to the suspension of principal repayments which were due in September 2014 and December 2014 respectively.

The suspension of principal payments had the effect of creating a condition of default, which caused all outstanding debt covered by the debt restructuring agreement to become due immediately. This resulted in the reclassification of all long-term debt principal outstanding to current liabilities. As a consequence of this reclassification, the net working capital deficit was $1.5 billion as at December 31, 2014.

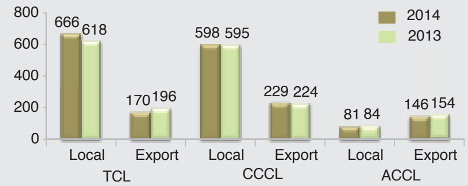
Investment in property, plant and equipment in 2014 was $78 million compared with $74 million in 2013. After accounting for other items, the Group's net cash increased by $39 million to $97 million by the end of the year.

However, the company has since negotiated new debt restructuring terms and conditions with its Lenders, which came into effect as at March 30, 2015. Some of the new terms include:

1. Reduction of the interest rate on the outstanding debt by a percentage equivalent to the Additional Margin (currently 2%), the amount by which the interest rate increased when the Override Agreement became effective;
2. Forgiveness of the default moratorium interest from September 30, 2014 upon the implementation of the Amendment to the Override Agreement;
3. Adjustment to the amortisations of the debts based on TCL's new cash flow projections;
4. The ability to prepay originally secured and unsecured debt on a discounted basis within 90 days of the effectiveness of the restructuring agreements as follows:
   a. Originally secured debt (excluding Arawak Cement Company Limited's ("ACCL's") originally secured debt) – 5%;
   b. Originally unsecured debt, including ACCL's originally secured debt – 20% during the first 45 days and 10% during the following 45-day period.
5. Increase of Capex and Investment caps.

3.0 GROUP MARKETING

Cement Sales ('000 MT)



In Jamaica, whilst domestic cement demand grew marginally by 2% over the 2013 level, CCCL's local sales increased by less than 1% to 598k metric tonnes as its market share fell to 82% (2013 - 85%). That reduction was largely due to increased quantities of cement importation, even alongside the continuation of an import substitution agreement with one of the previous major importers.

CCCL's cement exports grew by 2% in 2014 and the company remained the largest exporter within the Group, contributing 42% of total cement exports (TCL – 31%; ACCL – 27%). Additionally, CCCL exported a significant 155k metric tonnes of clinker to Venezuela as it entered Phase II of the PetroCaribe Trade Mechanism Agreement in 2014 (2013 – 37k metric tonnes).

In Trinidad and Tobago, domestic demand grew by a significant 8% due to a growing economy, largely fuelled by government spending. However, TCL's export volume decreased by 12% mainly on account of fully satisfying the increased local demand, coupled with some production challenges at various times during the year.

In Barbados, domestic sales decreased by 4% as the economy remained virtually stagnant in 2014 (less than 1% growth) amidst the government's implementation of employee lay-offs in the public sector. While both the Central Bank and the government are optimistic about the economy's prospects for 2015, it is likely that the road to recovery will be quite challenging.

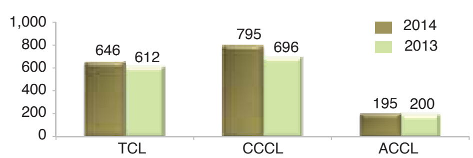
ACCL's export decreased by 5% in 2014 largely due to the Group's reduced market share in Guyana and persistent production challenges throughout the year.

In the premixed concrete sector, Readymix (W.I.) Limited Group (RMLG) sold 145.8k cubic metres of concrete in 2014, representing a 15% increase over 2013 volumes. RML's volumes were led primarily by Government projects which accounted for approximately 40% of total sales. Demand in the aggregate sector was also strong, with RML achieving 7% increase compared to the previous year. RML maintained its leadership position in the premixed concrete sector in 2014 with a market share of 20% and continues to explore strategic initiatives that will sustain performance in the construction sector.

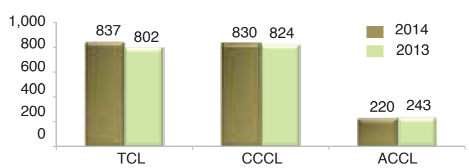
In 2014, the packaging companies operated and sold the majority of their product within the Group. For the year, TPL sold an overall 27.9 million sacks, representing a 9% reduction from the previous year's 30.7 million sacks. This was mainly on account of a significant decrease of the bag to bulk ratio requirement particularly in Jamaica in 2014; the Group's net 5% decrease in export volume (mostly in 42.5kg sacks) and a 47% decrease (0.8 million sacks) in TPL's 3rd party sales in 2014.

4.0 GROUP OPERATIONS

Clinker Production ('000 MT)



Cement Production ('000 MT)



Cement / Clinker Operations

There was a significant improvement in the Clinker production for the Group compared with 2013. Clinker production of 1.64 million metric tonnes in 2014 was an improvement of 8% over 2013's level. CCCL's production of 0.80 million metric tonnes was its highest ever.

Cement production of 1.87 million metric tonnes was just 1% higher than that for 2013.

Clinker and cement production for both the Trinidadian and Jamaican plants were better than their respective 2013 volumes.

Part of the Capital Expenditure required to improve the reliability of all three (3) plants had to be deferred, as a result of the shortfall in available cash.

With the expected imminent refinancing and restructuring, emphasis will be placed on effecting critically delayed plant refurbishments during the remainder of 2015 and certainly in the earlier part of 2016.

Concrete Operations

The past year was one of progress for the RML Group, defined by improved financial results and the achievement of important operational goals of the business. RML continues to operate in an extremely competitive industry and maintained its market leadership through a focus on product quality and an aggressive sales force supported by an excellent technical team. The execution of sales targets was enabled by the high availability of its batching facilities, supported by adequate aggregates produced by its state-of-the-art wash plant, commissioned in 2013.

Packaging Operations

Based on demand, the packaging plant generally ran two (2) eight-hour shifts in a five (5) day work-week. Main strategic initiatives in 2014 were market driven and geared toward achieving improved sales volumes in 2015, primarily to third parties (non-Group). A two (2) ply high porosity sack was prepared for market introduction and a specific jumbo bag was in the final stages of being tested for sales to CCCL.

Gypsum

In the first quarter of 2014, the Group's gypsum mining operation in Jamaica (JGQ) completed preparatory works for the commencement of mining in its new gypsum quarry in the Halberstadt area of St. Thomas. After receiving all the required statutory approvals, mining activities began in July 2014. Since then, CCCL's gypsum requirements have been supplied from this quarry and there has also been a rebuilding of the inventory levels in preparation for exports. Export markets are now being explored for the sale of gypsum, and production will be matched with consumption/sales to manage the inventory levels on hand.

5.0 GROUP DEVELOPMENTAL ACTIVITIES

Group developmental activities continued to be restricted in 2014 due to cash constraints and the re-look of strategies post August 2014.

Concrete Roads and Soil Stabilisation

In Jamaica, CCCL continued the thrust in 2014 to encourage the use of cement in road construction through discussions with relevant industry stakeholders, particularly the National Works Agency (NWA), which has responsibility for the maintenance and repair of the main thoroughfares on the island. During the period, there was more buy-in by stakeholders regarding concrete pavements being a viable solution. This was evidenced by the major breakthrough, whereby members of the House of Parliament mandated that alternative bids incorporating concrete solutions should be included in RFPs for road construction and rehabilitation throughout the island.

However, the concrete road solutions that were in fact implemented were confined to particularly challenging areas. Discussions with the NWA will continue in 2015 to encourage the use of rigid pavements and cement stabilised bases as an option for general road repair and/or construction.

In Trinidad, TCL, through its educational arm, the TCL Learning Academy, has hosted several fora in 2014 for both the public and private sector, which have highlighted the benefits of Concrete Roads and Soil Cement Stabilisation as sustainable solutions to the country's infrastructural needs. In 2015, TCL's key objectives will be to engage in trials of these technologies with interested parties who have already expressed interest in partnering with the company. In the realm of concrete roads, the "Short Slab Method" for concrete pavements, a technology perfected by CEMEX internationally, will be prominently featured, as it is competitive with asphalt pavements in both the initial and life-cycle costings. The market for concrete roads has been small, <1% of the market. Therefore, TCL's objective is to target at least 5% of all roads constructed/rehabilitated in Trinidad and Tobago.

Housing

The RML's Guanapo Housing Initiative attained CEC Approval for 12,000 housing units. The TCLG New Business Development Team is currently leading the development of this project, with a focus on assessing the mode of construction such as the use of concrete roads and concrete roofing as building solutions. This project is a strategic initiative that is expected to diversify RML's portfolio and yield the associated inherent benefits.

Oil Well Cement

TCL has been certified by the American Petroleum Institute (API) for over fifteen (15) years for its Oil Well Cement (Class G) which it has been selling in modest quantities to local oil service companies. In 2014, the company commenced a marketing thrust in Venezuela, and toward the latter half of the year, in Colombia.

Total sales in 2014 was 3k metric tonnes representing a 66% increase over 2013, largely attributed to export volumes of 2k metric tonnes. Contractual agreements in Venezuela alone have been recently confirmed, which are expected to expand exports significantly in 2015 o,ver the current level.

Class G cement is a high-priced cement and the company's aim is to establish its brand internationally, commencing in these two (2) Latin American territories.

Haiti and the French West Indies

Based on initial reviews by the new Board and Management, a decision was made to terminate all arrangements regarding the Haiti terminal and the initiatives in the French West Indies which were proving to be too costly for the Group with little expected returns in the near future.

General

In 2015, the Group will re-look the various opportunities available, with an emphasis on innovation, increased effectiveness and profitability as the major guidelines. The Group will intensify its focus on fully satisfying customers' needs, both articulated and otherwise, to the benefit of all stakeholders.

To this end, the Group has implemented the Balanced Scorecard strategic performance management system with its five (5) assessment objectives being:

- Operating with efficiency, sustainability and care;
- Providing innovative products and solutions;
- Delivering excellent service;
- Valuing and developing our people; and
- Strengthening links with stakeholders.

6.0 HUMAN CAPITAL/INDUSTRIAL RELATIONS

Industrial peace was maintained at all Group locations during 2014.

Collaboration with all Unions remains ongoing with the aim of rebuilding trust and confidence.

