TRINIDAD CEMENT LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Trinidad and Tobago Dollars)

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Statement of Management's Responsibilities

Trinidad Cement Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Trinidad Cement Limited ("the Company") and its subsidiaries (collectively, "the Group") which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated income statement, consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

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

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

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

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

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

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

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

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

Francisco Aguilera Mendoza	Edgar Campos Piedra
Managing Director	Group Finance Manager
March 25, 2022	March 25, 2022

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Independent Auditors' Report
To the Shareholders of Trinidad Cement Limited

Opinion

We have audited the consolidated financial statements of Trinidad Cement Limited and its subsidiaries (collectively, "the Group"), which comprise the consolidated statement of financial position as at December 31, 2021, and the statements of consolidated income statement, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Key Audit Matters (continued)

Revenue recognition

Key audit matter	How our audit addressed the key audit matter
Refer to Notes 2.17 and 3. The main activities of the Group are the manufacture and sale of cement, concrete and aggregates. The Group recognised revenue from the sale of cement, concrete and aggregates from a combination of domestic and foreign sales. Revenue is a key performance indicator for the Group. Revenue is recognised when the risk and rewards of the underlying products have been transferred to the customer. There is a risk of material misstatement of the consolidated financial statements occurring as the end of the year, as transactions can be recorded to inflate sales reported.	Our audit procedures over revenue recognition included: • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition. • Testing a sample of revenue transactions occurring throughout the year and close to the year end. We inspected invoices and delivery notes to identify the date that risk and reward of ownership of the sold items was transferred to the customer to determine whether the sale was recorded in the appropriate period. • Inspecting a sample of credit notes issued after year end and assessing whether the underlying reason for the issue of the credit note required the reversal of a recorded sale. • Inspecting the underlying documentation for manual journal entries entered in the revenue accounts in the general ledger, during the year and subsequent to the reporting date, which were considered to be material or met other specific risk-based criteria. • Confirmation of revenue transactions with specific customers. No material exceptions were noted as part of our testing.

Key Audit Matters (continued)

Valuation of employee benefits obligation and the plan assets

Key audit matter	**How our audit addressed the key audit matter**
Refer to Notes 2.3 (vii) 2.12 and 16. The Group operates defined benefit pension plans and post-retirement medical benefit schemes. Significant assumptions are used in estimating the Group's obligation for these employee benefits. The estimation process poses a significant risk of misstatement, as small variances in the assumptions can have a material financial impact on the Group's financial statements. The key assumptions involved in calculating the obligation are the discount, inflation, salary increase and future growth in medical rates. The Group appointed an external actuarial expert to guide the determination of the assumptions and compute the obligation. The defined benefit pension plan contains several unquoted investments for which there are no observable inputs into the fair value (i.e. no quoted market prices). The use of significant assumptions increases the risk that the estimate can be materially misstated and required special audit consideration.	Our audit procedures over the valuation of the employee benefits obligation included, but were not limited to: • Evaluating the competency and objectivity of the appointed Actuary. • Determining that the actuarial valuation was performed using the projected unit credit method in accordance with the relevant accounting standard. • Engaging our own actuarial valuation specialist to assess the assumptions used and compare these to industry norms. • Testing the valuation of pension plan assets, including the use of an independent valuation specialist to value investments with unobservable inputs. • Checking that the accounting policy and disclosures were in accordance with the relevant accounting standards. No material exceptions were noted as part of our testing.

Key Audit Matters (continued)

Process inventory costing

Key audit matter	How our audit addressed the key audit matter
Refer to Notes 2.7 and 11 The costing of manufactured inventories and work in progress involves expenditure incurred in acquiring raw materials, production or conversion costs, and other costs incurred into actual product. It also includes an appropriate share of production overheads based on normal operating capacity. The allocation of these costs involves subjective judgements, which requires special audit consideration because of the likelihood and potential magnitude of misstatements to the accuracy of inventory.	Our audit procedures over the process inventory costing included, but were not limited to: • Evaluating the design and implementation of the Group's controls over the inventory costing process. • Obtaining the inventory valuation calculations, agreeing stock quantities and cost to the accounting records. • Evaluating the appropriateness of the nature of the costs being allocated during the different stages of the manufacturing process. • Obtaining production costs by cost centres and agreeing to accounting records. • Evaluating whether the accounting treatment adopted by management was consistent with the requirements of the IFRSs. • Considering the adequacy of the Group's disclosures relating to inventory. No material exceptions were noted as part of our testing.

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

Management is responsible for the other information. The other information comprises the information included in the Group's 2021 Annual Report but does not include the consolidated financial statements and our auditors' report thereon. The Group's 2021 Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's 2021 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Marissa Quashie.

KPMG

Chartered Accountants
Port of Spain
Trinidad and Tobago
March 29, 2022

TRINIDAD CEMENT LIMITED
Consolidated Income Statement
(Thousands of Trinidad and Tobago dollars, except earnings per share)

	Notes		Years ended December 31, 2021	2020
Revenue	3	$	1,896,518	1,692,150
Cost of sales	5		(1,326,431)	(1,160,909)
Gross profit			**570,087**	**531,241**
Operating expenses	5		(257,518)	(241,895)
Impairment of trade accounts receivable	9		(819)	926
Operating earnings before other income (expenses), net			**311,750**	**290,272**
Other income (expenses), net	6		21,849	(74,354)
Operating earnings			**333,599**	**215,918**
Financial expense	7.1		(89,950)	(122,086)
Financial income	7.2		30	62
Earnings before taxation			**243,679**	**93,894**
Taxation charge	17		(53,260)	(78,675)
NET INCOME		$	**190,419**	**15,219**
Non-controlling interest	18.5		(49,646)	(39,398)
CONTROLLING INTEREST		$	**140,773**	**(24,179)**
Basic and diluted earnings (loss) per share	19	$	0.3786	(0.0650)

The accompanying notes are an integral part of these consolidated financial statements.

TRINIDAD CEMENT LIMITED
Consolidated Statement of Comprehensive Income
(Thousands or Trinidad and Tobago dollars)

	Notes		Years ended December 31, 2021	2020
NET INCOME		$	**190,419**	**15,219**
Items that will not be reclassified subsequently to the income statement				
Net actuarial gains (losses) from remeasurements of employee benefit plans	**16**		105,642	(57,518)
Taxation recognised directly in other comprehensive income	**17.2**		(29,043)	16,990
	18.4		76,599	(40,528)
Items that are or may be reclassified subsequently to the income statement				
Effects from derivative financial instruments designated as cash flow hedges	**18.4**		1,203	1,008
Currency translation results of foreign subsidiaries	**18.4**		(34,302)	(24,457)
			(33,099)	(23,449)
Total items of other comprehensive income, net	**18.4**		**43,500**	**(63,977)**
TOTAL COMPREHENSIVE INCOME (LOSS)			**233,919**	**(48,758)**
Non-controlling interest			(35,396)	(30,367)
CONTROLLING INTEREST		$	**198,523**	**(79,125)**
Out of which:				
COMPREHENSIVE INCOME (LOSS)		$	**198,523**	**(79,125)**

The accompanying notes are an integral part of these consolidated financial statements.

TRINIDAD CEMENT LIMITED
Consolidated Statement of Financial Position
(Thousands of Trinidad and Tobago dollars)

	Notes		December 31, 2021	2020
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	8	$	75,655	88,305
Trade accounts receivable, net	9		61,568	56,832
Other accounts receivable	10		34,660	44,440
Taxation recoverable			3,218	4,451
Inventories, net	11		324,522	240,452
Total current assets			499,623	434,480
NON-CURRENT ASSETS				
Investments	12		1	1
Property, machinery and equipment, net	13		1,646,605	1,703,078
Deferred taxation assets	17.2		114,564	132,183
Employee benefits	16		133,374	54,424
Other accounts receivable	10		-	74
Total non-current assets			1,894,544	1,889,760
TOTAL ASSETS		$	2,394,167	2,324,240
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term debt	14.1	$	-	400,887
Other financial obligations	14.1		7,091	7,151
Trade payables			356,507	240,192
Taxation payable			16,321	29,093
Other current liabilities	15		266,987	308,316
Total current liabilities			646,906	985,639
NON-CURRENT LIABILITIES				
Long-term debt	14.1		438,760	211,756
Other financial obligations	14.1		19,325	21,431
Employee benefits	16		195,146	242,863
Deferred taxation liabilities	17.2		199,121	201,890
Other non-current liabilities	15		2,718	2,389
Total non-current liabilities			855,070	680,329
TOTAL LIABILITIES			1,501,976	1,665,968
SHAREHOLDERS' EQUITY				
Stated capital	18.1		827,732	827,732
Unallocated ESOP shares	18.2		(20,019)	(20,019)
Other equity reserves	18.3		(325,227)	(305,320)
Retained earnings			143,211	89,733
Net income (loss)			140,773	(24,179)
Total controlling interest			766,470	567,947
Non-controlling interest	18.5		125,721	90,325
TOTAL SHAREHOLDERS' EQUITY			892,191	658,272
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	2,394,167	2,324,240

The accompanying notes are an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on March 25, 2022 and signed on their behalf by:

Director　　　　Director

TRINIDAD CEMENT LIMITED

Consolidated Statement of Cash Flows
(Thousands of Trinidad and Tobago dollars)

	Notes		Years ended December 31, 2021	2020
OPERATING ACTIVITIES				
Net income		**$**	**190,419**	**15,219**
Depreciation and amortisation of property, machinery and equipment	**13**		127,043	149,987
Financial expense, net			89,920	122,024
Pension plan and other post-retirement benefit	**16**		(13,395)	19,715
Other items, net			(1,792)	(384)
Reversal of impairment losses on property, machinery and equipment			(21,799)	-
Taxation charge	**17**		53,260	78,675
Changes in working capital, excluding taxation (see below)			(12,443)	68,205
Cash generated from operating activities before financial expense, taxation and post-employment benefits paid			**411,213**	**453,441**
Financial expense paid			(25,317)	(40,607)
Taxation paid			(70,740)	(19,502)
Pension plan contributions and other post-retirement benefit paid			(14,764)	(15,668)
Net cash flows from operating activities from operations			**300,392**	**377,664**
INVESTING ACTIVITIES				
Purchase of property, machinery and equipment	**13**		(147,900)	(114,095)
Proceeds from disposal of assets			1,790	496
Net cash flows used in investing activities			**(146,110)**	**(113,599)**
FINANCING ACTIVITIES				
Repayment of debt, net	**14.2**		(163,058)	(259,375)
Other financial obligations, net	**14.2**		(1,927)	(1,866)
Net cash flows used in financing activities			**(164,985)**	**(261,241)**
(Decrease) increase in cash and cash equivalents from operations			(10,703)	2,824
Cash conversion effect, net			(1,947)	(1,972)
Cash and cash equivalents at beginning of period			**88,305**	**87,453**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**$**	**75,655**	**88,305**
Changes in working capital, excluding taxation:				
Trade accounts receivable, net		$	(5,065)	29,158
Other accounts receivable			7,241	(4,342)
Inventories, net			(88,452)	4,686
Trade payables			121,915	1,520
Other current and non-current liabilities			(48,082)	37,183
Changes in working capital, excluding taxation		$	(12,443)	68,205

The accompanying notes are an integral part of these consolidated financial statements.

TRINIDAD CEMENT LIMITED
Consolidated Statement of Changes in Shareholders' Equity
(Thousands of Trinidad and Tobago dollars)

				Reserves				
		Stated capital	Unallocated ESOP shares	Other equity reserves	Retained earnings	Total controlling interest	Non-controlling interest	Total shareholders' equity
Balance as of December 31, 2019	**$**	**827,732**	**(20,019)**	**(291,938)**	**131,297**	**647,072**	**59,958**	**707,030**
Net (loss) income for the year		-	-	-	(24,179)	(24,179)	39,398	15,219
Total items of other comprehensive income, net		-	-	(13,382)	(41,564)	(54,946)	(9,031)	(63,977)
Balance as of December 31, 2020		**827,732**	**(20,019)**	**(305,320)**	**65,554**	**567,947**	**90,325**	**658,272**
Net income for the year		-	-	-	140,773	140,773	49,646	190,419
Total items of other comprehensive income, net		-	-	(19,907)	77,657	57,750	(14,250)	43,500
Balance as of December 31, 2021	**$**	**827,732**	**(20,019)**	**(325,227)**	**283,984**	**766,470**	**125,721**	**892,191**

The accompanying notes are an integral part of these consolidated financial statements

(1) DESCRIPTION OF BUSINESS

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

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

The ordinary shares of the Company are publicly traded on the Trinidad and Tobago Stock Exchange ("TTSE") and the ordinary shares of Caribbean Cement Company Limited ("CCCL") are publicly traded on the Jamaica Stock Exchange. The shares of Readymix (West Indies) Limited ("RML") were delisted from the TTSE on December 31, 2018 and RML was deregistered as a reporting issuer of the Trinidad and Tobago Securities and Exchange Commission on December 29, 2020.

The Company is a subsidiary of Sierra Trading. As a result, the Group's ultimate parent company is CEMEX, S.A.B. de C.V., a public stock corporation with variable capital organised under the laws of the United Mexican States, or Mexico, and its shares are publicly traded on the Mexican Stock Exchange ("MSE") as Ordinary Participation Certificates ("CPOs") under the symbol "CEMEX CPO". Each CPO represents two series "A" shares and one series "B" share of common stock of CEMEX, S.A.B. de C.V. In addition, the CEMEX, S.A.B. de C.V.'s shares are listed on the New York Stock Exchange ("NYSE") as American Depositary Shares ("ADSs") under the symbol "CX". Each ADS represents ten CPOs.
The Company's subsidiaries and their principal activities are detailed in note 25.

These consolidated financial statements were authorised for issue by Trinidad Cement Limited's Board of Directors on March 25, 2022.

(2) SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF PRESENTATION AND DISCLOSURE

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

The consolidated financial statements are prepared on the historical cost basis except for the inclusion of the net defined benefit asset (obligation) which is recognised at the fair value of plan assets, adjusted by remeasurement through other comprehensive income ("OCI"), less the present value of the defined benefit obligation adjusted by experience gains/losses on revaluation, limited as explained in note 2.12 and note 16. Derivative financial instruments are recorded at fair value as explained in note 2.6.

(i) Presentation currency and definition of terms

During the reported periods, the presentation currency of the consolidated financial statements was the Trinidad and Tobago dollar (TTD). When reference is made to "$" it means Trinidad and Tobago dollars. The amounts in the consolidated financial statements and the accompanying notes are stated in thousands, except when references are made to earnings per share and/or prices per share. When reference is made to "USD" or "US$" it means dollars of the United States of America ("United States"). When reference is made to "€" or "euros", it means the currency in circulation in a significant number of European Union ("EU") countries. As of December 31, 2021 and 2020, translations of TTD into USD and USD into TTD, were determined for the consolidated statement of financial position amounts using the closing exchange rate of $6.7970 and $6.7993, respectively, and for the consolidated income statement and consolidated statement of comprehensive income amounts, using the average exchange rates of $6.7684 and $6.7781 TTD per dollar for 2021 and 2020 respectively.

(ii) Newly issued and amended IFRS adopted in 2021

Interest Rate Benchmark Reform - Amendments to IFRS 7, Financial instruments: disclosures; IFRS 9, Financial instruments; IAS 39, Financial instruments: recognition and measurement;

The amendments, comprising Phase 2 of IBOR (inter-bank offered rates) reform, effective on January 1, 2021, provide a practical expedient for modifying a financial contract or a lease for lessees as a result of IBOR reform (IBOR reform – Phase 2). The amendments also allow a series of exemptions from certain rules around hedge accounting, including the need to discontinue existing hedging relationships as a result of changes to hedging documentation required by IBOR reform.

