CARIB CEMENT

BUILDING A GREATER JAMAICA

ANNUAL REPORT 2020

ALWAYS RESILIENT

CEMEX

Building a better future

CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

Contents

OUR MISSION

Caribbean Cement Company Limited is committed to meeting the needs of its customers by providing high-quality building solutions in an environmentally friendly manner, through a competent, inspired and motivated team, thereby achieving the financial objectives of its shareholders, whilst adding value to the community.

COMPANY OVERVIEW

Caribbean Cement Company Limited (CCCL) is a publicly listed company which has been in operation since 1952 and is the sole manufacturer of Portland and blended cement in Jamaica. Its main plant and operations are situated in Rockfort, Kingston with additional quarry operations in both St. Andrew and St. Thomas. CCCL produces high quality products using 100% indigenous raw materials, all mined within 10 miles of the plant. CCCL is a member of the TCL Group, of which CEMEX, S.A.B. de C.V is the majority shareholder. The Rockfort Mineral Bath Complex Limited, leased from the Jamaica National Heritage Trust, is the only subsidiary of the Caribbean Cement Company Limited.

ABOUT CEMEX

CEMEX is a global building materials company which delivers high-quality products and reliable services to customers and communities around the world. CEMEX has a rich history of improving the well-being of those it serves through innovative building solutions, efficiency advancements, and efforts to promote a sustainable future.

CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

STRATEGIC FRAMEWORK

Vision

Building a Brighter Future

Mission

To create sustainable value by providing industry-leading construction products and solutions to satisfy the needs of our customers in the Caribbean

Strategic Priorities

- Health & Safety
- Customer Centricity
- Innovation
- Sustainability
- EBITDA Growth towards Investment Grade

Business Model

We leverage our Group's expertise and footprint to establish best practices and common processes, in order to operate with agility and effectiveness to ultimately create value for all of our stakeholders.

Values

- Safety
- Customers
- Excellence
- Leadership
- Integrity

CORPORATE DATA

CARIBBEAN CEMENT COMPANY LIMITED

Registered Office
Rockfort, Kingston,
Jamaica, W.I.
Tel: (876) 928 6232-5
Email: info@caribcement.com
Website: www.caribcement.com

BOARD OF DIRECTORS

Mr. Parris A. Lyew-Ayee, CD
Chairman and Non-Executive Director

Mr. Francisco Aguilera Mendoza
Managing Director, TCL Group

Mr. Yago Castro Izaguirre
Managing Director

Mrs. Dania Jocelyn Heredia Ramirez

Mr. Hollis N. Hosein

Mr. Luis Ali Moya

The Hon Peter Moses, OJ

COMPANY SECRETARY

Mrs. Melissa Ferguson

MANAGEMENT TEAM

Mr. Yago Castro Izaguirre
Managing Director

Mr. Miguel Estrada
Group Cement Operations and Technical Director

Mr. Roberto Villarreal
Commercial Director

Mr. Victor Aceituno Melgar
Strategic Planning Manager

Mr. Rohan Anderson
Process Manager

Mr. Pablo Bahamon Palencia
Maintenance Manager

Mrs. Klao Bell-Lewis
Communications, Community Outreach & Media Strategy Manager

ATTORNEYS-AT-LAW

Charles Piper & Associates
13a North Avenue
Kingston 5

DunnCox
48 Duke Street
Kingston

Patterson Mair Hamilton
Temple Court
85 Hope Road
Kingston 6

REGISTRAR & TRANSFER AGENT

Sagicor Bank Limited
28-48 Barbados Avenue
Kingston 5

STOCK EXCHANGE ON WHICH THE COMPANY IS LISTED

Jamaica Stock Exchange
40 Harbour Street
Kingston

AUDITORS

KPMG
The Victoria Mutual Building
6 Duke Street
Kingston

BANKERS

Bank of Nova Scotia, Jamaica Limited
Citibank, N.A.
National Commercial Bank Jamaica Limited

MANAGEMENT TEAM - Cont'd

Mr. Christopher Brown
Production Manager

Mr. Christopher Bryan
Capital Projects Manager

Mr. Jorge Camelo
Human Resource Manager

Ms. Marilyn Corte Rodriguez
Quality, Quarry & Environment Manager

Mrs. Melissa Ferguson
Legal Counsel/Company Secretary

Mr. Jorge Herrera
Supply Chain Manager

Mr. Ricardo Lopez Quero
Finance Manager

Mr. Andre Nelson
Industrial and Builders Manager

Mr. Adrian Spencer
Procurement Manager

Mr. Garen Williams
Distribution Sales Manager

SUBSIDIARY COMPANY

Rockfort Mineral Bath Complex Limited

COMPOSITION OF THE BOARD AUDIT AND FINANCE COMMITTEE

- Mr. Hollis N. Hosein, Chair
- Mr. Parris A. Lyew-Ayee, CD
- Mrs. Dania Jocelyn Heredia Ramirez
- Mr. Luis Gilberto Ali Moya
- The Hon. Peter Moses, OJ

BOARD AUDIT AND FINANCE COMMITTEE

The Board Audit and Finance Committee has oversight responsibility for the qualitative aspects of financial reporting to the shareholders. The Committee reviews the: financial processes, financial and operational control systems, internal and external audit processes, processes for monitoring compliance with country laws and regulations; policies and procedures, and the code of conduct. More information about the responsibility of this committee is within the Corporate Governance Policy which can be viewed at www.caribcement.com.

CORPORATE GOVERNANCE COMMITTEE

The Company has established a Corporate Governance Committee which operates by Corporate Governance Guidelines which can be viewed at www.caribcement.com.

BOARD OF DIRECTORS

Parris A. Lyew-Ayee CD
Chairman and Non-Executive Director

Francisco Aguilera Mendoza
Managing Director, TCL Group

Yago Castro Izaguirre
Managing Director

Dania Jocelyn Heredia Ramirez
Director

Hollis N. Hosein
Non-Executive Director

Luis Gilberto Ali Moya
Director

Peter Moses, OJ
Non-Executive Director

ABOUT OUR BOARD OF DIRECTORS

Mr. Parris A. Lyew-Ayee, CD
Chairman and Non-Executive Director

Parris A. Lyew-Ayee was first a member of the Board of Directors of Caribbean Cement Company Limited from 1991 to 1999. He later re-joined the Board in 2006 and was appointed Chairman the following year. Mr. Lyew-Ayee holds a B.Sc. honours degree in Special Geology from The University of the West Indies, and a Master of Engineering degree in Mineral Engineering Management from The Pennsylvania State University. He is a member and former President of the Geological Society of Jamaica; a member of the International Committee for Studies of Bauxites, Alumina and Aluminium (ICSOBA); and a member of the Society of Mining Engineers of the American Institute of Mining, Metallurgical and Petroleum Engineers.

A geologist and mineral engineer, Mr. Lyew-Ayee worked at the Jamaica Bauxite Institute from its inception in 1976, and was its Executive Director for 23 years, before retiring in June 2018. For his long career, and service to the bauxite/alumina industry in Jamaica, the Government of Jamaica awarded him the Order of Distinction (Rank of Officer) in 1988, then the Order of Distinction (Rank of Commander) in 2007. The International Association for the Study of Bauxite, Alumina and Aluminium (ICSOBA) awarded him its prestigious Gold Medal in 1988 for his contribution to the international bauxite and alumina industry..

Mr. Francisco Aguilera Mendoza
Managing Director, TCL Group

Mr. Francisco Aguilera Mendoza was appointed Managing Director of the TCL Group on December 1, 2020. He has served the TCL Group as a member of the Board of Directors since 2014. Prior to this appointment, Mr. Aguilera was the Vice President of Strategic Planning of the CEMEX South, Central America and the Caribbean Region. Mr. Aguilera Mendoza joined CEMEX in June 1996 and has held positions in various areas throughout CEMEX's US operations including Logistics Manager, Sales Administration Director, Aggregate Operations VP, and VP & General Manager for the Concrete Pipe Division. He was also VP of Trading for Europe, Middle East, Africa and Asia, based in Spain, and VP of Trading for Americas and Global Shipping Operations based in Mexico. He has extensive experience in the building materials industry, especially in fields such as general management, logistics operations, international commerce and post-merger integrations. Mr. Aguilera Mendoza holds an MBA with a Major in Operations from the Kellogg Graduate School of Management of Northwestern University, and a B.Sc. in Mechanical and Industrial Engineering from the Monterrey Institute of Technology, Mexico.

Mr. Yago Castro Izaguirre
Managing Director

Yago Castro Izaguirre assumed the role of General Manager of the Caribbean Cement Company Limited on August 1, 2019. He was appointed Managing Director of the company on December 1, 2020. Mr. Castro Izaguirre obtained a B.Sc. in Chemical Engineering from the Universidad Complutense de Madrid and an Executive MBA from the IE Business School. He has a strong technical and operational background, coupled with financial and strategic management skills. He has extensive industrial and strategic experience developed over 15 years in various key positions at CEMEX operations in Europe, the Midwest and Central America. His most immediate post was that of General Manager, Arawak Cement Company Limited in Barbados. Before joining Arawak, he was the Planning, Procurement and Legal Director for CEMEX in Nicaragua, Guatemala and El Salvador.

Mrs. Dania Jocelyn Heredia Ramirez
Director

Dania Jocelyn Heredia Ramirez is a Magna Cum Laude Attorney with a master's degree in Business and Economic Law from the Pontificia Universidad Católica Madre y Maestra (PUCMM) and an MBA from Barna Management School, both in the Dominican Republic. Mrs. Heredia has held positions as Corporate Attorney in leading Dominican companies, including Verizon and the Dominican Association of Customs-Free Zone. She also worked as Director and Defender of the Public Defender's programme of the Commissioner in support of the Reform and Modernisation of Justice. In 2005, Mrs. Heredia joined CEMEX Dominican Republic as Corporate Affairs and Legal and Environmental Director, overseeing the Operations for the Dominican Republic and the Caribbean. As Director, she is responsible for the implementation and enforcement of the Company's policies related to Economic Competition, Code of Ethics and Anti-Corruption, and supervises all the legal aspects from the Dominican Republic, Puerto Rico and Haiti. She is a member of the Board of Directors of the National Network of Business Support to Environmental Protection (ECORED).

Mr. Hollis N. Hosein
Non-Executive Director

Hollis N. Hosein is a former Group Finance Manager of the TCL Group and has extensive and diverse experience in the areas of Financial Management, General Management and Auditing. Mr. Hosein is a Fellow of the Association of Certified Chartered Accountants (FCCA) and a member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT). He is a Director, Chairman of the Board Audit Committee and a member of the Human Resource Board sub-committee of Caribbean Cement Company Limited. He is also the Chairman of the Board of Directors for TCL Guyana Inc. He has a long history of lending voluntary assistance to several charitable projects in Trinidad & Tobago.

Mr. Luis Gilberto Ali Moya
Director

Luis Gilberto Ali Moya was appointed Director of Administration of the CEMEX Group for South America, Central America and the Caribbean in October 2019. Between January 2016 and October 2019 he held the post of TCL Group Finance Manager. Prior to joining the TCL Group, Mr. Ali Moya served in the positions of Financial and Cost Analyst (CEMEX, Venezuela); Business Process Coordinator (D.H.L, Costa Rica); and most recently, as Business Service Organisation Manager (CEMEX, Costa Rica). Mr. Ali Moya earned his Bachelor of Accounting degree from the Universidad Católica "Andres Bello" in Caracas, Venezuela (1997). He then went on to attain an MBA from the Universidad Latinoamericana de Ciencia y Tecnología in San Jose, Costa Rica (2009).