In Trinidad, the Court awarded 9% for the period 2009 to 2011 for TCL (four (4) Bargaining Units) and TPL (one (1) Bargaining Unit). The Company made payments in the amount of $62 million on December 23, 2014, representative of part of the debt that was owed to workers. Fourteen (14) workers were reinstated in 2014, three (3) by the Court and eleven (11) via Company and Union out of court agreements.

Negotiations for new collective agreements continue and the Group remains focused on improving overall communication and relationships with key stakeholders.

7.0 PUBLIC RELATIONS

A new page was turned in 2014 with an improved focus on stakeholders, as the Board worked to rebuild affected relationships. Communication has played and continues to play a pivotal role in this agenda with direct interface, traditional and new media and other initiatives designed to keep both internal and external parties informed as well as provide opportunities for dialogue. It is upon this platform, that a strong and positive image will be re-established for the Group.

The start of the year was heralded by the announcement of TCL's 60th anniversary, which was endorsed as "TCL…60 Years Strong" and recognised through several events including an interfaith service for employees.

In spite of budget constraints, member companies exemplified their Corporate Social Responsibility, each supporting national development goals in the areas of youth and education, sport, culture, environment and housing, helping to make a difference in the lives of communities across the region.

8.0 CHANGES TO EXECUTIVE MANAGEMENT

Regarding changes to the Executive Management Team, Dr. Rollin Bertrand was terminated by the Board as Group CEO on September 18, 2014, and I was appointed to act as the Group CEO. Effective January 01, 2014, in a cross-posting exercise, Mr. Derrick Isaac was appointed to the position of General Manager, ACCL, and Mr. Rupert Greene was appointed to the position of General Manager, TPL/TPM. They have both subsequently returned to their substantive positions, effective March 01, 2015. Mr. Lincoln Parmasar, Group Finance Manager, opted to take early retirement, effective October 02, 2014, and Mr. Parasram Heerah was appointed to act as Group Finance Manager from that date. Mr. David Caesar gave notice of his resignation from the position of Group Human Resource Manager on December 10, 2014, and Mrs. Sharon Diaz was appointed as the Human Resource Manager (TCL)/ Group Coordinator, effective January 05, 2015. Mr. Satnarine Bachew retired as General Manager of TCL on January 13, 2015, and Mr. Jinda Maharaj was appointed to act as General Manger of TCL, in addition to performing his role as Group Manufacturing Development Manager.

9.0 LOOKING AHEAD

The company remains optimistic after the successful implementation of its restructuring plan. This new 'breath of life' will allow the company to focus fully on achieving increased operational efficiencies, redefining its developmental objectives and intensifying its customer product and services programmes in a new and innovative way.

The territories in which the Group operates are cautiously expected to record modest growth in 2015 with Suriname and Guyana excelling in particular, whilst some concerns are evident for Trinidad and Tobago, given the prevailing suppressed international price of oil and gas.

The Group is currently poised to successfully create a new chapter in its history, towards a sustainable and brighter future, to the benefit of all stakeholders.

10.0 ACKNOWLEDGEMENTS

I would like to extend my sincere appreciation to our valued shareholders for their overwhelming support and patience throughout the many legal battles in 2014, which culminated in the election of a newly constituted Board of Directors at the Special (Compulsory) Meeting of Shareholders on August 19, 2014 and their subsequent re-election at the long awaited Annual Meeting on November 21, 2014. With those battles behind us, we turn the page to an era of building bridges with our shareholders, customers, employees and all our other treasured stakeholders. My heartfelt gratitude is also extended to all the committed, loyal and hardworking employees of the TCL Group, who have embraced change with courage and passion, as we continue to build the foundations for a sustainable future. Finally, I wish to thank the Group Chairman, Mr. Wilfred Espinet and the other members of the Board of Directors for their tremendous efforts over the past year, and for their wise counsel and ongoing support.

Mr. Alejandro Ramirez Cantu
Acting Group Chief Executive Officer

TCL Subsidiaries - Principal Officers

TRINIDAD CEMENT LIMITED

TRINIDAD CEMENT LIMITED

Trinidad Cement Limited was incorporated in Trinidad in 1951 and commenced production in 1954, celebrating its 60th anniversary in 2014. Its primary activity is the manufacture and sale of Portland Pozzolan Cement, Ordinary Portland Cement, and Class G High Sulphate Resistant (HSR) Oilwell Cement.

Company Secretary

Ms. Kathryna Baptiste

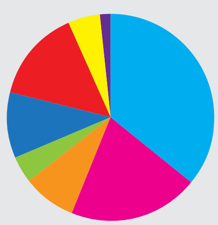
Principal Officers

1.	Mr. Jinda Maharaj	General Manager (Ag.)/ Group Manufacturing Development Manager
2.	Mrs. Gloria Jacobs	Planning & Development Manager
3.	Mr. Rodney Cowan	Marketing Manager
4.	Mr. Raymond Hackett	Asset Manager
5.	Mrs. Sonia Bissoondatt Gobin	Finance Manager (Ag.)
6.	Mr. Keith Ramjitsingh	Production Manager and Operations Manager (Ag.)
7.	Ms. Lisel Cozier	Materials Manager
8.	Lt. Col. (ret'd) Richardo Garcia	Health, Safety, Security & Environment Manager
9.	Ms. Bonnie Alexis	Industrial Relations Manager
10.	Mr. Taradath Ramdhanie	Engineering Services Manager
11.	Mrs. Sharon Diaz	Human Resource Manager (TCL)/ Group Coordinator

Registered Office:

Southern Main Road,
Claxton Bay,
Trinidad & Tobago, W.I.
Tel: (868) 659-2381/2383-8
Fax: (868) 659 2540
Website: www.tcl.co.tt

Distribution of Shareholding



Category	% Distribution
Individuals	36.96%
Sierra Trading	20.00%
Baleno Holdings	8.21%
Unit Trust	3.97%
NIB	10.16%
Banks / Pension Funds	14.22%
Insurance Companies	4.95%
Other Foreign Investors	1.53%

CARIBBEAN CEMENT COMPANY LIMITED

Caribbean Cement Company Limited was incorporated in Jamaica in 1947 and commenced production in 1952. Its primary activity is the manufacture and sale of Portland Pozzolan Cement and Ordinary Portland Cement. CCCL has three subsidiaries, Jamaica Gypsum & Quarries Limited, which is involved in the mining and sale of gypsum and anhydrite; Caribbean Gypsum Company Limited which has major assets of gypsum/ anhydrite quarry lands and Rockfort Mineral Bath Complex Limited, a national heritage site and mineral spa.

Board of Directors

Mr. Christopher Dehring (Chairman)
Mr. Parasram Heerah
Mr. Hollis N. Hosein
Mr. Parris Lyew-Ayee
Mr. Alejandro Alberto Ramirez Cantu

Company Secretary

Mrs. Bernadene Crooks

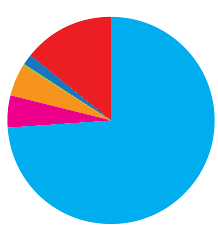
Principal Officers

1.	Mr. F.L. Anthony Haynes	General Manager
2.	Mrs. Jascinth Buchanan-Wint	Finance Manager
3.	Mr. Marchel Burrell	Quarries Manager
4.	Mr. Melvin Howell	Health, Safety, Security & Environmental Manager
5.	Ms. Alice Hyde	Marketing Manager
6.	Mr. Brett Johnson	Manufacturing Manager
7.	Mr. Dalmain Small	Human Resource Manager
8.	Mr. Adrian Spencer	Materials Manager
9.	Mr. Andrew Stephenson	Chief Chemist
10.	Mr. Godfrey Stultz	Engineering Services Manager
11.	Mr. Ken Wiltshire	Operations Manager

Registered Office:

Rockfort, Kingston,
Jamaica, W.I.
Tel: (876) 928-6232-5
Fax: (876) 928-7381
Website: www.caribcement.com

Distribution of Shareholding



Category	% Distribution
TCL Group	74.08%
Cemex - Scancem International (St. Lucia) Ltd	4.96%
Financial Institutions	4.92%
Pension Plans	0.41%
Government	1.58%
Other	14.05%

TCL Subsidiaries - Principal Officers (continued)

ARAWAK CEMENT COMPANY LIMITED

Arawak Cement Company Limited was incorporated in Barbados in 1981 and was wholly acquired by TCL in 1994. Its primary activity is the manufacture and sale of Portland Pozzolan Cement. The company is wholly-owned by TCL.

Board of Directors

Mr. Arun K. Goyal – Chairman
Mr. Alejandro Alberto Ramirez Cantu
Mr. Hollis N. Hosein
Mr. Hayden Ferreira
Mr. Parasram Heerah
Mr. Derrick Isaac

Company Secretary

Ms. Ayanna Garnes

Principal Officers

1.	Mr. Rupert Greene	General Manager
2.	Mr. Phillip Yeung	Marketing Manager
3.	Ms. Leslie Maxwell	Engineering Services Manager
4.	Ms. Ayanna Garnes	Finance Manager
5.	Mr. Chester Adams	Operations Manager
6.	Mr. Matthew Thornhill	Optimisation Manager
7.	Mr. Shane Matthews	Production Manager
8.	Mrs. Sheryllyn Welch-Payne	Materials Manager
9.	Mr. Olvin Collymore	Human Resource Manager (Ag.)

Registered Office:

Checker Hall, St. Lucy,
Barbados, W.I.
BB27178
Tel: (246) 439-9880
Fax: (246) 439-7976
Website: www.arawakcement.com.bb

READYMIX (WEST INDIES) LIMITED

READYMIX (W.I.) LIMITED

Readymix (West Indies) Limited (RML) was incorporated in Trinidad in 1961. Its primary activities are the manufacture and sale of pre-mixed concrete and the mining and sale of sand and gravel. In 1995, Trinidad Cement Limited (TCL) acquired majority ownership of the Company.