The Group adopted these amendments prospectively. These amendments did not result in any material impact on the Group's results or financial position.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.1) BASIS OF PRESENTATION AND DISCLOSURE (continued)

(ii) Newly issued and amended IFRS adopted in 2021 (continued)

Amendment to IFRS 16, Leases

The changes in Covid-19-Related Rent Concessions (Amendment to IFRS 16) became effective on June 1, 2020 and amend IFRS 16 to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments require that lessees apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications, that lessees that apply the exemption disclose that fact, and that lessees apply the exemption retrospectively in accordance with IAS 8, but do not require them to restate prior period figures.

The adoption of the amendments to IFRS 16 did not result in any changes to the consolidated financial statements.

(2.2) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include those of Trinidad Cement Limited and those of the entities over which the Company exercises control, by means of which the Company 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’s relevant activities. Balances and operations between related parties are eliminated on consolidation.

Investments are accounted for using the equity method when Trinidad Cement Limited has significant influence which is generally presumed with a minimum equity interest of 20%. The equity method reflects in the consolidated financial statements, the investee’s original cost and the Group's share of the investee’s equity and earnings after acquisition. The consolidated financial statements of joint ventures, which relate to those arrangements in which the Group and other third-party investors have joint control and have rights to the net assets of the arrangements, are recognised under the equity method. During the reported periods, the Group did not have joint operations, referring to those cases in which the parties that have joint control of the arrangement have rights over specific assets and obligations for specific liabilities relating to the arrangements. The equity method is discontinued when the carrying amount of the investment, including any long-term interest in the investee or joint venture, is reduced to zero, unless the Group has incurred or guaranteed additional obligations of the investee or joint venture.

(2.3) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the date of the consolidated financial statements; as well as the reported amounts of revenues and expenses during the period. These assumptions are reviewed on an ongoing basis using available information. Actual results could differ from these estimates. The items subject to significant estimates and assumptions by management include:

(i) Allowance for expected credit losses on trade accounts receivable (note 9)

Allowances are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss (“ECL”) of the trade accounts receivable.

Under this ECL model, the Group segments its accounts receivable in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experienced over the last 60 months, analysis of future delinquency and the economic environment that is applied to the balance of the trade accounts receivable.

The average ECL rate increases in each segment of days past due until the rate is 100% for balances aged in excess of the cut-off date. The cut-off dates of various entities range from 180 days to 360 days depending on the specific products sold and historical delinquency patterns observed. The use of assumptions make uncertainty inherent in such estimates.

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(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.3) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS (continued)

(ii) Taxation (note 17)

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 the taxation 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 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 or there are available timing differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and the availability of timing differences.

(iii) Net realisable value of inventories (note 11)

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made of the amounts the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events after the period end to the extent that such events confirm conditions existing at the end of the year.

Management has estimated that certain volumes of product classified as work in progress and finished goods will remain inaccessible for sale or production in the foreseeable future. This is due to the design of storage facilities and the nature of the products and of our operations. Provisions have been recorded to reduce the net realisable value of these volumes.

(iv) Property, machinery and equipment, net (note 13)

Management exercises judgement in determining whether costs incurred can generate 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, machinery 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, machinery and equipment. These assumptions include the use of a suitable discount rate and applicable cash flow forecasts to be used in the analysis. These variables significantly impact the results and conclusions derived from the impairment tests performed

(v) Rehabilitation provision (note 15)

Provisions for restoration and rehabilitation associated with environmental damage represent the best estimates of the future costs of remediation, which are recognised at their nominal values when the time schedule for the disbursement is not clear, or when the economic effect for the passage of time is not significant; otherwise, such provisions are recognised at their discounted values.

These obligations include the costs of the future cleaning, reforestation and/or development of the affected areas and include the future costs of abandoning the site so that quarries are left in an acceptable condition at the end of their operation. The ultimate restoration and rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rates.

Provisions for future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date. The provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

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(Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.3) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS (continued)

(vi) Pensions and post-employment benefits (note 16)

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

(2.4) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded in the functional currency at the exchange rates prevailing on the dates of their execution. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the reporting date, and the resulting foreign exchange fluctuations are recognised in earnings, except for exchange fluctuations arising from: 1) foreign currency indebtedness associated with the acquisition of foreign entities; and 2) fluctuations associated with related parties' balances denominated in foreign currency, whose settlement is neither planned nor likely to occur in the foreseeable future and as a result, such balances are of a permanent investment nature. These fluctuations are recorded against "Other equity reserves", as part of the foreign currency translation adjustment (note 18.3) until the disposal of the foreign net investment, at which time, the accumulated amount is recycled through the consolidated income statement on disposal.

The financial statements of foreign subsidiaries, as determined using their respective functional currencies, are translated to Trinidad and Tobago dollars (TTD) at the closing exchange rate for statement of financial position accounts and at the closing exchange rates of each month within the period for income statement accounts. The functional currency is that in which each consolidated entity primarily generates and expends cash. The corresponding translation effect is included within "Other equity reserves" and is presented in the consolidated statement of comprehensive income for the period as part of the foreign currency translation adjustment (note 18.3) until the disposal of the net investment in the foreign subsidiary.

The most significant closing exchange rates and the approximate average exchange rates for statement of financial position accounts and income statement accounts as of December 31, 2021 and 2020, were as follows:

	2021		2020	
Currency	**Closing**	**Average**	**Closing**	**Average**
Jamaican Dollar (JMD)	0.0438	0.0446	0.0477	0.0475
United States Dollar (USD)....	6.7970	6.7684	6.7993	6.7781
Guyanese Dollar (GYD).........	0.0323	0.0322	0.0323	0.0322
Barbadian Dollar (BBD).........	3.3521	3.3380	3.3532	3.3428

The financial statements of foreign subsidiaries are translated from their functional currencies into TTD using implied exchange rates with reference to the U.S. dollar. The implied rate represents the ratio of the selling rates for U.S. dollars published by the respective central banks as at the last business day of the month.

(2.5) CASH AND CASH EQUIVALENTS (note 8)

The balance in this caption consists of available amounts of cash and cash equivalents, mainly represented by highly liquid short-term investments, which are readily convertible into known amounts of cash, and which are not subject to significant risks of changes in their values, including overnight investments, which yield fixed returns and have maturities of less than three months from the investment date. These fixed-income investments are recorded at cost plus accrued interest. Accrued interest is included in the consolidated income statement as part of "Financial income."

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.6) FINANCIAL INSTRUMENTS

Financial instruments carried on the consolidated statement of financial position include cash and cash equivalents, trade accounts receivable, other accounts receivable, taxation recoverable, short-term and long-term debt , other financial obligations, non-current liabilities, taxation payable, trade payables and other current liabilities.

(i) Initial recognition

Trade accounts receivable and long-term debt issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement of financial instruments

The financial assets are classified under three principal classification categories for financial assets: measured at amortised cost, measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The classification of amortised cost financial assets and liabilities comprises the following captions:

- Cash at bank and on hand (notes 2.5 and 8).
- Trade accounts receivable, net, other accounts receivable and accounts receivable from related parties (notes 9, 10, and 23). Due to their short-term nature, the Group initially recognises these assets at the original invoiced or transaction amount less expected credit losses.
- Liabilities for trade payables, other account payables and accrued expenses and accounts payable to related parties (notes 15 and 23) are recorded initially at amounts representing the fair value of the consideration to be paid for goods or services received by the reporting date, whether or not billed.

Long-term debt and other financial obligations are classified as “Loans” and are measured at amortised cost (notes 14.1 and 14.2). Interest accrued on financial instruments is recognised within “Other current liabilities” against financial expense. During the reported periods, the Group did not have financial liabilities voluntarily recognised at fair value or associated with fair value hedge strategies with derivative financial instruments.

Derivative financial instruments are recognised as assets or liabilities in the consolidated statement of financial position at their estimated fair values, and the changes in such fair values are recognised in the consolidated income statement within “Financial expenses” for the period in which they occur, except in the case of hedging instruments as described in note 14.5.

(iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or when they expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated income statement.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.6) FINANCIAL INSTRUMENTS (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Impairment of financial assets

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

(vi) Costs incurred in the issuance of debt or borrowings

Direct costs incurred in debt issuances or borrowings, as well as debt refinancing or non-substantial modifications to debt agreements that did not represent an extinguishment of debt by considering that the holders and the relevant economic terms of the new instrument are not substantially different to the replaced instrument, adjust the carrying amount of the related debt and are amortised as interest expense as part of the effective interest rate of each instrument over its maturity. These costs include commissions and professional fees. Costs incurred in the extinguishment of debt, as well as debt refinancing or modifications to debt agreements, when the new instrument is substantially different from the old instrument according to a qualitative and quantitative analysis, are recognised in the consolidated income statement as incurred.

(vii) Hedging instruments (note 14.4)

A hedging relationship is established to the extent the entity considers, based on the analysis of the overall characteristics of the hedging and hedged items, that the hedge will be highly effective in the future and the hedge relationship at inception is aligned with the entity's reported risk management strategy (note 14.5). The accounting categories of hedging instruments are: a) cash flow hedge, b) fair value hedge of an asset or forecasted transaction, and c) hedge of a net investment in a subsidiary.

In cash flow hedges, the effective portion of changes in fair value of derivative instruments are recognised in the consolidated statements of changes in shareholders' equity within other equity reserves and are reclassified to earnings as the interest expense of the related debt is accrued, in the case of interest rate swaps, or when the underlying products are consumed in the case of contracts on the price of raw materials and commodities. In hedges of the net investment in foreign subsidiaries, changes in fair value are recognised in the consolidated statement of changes in shareholders' equity as part of the foreign currency translation result within other equity reserves (note 2.4), whose reversal to earnings would take place upon disposal of the foreign investment. During the reported periods, the Group did not have derivatives designated as fair value hedges. Derivative instruments are negotiated with institutions with significant financial capacity; therefore, the Group believes the risk of non-performance of the obligations agreed to by such counterparties to be minimal.

(viii) Embedded derivative financial instruments

The Group reviews its contracts to identify the existence of embedded derivatives. Identified embedded derivatives are analysed to determine if they need to be separated from the host contract and recognised in the consolidated statement of financial position as assets or liabilities, applying the same valuation rules used for other derivative instruments. During the reported periods, the Group did not identify the existence of embedded derivatives.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.6) FINANCIAL INSTRUMENTS (continued)

(ix) Fair value measurements (note 14.3)

Employee benefits are measured at the fair value of plan assets, adjusted by remeasurement through OCI, less the present value of the defined benefit obligation adjusted by experience gains/losses on revaluation (note 16).

The fair values of assets and liabilities which are measured at amortised cost are presented in note 14.3.

Under IFRS, fair value represents an "Exit Price" which 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, considering the counterparty's credit risk in the valuation. The concept of Exit Price is premised on the existence of a market and market participants for the specific asset or liability. When there are no market and/or market participants willing to make a market, IFRS establishes a fair value hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs represent quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available.
- Level 2 are inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly, and are used mainly to determine the fair value of securities, investments or loans that are not actively traded. Level 2 inputs included equity prices, certain interest rates and yield curves, implied volatility and credit spreads, among others, as well as inputs extrapolated from other observable inputs. In the absence of Level 1 inputs, the Group determined fair values by iteration of the applicable Level 2 inputs, the number of securities and/or the other relevant terms of the contract, as applicable.
- Level 3 are inputs that are unobservable inputs for the asset or liability. The Group used unobservable inputs to determine fair values, to the extent there are no Level 1 or Level 2 inputs, in valuation models such as Black-Scholes, binomial, discounted cash flows or multiples of Operative EBITDA, including risk assumptions consistent with what market participants would use to arrive at fair value.

(2.7) INVENTORIES (note 11)

Inventories are valued using the lower of cost or net realisable value. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost is calculated using the weighted average method. The Group analyses its inventory balances to determine if, as a result of internal events, such as physical damage, or external events, such as technological changes or market conditions, certain portions of such balances have become obsolete or impaired. When an impairment situation arises, the inventory balance is adjusted to its net realisable value, whereas, if an obsolescence situation occurs, the inventory obsolescence reserve is increased. In both cases, these adjustments are recognised against the results of the period. Net realisable value represents the estimated selling price less estimated costs of completion and cost to be incurred in marketing, selling and distribution.

(2.8) PROPERTY, MACHINERY AND EQUIPMENT (note 13)

Property, machinery and equipment are recognised at their acquisition or construction costs, as applicable, less accumulated depreciation and accumulated impairment losses. Depreciation of property, machinery and equipment is recognised as part of cost of sales and operating expenses (note 5) and is calculated using the straight-line method over the estimated useful lives of the assets, except for mineral reserves, which are depleted using the units-of-production method.

(Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.8) PROPERTY, MACHINERY AND EQUIPMENT (note 13) (continued)

As of December 31, 2021, the average useful lives by category of property, machinery and equipment were as follows:

	Years
Improvements to land and mineral reserves	30
Buildings	20 - 50
Machinery and equipment	3 - 33

All waste removal costs or stripping costs incurred in the operative phase of a surface mine in order to access the mineral reserves are recognised as part of the carrying amount of the related quarries. The capitalised amounts are further amortised over the expected useful life using the straight-line method.

Costs incurred in respect of operating property, machinery and equipment that result in future economic benefits, such as an extension in their useful lives, an increase in their production capacity or in safety, as well as those costs incurred to mitigate or prevent environmental damage, are capitalised as part of the carrying amount of the related assets. The capitalised costs are depreciated over the remaining useful lives of such property, machinery and equipment. Periodic maintenance on property, machinery and equipment is expensed as incurred. Advances to suppliers of property, machinery and equipment are presented as part of other accounts receivable, net.

The useful lives and residual values of property, machinery and equipment are reviewed at each reporting date and adjusted if appropriate.

(2.9) BUSINESS COMBINATIONS, GOODWILL AND OTHER INTANGIBLE ASSETS

Business combinations are recognised using the acquisition method, by allocating the consideration transferred to assume control of the entity to all assets acquired and liabilities assumed, based on their estimated fair values as of the acquisition date. Intangible assets acquired are identified and recognised at fair value. Any unallocated portion of the purchase price represents goodwill, which is not amortised and is subject to periodic impairment tests (note 2.10). Goodwill may be adjusted for any correction to the preliminary assessment given to the assets acquired and/or liabilities assumed within the twelve-month period after purchase. Costs associated with the acquisition are expensed in the consolidated income statement as incurred.

The Group capitalises intangible assets acquired, as well as costs incurred in the development of intangible assets, when future economic benefits associated with them are identified and there is evidence of control over such benefits. Intangible assets are recognised at their acquisition or development cost, as applicable. Indefinite life intangible assets are not amortised since the period in which the benefits associated with such intangibles will terminate cannot be accurately established. Definite life intangible assets are amortised on straight-line basis as part of cost of sales and operating expenses (note 5).

Start-up costs are recognised in the consolidated income statement as they are incurred. Costs associated with research and development activities (“R&D activities”), performed by the Group to create products and services, as well as to develop processes, equipment and methods to optimise operational efficiency and reduce costs are recognised in the income statement as incurred. Direct costs incurred in the development stage of computer software for internal use are capitalised and amortised through the operating results over the useful life of the software, which on average is approximately 5 years.