The Hon Peter Moses, OJ
Non-Executive Director

Peter Moses is a noted banking executive who retired in March 2017 from the post of CEO of Citibank after a 42-year career. He has served on several Boards in the public and private sectors as well as through voluntary service. These include roles such as: President of the Jamaica Bankers' Association, President of the Private Sector Organisation of Jamaica (PSOJ), President of the American Chamber of Commerce (AMCHAM), Director of the Jamaica Exporters' Association (JEA), Director of the Jamaica Drug Abuse Committee, Member of the Review Board for the Jamaica Constabulary Force (JCF), Member of the Review Committee for Petrojam and Chairman of the Public Sector Reform Oversight Committee. He is currently the Chairman of First Global Bank and a Director of Grace Kennedy Limited. He serves on the Executive of Calabar High School and is the President of the Real Mona Football Club. His contributions to nation building have been recognised by the Government of Jamaica which has conferred upon him the Commander of the Order of Distinction (CD) and Order of Jamaica (OJ).

EXECUTIVE TEAM

Left - Right:

Mr. Yago Castro Izaguirre	-	Managing Director
Mr. Miguel Estrada Sanchez	-	Group Cement Operations and Technical Director
Mr. Roberto Villarreal	-	Commercial Director
Mr. Victor Aceituno Melgar	-	Strategic Planning Manager
Mr. Rohan Anderson	-	Process Manager

Left - Right:

Mr. Pablo Bahamon Palencia	-	Maintenance Manager
Mrs. Klao Bell-Lewis	-	Communications, Community Outreach & Media Strategy Manager
Mr. Christopher Brown	-	Production Manager
Mr. Christopher Bryan	-	Capital Projects Manager

Left - Right:

Mr. Jorge Camelo - Human Resource Manager
Ms. Marilyn Corte Rodriguez - Quality, Quarry & Environment Manager
Mrs. Melissa Ferguson - Legal Counsel / Company Secretary
Mr. Jorge Herrera - Supply Chain Manager

Left - Right:

Mr. Ricardo Lopez Quero - Finance Manager
Mr. Andre Nelson - Industrial and Builders Manager
Mr. Adrian Spencer - Procurement Manager
Mr. Garen Williams - Distribution Sales Manager

DIRECTORS' REPORT

The Directors submit this report and the audited Financial Statements for the year ended December 31, 2020.

FINANCIAL RESULTS
Results for the year are shown on pages 38 to 86 in the Financial Statements. These results reflect the operations and financial position of the Company and its subsidiary, Rockfort Mineral Bath Complex Limited.

HIGHLIGHTS OF THE YEAR ($ Thousands)		
	2020	**2019**
Turnover	20,108,049	17,764,664
Net Profit	3,196,693	1,883,678
Total Net Assets	11,531,922	8,310,524
Profit per Stock Unit	$3.76	$2.21

TEN LARGEST STOCKHOLDERS AS AT DECEMBER 31, 2020		
NAME OF COMPANY	**NUMBER OF SHARES**	**%**
TCL (NEVIS) LIMITED	558,688,942	65.64
TRINIDAD CEMENT LIMITED	71,876,497	8.44
CEMEX OPERACIONES MÉXICO, S.A. de C.V.	42,187,482	4.96
MAYBERRY JAMAICAN EQUITIES LIMITED	13,547,860	1.59
SAGICOR POOLED EQUITY FUND	10,548,012	1.24
JCSD TRUSTEE SERVICES LIMITED - SIGMA EQUITY	7,725,311	0.91
VMWEALTH EQUITY FUND	7,193,037	0.85
SAGICOR SELECT FUND LIMITED – ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION	6,827,319	0.80
GUARDIAN LIFE LIMITED	5,674,357	0.67
PAM - POOLED EQUITY FUND	3,676,305	0.43
TOTAL	**727,945,122**	**85.53**

DIRECTOR'S STOCKHOLDINGS AS AT DECEMBER 31, 2020	
Parris A. Lyew-Ayee	10,000
TOTAL	**10,000**

SENIOR MANAGERS' STOCKHOLDINGS AS AT DECEMBER 31, 2020	
Adrian Spencer	23,750
Garen Williams	25,000
Klao Bell-Lewis	10,812
TOTAL	**59,562**

Apart from the Director listed above, no Director or any person/company connected to him/her has a stockholding interest in the Company.

The Directors wish to express thanks to the management and staff for their continued commitment and hard work in 2020.

On behalf of the Board of Directors.

Parris A. Lyew-Ayee

Parris A. Lyew-Ayee, CD
Chairman

CHAIRMAN'S STATEMENT

Parris A. Lyew-Ayee, CD
Chairman

DEAR SHAREHOLDERS:

"It was the best of times, it was the worst of times." This opening line from A Tale of Two Cities, a classic novel, aptly describes our experience over the year that was 2020. While our company delivered an outstanding turnaround performance, the broader socio-economic backdrop continues to be daunting. But fittingly, this is also a time for refocussing and reprioritising, and Caribbean Cement did that exceedingly well in 2020. Our foremost concern was the safety and protection of our employees and stakeholders, a concern which was enhanced by 52 new protocols designed to prevent the contagion of COVID-19. Thankfully, up to December 31, there were no reported transmissions at our facilities. On behalf of the Board, I commend the management and staff for their proactivity, adaptability and strict adherence to the guidelines.

The year saw several outstanding operational and financial milestones, including the achievement of consolidated net income of $3.2 billion compared to $1.9 billion in 2019, as well as an increase in shareholders' equity from $8.3 billion to $11.5 billion. Strong domestic demand drove revenue to $20.1 billion, up from $17.8 billion, a solid testament to our capability to adapt capacity to meet unexpected movements in demand. We ended the year having delivered a record production of 940,005 metric tonnes of cement, when signs at the beginning of Q2 implied that construction activity would have slowed. These results are the manifestation of a committed workforce, significant investment, and planning and control methods since 2016, and will continue as essential to the ongoing plant improvement programme.

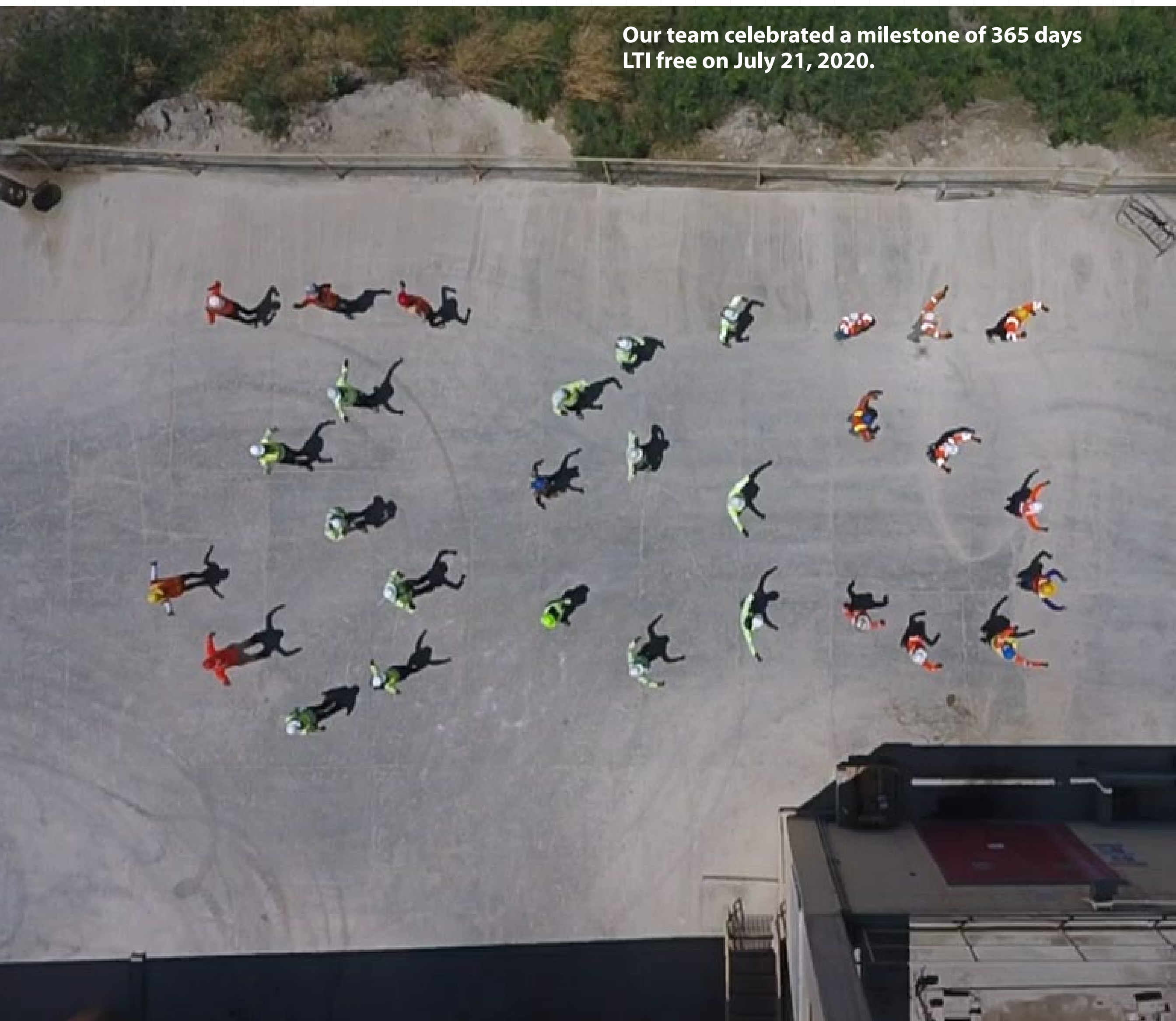
We are proud to have retained our plant and product certifications with international accreditation bodies. We continue to responsibly meet regulatory requirements, address gaps, and mitigate against identified risks. Our priority remains operating optimally in order to minimise the impact of our operations on our community and the environment. This is an area of continuous improvement and for which we expect the management to aim at exceeding the respective KPIs.

In terms of investor relations, we achieved another milestone with the staging of our first virtual Annual General Meeting. In accordance with the court order dated June 24, 2020, in Claim SU 2020 CD 00227 filed on behalf of sixteen companies by the Jamaica Stock Exchange (JSE), we were allowed to host our 71st Annual General Meeting via 'live' webcast on Thursday, September 17, 2020. We thank all shareholders who participated in the new format and made history with us.

On November 30, we bade farewell to Jose Luis Seijo, who served as Managing Director for the TCL Group since May 2015. He has been lauded for his valuable role in integrating the TCL Group into CEMEX, and the evidence of his expert guidance is visible in the tremendous progress that has been made. We were also pleased to welcome Francisco Aguilera, who assumed the role of Managing Director of TCL and Director of the Caribbean Cement Board on December 1, 2020. Former Deputy Chairman of the TCL Board, he will continue to serve as a director. He was also most recently the Vice President of CEMEX South, Central America and the Caribbean Region.

Governments continue to grapple with the impact of the pandemic, but the advent of vaccines and better understanding of how to manage the crisis give us hope. Now called the Great Reset, it is widely agreed that things will not return to normal as we knew it. Our company responded quickly to the threats and has robust risk management systems in place to pilot us through the coming year. We appreciate the confidence and support of our shareholders and are hopeful that our country will build back stronger from this crisis.

Parris A. Lyew-Ayee, CD
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Yago Castro Izaguirre
Managing Director

We started 2020 with our strategy in focus, while keeping an eye on news of the emerging threat of the novel coronavirus which had been discovered in China in Q4 2019. By the end of Q1 2020 our strategy shifted to defending our people and our business when the Government of Jamaica announced the first case of the COVID-19 virus on March 10. We activated our rapid response mechanism, arranged for administrative staff to work from home and implemented a raft of adjustments including cash preservation, cost control and suspension of CAPEX projects. To protect our employees, contractors, customers, and community, we implemented *Behaviours that Save Lives,* a programme of 52 new protocols to govern all aspects of our operations. I am proud to say that as of December 31, 2020, there were no recorded cases or transmissions at our plant. Against this backdrop of uncertainty and disruption, our company delivered the historic performance of 940,005 metric tonnes of cement and achieved revenue of $20 billion. A feat that is the result of years of strategic investment and made possible by the dedication of our team at all levels of the organisation. I thank and commend each team member for their adaptability and focus and extend this appreciation to their families who are also partners in our maintaining a safe and sustainable operation.