Board of Directors

Ms. Eutrice Carrington (Chairman)
Mr. Alejandro Ramirez Cantu
Mr. Arun K. Goyal
Mr. Hollis N. Hosein
Mr. Anton Ramcharan
Mr. C.H. Wayne Manning
Mr. Parasram Heerah

Company Secretary

Mrs. Diane Warwick

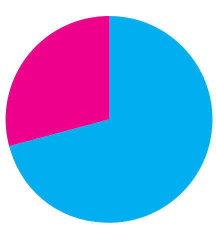
Principal Officers

1.	Mr. Manan Deo	General Manager
2.	Mrs. Reshma Gooljar-Singh	Marketing Manager
3.	Mrs. Diane Warwick	Finance Manager/Company Secretary
4.	Mr. Austin Rodriguez	Technical Services Manager
5.	Mr. Avinash Omadath	Quarry Manager
6.	Mr. Horace Boodoo	Senior Materials Officer
7.	Mr. Nigel Quinton	Chief Security Officer
8.	Mr. Dale Cozier	Maintenance Manager
9.	Ms. Adele Pereira	Human Resource Manager

Registered Office:

Tumpuna Road,
Guanapo, Arima,
Trinidad & Tobago, W.I.
Tel: (868) 643-2429/2430
Fax: (868) 643-3209
Website: www.readymix.co.tt

Distribution of Shareholding



Category	% Distribution
TCL	71.1%
Other Shareholders	28.9%

TCL Subsidiaries - Principal Officers (continued)

TCL PACKAGING LIMITED

TCL PACKAGING LIMITED

TCL Packaging Limited was incorporated in Trinidad in 1989 and commenced operations in 1991. Its primary activity is the manufacture and sale of papersacks.

Board of Directors

Mr. Arun K. Goyal – Chairman
Mr. Alejandro Alberto Ramirez Cantu
Mrs. Angelika Kitzbichler (Mondi Group – Parent Company of Dipeco Switzerland)
Mr. Hollis N. Hosein
Mr. Parasram Heerah

Company Secretary

Mrs. Cheryl Gransaull

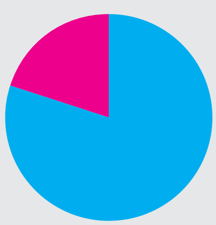
Principal Officers

1.	Mr. Derrick Isaac	General Manager
2.	Mr. Hilary Lakhiram	Operations Manager
3.	Ms. Betty Ann Noreiga	Marketing Manager

Registered Office:

Southern Main Road,
Claxton Bay,
Trinidad & Tobago, W.I.
Tel: (868) 659-2381-8
Fax: (868) 659-0950

Distribution of Shareholding



Category	% Distribution
TCL	80%
Dipeco (Switzerland)	20%

TCL – PONSA
MANUFACTURING LIMITED

TCL PONSA MANUFACTURING LIMITED

TCL Ponsa Manufacturing Limited was incorporated in Trinidad in 1995. Its primary activity is the manufacture and sale of single use slings. It is also involved in the sale of jumbo bags, reusable slings, safety harnesses and polypropylene sacks, as well as webbing for use in the furniture industry.

Board of Directors

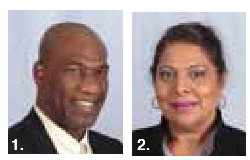
Mr. Arun K. Goyal - Chairman
Mr. Alejandro Alberto Ramirez Cantu
Mr. Juan Ponsa (Industrias Ponsa - Spain)
Ms. Laura Ponsa (Industrias Ponsa - Spain)
Mr. Parasram Heerah
Mr. Hollis N. Hosein

Company Secretary

Mrs. Cheryl Gransaull

Principal Officers

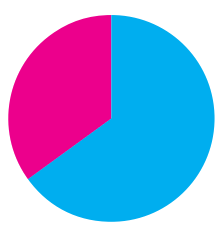
1.	Mr. Derrick Isaac	General Manager
2.	Ms. Betty Ann Noreiga	Marketing Manager



Registered Office:

Pacific Avenue, Point Lisas Industrial Estate,
Point Lisas, Trinidad, W.I.
Tel: (868) 679-4120
Fax: (868) 636-9627

Distribution of Shareholding



Category	% Distribution
TCL	65%
Industrias Ponsa S.A. (Spain)	35%

TCL Subsidiaries - Principal Officers (continued)

TCL TRADING LIMITED

TCL Trading was incorporated in Anguilla, W.I. on December 12, 1997 and commenced business in April 1998. Its primary activity is trading in cement and related products and it functions as a marketing support unit for the two cement companies, Trinidad Cement Limited and Arawak Cement Company Limited. The company is wholly owned by TCL.

Board of Directors

Mr. Alejandro Alberto Ramirez Cantu

Company Secretary

Mr. Egwin Daniel

Principal Officer

Mr. Jaris Liburd - General Manager

Registered Office:

Box 885
Fair Play Complex,
The Valley,
Anguilla, W.I.
Tel: (264)-497-3593
Fax: (264)-497-8501

TCL GUYANA INCORPORATED

TCL Guyana Inc. was incorporated in the Republic of Guyana on March 17, 2004. Its primary activity is the packaging of bulk cement for sale on the Guyanese market (cement terminal facility).

Board of Directors

Mr. Hollis N. Hosein (Chairman)
Mr. Alejandro Alberto Ramirez Cantu
Mr. Arun K. Goyal
Mr. Vinode Persaud

Company Secretary

Ms. Kathryna Baptiste

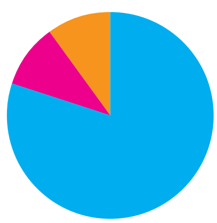
Principal Officer

Mr. Mark Bender - Plant Manager

Registered Office:

2-9 Lombard Street,
GNIC Compound,
Georgetown, Guyana,
South America.
Tel: 011 (592) 225 - 7520
Fax: 011 (592) 225 - 7347

Distribution of Shareholding



Category	% Distribution
TCL (Nevis) Limited	80%
Anral Investments Limited	10%
Toolsie Persaud Limited	10%

Directors' Report

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the year ended December 31, 2014.

Financial Results	**TT$'000**
Turnover	2,104,813
Net Earnings for the Year	(214,394)
Dividends Paid	NIL

Directors' Interest (Ordinary Shares of TCL)

Name	**Position**	**Direct Holdings at 31-12-14**	**Indirect Holdings at 31-12-14**
Wilfred Espinet	Chairman	6,361,797	495,000
A. Ramirez Cantu	Director/Group CEO (Ag.)	Nil	Nil
A. Lewis	Director	Nil	Nil
C. Dehring	Director	Nil	Nil
N. Edwards	Director	10,730	9,905,572
F. Aguilera Mendoza	Director	Nil	Nil
C. Palero Castro	Director	Nil	Nil
M.G. Hamel-Smith	Director	Nil	Nil
J.M. Allard	Director	Nil	Nil
W. Yip Choy	Director	Nil	Nil

Senior Officers' Interest (Ordinary Shares of TCL)

Name	**Position**	**Holdings at 31-12-14**
A. Ramirez Cantu	Group Chief Executive Officer (Ag.)	Nil
J. Maharaj	Group Manufacturing Development Manager and GM – Trinidad Cement Limited (Ag.)	894,411
P. Heerah	Group Finance Manager (Ag.)	1,671,228
E. Daniel	GM – International Business & Marketing	57,149
A. Peña	Group Strategy Implementation Manager	Nil
M. Deo	GM – Readymix (West Indies) Limited	133,352
R. Greene	GM – Arawak Cement Company Limited	8,090
F.L.A. Haynes	GM – Caribbean Cement Company Limited	33,797
D. Isaac	GM – TCL Packaging Limited and TCL Ponsa Manufacturing Limited	23,371
K. Baptiste	Group Manager Legal / Company Secretary	Nil
S. Diaz	Human Resource Manager (TCL)/Group Coordinator	Nil

Dividends
No dividends have been declared for the year ended December 31, 2014.

Substantial Interests
(A substantial interest means a beneficial holding of 5% or more of the issued share capital of the Company).

	Holdings at 31-12-14	% of Issued Share Share Capital
Sierra Trading (Cemex S.A. de C.V.)	49,953,027	20.00%
Republic Bank Limited	27,373,369	10.96%
The National Insurance Board of T&T	25,367,032	10.16%
Baleno Holdings Inc.	20,500,000	8.21%

Service Contracts & Directors
No service contracts exist nor have been entered into by the Company and any of its Directors as at December 31, 2014.

BY ORDER OF THE BOARD

Kathryna Baptiste
Secretary

Addendum to the Directors' Report
Subsequent to the Rights Issue of 124,882,568 new shares and stock market activity up to the close of trade on April 8, 2015, adjustments to the balances of interest held as at December 31, 2014 were recorded as follows:

Directors' Interest *(Ordinary Shares of TCL)*
- *W. Espinet – Direct Holdings increased to 9,542,695 and Indirect Holdings increased to 742,500*
- *N. Edwards – Direct Holdings increased to 16,095*

Senior Officers' Interest *(Ordinary Shares of TCL)*
- *J. Maharaj – Holdings increased to 942,426*
- *F.L.A. Haynes – Holdings increased to 53,797*

Substantial Interests
- *Sierra Trading (Cemex S.A. de C.V.) – Holdings increased to 147,994,188 (39.50% of Issued Share Capital)*
- *Republic Bank Limited – Holdings decreased to 27,290,053 (7.28% of Issued Share Capital)*
- *The National Insurance Board of T&T – Holdings increased to 38,050,548 (10.16% of Issued Share Capital)*
- *Baleno Holdings Inc. – Holdings increased to 30,750,000 (8.21% of Issued Share Capital)*

GROUP

Turn the pages to see our
Group Financial Results

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 2014 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 and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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 and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements presents fairly, in all material respects, the financial position of the Group as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Going Concern

Without qualifying our opinion, we draw attention to Note 2 (ii) to the consolidated financial statements which indicates that the Group reported a loss before taxation from continuing operations of $96.7 million (2013: $38.9 million profit before taxation from continuing operations) and there is $1.8 billion in outstanding debt obligations as presented within current liabilities in the consolidated statement of financial position as at 31 December 2014.

Note 2 (ii) also indicates that on 29 September 2014 the Group suspended principal debt repayments due under the restructured loan agreement (the "Override Agreement"), which had the effect of creating a condition of default at year end, rendering all outstanding debt covered by this agreement to become due immediately, resulting in the reclassification of all long term debt to current liabilities. As a consequence of this reclassification the net working capital deficit of the Group is $1.5 billion as at 31 December 2014.