Costs incurred in exploration activities such as payments for rights to explore, topographical and geological studies, as well as trenching, among other items, incurred to assess the technical and commercial feasibility of extracting a mineral resource, which are not significant to the Group, are capitalised when future economic benefits associated with such activities are identified. When extraction begins, these costs are amortised during the useful life of the quarry based on the estimated metric tons of material to be extracted. When future economic benefits are not achieved, any capitalised costs are subject to impairment.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.10) IMPAIRMENT OF NON-FINANCIAL ASSETS (note 13)

Impairment of long-lived assets – Goodwill (note 24)

Goodwill is tested for impairment when required due to significant adverse changes or at least once a year, during the last quarter of such a year. The Group determines the recoverable amount of cash-generating units ("CGUs") to which goodwill balances were allocated, which consists of the higher of such a group of CGUs' fair value less cost to sell and its value in use, the latter represented by the net present value of estimated future cash flows to be generated by such CGUs to which goodwill was allocated, which are generally determined over periods of 5 years. However, in specific circumstances, when the Group considers that actual results for a CGU do not fairly reflect historical performance and most external economic variables provide confidence that a reasonably determinable improvement in the mid-term is expected in their operating results, management uses cash flow projections over a period of up to 5 years, to the point in which future expected average performance resembles the historical average performance, to the extent the Group has detailed, explicit and reliable financial forecasts and is confident and can demonstrate its ability, based on past experience, to forecast cash flows accurately over that longer period. If the value in use of a group of CGUs to which goodwill has been allocated is lower than its corresponding carrying amount, the Group determines the fair value of such group of CGUs using methodologies generally accepted in the market to determine the value of entities, such as multiples of Operating EBITDA and by reference to other market transactions. An impairment loss is recognised within "Other income (expenses), net", if the recoverable amount is lower than the net book value of the group of CGUs to which goodwill has been allocated. Impairment charges recognised on goodwill are not reversed in subsequent periods.

However, such operating expenses are also reviewed considering external information sources in respect of inputs that behave according to international prices, such as oil and gas. The Group uses specific pre-tax discount rates for each group of CGUs to which goodwill is allocated, which are applied to discount pre-tax cash flows. The amounts of estimated undiscounted cash flows are significantly sensitive to the growth rate in perpetuity applied. Likewise, the amounts of discounted estimated future cash flows are significantly sensitive to the weighted average cost of capital (discount rate) applied. The higher the growth rate in perpetuity applied, the higher the amount of undiscounted future cash flows by group of CGUs obtained. Conversely, the higher the discount rate applied, the lower the amount of discounted estimated future cash flows by group of CGUs obtained.

Property, machinery and equipment, intangible assets of definite life and other investments

These assets are tested for impairment upon the occurrence of factors such as the occurrence of a significant adverse event, changes in the Group's operating environment or in technology, as well as expectations of lower operating results, to determine whether their carrying amounts may not be recovered. An impairment loss is recorded in the consolidated income statement for the period within "Other income (expenses), net," for the excess of the asset's carrying amount over its recoverable amount, corresponding to the higher of the fair value less costs to sell the asset, and the asset's value in use, the latter represented by the NPV of estimated cash flows related to the use and eventual disposal of the asset. The main assumptions utilised to develop estimates of NPV are a discount rate that reflects the risk of the cash flows associated with the assets and the estimations of generation of future income. Those assumptions are evaluated for reasonableness by comparing such discount rates to available market information and by comparing to third-party expectations of industry growth, such as governmental agencies or industry chambers.

The reportable segments reported by the Group (note 4), represent the Group's groups of CGUs considering: a) that the operating components that comprise the reported segment have similar economic characteristics; b) that the reported segments are used by the Group to organise and evaluate its activities in its internal information system; c) the homogeneous nature of the items produced and traded in each operative component, which are all used by the construction industry; d) the vertical integration in the value chain of the products comprising each component; e) the type of clients, which are substantially similar in all components; and f) the operative integration among components.

Impairment tests are significantly sensitive to the estimation of future prices of the Group's products, the development of operating expenses, local and international economic trends in the construction industry, the long-term growth expectations in the different markets, as well as the discount rates and the growth rates in perpetuity applied. For purposes of estimating future prices, the Group uses, to the extent available, historical data plus the expected increase or decrease according to information issued by trusted external sources, such as national construction or cement producer chambers and/or in governmental economic expectations. Operating expenses are normally measured as a constant proportion of revenues, following experience.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.11) PROVISIONS

The Group recognises provisions when it has a legal or constructive obligation resulting from past events, whose resolution would imply cash outflows, or the delivery of other resources owned by the Group. As of December 31, 2021 and 2020 some significant proceedings that gave rise to a portion of the carrying amount of the Group's other current and non-current liabilities and provisions are detailed in note 21.

Considering guidance under IFRS, the Group recognises provisions for levies imposed by governments until the obligating event or the activity that triggers the payment of the levy has occurred, as defined in the legislation.

(i) Restructuring

The Group recognises provisions for restructuring when the restructuring detailed plans have been properly finalised and authorised by management and have been communicated to the stakeholders involved and/or affected by the restructuring prior to the consolidated statement of financial position's date. These provisions may include costs not associated with the Group's ongoing activities.

(ii) Costs related to remediation of the environment (note 15)

Provisions associated with environmental damage represent the estimated future cost of remediation, which are recognised at their nominal value when the time schedule for the disbursement is not clear, or when the economic effect for the passage of time is not significant; otherwise, such provisions are recognised at their discounted values using the weighted average cost of capital. Reimbursements from insurance companies are recognised as assets only when their recovery is practically certain. In that case, such reimbursement assets are not offset against the provision for remediation costs.

(iii) Contingencies and commitments (notes 20 and 21)

Obligations or losses related to contingencies are recognised as liabilities in the consolidated statement of financial position only when present obligations exist resulting from past events that are expected to result in an outflow of resources and the amount can be measured reliably. Otherwise, a qualitative disclosure is included in the notes to the consolidated financial statements. The effects of long-term commitments established with third parties, such as supply contracts with suppliers or customers, are recognised in the consolidated financial statements on an incurred or accrued basis, after taking into consideration the substance of the agreements. Relevant commitments are disclosed in the notes to the consolidated financial statements. The Group does not recognise contingent revenues, income or assets, unless their realisation is virtually certain.

(2.12) PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (note 16)

(i) Defined contribution pension plans

The costs of defined contribution pension plans are recognised in the operating results as they are incurred. Liabilities arising from such plans are settled through cash transfers to the employees' retirement accounts, without generating future obligations.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.12) PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (note 16) (continued)

(ii) Defined benefit pension plans and other post-employment benefits

The costs associated with employees' benefits for: a) defined benefit pension plans; and b) other post-employment benefits, basically consisting of health care benefits, life insurance and seniority premiums granted by the Group are recognised as services are rendered, based on actuarial estimations of the benefits' present value with the advice of external actuaries. For certain pension plans, the Group has created irrevocable trust funds to cover future benefit payments ("plan assets"). The net defined benefit asset (obligation) is recognised at the fair value of plan assets, adjusted by remeasurement through OCI, less the present value of the defined benefit obligation adjusted by experience gains/losses on revaluation at the reporting date. The actuarial assumptions and accounting policy consider: a) the use of nominal rates; b) a single rate is used for the determination of the expected return on plan assets and the discount of the benefits obligation to present value; c) net interest is recognised on the net defined benefit liability (liability minus plan assets); and d) all actuarial gains and losses for the period, related to differences between the projected and real actuarial assumptions at the end of the period, as well as the difference between the expected and real return on plan assets, are recognised as part of Total items of other comprehensive income, net within the consolidated statement of comprehensive income.

The service cost, corresponding to the increase in the obligation for additional benefits earned by employees during the period, is recognised within the consolidated income statement. The net interest cost, resulting from the increase in obligations for changes in the net present value and the change during the period in the estimated fair value of plan assets, is recognised within "Financial expenses".

The effects from modifications to the pension plans that affect the cost of past services are recognised within the consolidated income statement over the period in which such modifications become effective to the employees or without delay if changes are effective immediately. Likewise, the effects from curtailments and/or settlements of obligations occurring during the period, associated with events that significantly reduce the cost of future services and/or reduce significantly the population subject to pension benefits, respectively, are recognised within "Other income (expenses), net".

(iii) Termination benefits

Termination benefits, not associated with a restructuring event, which mainly represent severance payments by law, are recognised in the operating results for the period in which they are incurred.

(2.13) TAXATION (note 17)

The effects reflected in the consolidated income statement for the taxation charge include the amounts of current and deferred taxation, determined according to the income tax law applicable to each subsidiary.

Current taxation includes the expected taxation payable or recoverable on the taxable income or loss for the year and any adjustment to the taxation payable or recoverable in respect of previous years. The amount of current taxation payable or recoverable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Consolidated deferred taxation represents the addition of the amounts determined in each subsidiary by applying the enacted statutory taxation rate to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering taxation assets such as loss carryforwards and other recoverable taxes, to the extent that it is probable that future taxable profits will be available against which they can be utilised. The measurement of deferred taxation at the reporting period reflects the tax consequences that follow the way in which the Group expects to recover or settle the carrying amount of its assets and liabilities. Deferred taxation for the period represents the difference between balances of deferred taxation at the beginning and the end of the period. Deferred taxation assets and liabilities relating to different tax jurisdictions are not offset. According to IFRS, all items charged or credited directly in the consolidated statement of changes in shareholders' equity or as part of other comprehensive income or loss for the period are recognised net of their current and deferred taxation effects. The effect of a change in enacted statutory tax rates is recognised in the period in which the change is officially enacted.

(Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.13) TAXATION (note 17) (continued)

Deferred taxation assets are reviewed at each reporting date and are reduced when it is not deemed probable that the related tax benefit will be realised, considering the aggregate amount of self-determined tax loss carryforwards that the Group believes will not be rejected by the tax authorities based on available evidence and the likelihood of recovering them prior to their expiration through an analysis of estimated future taxable income. If it is probable that the tax authorities would reject a self-determined deferred taxation asset, the Group would decrease such an asset. When it is considered that a deferred taxation asset will not be recovered before its expiration, the Group would not recognise such a deferred taxation asset. Both situations would result in additional tax expenses for the period in which such a determination is made. In order to determine whether it is probable that deferred taxation assets will ultimately be recovered, the Group takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, expansion plans, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, tax planning strategies and future reversals of existing temporary differences. Likewise, the Group analyses its actual results versus the Group's estimates, and adjusts, as necessary, its tax asset valuations. If actual results vary from the Group's estimates, the deferred taxation asset and/or valuations may be affected, and necessary adjustments will be made based on relevant information in the Group's consolidated income statement for such a period.

The tax effects from an uncertain tax position are recognised when it is probable that the position will be sustained based on its technical merits and assuming that the tax authorities will examine each position and have full knowledge of all relevant information, and they are measured using a cumulative probability model. Each position has been considered on its own, regardless of its relation to any other broader tax settlement. The high probability threshold represents a positive assertion by management that the Group is entitled to the economic benefits of a tax position. If a tax position is considered not probable of being sustained, no benefits of the position are recognised. Interest and penalties related to unrecognised tax benefits are recorded as part of the taxation in the consolidated income statement.

The effective taxation rate is determined by dividing the line item "Taxation charge" by the line item "Earnings before taxation". This effective taxation rate is further reconciled to the Group's statutory tax rate applicable in Trinidad and Tobago (note 17.3). A significant effect in the Group's effective taxation rate and consequently in the reconciliation of the Group's effective tax rate, relates to the difference between the statutory tax rate in Trinidad and Tobago of 30% against the applicable taxation rates of each country where the Group operates.

For the years ended December 31, 2021 and 2020, the statutory tax rates in the Group's main operations were as follows:

Country	2021	2020
Trinidad and Tobago	30.00%	30.00%
Jamaica	25.00%	25.00%
Guyana	25.00%	25.00%
Barbados	2.50% - 5.50%	2.50% - 5.50%

The Group's current and deferred taxation amounts included in the consolidated income statement for the period are highly variable, and are subject, among other factors, to taxable income determined in each jurisdiction in which the Group operates. Such amounts of taxable income depend on factors such as sales volumes and prices, costs and expenses, exchange rates fluctuations and interest on debt, among others, as well as to the estimated tax assets at the end of the period due to the expected future generation of taxable gains in each jurisdiction.

(2.14) BORROWINGS AND BORROWING COSTS (note 14.1)

Short-term debt and long-term debt

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

Borrowings are classified as current when the Group expects to settle the liability in its normal operating cycle, it holds the liability primarily for the purpose of trading, the liability is due to be settled within 12 months after the date of the consolidated statement of financial position, or it does not have an unconditional right to defer settlement of the liability for at least 12 months after the date of the consolidated statement of financial position, otherwise, it is classified as long-term.

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

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.15) LEASES

As lessee

The Group initially applied IFRS 16 *Leases* from January 1, 2019, using the modified retrospective approach, under which the right-of-use assets were measured at an amount based on the lease liabilities.

At inception of a contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether the contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and
- The Group has the right to direct use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using an interest rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liabilities comprise solely fixed payments. The lease liabilities are measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The Group does not recognise the rental of the land for the quarries as those are not within the scope of IFRS 16.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(2.16) SHAREHOLDERS' EQUITY

Stated capital

This item represents the value of issued and fully paid ordinary shares of no par value.

Unallocated ESOP shares (note 18.2)

The 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 Company based on a set formula.

Shares acquired by the ESOP are funded by the Company's contributions. The cost of the shares so acquired, and which remain unallocated to employees have been recognised in the consolidated statement of changes in shareholders' equity under "Unallocated ESOP shares".

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.16) SHAREHOLDERS' EQUITY (continued)

Other equity reserves (note 18.3)

The cumulative effects of items and transactions that are, temporarily or permanently, recognised directly to the consolidated statement of changes in shareholders' equity, and includes the comprehensive income, which reflects certain changes in shareholders' equity that do not result from transactions and distributions to owners are recorded as other equity reserves. The most significant items within "Other equity reserves" during the reported periods are as follows:

Items of "Other equity reserves" included within other comprehensive income:

- Currency translation effects from the translation of foreign subsidiaries, net of: a) exchange results from foreign currency debt directly related to the acquisition of foreign subsidiaries; and b) exchange results from foreign currency related parties' balances that are of a non-current investment class (note 2.4);
- The effective portion of the valuation and liquidation effects from derivative instruments under cash flow hedging relationships, which are recorded temporarily in the consolidated statement of shareholders' equity (note 2.6); and
- Current and deferred income taxation during the period arising from items whose effects are directly recognised in the consolidated statement of changes in shareholders' equity.

Items of "Other equity reserves" not included in other comprehensive income:

- Effects related to controlling shareholders' equity for changes or transactions affecting non-controlling interest shareholders in the Group's consolidated subsidiaries; and
- ESOP transactions.

Retained earnings (note 18.4)

Retained earnings represent the cumulative net results of prior years, net of: a) dividends declared; b) capitalisation of retained earnings; c) items of other comprehensive income that will not be reclassified subsequently to the consolidated income statement; and d) cumulative effects from adoption of new IFRS.

Non-controlling interest (note 18.5)

This caption includes the share of non-controlling shareholders in the results and equity of consolidated subsidiaries.

(2.17) REVENUE RECOGNITION (note 3)

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

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

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

Progress payments and advances received from customers do not reflect the work performed and are recognised as "Other current liabilities".

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.18) COST OF SALES AND OPERATING EXPENSES (note 5)

Cost of sales represents the production cost of inventories at the moment of sale. Such cost of sales includes depreciation, amortisation and depletion of assets involved in production, expenses related to storage in production plants and freight expenses of raw material in plants and delivery expenses of the Group's ready-mix concrete business.

Administrative expenses represent the expenses associated with personnel, services and equipment, including depreciation and amortisation, related to managerial activities and back office for the Group's management.

Selling expenses represent the expenses associated with personnel, services and equipment, including depreciation and amortisation, involved specifically in sales activities.

Distribution and logistics expenses refer to expenses of storage at points of sales, including depreciation and amortisation, as well as freight expenses of finished products between plants and points of sale and freight expenses between points of sales and the customers' facilities.

(2.19) FINANCE INCOME AND EXPENSE

Finance income comprises interest income on savings from bank account. Interest income is recognised as it accrues, using the effective interest method. Finance expense comprises interest charges on short-term and long-term debt unwinding of discount on other financial liabilities, unwinding of discount on lease liabilities and unwinding of discount on rehabilitation provision. Interest is recognised and accrued using the effective interest method.

(2.20) RELATED PARTY

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, Related Party Disclosures as the "reporting entity", in this case, the Group).

A related party transaction is a transfer of resources, services or obligations between related parties, independent of whether the amount is charged.