Health and Safety

Our COVID-19 mitigation strategy saw an intense programme of sanitisation, temperature checks, redesigning of spaces for social distancing, and implementing touch free or facial recognition tools and devices. This along with continuous education through meetings, daily messages and printed material, helped reinforce *Behaviours that Saves Lives*. In terms of our safety KPIs, we attained 1198 days without lost time incident (LTI) among employees at the Rockfort plant and 2016 days at our quarries. Within this was the achievement on July 21, 2020 of a special milestone of 365 days LTI free across all areas of the operation. Contributing to this result were the continual improvements in traffic management, guarding and isolation around the plant. More than 500 employees and contractors received training interventions including 365 Behavioural Safety; Lock out, Tag Out, Try Out; and five modules of the Driving School Journey.

Environment and Quality

Carib Cement's approach to environmental management is anchored in a commitment to responsible business practices. We therefore make every effort to strictly control atmospheric pollutants which result from the cement production process. To manage emissions, the company maintains a monitoring system, which has the oversight of regulatory agencies; sets targets for continuous monitoring of major emissions, sets reduction targets for individual major emissions, and report regularly on progress. We continued our progress in reducing use of fossil fuels and were able to do so by 5% in 2020.

Our output was of consistently high quality, meeting the Jamaica Standard (JS) Specification and the American Society for Testing and Materials (ASTM) product specifications. We continue to operate at international best practice, meeting ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and ISO 17025 (competence of testing and calibration laboratories) standards while transitioning successfully from GS OHSAS 18001 to ISO 45001 (Occupational Health and Safety).

Customer Centricity

Carib Cement has continued measuring its customer's satisfaction levels, capturing their feedback in our net promoter score survey and highlighting areas for improvement. This reinforces our commitment to getting closer to our customers through service, while focusing on providing solutions. The company has executed several initiatives throughout the year, yielding growth of 21% in the number of customers served and an increase of 118% in small truck deliveries island wide. Pandemic protocols required social distancing, but we stayed close to our customers through various channels, as well as visits to their locations to provide guidance on environmental safety and traffic management as well as to share information on behaviours that save lives. Increased local demand last year, meant a greater collective effort by our team to satisfy customers and help them meet their objectives safely.

Human Capital Development

Our approach to training and development policy has yielded positive results with clear improvement in safety, productivity, and standardised ways of working. In spite of pandemic conditions, which saw stringent safety measures and administrative employees working from home, we safely delivered 4,810 training sessions in more than 15 different areas of learning. The CEMEX Cement Masters' Programme, usually hosted in other regional countries, was held in Jamaica for the first time and had 19 participants from three countries. Mental health and wellness continued to be prioritised. With the closure of the Carib Cement Sports Club and cessation of usual activities such as Family Day, football and karaoke competitions; we hosted sessions on stress management, parenting and found ways of celebrating milestones through exciting virtual team building activities. We were pleased to welcome back Robert Brown, a member of the production coordination team at Caribbean Cement Company Limited, who participated in a year-long programme in Monterrey, Mexico.

Social Impact

We shifted the description of our umbrella of outreach and community engagement from the term Corporate Social Responsibility (CSR) to Social Impact. This is in keeping with CEMEX's global Social Impact strategy which aims to minimise negative impacts and anticipate risks while addressing social issues. Our portfolio of projects efficiently used in a targeted way in the areas of education, rural development, youth, food security, women, health and safety, and employment. By focusing our resources on the socio-economic fallout of the COVID-19 pandemic, we were able to have had a direct impact on the lives of 309,968 adults, youth and children and an indirect impact on more than 1.8 million Jamaicans.

Operations

Our planned capital projects were postponed for part of the year, as we assessed the impact of the pandemic, however, we invested 800 million in safety upgrades and plant efficiency improvement projects with concentration on areas including traffic management, dust mitigation, kiln fuel conversion, kiln process duct and the main baghouse. Heavy rains and flooding severely affected our operations in Q3, hindering movement on and in the external vicinity of the plant as well as access to one of our quarries. We therefore implemented a storm drainage upgrade on the plant and repaired sections of the roadway. Disruptions to global supply chains resulted in difficulty and delays with getting orders of specialised equipment into the island. We saw the ingenuity of our team who averted and minimised unscheduled downtime by devising solutions and being proactive. Many lessons have been learnt which will serve us if pandemic conditions and constraints affect the pace and scale of our CAPEX programme in the next financial year.

Market Overview

Domestic cement demand increased by an estimated 9% over the previous year while our total domestic sales volume grew by 14.8% over 2019. Some major infrastructure projects were put on hold while civil engineering and private residences accelerated. The company's position is to continue supplying the local market while monitoring opportunities overseas in order to take advantage of opportunities if conditions are favourable and once local market needs are sufficiently met. Local demand is especially high in the bags/sacks category, often resulting in excess capacity available in bulk.

Financials

In terms of the company's financial performance, Caribbean Cement Company Limited earned revenue of $20.1 billion, representing growth of 13% when compared with 2019. The increase in revenue was related to the stronger domestic demand and the company's capacity to supply the local market.

The "operating earnings before other expenses, net" for the period was $6.8 billion, while "operating earnings" after other expenses was $6.3 billion, representing an increase of $2.0 billion when compared with the prior year. Despite the increase in production and sales, the Company has been able to maintain similar levels in operating costs and expenses based on operational efficiencies achieved through the improvement to our main equipment and operational processes.

The company recorded "earnings before taxation" of $4.4 billion, representing an improvement over the $2.7 billion achieved last year. The overall "consolidated net income" of $3.2 billion was higher than that of the previous year by $1.3 billion.

In relation to cash flow, "net cash provided by operating activities" was $7.0 billion for the year. The cash flow generation during the period have allowed the company to reduce debt by $4.7 billion for the year.

Macroeconomic Outlook

Preliminary estimates by the Statistical Institute of Jamaica (STATIN) show that the Jamaican economy contracted by 9.9% in 2020 after seven years of growth with the manufacturing sector declining by 5.4 percent and construction 0.8%. Much hope for resumption of economic activity is hinged on the COVID-19 vaccines, and we are relieved that in Q1 of 2021 Jamaica began its vaccination programme. The Government of Jamaica has outlined a recovery programme which includes infrastructure spending of $31.1 billion. The Planning Institute of Jamaica anticipates that Jamaica will be able to return to its pre-pandemic economic track in 2023/2024. Economic and social uncertainty will persist, with deleterious impacts on small businesses, vulnerable segments of the population and the service sector. Our company has begun to identify and take steps to address the risks we have identified. Globally, CEMEX has launched Operation Resilience which is hinged on a strategy of "optimising for growth by building a portfolio of bolt-on investments in our four businesses: cement, ready-mix, aggregates, and our recently announced business line of urbanisation solutions." As a member of this strong group, we will access the support and leverage to deliver stakeholder value while keeping in step with Jamaica's development needs.

Yago Castro Izaguirre
Managing Director

COVID-19 AND OUR ACTIONS

Our company has been proactive in implementing measures to protect our employees while fostering operational resilience. In this regard, we have implemented several actions, including:

- building inventories and sourcing for critical components
- focusing on core activities across our businesses to safeguard cash-flow
- developing contingencies
- enhancing customer engagement and delivering value in innovative ways, while observing physical distancing
- enhancing our communication with employees and all relevant stakeholders
- setting up additional hand washing stations and hand sanitiser dispensers across the plant and administrative offices
- equipping employees and their families with respirators and sanitisation kits
- increasing the frequency of cleaning and sanitisation of surfaces
- adjusting rules for entry to the plants including thermometer testing
- replacing the existing time and attendance system with facial recognition to avoid contact
- activating remote work in order to limit movement of people and the number of persons in office
- amending the planned CSR program to channel resources to activities in support of national and community COVID-19 mitigation efforts

The pandemic is being monitored and tracked by local and regional rapid response teams with the support of CEMEX' global resources. We take our responsibility as an important contributor to the Jamaican economy very seriously, and therefore, will continue to do all that is necessary to 'flatten the curve' while keeping our operations going.

SOCIAL IMPACT

We shifted the description of our umbrella of outreach and community engagement from the term corporate social responsibility (CSR) to social impact. This is in keeping with CEMEX's global Social Impact Strategy which aims to minimise negative impacts, anticipate risks and address social issues. By focusing our resources on the socio-economic fallout of the COVID-19 pandemic, we were able to have had a direct impact on the lives and wellbeing of just over 309,000 Jamaicans and indirect impact on 1.8 million by way of:

- donations of personal protective equipment (PPE) of gloves, masks and thermometers to the health sector via regional authorities which are administrators of 13 hospitals
- sanitisation of public spaces in the parishes of Kingston, St. Andrew and St James
- donations of soaps, sanitisers and masks to schools and communities in Kingston, St. Andrew, St. James and Clarendon
- provision of laptops, school supplies and internet connectivity devices to 44 students and 10 teachers in communities close to our plant
- seeding grass root mask making micro businesses by providing sewing machines and fabric to ten women from East Kingston communities
- assistance with 200 packages of food to families in Clarendon and East Kingston

- equipping 25 schools with sinks to create additional handwashing stations

These initiatives were in addition to three community development projects:

- donation of a block making machine to the Human Employment and Resource Training Agency (HEART Trust/NSTA) for use in a social enterprise project in the parish of St. Thomas
- construction of concrete pavements in rural communities located in Manchester and St. Andrew to create pathways where the conditions were impassable
- support of both the MultiCare and the Stella Maris foundations' youth and education programmes

Our programme, valued at USD260,000 was safely and successfully implemented and resulted in improvement in the areas of education, rural development, employment, youth, food, security, women, and health and safety.

Klao Bell-Lewis and Jerome Cowans, CSR Coordinator (both of Carib Cement) with Talbert Weir, Principal of Donald Quarry Secondary School and student beneficiaries Kyle Service, Sharna-Clarke, Daniella West and Nickashay Allen at the handover of electronic devices valued $5.1mn to students and teachers.

Carib Cement's Managing Director - Yago Castro, Julian Robinson - Member of Parliament for South East St Andrew, Roselyn Logan and Merlene Sturridge at the handing over of sewing machines to members of community groups from the Bull Bay, Rockfort and Mountain View/Vineyard Town areas.

Oswald Service, Chairman of the Rockfort Development Council receives food items for distribution to vulnerable community members from Yago Castro, while Jerome Cowans looks on.

The company shared soaps, hand sanitisers and masks with community groups in Kingston and Clarendon. Here, the Most Honourable Juliet Holness, MP for East Rural St. Andrew receives items on behalf of communities from Yago Castro.

Klao Bell-Lewis and Yago Castro of Carib Cement with Joseph Matalon, and Alicia Glasgow-Gentles, ExecutiveDirector of the MultiCare Foundation following the symbolic handover of a donation valued at one million dollars.

In March, 2020, the men and women of the Caribbean Cement Company came together to donate sanitary napkins to the Her Flow Foundation. Libresse Jamaica supported the Carib Cement initiative with a donation of 120 packages. In total, these packages will get more than 100 girls comfortably through their next menstrual cycle. Here with Dr. Shelley Ann Weekes (right), founder of Her Flow, are Carib Cement's industrial nurse Ann-Marie Walters (left) who led the initiative, and Khelley Greene, HR business Partner.