The Group has commenced negotiations with its lenders who have not sought to enforce their security and legal rights. The rights of the lenders remain unchanged whilst formal agreement on new terms is being pursued. Pending completion of formal agreement of new terms, the lenders could enforce their security and legal rights to demand immediate repayment of all outstanding obligations, which the Group would be unable to meet. Should the lenders execute their legal rights to enforce their security there may be a significant risk that the Group would be unable to continue as a going concern.

The consolidated financial statements have been prepared on the going concern basis because, as described in Note 2 (ii), the directors have a reasonable expectation that the Group will be successful in rescheduling the debt service obligations with its lenders, and implement the overall restructuring plan. On this basis, the directors have a reasonable expectation that the Group will generate adequate cash flows and profitability which would allow it to continue in operational existence in the foreseeable future and have therefore 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 realise its assets and discharge its liabilities in the ordinary course of business. The factors described above, along with other matters disclosed in Note 2 (ii) indicates 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 realise its assets and discharge its liabilities in the ordinary course of business.

Ernst & Young

Port of Spain
TRINIDAD:
19 February 2015

Consolidated Statement of Financial Position

as at 31 December 2014 |
(Expressed in thousands of Trinidad and Tobago dollars, except where otherwise stated)

Assets	**Notes**	**2014 $**	**2013 $**
Non-current assets			
Property, plant and equipment	8	1,736,030	1,983,111
Pension plan assets	10	70,240	134,452
Receivables	12	6,049	7,437
Deferred tax assets	6 (d)	347,771	437,371
		2,160,090	2,562,371
Current assets			
Inventories	11	526,432	599,155
Receivables and prepayments	12	226,664	179,810
Cash at bank and on hand	13	96,589	57,804
		849,685	836,769
Assets held for distribution	28	226	–
Total assets		3,010,001	3,399,140
Equity and liabilities			
Equity			
Stated capital	17 (a)	466,206	466,206
Unallocated ESOP shares	19	(25,299)	(25,299)
Other reserves	17 (b)	(228,187)	(205,704)
Retained earnings		64,257	326,330
Equity attributable to the parent		276,977	561,533
Non-controlling interests	24	(31,450)	(25,236)
Total equity		245,527	536,297
Non-current liabilities			
Long term portion of borrowings	16	–	1,772,504
Pension plan liabilities	10	13,055	7,246
Other post-retirement benefits	10	50,800	41,738
Deferred tax liabilities	6 (d)	316,203	342,623
Payables and accruals	15	8,203	8,924
		388,261	2,173,035
Current liabilities			
Short-term advances	14	14,707	18,758
Payables and accruals	15	510,973	491,771
Current portion of borrowings	16	1,848,903	179,279
		2,374,583	689,808
Liabilities directly associated with assets held for distribution	28	1,630	–
Total equity and liabilities		3,010,001	3,399,140

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

These financial statements were approved by the Board of Directors on 19 February 2015 and signed on their behalf by:

Director

Director

Consolidated Statement of Income

For The Year Ended 31 December 2014
(Expressed in thousands of Trinidad and Tobago dollars, except where otherwise stated)

	Notes	2014 $	2013 $
Continuing operations			
Revenue	26	2,103,074	1,930,553
Earnings before interest, tax, depreciation, impairment and loss on disposal of property, plant and equipment	3	407,845	407,725
Depreciation	8	(131,113)	(126,266)
Impairment charges and write-offs	3	(155,937)	(2,427)
Loss on disposal of property, plant and equipment	3	(3,963)	(2,484)
Operating profit	3	116,832	276,548
Finance costs	5	(213,551)	(237,659)
(Loss)/profit before taxation from continuing operations		(96,719)	38,889
Taxation (charge)/credit	6 (a)	(108,584)	34,005
(Loss)/profit for the year from continuing operations		(205,303)	72,894
Discontinued operations			
Loss before taxation from discontinued operations	28	(5,754)	(5,098)
Taxation	6 (a)	38	(515)
Loss for the year from discontinued operations	28	(5,716)	(5,613)
(Loss)/profit for the year		(211,019)	67,281
Attributable to:			
Shareholders of the parent		(214,394)	58,199
Non-controlling interests	24	3,375	9,082
		(211,019)	67,281
Basic and diluted (loss)/earnings per share: (expressed in $ per share)	7	(0.87)	0.24

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

Consolidated Statement of Comprehensive Income

For the Year ended 31 December 2014 |
(Expressed in thousands of Trinidad and Tobago dollars, except where otherwise stated)

	Note	2014 $	2013 $
(Loss)/profit for the year		(211,019)	67,281
Other comprehensive income			
Other comprehensive loss to be reclassified to profit and loss in subsequent periods:			
Exchange differences on translation of foreign operations		(30,437)	(37,583)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		(30,437)	(37,583)
Other comprehensive (loss)/income not to be reclassified to profit and loss in subsequent periods:			
Re-measurement (losses)/gains on pension plans and other post-retirement benefits	10	(65,610)	59,678
Income tax effect		16,915	(13,685)
		(48,695)	45,993
Net other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		(48,695)	45,993
Other comprehensive (loss)/income for the year, net of tax		(79,132)	8,410
Total comprehensive (loss)/income for the year, net of tax		(290,151)	75,691
Attributable to:			
Shareholders of the parent		(284,556)	75,813
Non-controlling interests		(5,595)	(122)
		(290,151)	75,691

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

Consolidated Statement of Changes In Equity

For the Year ended 31 December 2014 |
(Expressed in thousands of Trinidad and Tobago dollars, except where otherwise stated)

ONE CARIBBEAN... ONE COMPANY

		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 2014								
Balance at 1 January 2014		466,206	(25,299)	(205,704)	326,330	561,533	(25,236)	536,297
Other comprehensive loss	17 (c)	–	–	(22,483)	(47,679)	(70,162)	(8,970)	(79,132)
(Loss)/income for the year		–	–	–	(214,394)	(214,394)	3,375	(211,019)
Total comprehensive loss		–	–	(22,483)	(262,073)	(284,556)	(5,595)	(290,151)
Dividends	18	–	–	–	–	–	(619)	(619)
Balance at 31 December 2014		466,206	(25,299)	(228,187)	64,257	276,977	(31,450)	245,527
Year ended 31 December 2013								
Balance at 1 January 2013		466,206	(25,299)	(177,926)	222,739	485,720	(24,654)	461,066
Other comprehensive (loss)/income	17 (c)	–	–	(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		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.

Consolidated Statement of Cash Flows

For the Year ended 31 December 2014 |
(Expressed in thousands of Trinidad and Tobago dollars, except where otherwise stated)

	Notes	2014 $	2013 $
Cash from continuing operations		443,801	418,550
Cash from discontinued operations		31	92
Cash from operations	21	443,832	418,642
Pension contributions paid	10 (a)	(10,969)	(9,039)
Post-retirement benefits paid	10 (b)	(1,451)	(1,322)
Taxation paid		(24,147)	(20,893)
Net interest paid		(196,670)	(204,682)
Net cash generated by operating activities		210,595	182,706
Investing activities			
Additions to property, plant and equipment	8	(77,727)	(73,957)
Proceeds from disposal of property, plant and equipment		90	959
Net cash used in investing activities		(77,637)	(72,998)
Financing activities			
Repayment of borrowings		(92,310)	(92,961)
Dividends paid to non-controlling interests		(653)	(1,010)
Net cash used in financing activities		(92,963)	(93,971)
Net increase in cash		39,995	15,737
Net foreign exchange differences		(1,210)	(994)
Net cash – beginning of year		57,804	43,061
Net cash – end of year		96,589	57,804
Represented by:			
Cash at bank and on hand	13	96,589	57,804

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 and provide comparative information in respect of the previous period.

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 year ended 31 December 2013 except for the standards and interpretations noted below:

New and amended standards and interpretations

The Group applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2014.

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

- Investment Entities (Amendments to IFRS 10, 12 and IAS 27)
- IFRIC 21 Levies
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
- Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36
- IAS 39 Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39
- Improvements to IFRSs - 2010-2012 cycle: Amendments to IFRS 13 - Short-term receivables and payables.
- Improvements to IFRSs - 2011-2013 cycle: Amendments to IFRS 1 - Meaning of 'effective IFRSs'

Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 *Consolidated Financial Statements* and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the consolidated financial statements of the Group.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the consolidated financial statements of the Group.

2. Significant accounting policies (continued)

(i) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

New and amended standards and interpretations (continued)

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

The amendments of IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less cost of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 *Fair Value Measurements*. These amendments have no impact on the consolidated financial statements of the Group.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the consolidated financial statements of the Group as the Group has not novated any derivatives during the current or prior periods.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Group as it has applied the recognition principles under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* consistent with the requirements of IFRIC 21 in prior years.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 "*Fair Value Measurement*". The amendment to IFRS 13 is effective immediately for periods beginning at 1 January 2014, it clarifies the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the consolidated financial statements of the Group.

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards.* The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

2. Significant accounting policies (continued)

(i) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

Standards issued but not yet effective (continued)

- IFRS 9 - Financial Instruments - Effective 1 January 2018
- IFRS 14 - Regulatory Deferral Accounts - Effective 1 January 2016
- Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions - Effective 1 July 2014
- IFRS 15 - Revenue from Contracts with Customers - Effective 1 January 2017
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisition of Interests - Effective 1 January 2016
- Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation - Effective 1 January 2016
- Amendments to IAS 16 and IAS 41 Agriculture - Bearer Plants - Effective 1 January 2016
- Amendments to IAS 17 - Equity Method in Separate Financial Statements - Effective 1 January 2016

The Group is currently assessing the potential impact of these new standards and interpretations.

Annual Improvements to IFRSs 2010-2012 Cycle - Published December 2013

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

- IFRS 2 - Share-based Payment
- IFRS 3 - Business Combinations
- IFRS 8 - Operating Segments
- IAS 16 - Property, Plant and Equipment
- IAS 24 - Related Party Disclosures

These improvements are effective for annual periods beginning on or after 1 July 2014.

Annual Improvements to IFRSs 2011-2013 Cycle – Published December 2013

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

- IFRS 3 - Business Combinations
- IFRS 13 - Fair Value Measurement
- IAS 40 - Investment Property

These improvements are effective for annual periods beginning on or after 1 July 2014.

(ii) Going concern

The Group has reported a loss before taxation from continuing operations of $96.7 million for the year ended 31 December 2014 (profit before taxation from continuing operations of $38.9 million in 2013) and there is $1.8 billion in outstanding debt obligations as presented within current liabilities in the consolidated statement of financial position as at 31 December 2014.