(i) A person or a close member of that person's family is related to the Group if that person:
- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group or of a parent of the Group.

(ii) An entity is related to the Group if any of the following conditions applies:
- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an entity of which the other entity is a member).
- (3) Both entities are joint ventures of the same third party.
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (6) The entity is controlled, or jointly controlled, by a person identified in (i).
- (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (8) The entity, or any member of a group of which it is a part, provides key management services to the Group or to the parent of the Group.

(Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.21) NEWLY ISSUED IFRS NOT YET ADOPTED

IFRS issued as of the date of issuance of these consolidated financial statements which have not yet been adopted are described as follows. The Group is currently reviewing the possible impact of these new standards.

Standard	Main topic	Effective date
Amendments to IAS 1, Presentation of Financial Statements	IAS 1 has been revised to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The effective date was deferred by 1 year from January 1, 2022 to January 1, 2023.	January 1, 2023
Amendments to IAS 16, *Property, Plant and Equipment*	The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.	January 1, 2022
Amendments to IAS 12 *Income Taxes*	The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions. The amendments narrow the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liability will need to be recognised from the beginning of the earliest comparative period presented with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transaction is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability. For all other transactions, the amendments apply to transactions that occur, after the beginning of the earliest period presented.	January 1, 2023
Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.................................	The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. This clarification will require entities that apply the incremental cost approach to recognise bigger and potentially more provisions.	January 1, 2022

(Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(2.21) NEWLY ISSUED IFRS NOT YET ADOPTED (continued)

Standard	Main topic	Effective date
Annual improvements to IFRS Standards 2018-2020	The cycle contains amendments to IFRS 1 *First-time adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IFRS 16 *Leases*, IAS 41 *Agriculture*. (a) IFRS 1 *First-time Adoption of International Financial Reporting Standards* amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent. (b) IFRS 9 *Financial Instruments* amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. (c) IFRS 16 *Leases* amendment removes the illustration of payments from the lessor relating to leasehold improvements. (d) IAS 41 *Agriculture* amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 *Fair Value Measurement*.	January 1, 2022
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*	The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarity the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: (1) Selecting a measurement, technique (estimation or valuation technique) - e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and (2) Choosing the inputs to be used when applying the chosen measurement technique – e.g, the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.	January 1, 2023
Amendments to IFRS 3, *Business Combinations*.......	The amendments updated the reference to the Conceptual Framework. They also added to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The Board added this exception to avoid an unintended consequence of updating the reference. Without the exception, an entity would have recognised some liabilities on the acquisition of a business that it would not recognise in other circumstances. Immediately after the acquisition, the entity would have had to derecognise such liabilities and recognise a gain that did not depict an economic gain.	January 1, 2022

(Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES **(continued)**

(2.21) NEWLY ISSUED IFRS NOT YET ADOPTED (continued)

Standard	Main topic	Effective date
Amendments to IFRS 10, *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*	The amendments clarify the recognition of gains or losses in the Parent's financial statements for the sale or contribution of assets between an investor and its associate or joint venture.	Available for adoption/ effective date deferred indefinitely
Amendments to IFRS 16, *Leases*	The changes in Covid-19-Related Rent Concessions (Amendment to IFRS 16) amend IFRS 16 to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification; require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications; require lessees that apply the exemption to disclose that fact; and require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures. 12-month extension granted to June 30, 2022.	April 1, 2021

(3) REVENUE

The Group's revenue is mainly originated from the sale and distribution of cement, ready-mix concrete, aggregates, packaging and other construction materials. The Group grants credit for terms ranging from 3 to 60 days depending on the type and risk of each customer. For the years ended December 31, 2021 and 2020 revenue, after eliminations between related parties resulting from consolidation, is as follows:

		2021	2020
From the sale of goods associated with the Group's main activities	$	1,896,518	1,692,150

The Group sells its products primarily to distributors in the construction industry, with no specific geographic concentration within the countries in which the Group operates. As of and for the years ended December 31, 2021 and 2020, no single customer individually accounted for a significant amount of the reported amounts of sales or in the balances of trade accounts receivable. In addition, there is no significant concentration of a specific supplier relating to the purchase of raw materials.

Information on revenue by reportable segment and primary geographical markets for the years 2021 and 2020 is presented in note 4.

(4) FINANCIAL INFORMATION BY SEGMENT

Reportable segments represent the components of the Group that engage in business activities from which the Group may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's top management to make decisions about resources to be allocated to the segments and assess their performance, and for which discrete financial information is available. The Group operates geographically and by lines of business on a country basis. For the reported periods, the Group's main lines of business are 1) cement, 2) concrete, and 3) packaging and the Group's geographical segments are as follows: 1) Trinidad and Tobago, 2) Jamaica, 3) Barbados and 4) Guyana. The accounting policies applied to determine the financial information by reportable segment are consistent with those described in note 2.

Each reportable segment's operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM"), to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group has identified the Group's Managing Director as its CODM.

(Thousands of Trinidad and Tobago dollars)

(4) FINANCIAL INFORMATION BY SEGMENT (continued)

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

Selected information of the consolidated financial statements by reportable segment for the years 2021 and 2020 was as follows:

2021		**Cement**	**Concrete**	**Packaging**	**Adjustments**	**Total**
Total revenue	$	2,037,673	67,272	40,212	-	2,145,157
Inter-segment revenue		(208,981)	(3,605)	(36,053)	-	(248,639)
Third party revenue		1,828,692	63,667	4,159	-	1,896,518
Depreciation		119,707	6,740	596	-	127,043
Reversal of impairment losses on property, machinery and equipment		21,799	-	-	-	21,799
Earnings before taxation		229,528	14,704	(554)	-	243,678
Segment assets		3,261,356	132,690	73,313	(1,073,192)	2,394,167
Segment liabilities		2,316,206	45,571	14,273	(874,074)	1,501,976
Capital expenditure		(141,764)	(6,136)	-	-	(147,900)
Operating cash flows		299,913	5,989	(5,510)	-	300,392
Investing cash flows		(141,257)	(6,037)	1,184	-	(146,110)
Financing cash flows		(164,985)	-	-	-	(164,985)
Net decrease in cash and cash equivalents	$	(6,329)	(48)	(4,326)	-	(10,703)

2020		**Cement**	**Concrete**	**Packaging**	**Adjustments**	**Total**
Total revenue	$	1,841,584	69,411	86,574	-	1,997,569
Inter-segment revenue		(220,540)	(3,373)	(81,506)	-	(305,419)
Third party revenue		1,621,044	66,038	5,068	-	1,692,150
Depreciation		138,463	7,257	4,267	-	149,987
Earnings before taxation		86,995	9,897	(2,998)	-	93,894
Segment assets		3,087,142	126,047	95,367	(984,316)	2,324,240
Segment liabilities		2,362,648	53,113	32,636	(782,429)	1,665,968
Capital expenditure		(109,561)	(4,273)	(261)	-	(114,095)
Operating cash flows		370,182	8,076	892	(1,486)	377,664
Investing cash flows		(109,065)	(4,273)	(261)	-	(113,599)
Financing cash flows		(246,761)	-	-	-	(246,761)
Net (decrease) increase in cash and cash equivalents	$	(124)	3,803	631	(1,486)	2,824

Selected information of the consolidated financial statements by geographical segment for the years 2021 and 2020 was as follows:

		2021			**2020**		
		Revenue[1]	**Property, machinery and equipment**	**Additions to fixed assets**	**Revenue**[1]	**Property, machinery and equipment**	**Additions to fixed assets**
Trinidad and Tobago	$	401,102	401,490	33,433	328,287	412,744	19,271
Jamaica		1,056,508	992,813	79,001	940,799	1,075,099	41,006
Barbados		49,867	213,118	33,340	40,542	173,045	53,061
Others		389,041	39,184	2,126	382,522	42,190	757
Total	$	1,896,518	1,646,605	147,900	1,692,150	1,703,078	114,095

[1] The revenue information above represents third party revenue based on the location of the customers' operations. Other countries include Guyana and the OECS islands.

(Thousands of Trinidad and Tobago dollars)

(5) COST OF SALES, OPERATING EXPENSES, DEPRECIATION AND AMORTISATION

(i) Consolidated cost of sales and operating expenses during 2021 and 2020 by nature are as follows:

		2021	2020
Personnel remuneration and benefits	$	283,660	287,762
Fuel and electricity		318,190	313,121
Operating expenses		169,737	184,228
Raw materials and consumables		444,668	242,190
Equipment hire and haulage		162,602	120,655
Repairs and maintenance		75,987	75,279
Changes in finished goods and work in progress		2,062	29,582
Depreciation (note 5 (iv))		127,043	149,987
Total cost to sales and operating expenses	$	1,583,949	1,402,804

(ii) The total expenses included in the consolidated income statement are as follows:

		2021	2020
Cost of sales	$	1,326,431	1,160,909
Operating expenses		257,518	241,895
	$	1,583,949	1,402,804

(iii) Consolidated operating expenses during 2021 and 2020 by function are as follows:

		2021	2020
Administrative expenses	$	(116,479)	(135,270)
Selling expenses		(17,974)	(18,057)
Distribution and logistics expenses		(123,065)	(88,568)
	$	(257,518)	(241,895)

(iv) Depreciation and amortisation recognised during 2021 and 2020 are detailed as follows:

		2021	2020
Included in cost of sales	$	(116,346)	(133,889)
Included in administrative, selling, distribution and logistics expenses		(10,697)	(16,098)
	$	(127,043)	(149,987)

Consolidated income statement

Trinidad Cement Limited includes the line item titled "Operating earnings before other income (expenses), net" considering that it is a relevant operating measure for the Group's management. The line item "Other income (expenses), net" consists primarily of income and expenses not directly related to the Group's main activities, or which are of an unusual and/or non-recurring nature, including results on disposal of assets and restructuring costs, among others. Under IFRS, the inclusion of certain subtotals such as "Operating earnings before other income (expenses), net" and the display of the consolidated income statement vary significantly by industry and company according to specific needs.

(6) OTHER INCOME (EXPENSES), NET

The detail of the line item "Other income (expenses), net" in 2021 and 2020 was as follows:

		2021	2020
Restructuring costs	**$**	(31,991)	(74,738)
Past service cost of pension and post retirement employee benefits (note 16)		30,249	-
Reversal of impairment losses on property, machinery and equipment[2]		21,799	-
Fixed asset write-off		2	(111)
Gain from the sale of assets and others, net		1,790	495
	$	21,849	(74,354)

(Thousands of Trinidad and Tobago dollars)

(6) OTHER INCOME (EXPENSES), NET (continued)

Restructuring costs

In 2021 and 2020, restructuring costs mainly refer to severance payments, legal expenses and inventory provisions.

Reversal of impairment losses on property, machinery and equipment

[2]During 2014 and 2017, the Group tested property machinery and equipment located in Barbados for impairment and recognised an impairment loss of $246.2 million with respect to plant and equipment. In 2021, the Group performed a valuation of the property, machinery and equipment to ascertain the fair value less cost to sell. Consequently, the Group reversed $21.8 million of impairment losses. The reversal of impairment losses was recorded in other income (expenses), net.

(7) FINANCIAL (EXPENSE) AND INCOME

(7.1) FINANCIAL EXPENSE

The details of financial expense in 2021 and 2020 was as follows:

		2021	2020
Interest expense	$	(46,153)	(57,566)
Unwinding of discount on lease liabilities (note 22)		(2,897)	(3,282)
Net interest on pension and other post-retirement obligations (note 16)		(10,455)	(7,794)
Foreign exchange results		(30,445)	(53,444)
	$	(89,950)	(122,086)

(7.2) FINANCIAL INCOME

The details of financial income, net in 2021 and 2020 were as follows:

		2021	2020
Financial income	$	30	62
	$	30	62

(8) CASH AND CASH EQUIVALENTS

As of December 31, 2021 and 2020, consolidated cash and cash equivalents consisted of:

		2021	2020
Cash at bank and on hand	$	75,655	88,305
	$	75,655	88,305

(9) TRADE ACCOUNTS RECEIVABLE, NET

As of December 31, 2021 and 2020, consolidated trade accounts receivable, net consisted of:

		2021	2020
Trade accounts receivable	$	82,507	79,651
Allowances for expected credit losses		(20,939)	(22,819)
	$	61,568	56,832

Under the Expected Credit Loss ("ECL") model, the Group segments its accounts receivable in a matrix by country, type of client or homogeneous credit risk and days past due and determines for each segment an average rate of ECL, considering actual credit loss experience over the last 60 months and analyses of future delinquency, that is applied to the balance of the accounts receivable and on origination of the trade accounts receivable. The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 360 days or more past due.

(Thousands of Trinidad and Tobago dollars)

(9) TRADE ACCOUNTS RECEIVABLE, NET (continued)

As of December 31, 2021 and 2020, the balances of trade accounts receivable and the allowance for ECL were as follows:

		2021			2020		
		Accounts receivable	**ECL allowance**	**ECL average rate**	**Accounts receivable**	**ECL allowance**	**ECL average rate**
Trinidad and Tobago	$	18,461	(5,211)	28%	19,436	(6,983)	36%
Jamaica		14,247	(11)	0%	6,754	(13)	0%
Barbados		42,586	(13,724)	32%	46,824	(13,903)	30%
Guyana		7,213	(1,993)	28%	6,637	(1,920)	29%
Total	$	82,507	(20,939)	25%	79,651	(22,819)	29%

Changes in the allowance for ECL in 2021 and 2020, were as follows:

		2021	2020
Allowances for ECL at beginning of year	$	22,819	27,363
Charged to selling expenses		819	(926)
Deductions		(2,519)	(3,614)
Foreign currency translation effects		(180)	(4)
Allowances for ECL at end of year	$	20,939	22,819

(10) OTHER ACCOUNTS RECEIVABLE

As of December 31, 2021 and 2020, consolidated other accounts receivable consisted of:

		2021	2020
Sundry receivables and prepayments	$	9,852	14,109
Loans to employees and others		1,432	3,634
Value added tax		16,465	17,027
Due from related companies		6,911	9,744
	$	34,660	44,514

Other accounts receivable is disclosed in the statement of consolidated financial position under the following captions:

		2021	2020
Current Assets	$	34,660	44,440
Non-Current Assets		-	74
	$	34,660	44,514

Other accounts receivable are deemed to have low credit risk.

(11) INVENTORIES, NET

As of December 31, 2021 and 2020, the consolidated balance of inventories was summarised as follows:

		2021	2020
Finished goods	$	34,301	28,760
Work-in-process		34,694	21,124
Raw materials		15,556	15,163
Materials and spare parts		222,768	166,921
Inventory in transit		17,203	8,484
	$	324,522	240,452

For the years ended December 31, 2021 and 2020, inventories are shown net of inventory impairment losses of $42.5 million and $47.6 million, respectively.

(Thousands of Trinidad and Tobago dollars)

(11) INVENTORIES, NET (continued)

For the year ended December 31, 2021 and 2020, the Group included the changes in inventory provision for obsolescence as raw materials and consumables costs within "Cost of sales" (see note 5 (i)) and reversal of stockholding and inventory restructuring provision in "Other income (expenses), net" (see note 6)

During the year there was inventory write offs amounting to $8,862 (2020: $86) which is recorded in "other expense, net" (see note 6).

The change in the inventory provision for obsolescence for the year ended December 31, 2021 and 2020 are as follows:

		2021	2020
Inventory obsolescence provision at beginning of period	$	47,559	3,942
Expense charged to consolidated income statement		6,062	11,155
Write-offs of inventories during the period		(8,862)	(86)
Write-back of inventories during the period		(2,078)	32,509
Foreign currency translation effects		(201)	39
Inventory obsolescence provision at end of period	$	42,480	47,559

(12) INVESTMENTS

As of December 31, 2021 and 2020, consolidated other investments and non-current accounts receivable were summarised as follows:

		2021	2020
Investments in strategic equity securities[1]	$	1	1
	$	1	1

[1] This is a strategic investment in a property development company. The Group holds a 10% minority shareholding and does not exercise control.