Mrs. Pauline Harris, Vice Principal of Rollington Town Primary is pleased to receive sinks for her school. 20 schools received sinks in order to increase the number of handwashing stations available to students when they physically return to school.

Yago Castro, Dr Michelle Charles-Freeman, MP; Colonel Martin Rickman of the Hope Programme and Dr. Aston Spencer of the HEART Trust/NSTA at the handover of a block making machine to a training programme in the parish of St. Thomas.

Heroy Clarke, MP, His Worship Councillor Homer Davis, Mayor of Montego Bay and Dave Campbell (of Jamaica Pre-Mix) with Carib Cement's Klao Bell-Lewis, Andre Nelson, Yago Castro and Garen Williams following the sanitisation of St. James Street and Sam Sharpe Square in the city of Montego Bay.

Members of the Clarendon Cycle Club with Clinton O'Connor, CEMEX/Carib Cement Driving School instructor; Marcia Dixon, Freight and Fleet Coordinator; and Allison Francis, Procurement and Logistics Coordinator with CEMEX Jamaica at a vulnerable road user awareness activity.

The Carib Cement Team at the Sagicor Sigma Corporate Run in January of 2020.

PICTORIAL

NEW PALLETISER LAUNCHED!

Miguel Estrada, Group Cement Operations and Technical Director; Christopher Bryan, Capital Projects Manager; Christopher Brown, Production Manager, among colleagues at the palletiser commissioning ceremony on February 10, 2020.

Parris Lyew-Ayee, Chairman greets Oswin Wilson and Hodeem Miller, members of the Professionals in Development programme.

Most Reverent Kenneth Richards, Archbishop of Kingston pronounces the blessing.

Members of the project team, Chairman Parris Lyew-Ayee and Yago Castro look on as the Honourable Audley Shaw, Minister of Industry and Commerce (3rd from right) officially launched the new palletiser.

Andre Haynes, Health and Safety Coordinator delivers the safety message at the start of the proceedings.

Sandra Cowell, Klao Bell-Lewis and Terry-Ann Maddix.

TEN-YEAR FINANCIAL SUMMARY

(In $'000 except for items with *)

	2020	2019	2018	2017	
REVENUE	20,108,049	17,764,664	17,573,931	16,513,084	
Profit (loss) before taxation	4,424,900	2,737,414	3,294,661	1,510,411	
Taxation	(1,228,207)	(853,736)	(828,568)	(398,677)	
Net (loss) profit	3,196,693	1,883,678	2,466,093	1,111,734	
***Net (loss) profit per stock unit**	3.76	2.21	2.90	1.31	
EBITDA	7,822,827	5,851,647	5,318,949	2,979,450	
Stockholders' equity	11,531,922	8,310,524	6,418,181	8,340,030	
***Stockholders' equity per stock unit**	13.55	9.76	7.54	9.80	
Capital expenditure - CWIP	778,029	1,334,340	16,663,006	2,234,050	
Total Capital Expenditure	778,029	1,334,340	16,663,006	2,234,050	
Depreciation	1,536,260	1,603,850	1,153,830	522,142	
Working Capital	(3,252,390)	(1,483,548)	(1,470,873)	789,965	
Property, plant & equip't before dep'n	32,704,773	31,840,457	31,626,947	14,973,590	
Long-term debt	4,442,650	9,155,656	11,387,028	-	
Total third party debt	183,452	146,843	-	-	
Parent company debt	2,047,078	3,022,930	3,771,539	547,931	
Total debt	6,673,180	12,325,429	15,158,567	547,931	
***Cement imported (tonnes)**	6,000	80,196	106,132	36,802	
***Clinker imported (tonnes)**	-	-	48,004	-	
***Production (tonnes)**					
Cement	940,005	758,829	787,411	845,932	
Clinker	731,473	642,946	612,988	691,588	
***Cement Sold (tonnes)**					
Local	973,433	848,110	876,964	829,802	
Export	1,575	2,952	4,526	35,052	
TOTAL	975,008	851,062	881,490	864,854	
***Clinker Export (tonnes)**	-	28,561	-	33,467	

CARIBBEAN CEMENT COMPANY LIMITED

CARIB CEMENT

	2016	2015	2014	2013	2012	2011
	15,780,756	15,431,897	14,356,017	12,089,484	9,084,600	8,033,786
	1,350,862	1,726,388	255,985	(3,079)	(2,672,105)	(2,983,995)
	(49,160)	(180,248)	(117,000)	117,000	(676,160)	370,635
	1,301,702	1,546,140	138,985	113,921	(3,348,265)	(2,613,360)
	1.53	1.82	0.16	0.13	(3.93)	(3.07)
	2,702,838	2,576,658	961,070	1,470,090	(750,438)	(1,760,893)
	7,738,876	6,437,174	4,891,034	4,752,049	(2,939,072)	409,193
	9.09	7.56	5.75	5.58	(3.45)	0.48
	1,699,091	810,904	599,091	578,530	149,217	98,093
	1,699,091	810,904	599,091	578,530	149,217	98,093
	495,688	396,931	364,828	319,207	430,695	518,402
	1,053,992	1,286,956	793,628	1,245,920	191,424	(588,543)
	12,739,772	11,048,229	10,243,474	9,665,926	9,136,341	9,286,740
	-	-	-	739,476	797,712	3,827
	-	-	779,600	808,810	832,173	560,100
	104,041	1,715,593	1,752,224	1,232,104	7,881,126	5,210,290
	104,041	1,715,593	2,531,824	2,040,914	8,713,299	5,770,390
	-	-	-	-	-	-
	-	-	-	-	-	-
	911,325	807,817	830,061	824,893	760,296	766,274
	761,061	804,296	795,042	696,077	652,579	628,287
	785,056	672,042	598,165	594,764	536,349	553,157
	119,098	151,146	232,766	231,865	218,722	216,757
	904,154	823,188	830,931	826,629	755,071	769,914
	39,540	180,385	155,423	36,570	12,673	31,228

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INDEPENDENT AUDITORS' REPORT

To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of Caribbean Cement Company Limited ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), set out on pages 38 to 86 which comprise the Group's and Company's statements of financial position as at December 31, 2020, the Group's and Company's income statement, statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at December 31, 2020, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

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

Measurement of expected credit losses on financial assets

See notes 9 and 16.5 of the consolidated financial statements

Key audit matter	**How the matter was addressed in our audit**
The Group has significant concentration of credit risk with large credit customers with material balances both individually and in aggregate, accounting for 57%(2019: 97%) of trade receivables at the reporting date. IFRS 9 requires the Group to recognise expected credit losses ('ECL') on trade receivables. The determination of ECL is subjective and requires management to make significant judgements and assumptions. The key area requiring greater management judgement includes the incorporation of forward-looking information, adjusted for COVID-19 related factors. IFRS 9 requires judgements to be made about future economic scenarios and their impact on expected credit losses.	Our audit procedures in response to this matter, included: • Testing automated controls over the ageing of trade receivables. Our testing of automated controls involved using our own Information Technology Audit Specialists to test the design, implementation and operating effectiveness. • Testing manual controls over the accuracy of the calculation, management validation and review of macro-economic variables and inputs to the model. • Testing the completeness and accuracy of the data used in the model to the underlying accounting records. • Using our Financial Risk Management Specialists, we evaluated the methodology, the macro-economic variables and scenarios used and recalculated the ECL. • Comparing the entity's definition of default, as outlined in the accounting policy against the definition that management uses for credit risk management. • Evaluating the appropriateness of economic parameters including the use of forward looking information. • Assessing whether disclosures in the financial statements are adequate.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Carrying amount of inventories

See note 11 of the consolidated financial statements

Key audit matter

The estimation of the physical quantities of stockpiles is a key audit matter because there might be errors in the conversion and calculation of the quantities of raw materials such as gypsum and clinker which are combined to produce cement.

Because high volumes of finished goods are being produced and delivered to customers, the opportunity exists for inventories to be misappropriated.

Additionally, the provision for the dead stock cement and aged clinker is based on management's estimate which involves significant judgement.

How the matter was addressed in our audit

Our audit procedures in response to this matter, included:

- Testing relevant controls.
- Attending the year-end physical stock counts for selected locations including those where the Group engaged independent quantity surveyors to assist with the assessment of the inventory stockpile measurements used and the adherence to appropriate stock count processes.
- Considering the competence of the quantity surveyors, the results of the reports, and seeking to understand and corroborate the reasons for significant or unusual movements in inventory quantities between the accounting records and the results of the inventory stockpile measurements performed as part of the year-end physical stock counts.
- Obtaining the inventory valuation calculations, agreeing stock quantities in those calculations to the accounting records, and testing the net realisable values.
- Evaluating whether the accounting treatment adopted by management was consistent with the requirements of IFRSs.
- Considering the adequacy of the Group's disclosures about inventory.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Revenue recognition

See note 3 of the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
The main activities of the Group are the manufacture and sale of cement. The Group recognised revenue from the sale of cement mainly generated from domestic sales. We have identified recognition of revenue as a key audit matter because there is a risk of misstatement due to incentives/pressures on management to meet third party expectations. This may result in increased risk of fraudulent or premature revenue recognition. Further, transactions occurring close to the year-end could be recorded in the wrong financial period.	Our audit procedures in response to this matter, included: • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition. • Inspecting customer contracts, on a sample basis, to identify terms and conditions relating to the transfer of risks and rewards of the ownership of the products sold and assessing the Group's timing of recognition of revenue with reference to the requirements of the prevailing accounting standards. • Comparing revenue transactions recorded during the current year, on a sample basis, with invoices, sales contracts and goods delivery notes to assess whether the related revenue was recognised in accordance with the Group's revenue recognition accounting policies.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Revenue recognition (continued)

Key audit matter	How the matter was addressed in our audit
	Our audit procedures in response to this matter, included (continued): • Comparing, on a sample basis, revenue transactions recorded before and after the financial year end date with goods delivery notes and other relevant documentation to assess whether the revenue had been recognised in the appropriate financial period. • Inspecting underlying documentation for manual journal entries relating to revenue raised during the year and subsequent to the reporting date which were considered to be material or met other specific risk-based criteria.

Valuation of employee benefits obligation

See note 18 of the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
The Company operates a post-retirement medical benefit scheme. Significant estimates are made in valuing the Company's obligation.	Our audit procedures in response to this matter, included: • Evaluating the competency and objectivity of the appointed Actuary. • Determining that the actuarial valuation was performed using the projected unit credit method as required under IAS 19 and vouching a sample to underlying systems and reports.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Valuation of employee benefits obligation (continued)

Key audit matter	How the matter was addressed in our audit
The valuation is considered to be a significant risk, given the size of the obligation, small changes 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 rate, inflation rate and future growth in medical rates. Management appointed an external actuarial expert to assist in determining the assumptions and valuing the obligation. The use of significant assumptions increases the risk that management's estimate can be materially misstated which requires special audit consideration.	Our audit procedures in response to this matter, included (continued): • With the assistance of our Actuarial Specialists, evaluating the actuarial valuation report by considering whether the assumptions and method used were appropriate and consistent with the guidance, inter alia, from the Institute of Chartered Accountants of Jamaica and in accordance with the requirements of the standard. • Considering the appropriateness and adequacy of the accounting policy and disclosures.

Other Information

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

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Other Information (continued)

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

When we read the 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 36 to 37, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is W. Gihan C. de Mel.

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Chartered Accountants
Kingston, Jamaica

February 25, 2021

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Appendix to the Independent Auditors' Report

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

- Identify and assess the risks of material misstatement of the 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 and Company'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 and Company'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 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 Company to cease to continue as a going concern.

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

- 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 audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Appendix to the Independent Auditors' Report (Continued)

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 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 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.