On 29 September 2014 the Group suspended principal debt repayments due under the restructured loan agreement (the "Override Agreement"), which had the effect of creating a condition of default, rendering all outstanding debt covered by this agreement to become due immediately resulting in the reclassification of all long-term debt principal outstanding to current liabilities (in accordance with International Financial Reporting Standards). As a consequence of this reclassification the net working capital deficit is $1.5 billion as at 31 December 2014.

2. Significant accounting policies (continued)

(ii) Going concern (continued)

The Group has commenced negotiations with its lenders who have not sought to enforce their security and legal rights, which remain unchanged whilst formal agreement on new terms is being pursued. At the date of approval of the consolidated financial statements by the Board of Directors, the TCL Group and the majority of the lenders had reached an agreement in principle on the features of the loan restructuring and its key terms. Notwithstanding the agreement in principle on terms with the majority of lenders, the new agreements have not been given legal force and were still subject to the approvals by the full book of lenders. Pending completion of this approval process and legal execution of a new agreement, the lenders could enforce their security and legal rights to demand immediate repayment of all outstanding obligations which the Group is not in a position to meet. Should the lenders execute their legal rights to enforce their security there may be a significant risk to the going concern of the Group.

In addition to negotiation of new terms with the lenders, the Group has embarked upon a comprehensive financial and operational review of the Group which is in progress, and an overall restructuring plan which seeks to secure the long-term viability of the Group is being implemented. This Plan includes the completion of the loan restructuring with the lenders, settlement of all retroactive salary payments to employees in Trinidad and Tobago and the injection of equity capital from the shareholders. This overall restructuring is expected to be completed by the second quarter of 2015.

The key risks to the Group's sustainability are declining domestic markets and unexpected plant stoppages due to technical problems with plant assets. 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. The Group's strategies to achieve sustainability include aggressively pursuing new markets or additional market share in existing markets and adjusting its selling prices where required in response to rising input costs.

The ability of the Group to generate the sustained incremental cash flows to meet its debt service and other obligations is sensitive to the successful implementation of the overall restructuring plan and the strategies and the key assumptions around market size growth, new markets, cost reductions, plant performance and price adjustments. Should these assumptions not materialise such that the Group is unable to remedy the current loan default condition and subsequently service its debt and other obligations in the future, this will present a significant going concern risk to the Group.

Based on the loan restructuring being undertaken with the lenders and current plans and strategies being pursued and implemented, the directors have a reasonable expectation that the Group will be successful in rescheduling of the debt service obligations. Further to this, the implementation of the overall restructuring plan is expected to result in the injection of additional equity by the shareholders, 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 realise 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 realise its assets and discharge its liabilities in the normal course of business.

(iii) 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.

2. Significant accounting policies (continued)

(iii) Basis of consolidation (continued)

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.

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

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

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

(iv) 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.

2. Significant accounting policies (continued)

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

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 (ii) describes the material uncertainties which may impact the Group's ability to continue as a going concern.

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

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.

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 utilised 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.

2. Significant accounting policies (continued)

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

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.

(v) Business combinations and goodwill

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

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

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

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

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised 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.

(vi) 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.

2. Significant accounting policies (continued)

(vi) Property, plant and equipment (continued)

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.

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 consolidated statement of income in the year the asset is derecognised.

(vii) 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.

(viii) 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 recognised in other comprehensive income. On disposal of the foreign operation, the deferred cumulative amount recognised in other comprehensive income is recognised in the consolidated statement of income.

(ix) 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.

2. Significant accounting policies (continued)

(x) 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.

(xi) Financial instruments

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

(xii) 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.

(xiii) Taxation

Current income tax

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

Deferred income tax

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that future taxable profit will be available against which these deductible temporary differences and unused tax losses can be 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.

(xiv) 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.

2. Significant accounting policies (continued)

(xiv) Pension plans and post-retirement medical benefits (continued)

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

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

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

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

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

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

(xv) 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.

(xvi) 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.

(xvii) 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.

(xviii) Interest bearing loans and borrowings

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

2. Significant accounting policies (continued)

(xix) 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.

(xx) 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.

(xxi) Earnings/loss per share

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

(xxii) Cash and cash equivalents

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

(xxiii) 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.

(xxiv) Equity movements

Stated capital

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

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

Treasury shares

Own equity instruments which are re-acquired ("treasury shares") are deducted from equity. No gain or loss is recognised in 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 recognised in other reserves. Such treasury shares are presented separately within equity and are stated at cost.

2. Significant accounting policies (continued)

(xxv) Impairment of assets

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to dispose and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are separately disclosed in 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.

(xxvi) Fair value measurement

The Group does not measure any assets or liabilities at fair value in its consolidated statement of financial position. The fair values of financial instruments measured at amortised cost are disclosed in Note 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 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.

2. Significant accounting policies (continued)

(xxvii) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets and liabilities classified as held for discontinuation are presented separately as current items in the consolidated statement of financial position. Discontinued operations are excluded from the results of the continuing operations and presented as a single amount as profit or loss after tax from continuing operations in the consolidated statement of income.

In the consolidated statement of income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the consolidated statement of income.

(xxviii) Comparative information

Certain changes in presentation have been made to the comparative data in these consolidated financial statements. This relates to the reclassification of the 2013 data in respect of discontinued operations which has been presented separately from continuing operations in the consolidated statement of income. These changes had no effect on the consolidated net assets or consolidated operating results of the previous year (2013).

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

3. Operating profit – continuing operations

	Notes	2014 $	2013 $
Revenue	26	2,103,074	1,930,553
Less expenses:			
Personnel remuneration and benefits (See below)		475,604	441,548
Fuel and electricity		405,909	398,671
Operating expenses		249,555	224,146
Raw materials and consumables		234,109	207,305
Equipment hire and haulage		140,263	144,997
Repairs and maintenance		113,272	95,946
Changes in finished goods and work in progress		85,921	18,630
Other income (See below)		(9,404)	(8,415)
Earnings before interest, tax, depreciation, impairment and loss on disposal of property, plant and equipment		407,845	407,725
Depreciation	8	(131,113)	(126,266)
Impairment charges and write-offs (see below)		(155,937)	(2,427)
Loss on disposal of property, plant and equipment		(3,963)	(2,484)
Operating profit		116,832	276,548
Impairment charges and write-offs			
Property, plant and equipment (ACCL)	8	152,816	663
Work In Progress (Haiti)	8	3,121	–
Goodwill impairment	9	–	1,764
		155,937	2,427

In accordance with IAS 36: *"Impairment of assets"*, management performed an impairment test on Property, Plant and Equipment of the Barbados subsidiary (ACCL) and recorded an impairment provision of $152.8 million in 2014 (2013: $0.663 million). The recoverable amount of $113.8 million as at 31 December 2014 was based on value in use and was determined at the level of the Property, plant and equipment and related assets. The pre-tax discount rate used in the impairment test was 16.8%. The terminal growth rate applied was 2% per annum. The impairment charge reflects the deteriorating market conditions and resulting poor operating results of the Barbados Subsidiary.

In 2014, the Board of Directors took the decision to dissolve TCL Haiti Inc. SA (THI) and write-off work in progress costs of $3.1 million.

	Notes	2014 $	2013 $
Personnel remuneration and benefits include:			
Salaries and wages		387,563	349,666
Other benefits		41,810	42,082
Statutory contributions		21,164	19,831
Pension costs – defined contribution plan		3,695	3,944
Termination benefits		493	3,331
Net pension expense – defined benefit plans	10(a)	20,879	22,694
		475,604	441,548

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

3. Operating profit – continuing operations (continued)

	2014 $	2013 $
Operating profit is stated after deducting directors' fees of:		
Directors' fees	2,429	3,689
Other income includes:		
Delivery and trucking services	4,206	4,624
Miscellaneous income	5,198	3,791
	9,404	8,415

4. Related party disclosures

The TCL Group has entered into related party transactions with respect to the purchase and sale of product with CEMEX S.A.B. de C.V. ("CEMEX"), a company incorporated in Mexico. The following table provides the total amount of transactions and balances at year end that have been entered into with CEMEX for the relevant financial year:

	2014 $	2013 $
Sales for the year	2,343	492
Purchases for the year	19,487	13,648
Trade receivables at year end	715	435
Trade payables at year end	5,647	–

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

5. Finance costs

	2014 $	2013 $
Interest expense	211,255	217,738
Interest income	(123)	(1,211)
	211,132	216,527
Foreign currency exchange loss	2,419	21,132
	213,551	237,659

Interest expense on restructured debt has been accounted for in accordance with the Override Agreement dated 10 May 2012. Penalty interest of $9.5 million (2013: Nil) is included for 2014 as a result of the default condition described in Note 2 (ii).

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

6. Taxation

a) Taxation (charge)/credit

	2014 $	2013 $
Deferred taxation (Note 6 (c))	(79,361)	21,353
Current taxation	(29,185)	12,137
	(108,546)	33,490
Taxation on continuing operations	(108,584)	34,005
Taxation on discontinued operations	38	(515)
	(108,546)	33,490

As a result of a capital restructuring which occurred in the Group in 2013, an amount of $38.8 million in relation to withholding taxes was no longer payable and accordingly was reversed in 2013. This has been presented as a credit against the current income tax for the year 2013.

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

	2014 $	2013 $
(Loss)/profit before taxation from continuing operations	(96,719)	38,889
Loss before tax from a discontinued operation	(5,754)	(5,098)
(Loss)/profit before taxation	(102,473)	33,791
Tax credit/(charge) calculated at 25%	25,618	(8,448)
Net effect of other charges and disallowances	(61,434)	15,851
Tax losses for which deferred tax income assets were (not recognised)/recognised	(73,560)	7,455
Impact of income not subject to tax	28,234	26,595
Business and green fund levies	(2,884)	(2,925)
Effect of different tax rates outside Trinidad and Tobago	(24,520)	(5,038)
Taxation (charge)/credit reported in the consolidated statement of income	(108,546)	33,490

As at 31 December 2014, a deferred tax asset of $156.9 million (2013: $83.4 million) in relation to tax losses and capital allowances available for reducing future tax payments was not recognised in the consolidated statement of financial position given a level of uncertainty regarding their utilisation within a reasonable time.

Trinidad Cement Limited has tax losses of $1,066 million (2013: $1,036 million) available for set off against future taxable profits.