(13) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of December 31, 2021 and 2020, consolidated property, machinery and equipment, net and the changes in such line item during 2021 and 2020, were as follows:

		2021				
		Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress	Total
Cost at beginning of year	$	133,160	325,248	3,681,228	145,995	4,285,631
Accumulated depreciation		(27,022)	(224,408)	(2,331,123)	-	(2,582,553)
Net book value at beginning of year		106,138	100,840	1,350,105	145,995	1,703,078
Capital expenditures		2,063	6,338	4,836	134,663	147,900
Disposals		-	(1,841)	(1,158)	-	(2,999)
Reclassifications		700	1,195	30,066	(31,961)	-
Depreciation for the year		(2,441)	(13,283)	(111,319)	-	(127,043)
Reversal of impairment losses on property, machinery and equipment		-	17,193	4,606	-	21,799
Foreign currency translation effects		(4,261)	(3,405)	(83,007)	(5,457)	(96,130)
Net book value at end of year	$	102,199	107,037	1,194,129	243,240	1,646,605
Cost at end of year		128,427	326,392	3,541,481	243,240	4,239,540
Accumulated depreciation		(26,228)	(219,355)	(2,347,352)	-	(2,592,935)
Net book value at end of year	$	102,199	107,037	1,194,129	243,240	1,646,605

Reversal of impairment losses on property, machinery and equipment

During 2014 and 2017, the Group tested property machinery and equipment located in Barbados for impairment and recognised an impairment loss of $246.2 million with respect to plant and equipment. In 2021, the Group performed a valuation of the property, machinery and equipment to ascertain the fair value less cost to sell. Consequently, the Group reversed $21.8 million. The reversal of impairment losses was recorded in other income (expenses), net (note 6).

(Thousands of Trinidad and Tobago dollars)

(13) PROPERTY, MACHINERY AND EQUIPMENT, NET (continued)

		2020				
		Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress	Total
Cost at beginning of year	$	154,413	327,205	3,636,875	168,031	4,286,524
Accumulated depreciation		(32,280)	(225,682)	(2,159,704)	(42,367)	(2,460,033)
Net book value at beginning of year		122,133	101,523	1,477,171	125,664	1,826,491
Capital expenditures		-	3,243	11,818	99,034	114,095
Disposals		-	(125)	(352)	(7)	(484)
Reclassifications		(8,319)	8,023	74,567	(74,212)	59
Depreciation for the year		(1,600)	(13,310)	(135,077)	-	(149,987)
Foreign currency translation effects		(6,076)	1,486	(78,022)	(4,484)	(87,096)
Net book value at end of year	$	106,138	100,840	1,350,105	145,995	1,703,078
Cost at end of year		133,160	325,248	3,681,228	145,995	4,285,631
Accumulated depreciation		(27,022)	(224,408)	(2,331,123)	-	(2,582,553)
Net book value at end of year	$	106,138	100,840	1,350,105	145,995	1,703,078

[1] Right of use assets recorded in property, machinery and equipment are disclosed in note 22.

(14) FINANCIAL INSTRUMENTS

(14.1) SHORT-TERM AND LONG-TERM DEBT

As of December 31, 2021 and 2020, the Group´s consolidated debt summarised by interest rates and currencies, were as follows:

		2021			2020		
TYPE		Short-term	Long-term	Total	Short-term	Long-term	Total
USD floating rate debt	$	-	170,980	170,980	125,137	65,141	190,278
TTD floating rate debt		-	267,780	267,780	275,750	-	275,750
JMD fixed rate debt		-	-	-	-	146,615	146,615
	$	-	438,760	438,760	400,887	211,756	612,643
Effective rate 1							
USD floating rate debt		-	5.04%		-	4.95%	
TTD floating rate debt		-	4.04%		4.01%	-	
JMD fixed rate debt		-	-		-	7.45%	

		2021				2020			
CURRENCY		Short-term	Long-term	Total	Effective rate 1	Short-term	Long-term	Total	Effective rate 1
USD	$	-	170,980	170,980	5.04%	125,137	65,141	190,278	7.76%
TTD		-	267,780	267,780	3.37%	275,750	-	275,750	4.01%
JMD		-	-	-	-	-	146,615	146,615	7.45%
	$	-	438,760	438,760		400,887	211,756	612,643	

[1] In 2021 and 2020, the effective rate represents the weighted-average interest rate of the related debt agreements.

(Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (continued)

(14.1) SHORT-TERM AND LONG-TERM DEBT (continued)

		2021			2020		
FACILITY		**Short-term**	**Long-term**	**Total**	**Short-term**	**Long-term**	**Total**
Related party loans							
Revolving loan facilities	$	-	170,980	170,980	125,137	65,141	190,278
Bank loans							
Term loans	$	-	267,780	267,780	159,500	-	159,500
Revolving loan facilities		-	-	-	116,250	146,615	262,865
	$	-	267,780	267,780	275,750	146,615	422,365
	$	-	438,760	438,760	400,887	211,756	612,643

Changes in consolidated debt for the years ended December 31, 2021 and 2020 were as follows:

		2021	**2020**
Debt at beginning of year	$	612,643	883,182
New loans		267,780	-
Debt repayments		(276,780)	(18,000)
Net change in Revolving facilities		(154,058)	(241,375)
Capitalised interest		4,737	10,977
Foreign currency translation and accretion effects		(15,562)	(22,141)
Debt at end of year	$	438,760	612,643

The maturities of consolidated long-term debt as of December 31, 2021 and 2020, were as follows:

		2021	**2020**
2021	$	-	-
2022		-	-
2023		267,780	146,615
2024		170,980	-
2025 and thereafter		-	65,141
	$	438,760	211,756

(i) Related party loans ($171.0 million)

On May 28, 2018 and April 25, 2021 the Group negotiated revolving facilities with a related company with the following key terms:

	Maximum available	**Interest rate**	**Maturity date**
Fixed rate loan A	US$ 50,000	7.25%	May 27, 2025
Floating rate loan B	US$ 52,000	LIBOR 3M + 4.20% (effective rate 4.95%)	May 27, 2025
Floating rate loan C	US$ 50,000	LIBOR 6M + 4.96% (effective rate 5.04%)	April 25, 2024
Floating rate loan G	US$ 25,000	LIBOR 6M + 4.96% (effective rate 5.04%)	April 25, 2024

(ii) Bank loans ($267.8 million)

Trinidad and Tobago bank loans ($267.8 million)

On July 22, 2021 the Group negotiated three (3) 2-year loan facilities with the banks in Trinidad and Tobago. The terms of these loans are disclosed below:

	Maximum available	**Interest rate**	**Maturity date**
Term loan D	TTD135,000	OMO[1] 3m +305bps[2] (effective rate 3.37%)	July 22, 2023
Term loan E	TTD67,500	OMO 3m +305bps (effective rate 3.37%)	July 22, 2023
Term loan F	TTD67,500	OMO 3m +305bps (effective rate 3.37%)	July 22, 2023

[1] The abbreviation "OMO" refers to the Government of Trinidad and Tobago securities open market operation trading rate.
[2] The abbreviation "bps" means basis points. One hundred basis points equal 1%.

(Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (continued)

(14.1) SHORT-TERM AND LONG-TERM DEBT (continued)

(ii) Bank loans ($267.8 million) (continued)

The loans from the Trinidad and Tobago banks all have similar restrictions and financial covenants which mainly include: a) the consolidated ratio of debt to Operating EBITDA (the “Leverage ratio”); and b) the consolidated ratio of Operating EBITDA to interest expense (the “Coverage ratio”). These financial ratios are calculated according to the formulas established in the debt contracts using the consolidated amounts under IFRS. The Group must comply with the following ratios for each quarter:

Debt service coverage ratio	> = 1.25
Consolidated net debt to consolidated EBITDA	< = 4.25

(iii) Jamaican bank loans ($0.0 million)

	Maximum available	**Interest rate**	**Maturity date**
Revolving credit line	JMD3,076,000	7.45%	November 30, 2023

The loans from the local bank in Jamaica have financial covenants which mainly include: a) the ratio of debt to Operating EBITDA (the “Leverage ratio”); and b) the ratio of Operating EBITDA to interest expense (the “Coverage ratio”). These financial ratios are calculated according to the formulas established in the debt agreement using the amounts under IFRS. The Group must comply with a Coverage Ratio and a Leverage Ratio for each quarter as follows:

Coverage ratio	> = 1.20
Leverage ratio	< = 4.00

The company exercised the option to make early repayment and paid the balance in full during the year.

At December 31, 2021 and 2020 the Group was compliant with all terms and covenants of loan agreements.

As of December 31, 2021 and 2020, other financial obligations in the consolidated statement of financial position are detailed as follows:

		2021			**2020**		
		Short-term	**Long-term**	**Total**	**Short-term**	**Long-term**	**Total**
IFRS 16 lease liabilities (note 22)	$	7,091	19,325	26,416	7,151	21,431	28,582

Changes in consolidated IFRS 16 lease liabilities for the years ended December 31, 2021 and 2020 were as follows:

		2021	**2020**
Balance at beginning of year	$	28,582	26,945
New leases		8,638	8,573
Unwinding of discount on lease liabilities (note 7)		2,897	3,282
Payment		(10,565)	(10,439)
Cancellations and remeasurements		(2,472)	-
Foreign currency translation and accretion effects		(664)	221
Balance at end of year	$	26,416	28,582

(Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (continued)

(14.2) RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

		Short-term and long-term debt	Other financial obligations	Total		Short-term and long-term debt	Other financial obligations	Total
Balance at beginning of year	$	612,643	28,582	641,225	$	883,182	26,945	910,127
New long-term debt and leases		157,780	8,638	276,418		-	8,573	8,573
Debt repayments		(166,780)	(10,565)	(287,345)		(18,000)	(10,439)	(28,439)
Net change in Revolving facilities		(154,058)	-	(154,058)		(241,375)	-	(241,375)
Total changes from financing cash flows		(163,058)	(1,927)	(164,985)		(259,375)	(1,866)	(261,241)
Capitalised interest and unwinding of discount on lease liabilities (note 7)		4,737	2,897	7,634		10,977	3,282	14,259
Cancellations and remeasurements		-	(2,472)	(2,472)		-	-	-
Foreign currency translation and accretion effects		(15,562)	(664)	(16,226)		(22,141)	221	(21,920)
Balance at end of year	$	438,760	26,416	465,176	$	612,643	28,582	641,225

During the year, management refinanced loans due for maturity as follows:

New loan issued	$	25,000
Loan refinanced		110,000
Balance at year end	$	135,000

These were refinanced at the existing terms see note 14.1.

(14.3) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities

The carrying amounts of cash and cash equivalents, trade accounts receivable, other accounts receivable, taxation recoverable, trade payables, other current and non-current liabilities, taxation payable as well as short-term debt and other financial obligations, approximate their corresponding estimated fair values due to the short-term maturity and revolving nature of these financial assets and liabilities.

The estimated fair value of the Group´s long-term debt is level 2 and is either based on estimated market prices for such or similar instruments, considering interest rates currently available for the Group to negotiate debt with the same maturities, or determined by discounting future cash flows using market-based interest rates currently available to the Group. As of December 31, 2021 and 2020, the carrying amounts of fixed interest rate debt and their respective fair values were the same because institutions indicative rates quoted remained unchanged.

The fair value hierarchy determined by the Group for its derivative financial instruments are level 2. There is no direct measure for the risk of the Group or its counterparties in connection with the derivative instruments. Therefore, the risk factors applied for the Group's liabilities originated by the valuation of such derivatives were extrapolated from publicly available risk discounts for other public debt instruments of the Group and its counterparties.

The estimated fair value of derivative instruments fluctuates over time and is determined by measuring the effect of future relevant economic variables according to the yield curves shown in the market as of the reporting date. These values should be analysed in relation to the fair values of the underlying transactions and as part of the Group's overall exposure attributable to fluctuations in interest rates and foreign exchange rates. The notional amounts of derivative instruments do not represent amounts of cash exchanged by the parties, and consequently, there is no direct measure of the Group's exposure to the use of these derivatives. The amounts exchanged are determined on the basis of the notional amounts and other terms included in the derivative instruments.

Fair Value Hierarchy

As of December 31, 2021 and 2020, liabilities or assets carried at fair value in the consolidated statements of financial position are included in the following fair value hierarchy categories:

		2021				2020			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value									
Derivative financial instruments (note 14.4)	$	-	2,147	-	2,147	-	412	-	412

(Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (continued)

(14.4) DERIVATIVE FINANCIAL INSTRUMENTS

During the reported periods, in compliance with the guidelines established by its Risk Management Committee, the restrictions set forth by its debt agreements and its hedging strategy, the Group held derivative instruments, with the objectives of changing the risk profile and fixing the price of fuels.

As of December 31, 2021 and 2020, the notional amounts and fair values of the Group's derivative instruments were as follows:

		2021		2020	
		Notional amount	**Fair value**	**Notional amount**	**Fair value**
Fuel price hedging	$	2,147	2,147	412	412

Up to December 31, 2021, the Group maintained a forward contract negotiated with CEMEX S.A.B. de C.V. to hedge the price of diesel fuel with the objective of changing the risk profile and fixing the price of fuel. The carrying value of the hedge is included in due from related party (note 10). At December 31, 2021, the aggregate notional amount of the contract is $2.147 million (US$0.316 million) [2020: $0.412 million (US$0.061 million)], with an estimated aggregate fair value of $2.147 million (US$0.316 million) [2020: $0.412 million (US$0.061 million)]. The contract was designated as a cash flow hedge of diesel fuel consumption, and as such, changes in its fair value were recognised initially in other comprehensive income and were recycled to the income statement as the related diesel volumes are consumed. Fair value gains of a hedge contract recognised in other comprehensive income in 2020 amounting to $0.979 million (US$0.152 million) were recycled through the income statement in 2021.

(14.5) RISK MANAGEMENT

Enterprise risks may arise from any of the following situations: i) the potential change in the value of assets owned or reasonably anticipated to be owned, ii) the potential change in value of liabilities incurred or reasonably anticipated to be incurred, iii) the potential change in value of services provided, purchase or reasonably anticipated to be provided or purchased in the ordinary course of business, iv) the potential change in the value of assets, services, inputs, products or commodities owned, produced, manufactured, processed, merchandised, leased or sold or reasonably anticipated to be owned, produced, manufactured, processed, merchandised, leased or sold in the ordinary course of business, or v) any potential change in the value arising from interest rate or foreign exchange rate exposures arising from current or anticipated assets or liabilities.

In the ordinary course of business, the Group is exposed to commodities risk, including the exposure from inputs such as fuel, coal, petcoke, gypsum and other industrial materials which are commonly used by the Group in the production process, and expose the Group to variations in prices of the underlying commodities. To manage this and other risks, such as credit risk, interest rate risk, foreign exchange risk and liquidity risk, considering the guidelines set forth by the Board of Directors, which represent the Group's risk management framework and that are supervised by several Committees, the Group's management establishes specific policies that determine strategies oriented to obtain natural hedges to the extent possible, such as avoiding customer concentration on a determined market or aligning the currencies portfolio in which the Group incurred its debt, with those in which the Group generates its cash flows.

As of December 31, 2021 and 2020, these strategies are sometimes complemented with the use of derivative financial instruments as mentioned in note 14.5, such as the commodity forward contracts on fuels negotiated to fix the price of these underlying commodities.

The main risk categories are mentioned below:

(i) Credit risk

Credit risk is the risk of financial loss faced by the Group if a customer or counterparty to a financial instrument does not meet its contractual obligations and originates mainly from trade accounts receivable. As of December 31, 2021 and 2020, the maximum exposure to credit risk is represented by the balance of financial assets on the consolidated statement of financial position. Management has developed policies for the authorisation of credit to customers. Exposure to credit risk is monitored constantly according to the payment behaviour of debtors. Credit is assigned on a customer-by-customer basis and is subject to assessments which consider the customers' payment capacity, as well as past behaviour regarding due dates, balances past due and delinquent accounts. In cases deemed necessary, the Group's management requires guarantees from its customers and financial counterparties with regard to financial assets.

(Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (continued)

(14.5) RISK MANAGEMENT (continued)

(i) Credit risk

The Group's management has established a policy of low risk tolerance which analyses the creditworthiness of each new client individually before offering the general conditions of payment terms and delivery. The review includes external ratings, when references are available, and in some cases bank references. Thresholds of purchase limits are established for each client, which represent the maximum purchase amounts that require different levels of approval. Customers that do not meet the levels of solvency requirements imposed by the Group can only carry out transactions by paying cash in advance. In response to the COVID-19 pandemic, the Group has updated the forward looking analysis in its ECL model with the applicable macroeconomics projections. As of December 31, 2021, considering the Group's best estimate of potential expected losses based on the ECL model developed by the Group (note 9), the allowance for doubtful accounts was $20,939 (2019: $22,819).

On December 31, 2021 and 2020 the Group had 8 and 6 customers respectively that owed the Group more than $2 million each and which accounted for 43% and 28% respectively of all trade accounts receivable.

The Group sells its products primarily to distributors and retailers in the construction industry. The Group manages its concentration risk by frequent and diligent reviews of its largest customers' operations to ensure that it remains economically viable and will be able to settle liabilities in a timely manner.

The aged receivable balances are regularly monitored. Allowances are determined upon origination of the trade accounts receivable and are based on a model that calculates the ECL of the trade accounts receivable and are recognised over their term. The Group estimates ECL on trade accounts receivable using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers. The following table provides information about the ECL for trade accounts receivable as at December 31, 2021 and 2020.

		2021				2020		
		Accounts receivable	ECL allowance	ECL average rate		Accounts receivable	ECL allowance	ECL average rate
0-30	$	61,481	(738)	1%	$	53,904	(580)	1%
31-60		193	(18)	9%		2,111	(39)	2%
61-90		499	(47)	9%		352	(22)	6%
91-120		147	(53)	36%		35	-	0%
121-150		-	-	0%		664	(1)	0%
151-180		-	-	0%		-	-	0%
181-210		5	(2)	40%		10	-	0%
211-240		200	(105)	53%		1	(1)	100%
241-270		-	-	0%		2	(1)	50%
271-300		22	(17)	77%		106	(90)	85%
301-330		10	(9)	90%		13	(13)	100%
331-360		-	-	0%		50	(50)	100%
Specific and over 360		19,950	(19,950)	100%		22,403	(22,022)	98%
	$	82,507	(20,939)	25%	$	79,651	(22,819)	29%

Credit risks from balances with banks and financial institutions which are reputable in the local markets, are managed in accordance with 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 and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

(14) FINANCIAL INSTRUMENTS (continued)

(14.5) RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risks from other financial assets mainly comprising loans to employees, value added tax refundable and due from related companies have been assessed as being very low. Loans to employees can be recovered from employee benefits not yet paid. Value added taxes are repayable by the taxation authorities. The credit risks of balances due from government departments designated as taxation authorities are assessed to be low. Due from related parties are unsecured and no provision has been established at year end for these balances. Related parties comprise CEMEX, S.A.B. de C.V. and its subsidiaries. The settlement of related party transactions is managed by the treasury department of the CEMEX group based on clearly defined policies. These balances are due within 30 days of year end. Based to the effective administration of these policies we have assessed the credit risk of balances due from related companies is assessed to be low.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, which only affects the Group's results if the fixed-rate long-term debt is measured at fair value. All of the Group's fixed-rate long-term debt is carried at amortised cost and therefore is not subject to interest rate risk. The Group's accounting exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates, which, if such rates were to increase, may adversely affect its financing cost and the results for the period.

Nonetheless, it is not economically efficient to concentrate on fixed rates at a high point when the interest rates market expects a downward trend. That is, there is an opportunity cost for continuing to pay a determined fixed interest rate when the market rates have decreased and the entity may obtain improved interest rate conditions in a new loan or debt issuance. The Group manages its interest rate risk by balancing its exposure to fixed and variable rates while attempting to reduce its interest costs. In addition, when the interest rate of a debt instrument has turned relatively high as compared to current market rates, the Group intends to renegotiate the conditions or repurchase the debt, to the extent the net present value of the expected future benefits from the interest rate reduction would exceed the cost and commissions that would have to be paid in such renegotiation or repurchase of debt.

As of December 31, 2021 and 2020, approximately 100% and 76% was denominated in floating rates, if interest rates at that date had been 0.5% higher, with all other variables held constant, the Group's net loss (income) for 2021 and 2020 would have increased/reduced by $1,536 and $1,631, respectively, as a result of higher interest expense on variable-rate denominated debt.

As of December 31, 2021 $171 million of the Group's debt is linked to the LIBOR rate. There is no definite date to migrate to the alternate risk-free rates, although the Group considers to gradually migrate its financial instruments with no effect in the consolidated financial statements.

The Group's treasury department monitors and manages the Group's transition to alternative rates. The department evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The department reports to the Company's Board of Directors quarterly and collaborates with other business functions as needed.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. Due to its geographic diversification, the Group's revenues and costs are generated and settled in various countries and in different currencies. For the year ended December 31, 2021, approximately 29% (2020: 25%) of the Group's net sales, before eliminations resulting from consolidation, were generated in Trinidad and Tobago, 50% (2020: 53%) in Jamaica, 14% (2020: 16%) in Barbados and 7% (2020: 6%) in Guyana.

(Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (continued)

(14.5) RISK MANAGEMENT (continued)

(iii) Foreign currency risk (continued)

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

	2021			2020		
	Increase / decrease in US/Euro rate	Effect on earnings before taxation	Effect on equity	Increase / decrease in US/Euro rate	Effect on earning s before taxation	Effect on equity
Dollars	+1%	(2,336)	(1,635)	+1%	(2,279)	(1,595)
	-1%	2,336	1,635	-1%	2,279	1,595
Euros	+1%	(4)	(3)	+1%	(4)	(3)
	-1%	4	3	-1%	4	3

As of December 31, 2021, approximately 39% (2020: 31%) of the Group's financial debt was USD denominated, 61% (2020: 45%) was TTD denominated and 0% (2020: 24%) was JMD denominated. The denomination of financial debt is closely related to the amount of revenues generated in such currencies; therefore, the Group considers that the foreign currency risk related to these amounts of debt is low. Nonetheless, the Group cannot guarantee that it will generate sufficient revenues in USD, TTD and JMD from its operations to service these obligations. As of December 31, 2021 and 2020, the Group had not implemented any derivative financing hedging strategy to address this foreign currency risk. Nonetheless, the Group may enter into derivative financing hedging strategies in the future if either of its debt portfolio currency mix, interest rate mix, market conditions and/or expectations changes.

As of December 31, 2021 and 2020, the Group's consolidated net monetary assets (liabilities) by currency were as follows:

2021		Trinidad and Tobago	Jamaica	Barbados	Guyana	Total
Monetary assets	$	56,992	28,566	66,426	13,090	165,074
Monetary liabilities		(580,098)	(240,442)	(47,612)	(12,840)	(880,992)
	$	(523,106)	(211,876)	18,814	250	(715,918)
Out of which:						
USD	$	(181,227)	(71,352)	29,257	(10,324)	(233,646)
TTD		(341,715)	-	-	-	(341,715)
Euros		(164)	-	(247)	(4)	(415)
JMD		-	(140,524)	-	-	(140,524)
Other currencies		-	-	(10,196)	10,578	382
	$	(523,106)	(211,876)	18,814	250	(715,918)

2020		Trinidad and Tobago	Jamaica	Barbados	Guyana	Total
Monetary assets	$	55,342	38,009	72,824	11,452	177,627
Monetary liabilities		(493,456)	(392,485)	(27,266)	(11,543)	(924,750)
	$	(438,114)	(354,476)	45,558	(91)	(747,123)
Out of which:						
USD	$	(140,874)	(134,076)	56,800	(9,732)	(227,882)
TTD		(297,076)	-	-	-	(297,076)
Euros		(164)	-	(247)	(4)	(415)
JMD		-	(220,400)	-	-	(220,400)
Other currencies		-	-	(10,995)	9,645	(1,350)
	$	(438,114)	(354,476)	45,558	(91)	(747,123)

(Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (continued)

(14.5) RISK MANAGEMENT (continued)

(iv) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business activities and maximise shareholder value. As at the reporting date, there were no externally imposed capital ratio requirements.

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

(v) Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient funds available to meet its obligations. In addition to cash flows provided by its operating activities, in order to meet the Group's overall liquidity needs for operations, servicing debt and funding capital expenditures, the Group relies on cost-cutting and operating improvements to optimise capacity utilisation and maximise profitability, as well as borrowing under credit facilities, proceeds of debt and equity offerings, and proceeds from asset sales. The Group is exposed to risks from changes in foreign currency exchange rates, prices and currency controls, interest rates, inflation, governmental spending, social instability and other political, economic and/or social developments in the countries in which it operates, any one of which may materially affect the Group's results and reduce cash from operations. The maturities of the Group's contractual obligations are included in note14.1 and 23.

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

2021		On demand	1 year	2 to 5 years	> 5 years	Total
Borrowings..	$	-	18,017	459,435	-	477,452
Interest and finance charges		-	1,847	-	-	1,847
Trade payables		-	356,507	-	-	356,507
Due to group companies..		-	55,241	-	-	55,241
Sales and withholding tax payable		-	17,860	-	-	17,860
Interest payable		-	17,801	-	-	17,801
Advances from customers		-	54,207	-	-	54,207
	$	-	521,480	459,435	-	980,915

2020		On demand	1 year	2 to 5 years	> 5 years	Total
Borrowings..	$	-	425,275	244,097	-	669,372
Interest and finance charges..		-	2,080	-	-	2,080
Trade payables		-	240,192	-	-	240,192
Due to group companies...		-	41,254	-	-	41,254
Sales and withholding tax payable		-	17,715	-	-	41,254
Interest payable		-	17,247	-	-	41,254
Advances from customers		-	75,253	-	-	41,254
	$	-	819,016	244,097	-	1,076,660

(Thousands of Trinidad and Tobago dollars)

(15) OTHER CURRENT AND NON-CURRENT LIABILITIES

As of December 31, 2021 and 2020, consolidated other current liabilities were as follows:

		2021	2020
Provisions[1]	$	120,031	154,767
Due to group companies		55,241	41,254
Sales and withholding tax payable		17,860	17,715
Interest payable		1,847	2,080
Advances from customers		17,801	17,247
Other accounts payable and accrued expenses		54,207	75,253
		266,987	308,316

[1] Current provisions primarily consist of accrued employee benefits, insurance payments, accruals for legal assessments and others. These amounts are revolving in nature and are expected to be settled and replaced by similar amounts within the next 12 months.

Movement in consolidated provisions during 2021 and 2020 was as follows:

		2021	2020
Balance at beginning of year	$	154,767	139,152
Additions or increases in estimates		63,155	61,735
Reversals of unused amounts during the year		(31,793)	(1,461)
Amounts utilised during the year		(56,140)	(42,741)
Foreign currency translation		(9,958)	(1,918)
Balance at end of year		120,031	154,767

As of December 31, 2021 and 2020, consolidated other non-current liabilities were as follows:

		2021	2020
Rehabilitation provision	$	2,718	2,389

Movement in consolidated rehabilitation provision during 2021 and 2020 was as follows:

		2021	2020
Balance at beginning of year	$	2,736	2,814
Additions or increases in estimates		1,276	-
Decreases in estimates		(619)	(265)
Payments		(332)	-
Unwinding of discount on rehabilitation provision		216	384
Foreign currency translation		(209)	(197)
Balance at end of year	$	3,068	2,736

Rehabilitation provision is disclosed in the statement of consolidated financial position under the following captions:

		2021	2020
Other current liabilities	$	350	347
Other non-current liabilities		2,718	2,389
	$	3,068	2,736

(Thousands of Trinidad and Tobago dollars)

(16) PENSIONS AND POST-EMPLOYMENT BENEFITS

Defined contribution pension plans

The Group participates in a defined contribution pension plan which is managed by an independent party. This plan is mandatory for all categories of permanent employees of CCCL and its subsidiaries. Contributions are 10% of pensionable salary for both employee and employer. The amount of annual pension at any date shall be that pension which can be secured by the accumulated contribution plus interest to that date. The Group's contributions in the year amounted to $2,451 (2020: $2,451).

Defined benefit pension plans

The plans expose the Group to currency, interest rate, market risks and actuarial risks such as longevity.

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.

The Parent Company's employees and employees of TPL and RML are members of the Trinidad Cement Limited Employees' Pension Fund Plan (the Plan). This is a defined benefit pension plan which provides pensions related to employees' length of service and basic earnings at retirement. The Plan's financial funding position is assessed by means of triennial actuarial valuations carried out by an independent professional actuary. The Actuarial Valuation report (the Report) as at December 31, 2018 revealed that the TCL section was in surplus by $9,554 and the RML section by $3,728 but the TPL section was in deficit by $7,292. The next triennial actuarial valuation as at December 31, 2021 is due to be completed.

The 2018 report recommended service contribution rates for TCL, RML and TPL as a percentage of salaries of 10%, 15.7% and 19.3% respectively.

Projected benefit obligations were computed by qualified actuaries using the projected unit credit method to determine the present value of defined benefit obligations for the years ended December 31, 2021 and 2020.

The Group offers post-retirement medical benefits to retirees of TCL, TPL and the CCCL group whereby the Group pays premiums for medical health insurance policies for retired employees and their spouses.