CARIBBEAN CEMENT COMPANY LIMITED
Group Income Statement
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

	Notes		Years ended December 31 2020	2019
Revenue	3	$	20,108,049	17,764,664
Cost of sales	5(ii)		(10,971,463)	(10,538,915)
Gross profit			**9,136,586**	**7,225,749**
Operating expenses	5(iii)		(2,354,597)	(2,494,189)
Operating earnings before other expenses, net	5(i)		**6,781,989**	**4,731,560**
Other expenses, net	6		(495,422)	(426,566)
Operating earnings			**6,286,567**	**4,304,994**
Financial income			10,363	11,719
Financial expenses	7		(811,755)	(938,937)
Loss on foreign exchange			(1,060,275)	(640,362)
Earnings before taxation			**4,424,900**	**2,737,414**
Taxation charge	19.1		(1,228,207)	(853,736)
CONSOLIDATED NET INCOME		$	**3,196,693**	**1,883,678**
Earnings per stock unit (expressed in $ per stock unit)	21		**3.76**	**2.21**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Group Statement of Comprehensive Income
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

	Notes		Years ended December 31 2020	2019
CONSOLIDATED NET INCOME		$	**3,196,693**	**1,883,678**
Items that will not be reclassified subsequently to the income statement:				
Net actuarial gains from remeasurement of employee benefits obligation	**18**		3,142	29,840
Deferred tax recognised directly in other comprehensive income	**19.2**		(786)	(7,460)
			2,356	22,380
Items that are or may be reclassified subsequently to the income statement:				
Effects from derivative financial instruments designated as cash flow hedge	**16.4**		22,349	(13,715)
			22,349	(13,715)
Total items of other comprehensive income, net			**24,705**	**8,665**
TOTAL COMPREHENSIVE INCOME		$	**3,221,398**	**1,892,343**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Group Statement of Financial Position
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

	Notes		Years ended December 31 2020	2019
ASSETS				
CURRENT ASSETS				
Cash at bank and on hand	**8**	**$**	513,136	544,570
Trade accounts receivable, net	**9**		141,401	509,424
Other accounts receivable	**10**		88,782	78,698
Inventories, net	**11**		2,370,708	2,208,560
Accounts receivable from related parties	**22.1**		150,057	73,648
Other current assets	**12**		74,109	56,103
Total current assets			3,338,193	3,471,003
NON-CURRENT ASSETS				
Property, machinery and equipment, net	**14**		22,981,295	23,629,545
Accounts receivable from related parties	**22.1**		1,521	-
Total non-current assets			22,982,816	23,629,545
TOTAL ASSETS		$	**26,321,009**	**27,100,548**
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Other financial obligations	**16.2**	**$**	1,108,114	673,027
Trade payables			3,058,807	2,469,260
Accounts payable to related parties	**22.1**		585,169	527,383
Other current liabilities	**17**		1,838,493	1,284,881
Total current liabilities			6,590,583	4,954,551
NON-CURRENT LIABILITIES				
Long-term debt	**16.1**		4,442,650	9,155,656
Other financial obligations	**16.2**		1,122,416	2,496,746
Employee benefits obligation	**18**		882,360	839,047
Deferred tax liabilities	**19.2**		1,700,957	1,285,723
Long-term accounts payable to related parties	**22.1**		-	4,207
Other non-current liabilities	**17**		50,121	54,094
Total non-current liabilities			8,198,504	13,835,473
TOTAL LIABILITIES			14,789,087	18,790,024
STOCKHOLDERS' EQUITY				
Share capital:				
Ordinary stock units	**20.1**		1,808,837	1,808,837
Capital contribution	**20.1**		3,839,090	3,839,090
Reserves:				
Realised capital gain	**20.2(a)**		1,413,661	1,413,661
Other equity reserves	**20.2(b)**		2,564,656	1,254,506
Accumulated net income (losses)	**20.2(c) (iii)**		1,905,678	(5,570)
Total stockholders' equity			11,531,922	8,310,524
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**$**	**26,321,009**	**27,100,548**

These consolidated financial statements on pages 38 to 86 were approved by the Board of Directors on February 25, 2021 and signed on their behalf by:

Parris A. Lyew-Ayee	Chairman	Yago Castro	Managing Director

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED

CARIBBEAN CEMENT COMPANY LIMITED
Group Statement of Cash Flows
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

	Notes		Years ended December 31 2020	2019
OPERATING ACTIVITIES Consolidated net income Non-cash items:		$	**3,196,693**	**1,883,678**
Depreciation and amortisation of assets	**5(i), 14**		1,536,260	1,603,850
Loss on disposal of property, machinery and equipment			-	7,490
Net recovery of impaired receivables	**9**		(805)	(4,071)
Interest income			(10,363)	(11,719)
Interest expense	**7**		500,608	774,810
Taxation charge	**19.1**		1,228,207	853,736
Property, machinery and equipment (write-back) write-off	**6, 14**		(1,334)	76,285
(Decrease) Increase in rehabilitation provision	**17**		(5,572)	8,431
Inventory write-off	**6**		64,855	-
Inventory impairment allowance, net	**11**		4,000	15,076
Reversal of stockholding and inventory restructuring provision	**6**		(39,885)	-
Employee benefit expenses	**18**		75,499	67,985
Unwinding of discount on preference shares	**16.2**		221,169	89,772
Unwinding of discount on rehabilitation provision	**7, 17**		8,091	797
Unwinding of discount on lease liabilities	**7**		20,063	16,361
Unrealised foreign exchange losses, net			252,268	162,831
Changes in working capital, excluding taxes			741,235	112,495
Net cash flow provided by operating activities before financial employee benefits and taxes			**7,790,989**	**5,657,807**
Employee benefits paid	**18**		(29,044)	(31,902)
Interest received			10,363	11,719
Interest paid			(501,483)	(794,251)
Taxation paid			(272,727)	(33,048)
Net cash flows provided by operating activities			**6,998,098**	**4,810,325**
INVESTING ACTIVITIES				
Property, machinery and equipment	**14**		(778,029)	(1,334,340)
Proceeds from disposal of assets			-	1,303
Net cash flows used in investing activities			**(778,029)**	**(1,333,037)**
FINANCING ACTIVITIES				
Repayment of long-term debt, net	**16.1**		(4,733,485)	(2,207,878)
Other financial obligations:				
Repayment of redeemable preference shares	**16.2(a)**		(1,451,891)	(1,120,972)
Payment of lease liabilities, net	**16.2(b)**		(73,210)	(50,580)
Net cash flows used in financing activities			**(6,258,586)**	**(3,379,430)**
(Decrease) Increase in cash at bank and on hand			(38,517)	97,858
Cash conversion effect, net			7,083	25,922
Cash at bank and on hand at beginning of year			544,570	420,790
CASH AT BANK AND ON HAND AT END OF YEAR	**8**	$	**513,136**	**544,570**
Changes in working capital, excluding taxes:				
Trade accounts receivable, net		$	370,051	(158,413)
Other current assets			(97,074)	122,684
Inventories			(211,099)	(490,371)
Trade payables			585,403	506,596
Other current liabilities			93,954	131,999
Changes in working capital, excluding taxes		$	**741,235**	**112,495**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Group Statement of Changes in Stockholders' Equity
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

	Notes		Ordinary stock	Capital contribution	Reserves: Realised capital gain	Reserves: Accumulated net income (losses)	Reserves: Other equity reserves	Reserves: Total reserves	Total capital & reserves
Balance as of December 31, 2018		$	**1,808,837**	**3,839,090**	**1,413,661**	**(994,271)**	**350,864**	**770,254**	**6,418,181**
Net income			-	-	-	1,883,678	-	1,883,678	1,883,678
Total other items of comprehensive income			-	-	-	22,380	(13,715)	8,665	8,665
Transfer to capital redemption fund reserve	**20.2(b) (i)**		-	-	-	(917,357)	917,357	-	-
Balance as of December 31, 2019			**1,808,837**	**3,839,090**	**1,413,661**	**(5,570)**	**1,254,506**	**2,662,597**	**8,310,524**
Net income			-	-	-	3,196,693	-	3,196,693	3,196,693
Total other items of comprehensive income			-	-	-	2,356	22,349	24,705	24,705
Transfer to capital redemption fund reserve	**20.2(b) (i)**		-	-	-	(1,287,801)	1,287,801	-	-
Balance as of December 31, 2020		$	**1,808,837**	**3,839,090**	**1,413,661**	**1,905,678**	**2,564,656**	**5,883,995**	**11,531,922**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Income Statement
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

	Notes		Years ended December 31 2020	2019
Revenue	**3**	$	20,105,499	17,736,299
Cost of sales	**5(ii)**		(10,971,463)	(10,552,043)
Gross profit			**9,134,036**	**7,184,256**
Operating expenses	**5(iii)**		(2,332,482)	(2,454,031)
Operating earnings before other expenses, net	**5(i)**		**6,801,554**	**4,730,225**
Other expenses, net	**6**		(506,840)	(420,257)
Operating earnings			**6,294,714**	**4,309,968**
Financial income			10,363	11,698
Financial expenses	**7**		(811,755)	(938,937)
Loss on foreign exchange			(1,060,275)	(640,362)
Earnings before taxation			**4,433,047**	**2,742,367**
Taxation charge	**19.1**		(1,228,141)	(853,736)
NET INCOME		**$**	**3,204,906**	**1,888,631**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Statement of Comprehensive Income
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

	Notes		Years ended December 31 2020	2019
NET INCOME		$	**3,204,906**	**1,888,631**
Items that will not be reclassified subsequently to the income statement:				
Net actuarial gains from remeasurements of defined benefit pension plans	**18**		3,142	29,840
Deferred tax recognised directly in other comprehensive income	**19.2**		(786)	(7,460)
			2,356	22,380
Items that are or may be reclassified subsequently to the income statement:				
Effects from derivative financial instruments designated as cash flow hedge	**16.4**		22,349	(13,715)
			22,349	(13,715)
Total items of other comprehensive income, net			24,705	8,665
TOTAL COMPREHENSIVE INCOME		**$**	**3,229,611**	**1,897,296**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Statement of Financial Position
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

	Notes		Years ended December 31 2020	2019
ASSETS				
CURRENT ASSETS				
Cash at bank and on hand	**8**	**$**	513,092	544,549
Trade accounts receivable, net	**9**		141,401	509,424
Other accounts receivable	**10**		86,967	76,958
Inventories, net	**11**		2,370,708	2,208,560
Accounts receivable from related parties	**22.1**		150,057	73,648
Accounts receivable from subsidiary	**22.3**		2,733	-
Other current assets	**12**		74,109	56,103
Total current assets			3,339,067	3,469,242
NON-CURRENT ASSETS				
Property, machinery and equipment, net	**14**		22,981,205	23,629,432
Accounts receivable from related parties	**22.1**		1,521	-
Total non-current assets			22,982,726	23,629,432
TOTAL ASSETS		**$**	**26,321,793**	**27,098,674**
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Other financial obligations	**16.2**	**$**	1,108,114	673,027
Trade payables			3,053,952	2,467,376
Accounts payable to related parties	**22.1**		585,169	527,383
Accounts payable to subsidiary	**22.3**		-	3,106
Other current liabilities	**17**		1,839,006	1,284,872
Total current liabilities			6,586,241	4,955,764
NON-CURRENT LIABILITIES				
Long-term debt	**16.1**		4,442,650	9,155,656
Other financial obligations	**16.2**		1,122,416	2,496,746
Employee benefits obligations	**18**		882,360	839,047
Deferred tax liabilities	**19.2**		1,700,957	1,285,723
Long-term accounts payable to related parties	**22.1**		-	4,207
Other non-current liabilities	**17**		50,121	54,094
Total non-current liabilities			8,198,504	13,835,473
TOTAL LIABILITIES			14,784,745	18,791,237
STOCKHOLDERS' EQUITY				
Share capital:				
Ordinary stock units	**20.1**		1,808,837	1,808,837
Capital contribution	**20.1**		3,839,090	3,839,090
Reserves:				
Realised capital gain	**20.2(a)**		1,413,656	1,413,656
Other equity reserves	**20.2(b)**		2,564,656	1,254,506
Accumulated net income (losses)	**20.2(c) (iii)**		1,910,809	(8,652)
Total stockholders' equity			11,537,048	8,307,437
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**$**	**26,321,793**	**27,098,674**