Caribbean Cement Company Limited and its subsidiaries have tax losses of $295.8 million (2013: $288.3 million) available for set off against future taxable profits.

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

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

	2014 $	2013 $
6. Taxation (continued)		
c) Movement in deferred tax net balance:		
Net balance at 1 January	94,748	87,165
Exchange rate and other adjustments	(734)	(85)
(Charge)/credit to earnings	(79,361)	21,353
Credit/(charge) to other comprehensive income	16,915	(13,685)
Net balance at 31 December (Note 6 (d))	31,568	94,748
d) Components of the deferred tax assets/(liabilities) are as follows:		
Deferred tax assets:		
Tax losses carry forward	269,244	293,858
Capital allowances carry forward	–	40,328
Interest accrual	61,246	62,992
Others	17,281	40,193
Balance at 31 December	347,771	437,371
Deferred tax liabilities:		
Property, plant and equipment	(299,185)	(306,213)
Pension plan assets	(13,268)	(30,830)
Others	(3,750)	(5,580)
Balance at 31 December	(316,203)	(342,623)
Net deferred tax assets	31,568	94,748

7. (Loss)/earnings per share

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

	2014 $	2013 $
Net (loss)/profit for the year attributable to equity holders of the Parent - continuing operations	(211,959)	60,578
Net (loss)/profit for the year attributable to equity holders of the Parent - discontinued operations	(2,435)	(2,379)
Net (loss)/profit for the year attributable to equity holders of the Parent	(214,394)	58,199
Weighted average number of ordinary shares issued (net of treasury shares) (thousands of units)	246,013	246,013

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

7. (Loss)/earnings per share (continued)

	2014 $	2013 $
The following reflects the income and share data used in the earnings per share computation: (continued)		
Basic (loss)/earnings per share - continuing operations (expressed in $ per share)	($0.86)	$0.24
Basic (loss)/earnings per share - discontinued operations (expressed in $ per share)	($0.01)	$0.00
Basic and diluted (loss)/earnings per share - Total company (expressed in $ per share)	($0.87)	$0.24

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 (2013: 3.752 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 2014					
Cost	433,234	3,266,077	103,484	59,227	3,862,022
Accumulated depreciation and impairment	(182,284)	(1,860,890)	(82,686)	(132)	(2,125,992)
Net book amount	250,950	1,405,187	20,798	59,095	1,736,030
Net book amount					
1 January 2014	262,779	1,635,154	20,996	64,182	1,983,111
Exchange rate adjustments	(10,397)	(21,398)	(330)	(2,735)	(34,860)
Additions and transfers	3,509	29,936	2,717	41,565	77,727
Disposals and adjustments	5,852	31,028	886	(40,664)	(2,898)
Depreciation charge	(10,793)	(116,717)	(3,471)	(132)	(131,113)
Impairment charge and write off	–	(152,816)	–	(3,121)	(155,937)
31 December 2014	250,950	1,405,187	20,798	59,095	1,736,030

(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 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	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

The net carrying value of assets held under finance leases within property, plant and equipment amounted to $0.5 million (2013: $1.3 million) as at 31 December 2014.

In accordance with IAS 36: *"Impairment of assets"*, management assessed other Property, Plant and Equipment in Barbados and recorded an impairment provision of $152.8 million in 2014 (2013: $0.663 million). (Refer to Note 3).

In 2014 the Board of Directors took the decision to dissolve TCL Haiti and write-off work in progress of $3.1 million. (Refer to Note 3).

In 2013, the depreciation charge of $127.9 million includes depreciation charges related to assets classified as held for distribution of $1.5 million (Refer to Note 28).

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

9. Goodwill

	2014 $	2013 $
Cost	269,147	269,147
Accumulated impairment	(269,147)	(269,147)
Net book amount	–	–
Net book amount		
1 January	–	1,764
Impairment charge for the year	–	(1,764)
31 December	–	–

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 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%

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 Actuarial Valuation report as at 31 December 2012 revealed that the Trinidad Cement Limited section was in surplus by $113.6 million but the Readymix (West Indies) Limited and TCL Packaging Limited sections were in deficit by $1.1 million and $4.4 million respectively. The next triennial actuarial valuation is due as at 31 December 2015.

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

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

The report recommended service contribution rates for TCL, RML and TPL as a percentage of salaries at 6%, 15.8% and 23.7% respectively.

A roll-forward valuation in accordance with IAS 19 "Employee Benefits", using assumptions indicated below, was done as at 31 December 2014 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.

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

	2014 $	2013 $
Pension plan assets/(liabilities) and other post-retirement obligations:		
Net pension plan assets	70,240	134,452
Net pension plan liabilities	(13,055)	(7,246)
Net pension plan assets	57,185	127,206
Other post-retirement obligations:		
Retirees' medical benefit obligations	(48,450)	(39,647)
Service benefit obligations	(2,350)	(2,091)
Total other post-retirement obligations	(50,800)	(41,738)

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 2014	**(857,002)**	**984,208**	**127,206**
Pension cost charged to profit or (loss)			
Current service cost	(25,447)	(1,920)	(27,367)
Net interest	(43,631)	50,119	6,488
Sub-total included in profit or (loss)	**(69,078)**	**48,199**	**(20,879)**
Re-measurement gains/(losses) in OCI			
Return on plan assets	–	(14,620)	(14,620)
Actuarial changes arising from changes in financial assumptions	–	(1,729)	(1,729)
Experience adjustments	(42,644)	–	(42,644)
Sub-total included in OCI	**(42,644)**	**(16,349)**	**(58,993)**

(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	(7,592)	7,592	–
Contributions by employer	–	10,969	10,969
Benefits paid	31,119	(31,119)	–
Other movements	(7)	(1,111)	(1,118)
Sub-total – other movements	**23,520**	**(13,669)**	**9,851**
Balance at 31 December 2014	**(945,204)**	**1,002,389**	**57,185**

The Group expects to contribute $10.9 million to its defined benefit plan in 2015.

The weighted average duration of the defined benefit obligations at 31 December 2014 ranges from 14.1 to 20.2 years (2013: 14.1 to 20.5 years).

	Defined benefit obligation $	Fair value of plan assets $	Net benefit asset $
Balance at 1 January 2013	**(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**
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**

(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

	2014 $	2013 $
Balance at 1 January	**(41,738)**	**(42,999)**
Pension cost charged to profit or (loss)		
Current service cost	(1,845)	(1,733)
Past service cost	–	–
Net interest	(2,051)	(2,117)
Sub-total included in profit or (loss)	**(3,896)**	**(3,850)**
Re-measurement (losses)/gains in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	–	(1,352)
Experience adjustments	(6,617)	5,141
Sub-total included in OCI	**(6,617)**	**3,789**
Other movements		
Benefits paid	1,451	1,322
Sub-total – other movements	**1,451**	**1,322**
Balance at 31 December	**(50,800)**	**(41,738)**

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

	2014	2013
Cash and cash equivalents	6%	5%
Equities	41%	41%
Bonds	51%	51%
Mortgages	1%	1%
Real estate	1%	1%
Other	0%	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 2014 amounted to $35,499 (2013: $103,840)

		2014	2013
Discount rate at 31 December:			
Trinidad Cement Limited Employees' Pension Fund Plan		5.00%	5.00%
Arawak Cement Company Limited Pension Fund Plan		7.75%	7.75%
Future salary increases:			
Trinidad Cement Limited Employees' Pension Fund Plan		5.00%	5.00%
Arawak Cement Company Limited Pension Fund Plan		6.75%	6.75%
Post-retirement mortality for pensioners at 60:	Male	21.0	21.0
	Female	25.1	25.1

A quantitative sensitivity analysis for significant assumptions as at 31 December 2014 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	(171,483)	183,286	130,152	(139,572)	61,030

(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 plans 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:

		2014	2013
Discount rate at 31 December		5%	5%
Future medical claims inflation		5%	5%
Post-retirement mortality for pensioners at 60:	Male	21.0	21.0
	Female	25.1	25.1

A quantitative sensitivity analysis for significant assumptions as at 31 December 2014 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	(6,970)	8,961	8,867	(7,031)	1,797

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 $1.4 million to its other post-retirement benefits in 2015.

11. Inventories

	2014 $	2013 $
Plant spares	153,051	152,922
Raw materials and work in progress	196,908	246,332
Consumables	116,348	132,132
Finished goods	60,125	67,769
	526,432	599,155

Inventories are shown as net of obsolescence provision of $13.9 million (2013: $17.0 million) in respect of plant spares and consumables. In addition, an amount of $19.8 million (2013: Nil) has been charged against work in progress and $2.2 million (2013: Nil) against finished goods to write down these inventories to their net realisable value. This expense is recognised in arriving at earnings before interest, tax, depreciation and loss on disposal of property, plant and equipment.

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

12. Receivables and prepayments

	2014 $	2013 $
Trade receivables	200,438	156,433
Less: provision for doubtful debts	(36,616)	(34,449)
Trade receivables (net)	163,822	121,984
Sundry receivables and prepayments	58,476	56,777
Deferred expenditure	4,182	3,453
Taxation recoverable	6,233	5,033
	232,713	187,247
Presented in the consolidated statement of financial position as follows:		
Non-current	6,049	7,437
Current	226,664	179,810
	232,713	187,247

Included within trade receivables are balances due from three (3) customers with agreed repayment terms over one year and therefore $6.0 million (2013: $7.4 million) is presented as a non-current asset.

			Past due but not impaired		
	Total $	Neither past due nor impaired $	1-90 days $	91-180 days $	Over 180 days $
2014	163,822	86,928	58,659	2,900	15,335
2013	121,984	57,559	27,501	10,479	26,445

As at 31 December, the impairment provision for trade receivables assessed to be doubtful was $36.6 million (2013: $34.4 million). Movements in the provision for impaired receivables were as follows:

	2014 $	2013 $
At 1 January	34,449	33,129
Charge for the year	8,653	2,201
Unused amounts reversed/written off	(6,486)	(881)
At 31 December	36,616	34,449

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

	2014 $	2013 $
Short-term advances	14,707	18,758

Short-term advances are comprised of an unsecured deposit advanced from a customer with a balance of $14.7 million (2013: $14.9 million) and unsecured insurance premium financing with an outstanding balance of Nil (2013: $3.8 million).