Actuarial results related to pension and other post-retirement benefits are recognised in earnings and/or in OCI for the period in which they are generated, as appropriate. For the years ended December 31, 2021 and 2020, the effects of pension plans and other post-employment benefits are summarised as follows:

		Pensions		Other benefits		Total	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**
Net period cost (income):							
Recorded in operating costs and expenses							
Service cost	$	12,278	15,824	4,576	3,891	16,854	19,715
Past service cost		(2,079)	-	(28,170)	-	(30,249)	-
	$	10,199	15,824	(23,594)	3,891	(13,395)	19,715
Recorded in other financial expenses							
Net interest cost	$	(3,258)	(2,175)	13,713	9,969	10,455	7,794
Recorded in other comprehensive income							
Return on plan assets	$	(61,091)	25,060	-	-	(61,091)	25,060
Actuarial (gains) losses for the period		(24,006)	(33,109)	(20,545)	65,567	(44,551)	32,458
	$	(85,097)	(8,049)	(20,545)	65,567	(105,642)	57,518
		(78,156)	5,600	(30,426)	79,427	(108,582)	85,027

(Thousands of Trinidad and Tobago dollars)

(16) PENSIONS AND POST-EMPLOYMENT BENEFITS (continued)

Defined benefit pension plans (continued)

For the years 2021 and 2020, actuarial (gains) losses for the period were generated by the following main factors as follows:

		Pensions		Other benefits		Total	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**
Actuarial (gains) losses due to experience	$	(14,622)	(18,045)	(19,115)	73,341	(33,737)	55,296
Actuarial (gains) losses due to demographic assumptions		-	-	-	-	-	-
Actuarial (gains) losses due financial assumptions		(9,384)	(15,064)	(1,430)	(7,774)	(10,814)	(22,838)
	$	(24,006)	(33,109)	(20,545)	65,567	(44,551)	32,458

As of December 31, 2021 and 2020, the reconciliation of the actuarial benefit obligation and pension plan assets, are presented as follows:

		Pensions		Other benefits		Total	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**
Change in benefit obligation:							
Projected benefit obligation at beginning of the period	$	(928,548)	(940,591)	(238,240)	(170,627)	(1,166,788)	(1,111,218)
Service cost............		(9,926)	(15,566)	23,594	(3,891)	13,668	(19,457)
Interest cost............		(51,221)	(52,333)	(13,733)	(9,969)	(64,954)	(62,302)
Actuarial (gains) losses...................		24,006	33,109	20,545	(65,567)	44,551	(32,458)
Employee contributions.........		(3,727)	(4,277)	-	-	(3,727)	(4,277)
Benefits paid...........		49,374	51,440	9,033	8,784	58,407	60,224
Foreign currency translation............		13	(330)	3,655	3,030	3,668	2,700
Projected benefit obligation at end of the period	$	(920,029)	(928,548)	(195,146)	(238,240)	(1,115,175)	(1,166,788)

		Pensions		Other benefits		Total	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**
Change in plan assets:							
Fair value of plan assets at beginning of the period	$	978,349	989,508	-	-	978,349	989,508
Administrative costs		(273)	(257)	-	-	(273)	(257)
Return on plan assets		115,574	29,447	-	-	115,574	29,447
Actuarial (gains) losses..		-	-	-	-	-	-
Employee contributions...		3,371	3,917	-	-	3,371	3,917
Employer contributions..		5,731	6,884	-	-	5,731	6,884
Benefits paid..		(49,374)	(51,440)	-	-	(49,374)	(51,440)
Foreign currency translation		25	290	-	-	25	290
Fair value of plan assets at end of the period	$	1,053,403	978,349	-	-	1,053,403	978,349
Net projected asset (liability) in the consolidated statement of financial position.............................	$	133,374	49,801	(195,146)	(238,240)	(61,772)	(188,439)

(Thousands of Trinidad and Tobago dollars)

(16) PENSIONS AND POST-EMPLOYMENT BENEFITS (continued)

Defined benefit pension plans (continued)

Employee benefits are disclosed in the consolidated statement of financial position under the following captions:

		2021	2020
Non-current assets	$	133,374	54,424
Non-current liabilities		(195,146)	(242,863)
	$	(61,772)	(188,439)

As of December 31, 2021 and 2020, the major categories of plan assets are, as follows:

		2021				2020			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash	$	61,741	-	-	61,741	56,164	-	-	56,164
Equities		532,344	-	-	532,344	447,263	-	-	447,263
Bonds		-	456,907	-	456,907	-	472,782	-	472,782
Mortgages		-	-	2,411	2,411	-	-	2,140	2,140
Total plan assets	$	594,085	456,907	2,411	1,053,403	503,427	472,782	2,140	978,349

The most significant assumptions used in the determination of the benefit obligation were as follows:

	2021			2020		
	Trinidad and Tobago	Jamaica	Barbados	Trinidad and Tobago	Jamaica	Barbados
	%	%	%	%	%	%
Discount rates	6.00	9.00	8.30	5.50	7.50	7.75
Rate of return on plan assets	3.20	-	7.75	3.20	-	7.75
Rate of salary increases	4.50	-	4.80	4.50	-	6.75
Future medical premium increases	5.00	11.50	-	5.00	6.00	-
	Years	Years	Years	Years	Years	Years
Post retirement mortality for retirees at age 60: Male	21.80	-	-	21.70	-	-
Post retirement mortality for retirees at age 60: Female	26.10	-	-	26.00	-	-

In Jamaica post-employment mortality for active members and mortality for pensioners is based on the 1994 Group Annuity Mortality Tables (GAM 94 table) (U.S. mortality tables) with no age setback. In Barbados post-employment mortality for active members and mortality for pensioners is based on 1994 Uninsured Pensioner Generational Tables with Projection Scale AA.

(Thousands of Trinidad and Tobago dollars)

(16) PENSIONS AND POST-EMPLOYMENT BENEFITS (continued)

Defined benefit pension plans (continued)

The Group expects to contribute $13.9 million to its pension and other post-retirement benefits in 2021.

As of December 31, 2021 and 2020, the aggregate projected benefit obligation ("PBO") for pension plans and other post-employment benefits and the plan assets by country were as follows:

	2021			2020		
	PBO	**Assets**	**Deficit**	**PBO**	**Assets**	**Deficit**
Trinidad and Tobago	(1,026,642)	996,635	(30,007)	(1,085,697)	932,516	(153,181)
Jamaica	(49,238)	-	(49,238)	(42,046)	-	(42,046)
Barbados	(39,295)	56,768	17,473	(39,045)	45,833	6,788
	(1,115,175)	1,053,403	(61,772)	(1,166,788)	978,349	(188,439)

Sensitivity analysis of pension and other post-employment benefits during the reported periods

For the year ended December 31, 2021, the Group performed sensitivity analyses on the most significant assumptions that affect the PBO, considering reasonable independent changes of plus or minus 50 basis points in each of these assumptions. The increase (decrease) that would have resulted in the PBO of pensions and other post-employment benefits as of December 31, 2021 are shown below:

		Pensions		Other benefits		Total	
Assumptions:		**+50 bps**	**-50 bps**	**+50 bps**	**-50 bps**	**+50 bps**	**-50 bps**
Discount rate sensitivity	$	(51,522)	57,198	(16,095)	19,340	(67,617)	76,538
Salary increase rate sensitivity		12,753	(11,910)			12,753	(11,910)
Future medical premium increases sensitivity		-	-	19,386	(16,116)	19,386	(16,116)

Assumptions:		**Pensions +1 year**	**Other benefits +1 year**	**Total +1 year**
Life expectancy of pensioners	$	14,149	8,003	22,152

(17) TAXATION

(17.1) TAXATION EXPENSE FOR THE PERIOD

The amounts of taxation expense in the consolidated income statement for 2021 and 2020 are summarised as follows:

		2021	**2020**
Current taxation expense	$	(59,435)	(45,209)
Deferred taxation expense		6,175	(33,466)
	$	(53,260)	(78,675)

(Thousands of Trinidad and Tobago dollars)

(17) TAXATION (continued)

(17.2) DEFERRED TAXATION

As of December 31, 2021 and 2020, the main temporary differences that generated the consolidated deferred taxation assets and liabilities are presented below:

		2021	2020
Deferred taxation assets:			
Tax loss carryforwards and other tax credits	$	29,734	44,084
Trade payables and other liabilities		13,963	7,424
Other post-retirement benefits		70,867	80,675
Total deferred taxation assets, net	$	114,564	132,183
Deferred taxation liabilities:			
Property, machinery and equipment	$	(180,190)	(187,424)
Others		(18,931)	(14,466)
Total deferred taxation liabilities, net	$	(199,121)	(201,890)
Net deferred taxation liabilities	$	(84,557)	(69,707)

Net deferred tax assets (liabilities) by reportable segment for the years ended December 31, 2021 and 2020 were as follows:

		2021	2020
Trinidad and Tobago	$	(1,921)	12,491
Jamaica		(82,636)	(81,503)
Guyana		-	(695)
	$	(84,557)	(69,707)

Movement in consolidated deferred taxation during 2021 and 2020 were as follows:

		2021	2020
Balance as of January 1	$	(69,707)	(58,083)
Deferred taxation credited (charged) to the income statement		6,175	(33,466)
Deferred taxation (charged) credited to other comprehensive income		(29,043)	16,990
Foreign currency translation		8,018	4,852
Balance as of December 31	$	(84,557)	(69,707)

(Thousands of Trinidad and Tobago dollars)

(17) TAXATION (continued)

(17.2) DEFERRED TAXATION (continued)

Deferred taxation relative to items of other comprehensive income during 2021 and 2020 were as follows:

		2021	2020
Taxation effects relative to actuarial (gains) and losses	$	(29,043)	16,990
	$	(29,043)	16,990

For the recognition of deferred taxation assets, the Group analyses the aggregate amount of self-determined tax loss carryforwards included in its income tax returns in each country where the Group believes, based on available evidence, that the tax authorities would not reject such tax loss carryforwards; and the likelihood of the recoverability of such tax loss carryforwards prior to their expiration through an analysis of estimated future taxable income. If the Group believes that it is probable that the tax authorities would reject a self-determined deferred taxation asset, it would decrease such asset. Likewise, if the Group believes that it would not be able to use a tax loss carryforward before its expiration or any other tax asset, the Group would not recognise such asset. Both situations would result in additional income tax expense for the period in which such determination is made. With the objective to determine whether it is probable that deferred taxation assets will ultimately be realised, the Group takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, expansion plans, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, tax planning strategies and future reversals of existing temporary differences. In addition, every reporting period, the Group analyses its actual results versus its estimates, and adjusts, as necessary, its tax asset valuations. If actual results vary from the Group's estimates, the deferred taxation asset may be affected, and necessary adjustments will be made based on relevant information. Any adjustments recorded will affect the Group's consolidated income statement in such a period.

As of December 31, 2021 and 2020, consolidated tax loss and tax credits carryforwards expire as follows:

		2021				2020		
		Total	**Unrecognised**	**Recognised**		**Total**	**Unrecognised**	**Recognised**
2022	$	69,939	69,939	-	$	69,959	69,959	-
2023		21,446	21,446	-		21,442	21,442	-
2024		123,337	123,337	-		123,372	123,372	-
2025 and thereafter		966,772	867,657	99,115		960,412	817,732	142,680
	$	1,181,494	1,082,739	99,115	$	1,715,185	1,032,505	142,680

(17.3) RECONCILIATION OF EFFECTIVE TAXATION RATE

		2021	2020
Earnings before taxation	$	243,679	93,894
Taxation charge		(53,260)	(78,675)
Effective consolidated income tax rate[1]	$	(22%)	(84%)

[1] The average effective tax rate equals the net amount of income tax revenue or expense divided by income or loss before income taxes, as these line items are reported in the consolidated income statement.

(Thousands of Trinidad and Tobago dollars)

(17) TAXATION (continued)

(17.3) RECONCILIATION OF EFFECTIVE TAXATION RATE (continued)

Differences between the financial reporting and the corresponding tax basis of assets and liabilities and the different tax rates and laws applicable to the Group, among other factors, give rise to permanent differences between the statutory tax rate applicable in Trinidad and Tobago, and the effective tax rate presented in the consolidated income statement, which in 2021 and 2020 were as follows:

	2021		2020	
	%	$	%	$
Trinidad and Tobago statutory tax rate	30.0%	73,104	30.0%	28,168
Net expenses non-deductible for tax purposes	6.4%	15,664	54.0%	50,731
Adjustments due to accounting consolidation	5.9%	14,490	12.0%	11,309
Other accounting consolidation effects for TCL	(14.4%)	(35,100)	(22.2%)	(20,805)
Business and green fund levies	2.3%	5,504	5.4%	5,062
Differences in the income tax rates in the countries where the Group operates[1]	0.4%	997	1.2%	1,101
Tax credit effect	(3.1%)	(7,646)	(10.0%)	(9,429)
Others	(5.6%)	(13,732)	13.4%	12,538
Effective consolidated tax rate	21.9%	53,281	83.8%	78,675

(17.4) UNCERTAIN TAX POSITIONS AND SIGNIFICANT TAX PROCEEDINGS

Uncertain tax positions

As at December 31, 2021, a deferred taxation asset of $324.7 million (2020: $333.5 million) in relation to tax losses available for reducing future tax payments was not recognised in the consolidated statement of financial position given a level of uncertainty regarding their utilization within a reasonable time.

In Trinidad and Tobago, the Group has tax losses of $778.8 million (2020: $826.7 million) available for set off against future taxable profits. These losses do not expire. Tax returns are subject to audit by the Board of Island Revenue ("BIR") within six years of being filed with the BIR.

In Barbados, $398.7 million of tax losses (2020: $399.5 million) are available for set off against future taxable profits. These tax losses expire over a 6-year period ending in 2028.

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

Significant tax proceedings

The Group's significant tax proceedings are detailed in note 21.1.

(18) SHAREHOLDERS' EQUITY

(18.1) STATED CAPITAL

As of December 31, 2021 and 2020, the breakdown of stated capital was as follows:

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

		2021	2020
Issued and fully paid			
374,647,704 ordinary shares of no par value	$	827,732	827,732

All ordinary shares rank equally with regard to the Company's assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

(Thousands of Trinidad and Tobago dollars)

(18) SHAREHOLDERS' EQUITY (continued**)**

(18.2) UNALLOCATED ESOP SHARES

		Thousands of shares 2021	2020
Employee share ownership plan			
Number of shares held - unallocated		2,845	2,845
Number of shares held - allocated		3,447	3,447
		6,292	6,292
Cost of unallocated ESOP shares	$	20,019	20,019
Fair value of shares held - unallocated	$	10,185	7,113
Fair value of shares held - allocated		12,340	8,618
	$	22,525	15,731
Charge to the consolidated income statement for provision of shares allocated to employees	$	-	-

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 ESOP 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 ESOP as well as to carry out the necessary administrative functions.

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

(18.3) OTHER EQUITY RESERVES

As of December 31, 2021 and 2020 other equity reserves are summarised as follows:

		2021	2020
At beginning of period	$	(305,320)	(291,938)
Currency translation (note 18.3 (i))		(20,798)	(14,129)
Change in fair value of cash flow hedge (note 18.3 (ii))		891	747
		(19,907)	(13,382)
	$	(325,227)	(305,320)

(i) Foreign currency translation account

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

(ii) Hedging reserve

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

Up to December 31, 2021, the Group maintained a forward contract negotiated with CEMEX S.A.B. de C.V. to hedge the price of diesel fuel with the objective of changing the risk profile and fixing the price of fuel. The carrying value of hedge the price of diesel fuel is included in account receivable from related party. At December 31, 2021, the aggregate notional amount of the contract is $2.147 million (US$0.316 million) [2020: $0.412 million (US$0.061 million)], with an estimated aggregate fair value of $2.147 million (US$0.316 million) [2020: $0.412 million (US$0.061 million)]. The contract was designated as a cash flow hedge of diesel fuel consumption, and as such, changes in its fair value were recognised initially in other comprehensive income and were recycled to the income statement as the related diesel volumes are consumed. Fair value gains of a hedge contract recognised in other comprehensive income in 2020 amounting to $0.979 million (US$0.152 million) were recycled through the income statement in 2021.