These financial statements on pages 38 to 86 were approved by the Board of Directors on February 25, 2021 and signed on their behalf by:

Parris A. Lyew-Ayee — Chairman
Parris A. Lyew-Ayee

Yago Castro — Managing Director

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Statement of Cash Flows
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

	Notes		Years ended December 31 2020	2019
OPERATING ACTIVITIES				
Net income		$	**3,204,906**	**1,888,631**
Non-cash items:				
Depreciation and amortisation of assets	**5(i), 14**		1,536,236	1,601,568
Loss on disposal of property, machinery and equipment			-	7,490
Net recovery of impaired receivables	**9**		(805)	(4,047)
Interest income			(10,363)	(11,698)
Interest expense	**7**		500,608	774,810
Taxation charge	**19.1**		1,228,141	853,736
Property, machinery and equipment (write-back) write-off	**6, 14**		(1,334)	76,285
(Decrease) Increase in rehabilitation provision	**17**		(5,572)	8,431
Inventory write-off	**6**		64,855	-
Inventory impairment allowance, net	**11**		4,000	15,076
Reversal of stockholding and inventory restructuring provision	**6**		(39,885)	-
Employee benefit expenses	**18**		75,499	67,985
Unwinding of discount on preference shares	**16.2**		221,169	89,772
Unwinding of discount on rehabilitation provision	**7, 17**		8,091	797
Unwinding of discount on lease liabilities	**7**		20,063	16,361
Unrealised foreign exchange losses, net			252,268	162,831
Changes in working capital, excluding taxes			733,023	116,788
Net cash flow provided by operating activities before financial expense, employee benefits and taxes	**18**		**7,790,900**	**5,664,816**
Employee benefits paid			(29,044)	(31,902)
Interest received			10,363	11,698
Interest paid			(501,483)	(794,251)
Taxation paid			(272,661)	(33,048)
Net cash flows provided by operating activities			**6,998,075**	**4,817,313**
INVESTING ACTIVITIES				
Property, machinery and equipment	**14**		(778,029)	(1,334,340)
Proceeds from disposal of assets			-	1,303
Net cash flows used in investing activities			**(778,029)**	**(1,333,037)**
FINANCING ACTIVITIES				
Repayment of long-term debt, net	**16.1**		(4,733,485)	(2,207,878)
Other financial obligations:				
Repayment of redeemable preference shares	**16.2(a)**		(1,451,891)	(1,120,972)
Payment of lease liabilities, net	**16.2(b)**		(73,210)	(50,580)
Net cash flows used in financing activities			**(6,258,586)**	**(3,379,430)**
(Decrease) increase in cash at bank and on hand			(38,540)	104,846
Cash conversion effect, net			7,083	25,922
Cash at bank and on hand at beginning of year			544,549	413,781
CASH AT BANK AND ON HAND AT END OF YEAR	**8**	$	**513,092**	**544,549**
Changes in working capital, excluding taxes:				
Trade accounts receivable, net		$	370,051	(148,652)
Other current assets			(99,732)	213,542
Inventories			(211,099)	(500,420)
Trade payables			582,432	392,340
Other current liabilities			91,371	159,978
Changes in working capital, excluding taxes		$	**733,023**	**116,788**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Statement of Changes in Stockholders' Equity
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

	Notes		Ordinary stock	Capital contribution	Reserves: Realised capital gain	Reserves: Accumulated net income (losses)	Reserves: Other equity reserves	Reserves: Total reserves	Total capital & reserves
Balance as of December 31, 2018		$	**1,808,837**	**3,839,090**	**1,413,656**	**(987,260)**	**350,864**	**777,260**	**6,425,187**
Net income			-	-	-	1,888,631	-	1,888,631	1,888,631
Total other items of comprehensive income			-	-	-	22,380	(13,715)	8,665	8,665
Transfer to capital redemption fund reserve	**20.2 (b) (i)**		-	-	-	(917,357)	917,357	-	-
Amalgamated subsidiaries equity transferred	**1**		-	-	-	(15,046)	-	(15,046)	(15,046)
Balance as of December 31, 2019			**1,808,837**	**3,839,090**	**1,413,656**	**(8,652)**	**1,254,506**	**2,659,510**	**8,307,437**
Net income			-	-	-	3,204,906	-	3,204,906	3,204,906
Total other items of comprehensive income			-	-	-	2,356	22,349	24,705	24,705
Transfer to capital redemption fund reserve	**20.2 (b) (i)**		-	-	-	(1,287,801)	1,287,801	-	-
Balance as of December 31, 2020		$	**1,808,837**	**3,839,090**	**1,413,656**	**1,910,809**	**2,564,656**	**5,889,121**	**11,537,048**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Notes to the Group and Company Financial Statements
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

1) DESCRIPTION OF BUSINESS

Caribbean Cement Company Limited (the "Company") and its subsidiary (note 2.2) are incorporated under the laws of Jamaica. The Company is a limited liability public company listed on the Jamaica Stock Exchange and is domiciled in Jamaica. The registered office of the Company is at Rockfort, Kingston, Jamaica.

The Company is a 65.65% owned subsidiary of TCL (Nevis) Limited. TCL (Nevis) Limited is a wholly owned subsidiary of Trinidad Cement Limited (the "Parent Company") which also owns 8.45% of the ordinary stock units of the Company.

On January 24, 2017, CEMEX, S.A.B. de C.V, through its indirect subsidiary Sierra Trading acquired 113 million of the ordinary stock units of Trinidad Cement Limited (TCL) and on that date increased its shareholding from 39.5% to a majority stake of 69.8% of the total issued ordinary share of Trinidad Cement Limited. Consequent on this transaction, TCL became a subsidiary of Sierra Trading, with CEMEX, S.A.B. de C.V, a company incorporated in and domiciled in Mexico and listed on the Mexican and New York Stock Exchanges, becoming the ultimate parent of TCL and the Company.

The principal activities of Caribbean Cement Company Limited and its subsidiary (the "Group") are the manufacture and sale of cement, clinker and the mining and sale of gypsum, shale and pozzolan. The Group operates in Jamaica.

On May 1, 2019, approval was granted by The Supreme Court of Judicature of Jamaica (Supreme Court) for the amalgamation of Jamaica Gypsum & Quarries Limited and Caribbean Gypsum Company Limited into Caribbean Cement Company Limited. This approval resulted in the extinguishment of the issued share capital of Jamaica Gypsum & Quarries Limited and Caribbean Gypsum Company Limited and all assets and liabilities assumed by the Company. On the date of the approval of the amalgamation, Jamaica Gypsum & Quarries Limited and Caribbean Gypsum Company Limited were dissolved and struck off the Register of Companies without winding up pursuant to section 208 of the Jamaican Companies Act.

2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1) BASIS OF PRESENTATION AND DISCLOSURE

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the relevant provisions of the Jamaican Companies Act ("the Act").

Comparative information

Wherever necessary, the comparative figures are reclassified to conform with the current year's presentation.

Basis of measurement

These financial statements have been prepared under the historical cost basis, except fuel hedge asset/liability which has been measured at fair value.

Functional and presentation currency and definition of terms

During the reported periods, the presentation currency of the Group financial statements is in the Jamaican dollars, which is the functional and presentation currency of the company and its subsidiary. When reference is made to dollars or "$" it means Jamaican dollars. The amounts in the financial statements and the accompanying notes are stated in thousands, except when references are made to earnings per stock unit. When reference is made to "US$", it means dollars of the United States of America ("United States"). When reference is made to "€" or "Euro", it means the common currency of the European Union. When reference is made to "TT$", it means Trinidad and Tobago dollars.

Newly issued and amended IFRSs adopted in 2020

Amendments to the Conceptual Framework

The revised framework became effective on January 1, 2020 and covers all aspects of standard setting including the objective of financial reporting. The main change relates to how and when assets and liabilities are recognised and de-recognised in the consolidated financial statements. There was no impact on adoption.

CARIBBEAN CEMENT COMPANY LIMITED

CARIBBEAN CEMENT COMPANY LIMITED
Notes to the Group and Company Financial Statements
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES - CONTINUED

2.1) BASIS OF PRESENTATION AND DISCLOSURE - CONTINUED

Newly issued and amended IFRSs adopted in 2020 - continued

Amendments to IAS 1, *Presentation of financial statements* and IAS 8, *Accounting policies, changes in accounting estimates and errors*

The amendments became effective on January 1, 2020, it provides a definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Amendments to IFRS 9, *Financial Instruments*, IAS 39, *Financial Instruments: Recognition and Measurement* and IFRS 7, *Financial Instruments: Disclosures*

The amendments became effective on January 1, 2020 and are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest-rate benchmarks such as IBORs. They (i) modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform; and (ii) require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Amendments to IFRS 3, *Business Combinations*

On January 1, 2020 *Definition of a Business (Amendments to IFRS 3)* became effective to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- confirmed that a business must include inputs and a process, and clarified that: the process must be substantive; and the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

This is not applicable to the Group and thus had no impact.

2.2) PRINCIPLES OF CONSOLIDATION

The Group financial statements include those of Caribbean Cement Company Limited and those of the entity in which the Parent Company exercises control, by means of which the Parent 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. The Company's subsidiary, which together with the Company are referred to as "the Group". The group financial statements include:

Entity	Principal activity	Country of Incorporation	% Equity interest	
			2020	2019
Rockfort Mineral Bath Complex Limited	Spa facility	Jamaica	100	100

CARIBBEAN CEMENT COMPANY LIMITED
Notes to the Group and Company Financial Statements
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES - CONTINUED

2.3) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS

The preparation of 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 at the date of the 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 impairment losses on trade receivables

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

The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 365 days or more past due. The use of assumptions make uncertainty inherent in such estimates.

(ii) Net realisable value of inventories

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.

(iii) Residual value and expected useful life of long-lived assets

The residual values and expected useful lives of long-lived assets are reviewed at least annually. If expectations differ from previous estimates, the change is accounted for accordingly. The useful life of an asset is defined in terms of the assets expected value in use to the company.

(iv) Taxes

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. The established provisions are based on reasonable estimates taking cognisance of possible differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the prevailing conditions.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised.

Significant management judgement is also 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. Based on an assessment made after considering the abovementioned factors, a net deferred tax liability was recognised as at the reporting date. (note 19.2).

(v) Rehabilitation provision

The provision for restoration and rehabilitation associated with environmental damage represents the best estimates of the future costs 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.

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 acceptable condition at the end of their operation.

CARIBBEAN CEMENT COMPANY LIMITED
Notes to the Group and Company Financial Statements
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES - CONTINUED

2.3) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS - CONTINUED

(v) Rehabilitation provision - continued

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. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

The provision for future restoration and rehabilitation is based on a plan presented to and approved by the Commissioner of Mines and Geology. These 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 reporting date represents management's best estimate of the present value of the future restoration and rehabilitation costs required (note 17).

(vi) Post-employment benefits

The amounts recognised in the statements of financial position and the income statement and the statement of other comprehensive income for post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the discount rate used to determine the present value of estimated future cash flows required to settle the post-retirement obligations and the expected rate of increase in medical costs for post-employment medical benefits.

The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in the foregoing assumptions will affect the amounts recorded in the financial statements for these obligations.