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

15. Payables and accruals

	2014 $	2013 $
Sundry payables and accruals	312,746	315,622
Trade payables	170,857	169,276
Interest and other finance charges	18,260	6,610
Taxation payable	9,110	607
Statutory obligations	8,203	8,580
	519,176	500,695
Presented in the consolidated statement of financial position as follows:		
Non-current	8,203	8,924
Current	510,973	491,771
	519,176	500,695

The Jamaica subsidiary has been granted up to six years to remit withholding taxes to the Jamaican taxation authorities. Withholding taxes payable in the amount of $8.2 million (2013: $8.9 million) are shown as non-current liabilities.

16. Borrowings

	2014 $	2013 $
Maturity of borrowings:		
One year	1,848,903	179,279
Two years	–	190,805
Three years	–	218,445
Four years	–	242,715
Five years and over	–	1,120,539
Gross borrowings	1,848,903	1,951,783
Current portion of total borrowings	(1,848,903)	(179,279)
Borrowings non-current portion	–	1,772,504

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 synchronised 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 45.8% 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.

At year end the Group is in default of its loan agreements. Therefore as required by IAS 1 *"Presentation of Financial Statements"* all loan balances in default have been classified as current liabilities to reflect the fact that the loans are callable on demand as a result of the breach as described in Note 2 (ii).

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

16. Borrowings (continued)

	2014 $	2013 $
Type of borrowings:		
Bonds	902,474	945,238
Term loans	770,233	819,325
Promissory notes	175,746	185,909
Finance lease obligations	450	1,311
	1,848,903	1,951,783
Currency denomination of borrowings		
US dollar	679,452	718,682
Local currencies	1,169,451	1,233,101
	1,848,903	1,951,783
Interest rate profile		
Fixed rates	1,500,254	1,581,966
Floating rates	348,649	369,817
	1,848,903	1,951,783

	2014	2013
The weighted average effective interest rate for borrowings is:	11.9%	9.9%

a) Bonds

(i) Barbados $50 million Bond

This bond, with current book value of TT$121.8 million (2013: TT$128.8 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 11.4% to 13.45% for the four tranches (2013: 9.4% to 11.45%). The applicable interest rate at the year-end includes penalty interest of 2%.

(ii) TT$346.5 million Bond

This bond, with current book value of TT$154.2 million (2013: TT$161.2 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 and default interest of 200 basis points (2013: 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$193.2 million (2013: TT$202.1 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 and default interest of 200 basis points (2013: fixed rate of interest of 8.95% per annum plus 200 basis points).

(iv) TT$100 million Bond

This bond, with current book value of TT$86.0 million (2013: TT$89.9 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 and default interest of 200 basis points (2013: fixed interest rate of 8.5% plus 200 basis points).

(v) TT$315 million Bond

This bond, with current book value of TT$347.3 million (2013: TT$363.2 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 and default interest of 200 basis points (2013: fixed interest rate of 9.1% plus 200 basis points).

16. Borrowings (continued)

b) Term loans

(i) US$25 million 'A' Loan

This loan, with current book value of TT$124.8 million (2013: TT$132.0 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% and default interest of 200 basis points (currently 10.25%) (2013: 8.25%).

(ii) US$10 million 'C' Loan

This loan, with current book value of TT$67.5 million (2013: TT$71.5 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 and default interest of 200 basis points (currently 9%) (2013: 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$120.8 million (2013: TT$127.8 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% and default interest of 200 basis points (currently 10.75%) (2013: 8.25%).

(iv) US$5.92 million Loan

This loan, with current book value of TT$35.5 million (2013: TT$37.5 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 and default interest of 200 basis points (currently 10.25%) (2013: 8.25%).

(v) TT$18.5 million loan

This loan with a current book value of $1.0 million was repaid in 2014 and was secured by a charge on the fixed and floating assets of Readymix (West Indies) Limited and carried a floating rate of interest of 5.5%.

c) Other Bank Term loans $450.4 million

These loans with current book value of $416.8 million (2013: $441.9 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 8.25% to 26.5% (2013: 6.25% to 24.5%), and are secured by the assets of the Group. The applicable interest rates at the year-end include penalty interest of 2%.

Loans on the books of Readymix (West Indies) Limited with a current book value of $4.8 million (2013: TT$7.6 million) is unsecured TT Dollar loans with an interest rate of 9.5% (2013: 5.5% to 9.75%).

d) Promissory notes

US$25 million commercial paper.

This loan with current book value of TT$175.7 million (2013: TT$185.9 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 and default interest of 200 basis points (currently 11.25%) (2013: 9.25%).

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

16. Borrowings (continued)

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.

Included in total borrowings are the present values of finance leases amounting to $0.5 million (2013: $1.3 million). The minimum lease payments under these finance leases are as follows:

	2014 $	2013 $
Due not more than one year	468	764
Due in years two to five	–	658
Total minimum lease payments	468	1,422
Less: Finance charges	(18)	(111)
Total net present value	450	1,311

17. Stated capital and other reserves

(a) Stated capital

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

	2014 $	2013 $
Issued and fully paid		
249,765,136 (2013: 249,765,136) ordinary shares of no par value	466,206	466,206

(b) Other reserves

	2014 $	2013 $
Year ended 31 December		
Balance at 1 January	(205,704)	(177,926)
Other comprehensive income:		
Currency translation	(22,483)	(27,778)
Total other comprehensive income	(22,483)	(27,778)
Balance at 31 December	(228,187)	(205,704)

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.

(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

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

	Foreign currency translation account $	Retained earnings $	Total $
Year ended 31 December 2014			
Other comprehensive income:			
Currency translation	(22,483)	–	(22,483)
Re-measurement losses on pension plans and other post-retirement benefits	–	(47,679)	(47,679)
	(22,483)	(47,679)	(70,162)
Year ended 31 December 2013			
Other comprehensive income:			
Currency translation	(27,778)	–	(27,778)
Re-measurement gains on pension plans and other post-retirement benefits	–	45,392	45,392
	(27,778)	45,392	17,614

18. Dividends

The Parent Company has not declared nor paid any dividends during the year 2014 or in respect of 2013.

Dividends represents the dividends of subsidiaries in respect of non-controlling interests during the year of $0.62 million (2013: $0.46 million).

19. Employee share ownership plan (ESOP)

	2014 $	2013 $
Employee share ownership plan		
Number of shares held - unallocated (thousands)	3,752	3,752
Number of shares held - allocated (thousands)	4,216	4,216
	7,968	7,968
Fair value of shares held - unallocated	9,380	8,254
Fair value of shares held - allocated	10,540	9,275
	19,920	17,529
Cost of unallocated ESOP shares	25,299	25,299
Charge to earnings for shares allocated to employees	400	400

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

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 $8.4 million as at December 2014 (2013: $7.8 million).

Contingent liabilities

There are contingent liabilities amounting to $22.3 million (2013: $20.7 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 has disallowed expenditure claimed by the Parent Company in respect of the following fiscal years:

Fiscal years	Disallowed expenditure
2007	$102.1 million
2008	$284.4 million

This has been objected to as the Parent Company is of the view that its claim is well supported in law and will defend its position in the resolution process. 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 $17.5 million as at year end (2013: $15.5 million).

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

21. Cash from operations

	Notes	2014 $	2013 $
(Loss)/profit before taxation from continuing operations		(96,719)	38,889
Loss before taxation from discontinued operations		(5,754)	(5,098)
(Loss)/profit before taxation		(102,473)	33,791
Adjustments to reconcile (loss)/profit before taxation to net cash generated by operating activities:			
Depreciation	8	131,113	127,863
Net impairment charges and write-offs	3	155,937	2,427
Interest expense net of interest income	5	213,551	237,772
Pension plan expense	10 (a)	20,879	22,242
Other post-retirement benefit expense	10 (b)	3,896	3,850
Loss on disposal of property, plant and equipment	3	3,963	2,484
		426,866	430,429
Changes in net current assets			
Decrease/(increase) in inventories		56,368	(7,290)
(Increase)/decrease in receivables and prepayments		(53,040)	13,197
Increase/(decrease) in payables and accruals		13,638	(17,694)
		443,832	418,642

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 2014 $	Fair value 2014 $	Carrying amount 2013 $	Fair value 2013 $
Financial assets:				
Cash at bank	96,589	96,589	57,804	57,804
Trade receivables	163,822	163,822	121,984	121,984
Financial liabilities:				
Short-term advances	14,707	14,707	18,758	18,758
Borrowings	1,848,903	1,848,903	1,951,783	1,951,783
Trade payables	170,857	170,857	169,276	169,276
Interest and finance charges	18,260	18,260	6,610	6,610

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

23. Subsidiary undertakings

The Group's subsidiaries are as follows:

Company	Country of incorporation	Ownership level 2014	2013
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%
Premix & Precast Concrete Incorporated	Barbados	42.6%	42.6%
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. In 2014 the Group decided to dissolve TCL Haiti Inc. and cease all further initiatives. The land lease for a cement terminal was also terminated in 2014.