(Thousands of Trinidad and Tobago dollars)

(18) SHAREHOLDERS' EQUITY (continued**)**

(18.4) RESERVES - OCI MOVEMENTS

		Hedging Reserve	Foreign Currency Translation Account	Retained Earnings	Total
2021					
Currency translation	$	-	(34,302)	-	(34,302)
Change in fair value of cash flow hedge		1,203	-	-	1,203
Remeasurement gains on pension plans and other post-retirement benefits		-	-	76,599	76,599
	$	1,203	(34,302)	76,599	43,500
2020					
Currency translation	$	-	(24,457)	-	(24,457)
Change in fair value of cash flow hedge		1,008	-	-	1,008
Remeasurement gains on pension plans and other post-retirement benefits		-	-	(40,528)	(40,528)
	$	1,008	(24,457)	(40,528)	(63,977)

(18.5) NON-CONTROLLING INTEREST

Material Partly Owned Subsidiaries - (Non-controlling Interests)

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

Proportion of equity held by non-controlling interests:

Name	Country of Incorporation and Operation	2021	2020
Caribbean Cement Company Limited (Group)	Jamaica	26%	26%
Readymix (West Indies) Limited	Trinidad and Tobago	1.67%	1.72%
TCL Packaging Limited	Trinidad and Tobago	20%	20%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago	35%	35%

		2021	2020
Accumulated balances of material non-controlling interests			
Caribbean Cement Company Limited (Group)	$	109,218	73,720
Readymix (West Indies) Limited		1,673	1,339
TCL Packaging Limited		7,779	8,587
TCL Ponsa Manufacturing Limited		7,051	6,679
	$	125,721	90,325

		2021	2020
Net income (loss) allocated to material non-controlling interests			
Caribbean Cement Company Limited (Group)	$	50,287	39,222
Readymix (West Indies) Limited		174	253
TCL Packaging Limited		(1,186)	(876)
TCL Ponsa Manufacturing Limited		371	799
	$	49,646	39,398

(Thousands of Trinidad and Tobago dollars)

(18) SHAREHOLDERS' EQUITY (continued)

(18.5) NON-CONTROLLING INTEREST (continued)

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

Summarised income statement for 2021:

		Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited
Revenue	$	1,064,409	76,516	11,743	28,469
Cost of sales		(625,070)	(56,566)	(9,607)	(24,308)
Operating expenses		(112,956)	(6,421)	1,313	(1,704)
Other expenses, net		(19,700)	792	(4,595)	(1,299)
Financial expenses, net		(51,255)	383	(401)	(97)
Earnings before taxation		255,428	14,704	(1,547)	1,061
Taxation charge		(61,381)	(7,136)	(4,317)	-
Net earnings from continuing operations	$	194,047	7,568	(5,864)	1,061
Total comprehensive income (loss)	$	137,409	14,529	(4,037)	1,061
Non-controlling interest	$	35,589	243	(808)	372

Summarised income statement for 2020

		Caribbean Cement Company Limited	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited
Revenue	$	953,854	82,397	59,222	27,352
Cost of sales		(521,092)	(61,435)	(56,488)	(21,124)
Operating expenses		(113,372)	(7,488)	(3,326)	(2,644)
Other expenses, net		(23,434)	(3,503)	(4,395)	(1,300)
Financial expenses, net		(86,096)	(75)	(293)	(1)
Earnings before taxation		209,860	9,896	(5,280)	2,283
Taxation charge		(58,514)	775	197	-
Net earnings (loss) from continuing operations	$	151,346	10,671	(5,083)	2,283
Total comprehensive income (loss)	$	118,120	10,671	(5,083)	2,283
Non-controlling interest	$	30,593	280	(1,305)	799

Summarised statement of financial position as at December 31, 2021:

		Caribbean Cement Company Limited (Group)	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited
Inventories, cash and bank balances and other current assets	$	185,836	43,379	26,534	24,074
Property, machinery and equipment and other non-current assets		1,016,542	89,312	20,415	2,290
Trade and other payables and other current liabilities		(310,728)	(43,179)	(4,985)	(6,219)
Interest bearing loans, borrowings and deferred tax and other non-current liabilities		(162,145)	(16,753)	(3,068)	-
Total equity	$	729,505	72,759	38,896	20,145
Attributable to:					
Equity holders of parent		619,817	71,543	31,117	13,094
Non-controlling interests		109,688	1,216	7,779	7,051
	$	729,505	72,759	38,896	20,145

(Thousands of Trinidad and Tobago dollars)

(18) SHAREHOLDERS' EQUITY (continued)

(18.5) NON-CONTROLLING INTEREST (continued)

Summarised statement of financial position as at December 31, 2020:

		Caribbean Cement Company Limited (Group)	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited
Inventories, cash and bank balances and other current assets	$	157,000	36,696	47,437	19,679
Property, machinery and equipment and other non-current assets		1,093,181	89,352	25,773	2,478
Trade and other payables and other current liabilities		(263,163)	(51,497)	(10,536)	(3,073)
Interest bearing loans, borrowings and deferred tax and other non-current liabilities		(360,340)	(16,321)	(19,741)	-
Total equity	$	626,678	58,230	42,933	19,084
Attributable to:					
Equity holders of parent		552,958	56,891	34,346	12,405
Non-controlling interests		73,720	1,339	8,587	6,679
	$	626,678	58,230	42,933	19,084

Summarised cash flow information for the year ended December 31, 2021:

		Caribbean Cement Company Limited (Group)	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited
Operating	$	317,018	5,989	(5,533)	23
Investing		(75,203)	(6,037)	1,184	-
Financing		(253,757)	-	-	-
	$	(11,942)	(48)	(4,349)	23

Summarised cash flow information for the year ended December 31, 2020:

		Caribbean Cement Company Limited (Group)	Readymix (West Indies) Limited	TCL Packaging Limited	TCL Ponsa Manufacturing Limited
Operating	$	331,919	8,076	(816)	1,708
Investing		(37,020)	(4,273)	(206)	(55)
Financing		(297,283)	-	-	-
	$	(2,384)	3,803	(1,022)	1,653

(19) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income attributable to ordinary equity holders of the Company (the numerator) by the weighted-average number of shares outstanding (the denominator) during the period. The balance of the TCL Employee Share Ownership Plan (ESOP) relating to the cost of unallocated shares held by the ESOP is presented as a separate component in equity. The weighted average number of unallocated shares held by the ESOP 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.

(19) EARNINGS PER SHARE (continued)

The amounts considered for calculations of earnings per share in 2021 and 2020 were as follows:

		2021	2020
Denominator (thousands of shares)			
Weighted-average number of shares outstanding	$	374,648	374,648
Weighted average number of unallocated shares held by the ESOP		(2,845)	(2,845)
Weighted-average number of shares	$	371,803	371,803
Numerator			
Net earnings from continuing operations	$	190,419	15,219
Less: non-controlling interest net income		(49,646)	(39,398)
Controlling interest net loss from continuing operations	$	140,773	(24,179)
Controlling interest net loss from continuing operations – for basic earnings per share calculations		140,773	(24,179)
Controlling interest net loss from continuing operations – for diluted earnings per share calculations	$	140,773	(24,179)

	2021	2020
Basic and diluted earnings per share		
Controlling interest basic earnings per share	0.3786	(0.0650)
Controlling interest basic earnings per share from continuing operations	0.3786	(0.0650)

(20) COMMITMENTS

(20.1) GUARANTEES AND PLEDGED ASSETS

On April 26, 2017, Trinidad Cement Limited repaid the Amended and Restated Credit Agreement loan (“5-yr syndicated loan”) with the proceeds of a revolving loan from a related party. Therefore, the Group’s assets which were pledged as security are expected to be released once the discharge instruments are lodged at the relevant government agency.

(20.2) OTHER COMMITMENTS

The Group has contractual capital commitments of $27 million as at December 31, 2021 and $12.7 million as at December 31, 2020.

(21) LEGAL PROCEEDINGS

(21.1) CONTINGENCIES FROM LEGAL PROCEEDINGS

The Group is involved in various legal proceedings, which have not required the recognition of accruals, considering that the probability of loss is less than probable or remote. In certain cases, a negative resolution may represent a decrease in future revenues, an increase in operating costs or a loss. Nonetheless, until all stages in the procedures are exhausted in each proceeding, the Group cannot assure the achievement of a final favourable resolution. There are contingent liabilities which have not been recognised amounting to $18.3 million (2020:$14.1 million) for various claims, assessments, bank guarantees and bonds against the Group. Included therein, are primarily industrial relations matters which are currently occupying the attention of the industrial court, pending legal actions and other claims in which the Group is involved. Based on the information provided by the Group's attorneys at law, owing to the uncertainty of the outcome of these possible liabilities, no provision has been made in these consolidated financial statements in respect of these matters.

(Thousands of Trinidad and Tobago dollars)

(21) LEGAL PROCEEDINGS (continued)

(21.1) CONTINGENCIES FROM LEGAL PROCEEDINGS (continued)

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

Fiscal Year	Disallowed Expenditure	Additional Tax Assessed
2010	$ 247.4 M	$ 12.9 M
2011	$ 129.3 M	30.8 M

The two matters of the Parent Company were heard together on March 24, 2021 and it was indicated that the respondent informed that they were not amenable to resolving the matters amicably and requested that that the Court give directions to further both matters. It was ordered for both matters that Statement of Agreed Facts filed on or before May 14, 2021. An adjourned date was set after the filing of the Statement of agreed facts to confirm whether affidavit evidence is required. The matter was adjourned to November 11, 2021, at which point the trial date of March 21, 2022 was reserved. The Company's witness statements have been finalised and were sent to the Court on January 28, 2022.

During 2021, we were successful in opposing the BIR's application at the Court of Appeal. The Court agreed with the arguments in its totality made by us and additionally the Court agreed that the Appellant's application would not have met the criteria necessary to grant an extension of time in any event. Even though the BIR had the option to appeal this decision and had 21 days from the decision at the Court of Appeal to file for leave to appeal to the Privy Council, the BIR decided not to appeal and then the cases for years 2007, 2008 and 2009 were closed.

The subsidiary in Guyana (the subsidiary) was given a commitment by the Government of Guyana in 2006 to have the corporate tax rate for non-commercial companies of 30 percent made applicable to its operations. Subsequent action by the Guyana Revenue Authority (the GRA) held that the corporate tax rate for commercial companies of 40 percent was applicable. The subsidiary computes its corporation tax liability on the basis of the original commitment received while it contests through court action failure to honour the original commitment. The next hearing date to be confirmed. As at December 31, 2020 no new date has been given but the Arbitrators posed further questions to the parties. No timeline was fixed for the submission. The responses to the further questions were submitted by external counsel on January 20, 2021. A response dated January 21, 2021, was submitted by TGI to the arbitrators. No provision has been made in these consolidated financial statements for the higher tax rate as the possible liability is not considered probable.

(22) LEASES

The Group leases real estate (property, warehouse and factory facilities) and machinery and equipment (mobile equipment and motor vehicles). Real estate leases have a term of 3 to 20 years and machinery equipment leases have a term of 3 to 5 years. Some leases provide for periodic renegotiation of payments to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements. As described in note 2.1 the Group adopted IFRS 16 Leases effective January 1, 2019.

(Thousands of Trinidad and Tobago dollars)

(22) LEASES (continued)

The following balances were included in property, machinery and equipment (note 14)

		2021				2020		
		Buildings	Machinery and equipment	Total		Buildings	Machinery and equipment	Total
Cost at end of year	$	20,325	18,936	39,261	$	20,060	12,273	32,333
Accumulated depreciation		(5,919)	(6,173)	(12,092)		(2,831)	(3,606)	(6,437)
Net book value at beginning of year		14,406	12,763	27,169		17,229	8,667	25,896
Additions to right-of-use assets included in Capital Expenditures		3,131	5,507	8,638		1,271	7,302	8,573
Depreciation		(4,012)	(2,961)	(6,973)		(3,209)	(4,885)	(8,094)
Remeasurements and cancellations		2,100	(5,226)	(3,126)		(885)	1,679	794
Net book value at end of year	$	15,625	10,083	25,708	$	14,406	12,763	27,169
Cost at end of year		21,862	17,887	39,749		20,325	18,936	39,261
Accumulated depreciation		(6,237)	(7,804)	(14,041)		(5,919)	(6,173)	(12,092)
Net book value at end of year	$	15,625	10,083	25,708	$	14,406	12,763	27,169

The following balances were included in the consolidated statement of cashflows	2021	2020
	$	$
Depreciation	6,973	8,094
Interest expense on lease liabilities	2,897	3,282
Additions to right-of-use assets	(8,638)	(8,573)
Interest paid	(2,897)	(3,282)
New loans	8,638	8,573
Repayment of loans	(7,668)	(7,157)

The following balances were included in the consolidated income statement	2021	2020
	$	$
Lease expense of low value assets	186	386
Lease expense of short-term leases	16,949	17,480

The table below summarises the maturity profile of the Group's lease liabilities at December 31. The balance includes future interest over the remaining term to maturity and therefore would differ from the carrying amounts shown in the consolidated statement of financial position.

		2021				2021			
		1 year	2 to 5 years	> 5 years	Total	1 year	2 to 5 years	> 5 years	Total
Lease liabilities	$	7,091	12,566	6,759	26,416	7,151	10,690	10,741	28,582
Interest		2,368	4,810	1,259	8,437	2,330	5,312	2,086	9,728
Total lease payments	$	9,459	17,376	8,018	34,853	9,481	16,002	12,827	38,310

(23) RELATED PARTIES

All significant balances and transactions between the entities that constitute the Group have been eliminated in the preparation of the consolidated financial statements. These balances with related parties resulted primarily from: (i) the sale and purchase of goods between group entities; (ii) the invoicing of administrative services and other services rendered between group entities; and (iii) loans between related parties. When market prices and/or market conditions are not readily available, the Group conducts transfer pricing studies in the countries in which it operates to ensure compliance with regulations applicable to transactions between related parties.

(Thousands of Trinidad and Tobago dollars)

(23) RELATED PARTIES (continued)

The Group has entered into related party transactions with CEMEX S.A.B. de C.V. ("CEMEX"). The following table provides the total amount of transactions and balances at year end that have been entered into with the CEMEX Group for the relevant financial year:

	2021	2020
	$	$
Sales for the year	43,564	45,362
Purchases for the year	187,962	94,994
Management fee expenses	26,534	30,142
Due from related companies	6,911	9,672
Due to related companies	55,241	41,254
Long-term debt (note 14)	170,980	190,277
Interest charges	12,224	24,004

Outstanding trade receivables and trade payable balances are unsecured and interest free and no provision has been established at year end for these balances.

The Group has entered into related party transactions with East Lake Development Company Limited. The following table provides the total amount of transactions and balances for the years ended December 31, 2021 and 2020 that have been entered into with the East Lake Development Company Limited for the relevant financial year:

	2021	2020
	$	$
Sales to East Lake Development Company Limited	3,079	3,242
Surplus from the disposal of land to the East Lake Development Company	10,137	10,702
Trade accounts receivable	29	1,092

Key management compensation of the Group	**2021**	**2020**
	$	$
Short-term employment benefits	12,129	10,015
Pension plan and post-retirement benefits	377	358
Directors' fees	508	703

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

(24) GOODWILL

	2021	2020
	$	$
Cost	269,147	269,147
Accumulated impairment	(269,147)	(269,147)
Net book amount	-	-

Goodwill was acquired through business combinations with Caribbean Cement Company Limited and subsidiaries of Readymix (West Indies) Limited. The recoverable amount of business units has been determined using pre-tax cash flow projections approved by the Board of Directors and applying sensitivity analysis to the data.

The recoverable amount of the cash generating units was determined using value in use calculations. The calculation of value in use is most sensitive to assumptions regarding market share, gross margins and discount rates. Goodwill in these business combinations were impaired in 2012.

(Thousands of Trinidad and Tobago dollars)

(25) MAIN SUBSIDIARIES

The Group's subsidiaries are as follows:

Subsidiary	**Principal activities**	**% Interest 2021**	**% Interest 2020**
Readymix (West Indies) Limited	Concrete batching	98.33	98.28
TCL Packaging Limited	Packaging production	80.00	80.00
TCL Ponsa Manufacturing Limited	Packaging production	65.00	65.00
TCL Leasing Limited	Leasing	100.00	100.00
RML Property Development Limited	Property development	100.00	100.00
Caribbean Cement Company Limited	Cement production	74.10	74.10
Rockfort Mineral Bath Complex Limited	Spa facility	74.10	74.10
Arawak Cement Company Limited	Cement production	100.00	100.00
TCL Trading Limited (non-trading)	Cement distribution	100.00	100.00
TCL (Nevis) Limited	Holding company	100.00	100.00
TCL Guyana Inc.	Cement distribution	100.00	100.00
Arawak Concrete Solutions Limited (non-trading)	Concrete batching	100.00	100.00
TTLI Trading Limited	Cement distribution	100.00	100.00
TGI Concrete Solutions Inc. (non-trading)	Concrete batching	100.00	100.00
TCL (Grenada) Limited (non-trading)	Cement distribution	100.00	100.00

(26) SUBSEQUENT EVENTS

On January 21, 2022 TCL and some of its subsidiaries signed Services and Intellectual Property Agreements ("the Agreements") with various subsidiaries of CEMEX according to the terms and conditions approved at its Annual General Meeting of Shareholders held on December 7, 2021. Under these agreements, the Group and CEMEX have established a general framework for the corporate services provided by CEMEX to the Group, as well as the payment of royalties for the use of intellectual property owned by CEMEX and licensed by the Group, for a fee not exceeding 4% of the Group's consolidated net sales. During the year 2022, the annual fee applicable to the Agreements shall be equal to 2% of the consolidated net sales of the Group to third parties.