2.4) FOREIGN CURRENCY TRANSACTIONS

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 statement of financial position date and the resulting foreign exchange fluctuations are recognised in the income statement.

The most significant closing exchange rates and the approximate average exchange rates for the statement of financial position and the income statement respectively as of December 31, 2020 and 2019, are as follows:

	2020		2019	
	Closing	Average	Closing	Average
United States Dollar	142.6493	142.8408	132.5690	134.0181
Euro	176.8258	166.1735	154.1874	151.1078
Trinidad and Tobago Dollar	20.9800	21.0742	19.4977	19.8039

2.5) CASH AT BANK AND ON HAND

The balance in this caption is comprised of available amounts of cash at bank and on hand, which are readily available cash and cash equivalents.

CARIBBEAN CEMENT COMPANY LIMITED
Notes to the Group and Company Financial Statements
As of December 31, 2020 and 2019
(Thousands of Jamaican Dollars)

2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES - CONTINUED

2.6) FINANCIAL INSTRUMENTS

Classification and measurement of financial instruments

The financial assets that meet both of the following conditions and are not designated as at fair value through the profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as “Held to collect” and measured at amortised cost.

Amortised cost represents the net present value (“NPV”) of the consideration receivable or payable as of the transaction date. This classification of 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, other current assets, accounts receivable from related parties and accounts receivable from subsidiary (notes 9, 10, 12 and 22.). 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 17 and 22) 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.
- The initial recognition of the redeemable preference shares was measured at fair value and is subsequently measured at amortised cost using the effective interest method. Non-discretionary dividends thereon are recognised as interest expense in the income statement as accrued.

Debt instruments are classified as “Loans” and measured at amortised cost (notes 16.1 and 16.2). Interest accrued on financial instruments is recognised within “Other current and non-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 statement of financial position at their estimated fair values, and the changes in such fair values are recognised in the statement of comprehensive income within “Items that are or maybe reclassified subsequently to the income statement” for the period in which they occur, except in the case of hedging instruments as described below (note 16.4).

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models.

Management assessed that the carrying amounts of cash and cash equivalents, trade receivables, trade payables, due from related companies and due to parent and related companies approximate their fair values largely due to the short-term maturities of these instruments.

As disclosed in note 16.4 the diesel fuel hedge was carried at fair value.

Fair value measurements (note 16.3)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

· Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities.
· Level 2 - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
· Level 3 - Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES- CONTINUED

2.7 INVENTORIES (note 11)

Inventories are valued using the lower of cost or net realisable value, where cost is based on the weighted average principle. 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. 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 allowance for inventory obsolescence is increased. In both cases, these adjustments are recognised against the results of the period. Advances to suppliers of inventory are presented as part of other current assets.

2.8) PROPERTY, MACHINERY AND EQUIPMENT (note 14)

Property, machinery and equipment are recognised at their acquisition or construction cost, as applicable, less accumulated depreciation and accumulated impairment losses. Depreciation of fixed assets is recognised as part of cost of sales and operating expenses and is calculated using the straight-line method over the estimated useful lives of the assets.

As of December 31, 2020, the average useful lives by category of fixed assets are as follows:

	Years
Land improvements	30
Buildings	20 - 40
Plant, machinery and equipment	3 - 3 1/3
Office furniture and equipment	3 - 4
Motor vehicles	3 - 10
Right-of-use (lease term)	2 - 14

Costs incurred in respect of operating fixed assets 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 fixed assets. Periodic maintenance on fixed assets is expensed as incurred. Advances to suppliers of fixed assets are presented as part of other current assets.

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

Land and capital work-in-progress are not depreciated.

2.9) INTANGIBLE ASSETS (note 15)

The Group capitalises intangible assets acquired, as well as costs incurred in the development of intangible assets, when probable future economic benefits associated are identified and there is evidence of control over such benefits. Intangible assets are recognised at their acquisition or development cost, as applicable. Definite life intangible assets are amortised on straight-line basis as part of operating costs and expenses.

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 probable 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 tons of material to be extracted. When future economic benefits are not achieved, any capitalised costs are subject to impairment.

Amortisation of intangible assets is recognised as part of cost of sales and operating expenses and is calculated using the straight-line method over the estimated useful lives of the assets.

As of December 31, 2020, the average useful lives by category of intangible assets are as follows:

	Years
Exploration costs	3
Dredging costs	3

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2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES- CONTINUED

2.10) IMPAIRMENT OF LONG-LIVED ASSETS (note 14 and 15)

Property, machinery and equipment and intangible assets of definite life

These assets are tested for impairment annually, or upon the occurrence of a significant adverse event, changes in the Group's operating business model or in technology that affect the asset, or expectations of lower operating results, to determine whether their carrying amounts may not be recovered.

An impairment loss is recorded in the income statement for the period within "Other 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, as determined by external appraiser, 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.

When impairment indicators exist, for each intangible asset, the Group determines its projected revenue streams over the estimated useful life of the asset. To obtain discounted cash flows attributable to each intangible asset, such revenue is adjusted for operating expenses, changes in working capital and other expenditures, as applicable, and discounted to NPV using the risk adjusted discount rate of return. The most significant economic assumptions are: a) the useful life of the asset; b) the risk adjusted discount rate of return; and c) growth rates. Assumptions used for these cash flows are consistent with internal forecasts and industry practices.

The fair values of these assets are significantly sensitive to changes in such relevant assumptions. Certain key assumptions are more subjective than others. The Group validates its assumptions through benchmarking with industry practices and the corroboration of third-party valuation advisors.

Impairment losses recognised in prior periods are assessed at each reporting date for indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceeds the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss has been recognised.

2.11) PROVISIONS

The Group recognises provisions when it has a legal or constructive obligation resulting from past events, whose resolution would require cash outflows, or the delivery of other resources owned by the Group. As of December 31, 2020 and 2019, 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 17.

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.

Costs related to remediation of the environment (note 17)

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.

Contingencies and commitments (notes 23 and 24)

Obligations or losses related to contingencies are recognised as liabilities in the statement of financial position only when present obligations exist resulting from past events that are probable 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 financial statements. The effects of long-term commitments established with third parties, such as supply contracts with suppliers or customers, are recognised in the 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 financial statements. The Group recognises contingent revenues, income or assets only when their realisation is virtually certain.

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2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES - CONTINUED

2.12) EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, National Insurance Scheme (NIS) contributions, vacation leave; non-monetary benefits such as pension, post-retirement benefits such as medical care; and other long-term employee benefits such as termination benefits. Employee benefits other than pensions that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and charged as an expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-retirement benefits are accounted for as described in note (ii) below.

(i) Defined contribution pension plan (note 18)

The costs of defined contribution pension plan 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.

(ii) Post-retirement medical benefits (note 18)

Employee benefits, comprising post-retirement obligations included in the financial statements, have been actuarially determined by a qualified independent actuary, appointed by management using the projected unit credit method. The actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuation is conducted in accordance with IAS 19, and the financial statements reflect the Group's post-retirement benefit obligation as computed by the actuary.

The Group's obligation in respect of its post-retirement medical plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value. The discount rate is determined by reference to the yield at the reporting date on long-term government instruments of terms approximating those of the Group's obligation.

Re-measurements of the defined-benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The Group determines the interest expense on the defined-benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net-defined benefit liability, taking into account any changes in the defined benefit liability during the year as a result of the contributions and benefit payments. Interest expense and other expenses related to the defined benefit plan are recognised in the income statement.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(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 19)

The effects reflected in the income statement for taxes include the amounts incurred during the period and the amounts of deferred taxes, determined according to the tax law applicable at the reporting date. Deferred taxes represent amount determined by applying the tax rate to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering tax assets such as loss carry forwards 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 taxes 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 taxes for the period represent the difference between balances of deferred taxes at the beginning and the end of the period. According to IFRS, all items charged or credited directly in stockholders' equity or as part of other comprehensive income for the period are recognised net of their deferred tax effects. The effect of a change in enacted statutory tax rates is recognised in the period in which the change is officially enacted

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2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES – CONTINUED

2.13) TAXATION (note 19) - continued

Deferred tax 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 carry forwards that the Group believes will not be rejected by the tax authorities based on available evidence and the likelihood of recovering them through an analysis of estimated future taxable income. When it is considered that a deferred tax asset will not be recovered, the Group would not recognise such deferred tax asset. Both situations would result in additional tax expense for the period in which such determination is made. In order to determine whether it is probable that deferred tax 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, current tax structure, potential changes or adjustments in tax structure, tax planning strategies, future reversals of existing temporary differences. Likewise, the Group analyses its actual results versus estimates, and adjusts, as necessary, its tax asset valuations. If actual results vary from the Group's estimates, the deferred tax asset and/or valuations may be affected, and necessary adjustments will be made based on relevant information in the Group's income statement for such period.

The tax effects from an uncertain tax position are recognised when 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.

The effective tax rate is determined by dividing the line item "Taxation" by the line item "Earnings before taxation." This effective tax rate is further reconciled to the Group's statutory tax rate applicable in Jamaica. For the years ended December 31, 2020 and 2019, the statutory tax rate was 25%.

2.14) BORROWINGS AND BORROWING COSTS

Short-term loans and long-term 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 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 statement of financial position, otherwise, it is classified as long-term.

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

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.

2.15) LEASES

At inception of a contract, the Group assess whether the contract conveys the right to control the use of an identified asset for a period 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 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 the 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.

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2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES – CONTINUED

2.15) LEASES - CONTNUED

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 of 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 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 short-term leases that have a lease term of 12 months or less and leases of low value assets with a value of US$5,000 or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.16) STOCKHOLDERS' EQUITY

Share capital (note 20.1)

These items represent the value of stockholders' contributions. The most significant items within ""Share capital"" during the reported period are as follows:

(i) Ordinary stock units

Ordinary stock units are classified as equity when there is no obligation to transfer cash or other assets.

(ii) Capital contribution

Capital contribution resulted from the forgiveness of a debt due to the Parent Company, as part of the restructuring programme designed in 2013 to strengthen the equity position of the Company. The value of the debt forgiven was credited to Stockholders' Equity as capital contribution by the Company as there is no obligation to transfer cash or other assets back to the Parent Company in relation to this amount.

Other equity reserves (note 20.2)

Other equity reserves comprised of the cumulative effects of items and transactions that are, temporarily or permanently, recognised directly to stockholders' equity, and includes the comprehensive income, which reflects certain changes in stockholders' equity that do not result from investments by owners and distributions to owners.

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

- The portion of the preference shares redeemed that was transferred to ""Capital Redemption Fund Reserve" pursuant to section 64(d) of the Jamaican Companies Act; and
- The effective portion of the valuation and liquidation effects from derivative instruments under cash flow hedging relationships, which are recorded temporarily in stockholders' equity.
- Realised capital gain represents the gains from the sale of machinery and equipment.

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2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES – CONTINUED

2.16) STOCKHOLDERS' EQUITY - CONTINUED

Accumulated net income (losses)

Accumulated net income (losses) represent the cumulative net results of prior years, net of: a) dividends paid; b) changes in the remeasurement of employee benefits obligation, net of tax (note 2.12), c) current year net income and d) cumulative effects from adoption of new IFRS.

2.17) EARNINGS PER STOCK UNIT

The earnings per stock unit is computed by dividing consolidated net income attributable to ordinary stockholders by the weighted average number of ordinary stock units in issue during the year.

2.18) DIVIDEND

Dividends declared and payable to the Company's stockholders are recognised as a liability in the Group statement of financial position in the period in which the dividends are declared by the Company's Board of Directors.

2.19) REVENUE RECOGNITION (note 3)

Revenue comprises the fair value of the consideration received or receivable mainly from the sale of goods and rental of port facilities in the ordinary course of the Group's activities.

Sale of goods

Revenue is recognised at a point in time in the amount before tax on sales, expected to be received by the Group 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 in consolidation.