Key management compensation of the Group

	2014 $	2013 $
Short-term employment benefits	39,245	32,388
Pension plan and post-retirement benefits	961	923

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

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	2014	2013
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)

	2014 $	2013 $
Accumulated balances of material non-controlling interests:		
Caribbean Cement Company Limited	(80,014)	(73,835)
Readymix (West Indies) Limited	24,490	25,243
TCL Packaging Limited	12,702	12,669
TCL Ponsa Manufacturing Limited	3,814	3,858
TCL Guyana Inc.	7,558	6,829
	(31,450)	(25,236)
Profit/(loss) allocated to material non-controlling interests:		
Caribbean Cement Company Limited	1,677	9,428
Readymix (West Indies) Limited	127	(2,430)
TCL Packaging Limited	766	1,857
TCL Ponsa Manufacturing Limited	(13)	(526)
TCL Guyana Inc.	818	753
	3,375	9,082

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

Summarised statement of profit or loss for 2014:

	Caribbean Cement Company Limited $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $	TCL Guyana Inc. $
Revenue	827,337	210,900	66,209	17,312	127,037
Operating expenses	(792,901)	(199,654)	(62,220)	(17,330)	(120,755)
Finance costs (net)	(19,684)	(1,268)	(20)	(19)	(5)
Profit/(loss) before tax	14,752	9,978	3,969	(37)	6,277
Income tax	(6,743)	(3,945)	(138)	–	(2,190)
Total comprehensive income	8,009	6,033	3,831	(37)	4,087
Attributable to non-controlling interests	1,677	(2,312)	766	(13)	818

Summarised 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)
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)

	Caribbean Cement Company Limited $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $	TCL Guyana Inc. $
Summarised statement of financial position as at 31 December 2014:					
Inventories, cash and bank balances and other current assets	257,661	83,703	40,838	16,829	25,234
Property, plant and equipment and other non-current assets	277,464	50,590	54,199	2,203	40,826
Trade and other payables and other current liabilities	(213,305)	(33,689)	(18,207)	(5,784)	(26,345)
Interest bearing loans, borrowings and deferred tax and other non-current liabilities	(48,460)	(9,718)	(13,319)	(2,350)	(1,924)
Total equity	273,360	90,886	63,511	10,898	37,791
Attributable to:					
Equity holders of parent	353,374	95,699	50,809	7,084	30,233
Non-controlling interests	(80,014)	(4,813)	12,702	3,814	7,558
Summarised statement of financial position as at 31 December 2013:					
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
Summarised cash flow information for the year ending 31 December 2014:					
	$	$	$	$	$
Operating	19,807	17,806	(1,239)	221	(209)
Investing	(34,469)	(5,013)	(736)	(33)	(476)
Financing	13,268	(3,837)	(331)	(96)	–
Net (decrease)/increase in cash and cash equivalents	(1,394)	8,956	(2,306)	92	(685)

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

24. Material partly - owned subsidiaries (continued)

	Caribbean Cement Company Limited $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $	TCL Guyana Inc. $
Summarised cash flow information for the year ending 31 December 2013:					
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

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.

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

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

25. Financial risk management (continued)

Credit risk (continued)

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

	Gross maximum exposure	
	2014 $	**2013 $**
Trade receivables	163,822	121,984
Cash at bank	96,589	57,804
Credit risk exposure	260,411	179,788

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 2014, the Group had sixteen (16) customers (2013: eighteen (18) customers) that owed the Group more than $2 million each and which accounted for 73% (2013: 63%) of all trade receivables.

Credit risk related to cash at bank

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

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.

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

2014	**On demand $**	**1 year $**	**2 to 5 years $**	**> 5 years $**	**Total $**
Short-term advances	–	14,707	–	–	14,707
Borrowings	1,848,415	488	–	–	1,848,903
Interest and finance charges	18,260	–	–	–	18,260
Trade payables	–	162,681	8,176	–	170,857
	1,866,675	177,876	8,176	–	2,052,727
2013					
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	–	160,352	8,924	–	169,276
	11,484	537,722	2,337,364	–	2,886,570

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

25. Financial risk management (continued)

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. At year end the Company is in default of its loan agreements as described in Note 2 (ii).

Foreign currency risk

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

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

	Increase/decrease in US/Euro rate	Effect on profit before tax $	Effect on equity $
2014			
US dollar	+1%	(6,018)	(4,514)
	-1%	6,018	4,514
Euro	+1%	(53)	(40)
	-1%	53	40
2013			
US dollar	+1%	(7,078)	(5,309)
	-1%	7,078	5,309
Euro	+1%	(39)	(29)
	-1%	39	29

The effect on profit is shown net of US dollar financial assets (2014: $131.9 million; 2013: $78.6 million), and liabilities (2014: $734.2 million; 2013: $791.9 million) and EURO net financial liabilities (2014: $5.3 million; 2013: $3.8 million).

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

25. Financial risk management (continued)

Foreign currency risk (continued)

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

	TTD $	USD $	JMD $	BDS $	Other $	Total $
2014						
Assets						
Cash at bank	36,932	52,415	(31)	2,784	4,489	96,589
Trade receivables	51,001	79,964	19,317	3,721	9,819	163,822
	87,933	132,379	19,286	6,505	14,308	260,411
Liabilities						
Short-term advances	–	14,707	–	–	–	14,707
Borrowings	970,857	679,453	38,507	160,086	–	1,848,903
Interest and finance charges	6,125	10,831	286	1,018	–	18,260
Trade payables	13,099	29,199	63,780	55,690	9,089	170,857
	990,081	734,190	102,573	216,794	9,089	2,052,727
Net (Liabilities)/Assets	(902,148)	(601,811)	(83,287)	(210,289)	5,219	(1,792,316)
2013						
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)

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:

	2014 $	2013 $
At fixed rate	1,500,254	1,581,966
At floating rates	348,649	369,817

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

25. Financial risk management (continued)

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 $
2014	+100	(3,486)
	–100	3,486
2013	+100	(3,698)
	–100	3,698

26. Financial information by segment

The Group is organised 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

2014	Cement $	Concrete $	Packaging $	Consolidation adjustments $	Total $
Total revenue	2,230,020	210,900	83,521	–	2,524,441
Inter-segment revenue	(343,077)	–	(76,551)	–	(419,628)
Third party revenue	1,886,943	210,900	6,970	–	2,104,813
Depreciation and impairment	284,092	5,579	1,279	(3,900)	287,050
(Loss)/profit before tax	79,029	15,732	3,932	(201,166)	(102,473)
Segment assets	3,342,154	132,175	103,934	(568,262)	3,010,001
Segment liabilities	3,238,704	36,997	29,525	(540,752)	2,764,474
Capital expenditure	71,926	5,032	769	–	77,727
Operating cash flows	159,302	17,806	(1,018)	34,505	210,595
Investing cash flows	(71,697)	(5,013)	(769)	(158)	(77,637)
Financing cash flows	(54,181)	(3,837)	(427)	(34,518)	(92,963)
Net increase in cash and cash equivalents	33,424	8,956	(2,214)	(171)	39,995

Third party revenue as presented above consists of revenue from continuing operations of $2,103,074 (2013: $1,930,553). Third party revenue from discontinued operations as disclosed in Note 28 amounts to $1,739 for the year (2013: $10,496).

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

26. Financial information by segment (continued)

26.1 Operating segment information (continued)

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	(404,510)	(185)	10,201	428,285	33,791
Segment assets	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

26.2 Geographical segment information

	Revenue 2014 $	Revenue 2013 $	Non-current assets 2014 $	Non-current assets 2013 $	Additions property plant and equipment 2014 $	Additions property plant and equipment 2013 $
Trinidad and Tobago	847,357	718,584	1,257,568	1,299,550	37,253	33,859
Jamaica	717,002	648,869	340,550	359,982	34,469	36,864
Barbados	171,002	174,359	103,493	280,780	5,515	2,966
Other countries	369,452	399,237	40,468	50,236	490	268
Group total	2,104,813	1,941,049	1,742,079	1,990,548	77,727	73,957

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

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

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

27. Debt restructuring

On 10 May 2012, the agreements to give effect to the debt restructuring ("Override Agreement") were executed by the Group with the lenders. 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 synchronised into quarterly installments from March 2013 through December 2018, with the last principal payment being 43% of the restructured debts.

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/EBITDA 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.

As described in Note 2 (ii), on 29 September 2014, the TCL Group suspended principal debt repayments due under the Override Agreement. Accordingly, the Group was in default of its loan agreement at year end. The Group is currently engaged in the negotiation of new terms with the lenders in an effort to remediate the default condition and restructure the existing debt portfolio.

28. Net liabilities classified as held for sale

The Board of Directors suspended operations of Premix & Precast Concrete Incorporated ("PPCI" or "the Subsidiary"), located in Barbados effective 30 September 2014 due to a major decline in the demand for concrete on the island.

As at 31 December 2014, the subsidiary was classified as a disposal group held for sale and as a discontinued operation. The results of the subsidiary for the years ended 31 December 2014 and 2013 are presented below:

	2014 $	2013 $
Sales revenue	1,739	10,496
Operating loss	(5,738)	(4,871)
Finance costs – net	(16)	(227)
Loss before taxation	(5,754)	(5,098)
Taxation	38	(515)
Net loss for the year	(5,716)	(5,613)

The major classes of assets and liabilities of Premix & Precast Concrete Incorporated (PPCI) classified as held for sale as at 31 December 2014 are as follows:

	2014 $
Assets	
Receivables and prepayments	41
Cash and cash equivalents	185
Assets associated with discontinued operation	226
Liabilities	
Payables and accruals	1,630
Liabilities associated with discontinued operation	1,630
Net liabilities directly associated with discontinued operation	(1,404)

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

28. Net liabilities classified as held for sale (continued)

The net cash flows incurred by Premix & Precast Concrete Incorporated ("PPCI") for the year ended 31 December 2014 are as follows:

	2014 $
Operating	31
Investing	19
Net cash inflow	50

29. Subsequent events

On 6 February 2015, the Board of Directors of Trinidad Cement Limited (the "Company") passed a resolution to raise capital through a Rights issue of $124,882,568 new shares at a price of TT$2.90 per share.

On 9 February 2015 a special meeting of shareholders of the Company was convened and a resolution was passed to remove the restriction in the Articles of Continuance which prohibited any person from holding more than 20 % of the issued share capital of the Company or more than 20% of the total voting rights of the Company.

On 9 February 2015 the Company signed a Subscription Agreement with Sierra Trading (an affiliate of CEMEX, S.A.B. de C.V. and the holder of 20% of TCL's share capital) with the following terms:

1. Sierra Trading has committed to participating in the said Rights Issue to the fullest extent permitted by its shareholding;
2. Sierra Trading has agreed to commit additional capital (via an agreement to underwrite the raising of capital up to a maximum of US$45M) in order to ensure that TCL meets a capitalisation target amount of at least US$50M;
3. In consideration of the above commitments by Sierra Trading, TCL has agreed:
    a. To grant an exclusive right to Sierra Trading to subscribe and purchase any shares in the Rights Issue, which are not taken up by Shareholders in the exercise of their preemptive rights during the relevant period of the Rights Issue, up to such an amount that will not cause Sierra Trading's total shareholding in TCL to exceed 40% of TCL's outstanding shares;
    b. That if after the Rights Issue (including the exercise by Sierra Trading of the right granted above to acquire any shares not taken up by other shareholders who elect not to fully exercise their preemptive rights under the Rights Issue) Sierra Trading has not achieved a shareholding in TCL of at least 35%, then subject to receiving all required approvals, including Shareholder approval, a private placement of TCL shares will be issued in favour of Sierra Trading in an amount that will permit Sierra Trading to achieve a shareholding of 35% of TCL's outstanding shares.

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Notes

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