For contracts that permit return of goods, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur. The right to recover returned goods is measured at the former carrying amount of inventory less any expected cost to recover.

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.

Rental of port facilities

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Group recognises revenue at a point in time when the service is provided to the customer.

2.20) 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.

Operating expenses

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

Sales 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 sale, 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.

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2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES – CONTINUED

2.21) FINANCE INCOME AND EXPENSE

Finance income comprises interest income on savings from bank accounts. Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest charge on borrowings, unwinding of discount on preference shares, unwinding of discount on lease liabilities and unwinding of discount on rehabilitation provision. Interest is recognised as it accrues, using the effective interest method.

2.22) 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.

2.23) NEWLY ISSUED IFRS NOT YET ADOPTED

Listed below are new and amended standards and interpretations that are not yet effective and have not yet been early adopted. The Group has not completed the assessment of the impact that these may have on the financial statements when adopted.

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.	January 1, 2022

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2) SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES – CONTINUED

2.23) NEWLY ISSUED IFRS NOT YET ADOPTED - CONTINUED

Listed below are new and amended standards and interpretations that are not yet effective and have not yet been early adopted. The Group has not completed the assessment of the impact that these may have on the financial statements when adopted. - continued

Standard	Main Topic	Effective date
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.	January 1, 2022
Amendments to IFRS 1, *First-time Adoption of International Financial Reporting Standards*	The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.	January 1, 2022
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
Amendments to IFRS 9, *Financial Instruments*	The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.	January 1, 2022
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.	June 30, 2022

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3) REVENUE

The Group's revenues are mainly comprised of the sale of cement, clinker and other goods and services. The Group grants credit for terms ranging from 0 to 45 days depending on the type and risk of each customer. For the years ended December 31, 2020 and 2019, revenue are as follows:

		The Group		The Company	
		2020	2019	2020	2019
From the sale of goods associated with the main activities	$	19,835,757	17,484,904	19,835,756	17,456,539
From the sale of services		67,350	48,610	67,350	48,610
From the sale of other goods and services		54,158	217,772	51,609	217,772
		19,957,265	**17,751,286**	**19,954,715**	**17,722,921**
Insurance compensation.........		150,784	13,378	150,784	13,378
	$	**20,108,049**	**17,764,664**	**20,105,499**	**17,736,299**

Information on revenues by reportable segment and line of business for the years 2020 and 2019 is presented in note 4.

4) REPORTABLE SEGMENTS

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 entity'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.

Each operating 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.

Revenue

The revenue from external customers is analysed by geographical location below:

		The Group		The Company	
		2020	2019	2020	2019
Local	$	19,933,733	17,559,465	19,931,183	17,531,100
Caribbean country		-	91,621	-	91,621
North American country		23,532	100,200	23,532	100,200
	$	**19,957,265**	**17,751,286**	**19,954,715**	**17,722,921**

Revenue from the top (5) five customers amounted to $8,002,055,000 (2019: $7,571,055,000) and arose from cement sales.

5) OPERATING EARNINGS BEFORE OTHER INCOME (EXPENSES), NET

(i) Operating earnings before other expenses net, by nature are as follows:

		The Group		The Company	
		2020	2019	2020	2019
Revenue	$	20,108,049	17,764,664	20,105,499	17,736,299
Expenses:					
Raw material and consumables		1,247,650	1,229,620	1,247,650	1,311,585
Fuel and electricity		3,638,472	3,396,908	3,636,338	3,393,159
Personnel remuneration and benefits (iv)		2,215,515	2,076,416	2,201,670	2,076,416
Repairs and maintenance		1,414,441	867,341	1,413,179	862,661
Equipment hire		1,060,888	894,159	1,060,888	863,499
Cement transportation, marketing and selling expenses		804,145	707,642	804,145	682,577
Audit fees:					
Current year		19,242	13,867	19,066	13,867
Previous year		973	6,842	973	6,842
Directors' emoluments		6,538	6,514	6,538	6,514
Other operating expenses		824,317	1,175,208	819,643	1,142,697
Depreciation and amortisation		1,536,260	1,603,850	1,536,236	1,601,568
Changes in inventories of finished goods and work in progress		557,619	1,054,737	557,619	1,044,689
Total expenses (ii)		13,326,060	13,033,104	13,303,945	13,006,074
Operating earnings before other expenses.........	$	**6,781,989**	**4,731,560**	**6,801,554**	**4,730,225**

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5) OPERATING EARNINGS BEFORE OTHER INCOME (EXPENSES), NET - CONTINUED

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

		The Group		The Company	
		2020	2019	2020	2019
Cost of sales	$	10,971,463	10,538,915	10,971,463	10,552,043
Operating expenses (iii)		2,354,597	2,494,189	2,332,482	2,454,031
	$	13,326,060	13,033,104	13,303,945	13,006,074

(iii) Operating expenses during 2020 and 2019 by functions are as follows:

		The Group		The Company	
		2020	2019	2020	2019
Administrative expenses	$	841,078	1,149,136	819,023	1,120,864
Selling expenses		152,312	139,113	152,252	127,227
Distribution and logistics expenses		1,361,207	1,205,940	1,361,207	1,205,940
	$	2,354,597	2,494,189	2,332,482	2,454,031

(iv) Personnel renumeration and benefits during 2020 and 2019 are detailed as follows:

		The Group		The Company	
		2020	2019	2020	2019
Wages and salaries	$	1,778,135	1,677,915	1,766,476	1,677,915
Statutory contributions		131,582	139,188	130,362	139,188
Pension costs (note 18)		51,602	58,124	51,602	58,124
Other personnel costs		254,196	201,189	253,230	201,189
	$	2,215,515	2,076,416	2,201,670	2,076,416

(v) Depreciation and amortisation recognised during 2020 and 2019 are detailed as follows:

		The Group		The Company	
		2020	2019	2020	2019
Included in cost of sales	$	1,462,455	1,527,479	1,462,455	1,525,221
Included in administrative, selling and distribution and logistics expenses		73,805	76,371	73,781	76,347
	$	1,536,260	1,603,850	1,536,236	1,601,568

6) OTHER EXPENSES, NET

The details of the line item "Other expenses, net" in 2020 and 2019 are as follows:

		The Group		The Company	
		2020	2019	2020	2019
Manpower restructuring costs	$	(57,289)	(87,166)	(57,289)	(87,166)
Reversal of stockholding and inventory restructuring provision		39,885	-	39,885	-
Demolition expenses		(22,626)	(99,215)	(22,626)	(99,215)
Inventory write-off		(64,855)	-	(64,855)	-
Environmental costs		(73,541)	(49,615)	(73,541)	(49,615)
Management fees		(155,232)	(117,948)	(167,289)	(117,948)
Property, machinery and equipment write-back (write-off)		1,334	(76,285)	1,334	(76,285)
COVID-19 related expenses		(65,089)	-	(64,679)	-
Other, net (i)		(98,009)	3,663	(97,780)	9,972
	$	(495,422)	(426,566)	(506,840)	(420,257)

(i) Other, net includes expenses amounting to $87,843,341 which was incurred due to adverse weather conditions

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7) FINANCIAL EXPENSES

The details of "Financial expenses" in 2020 and 2019 are as follows:

		The Group		The Company	
		2020	2019	2020	2019
Interest expenses	$	500,608	774,810	500,608	774,810
Unwinding of discount on preference shares (note 16.2)		221,169	89,772	221,169	89,772
Unwinding of discount on lease liabilities (note 16.2)		20,063	16,361	20,063	16,361
Unwinding of discount on rehabilitation provision (note 17)		8,091	797	8,091	797
Net interest on employee benefit obligations cost (note 18)		61,824	57,197	61,824	57,197
	$	811,755	938,937	811,755	938,937

8) CASH AT BANK AND ON HAND

As of December 31, 2020 and 2019, cash at bank and on hand consisted of:

		The Group		The Company	
		2020	2019	2020	2019
Cash at bank and on hand	$	513,136	544,570	513,092	544,549

9) TRADE ACCOUNTS RECEIVABLE, NET

As of December 31, 2020 and 2019, trade accounts receivable consisted of:

		The Group		The Company	
		2020	2019	2020	2019
Trade accounts receivable	$	141,684	510,512	141,684	510,512
Allowance for expected credit losses (note 16.5)		(283)	(1,088)	(283)	(1,088)
	$	141,401	509,424	141,401	509,424

Allowances are determined upon the origination of the trade accounts receivables. Based on a model that calculates the expected credit loss "ECL".

Changes in the allowance for the expected credit losses in 2020 and 2019 are as follows:

		The Group		The Company	
		2020	2019	2020	2019
Allowances for expected credit losses at beginning of the year	$	1,088	5,159	1,088	5,135
Deductions		(805)	(4,071)	(805)	(4,047)
Allowances for expected credit losses at end of the year	$	283	1,088	283	1,088

10) OTHER ACCOUNTS RECEIVABLE

As of December 31, 2020 and 2019, other accounts receivable consisted of:

		The Group		The Company	
		2020	2019	2020	2019
Non-trade accounts receivable (i)	$	42,953	33,829	42,953	32,089
Loans to employees		20,247	21,045	20,247	21,045
Refundable taxes		25,582	23,824	23,767	23,824
	$	88,782	78,698	86,967	76,958

Other accounts receivable are deemed to have low credit risk. The expected credit loss on these are therefore considered immaterial.
(i) Non-trade accounts receivable mainly comprise of prepayments and security deposits.

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11) INVENTORIES, NET

As of December 31, 2020 and 2019, the balance of inventories, net of provisions for obsolescence, are summarised as follows:

		The Group and Company	
		2020	**2019**
Finished goods	$	143,914	200,788
Work-in-process		50,428	381,464
Raw materials		167,474	201,805
Materials and spare parts		1,974,790	1,367,823
Inventory in transit		34,102	56,680
	$	2,370,708	2,208,560

As at December 31, 2020 and 2019, the Group recognised inventory provisions for obsolescence of $102,303,000 and $138,188,000 respectively.

The changes in the inventory provisions for obsolescence for the years ended December 31, 2020 and 2019 are as follows:

		The Group and Company	
		2020	**2019**
Inventory obsolescence provision at beginning of the year	$	138,188	123,112
Reversal of stockholding and inventory restructuring provision		(39,885)	-
Provision during the year		5,800	15,076
Write-offs of inventories during the year		(1,800)	-
Inventory obsolescence provision at end of the year	$	102,303	138,188

For the year ended December 31, 2020 and 2019, 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 the reversal of stockholding and inventory restructuring provision in “Other expenses, net” (see note 6).

During the year there was inventory write offs amounting to $64,855,000 which was recorded in other income (expenses) (see note 6).

12) OTHER CURRENT ASSETS

As of December 31, 2020, and 2019, the balance of other current assets are summarised as follows:

		The Group and Company	
		2020	**2019**
Advances to suppliers	$	74,109	56,103
	$	**74,109**	**56,103**

Other current assets are deemed to have low credit risk. The expected credit loss on these are therefore considered immaterial.

13) OTHER INVESTMENTS

As of December 31, 2020, and 2019, the balance of other investments are summarised as follows:

		The Company	
		2020	**2019**
Rockfort Mineral Bath Complex Limited			
21,000,000 ordinary shares	$	2,938	2,938
Impairment loss provision		(2,938)	(2,938)
	$	-	-

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14) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of December 31, 2020 and 2019, property, machinery and equipment, net include the following:

		The Group		The Company	
		2020	2019	2020	2019
Land and land improvements	$	250,858	283,570	250,885	283,597
Building		1,659,206	1,575,848	1,649,051	1,565,693
		29,649,231	28,713,905	29,644,623	28,709,298
Construction in progress		1,145,478	1,267,134	1,145,486	1,267,142
Accumulated depreciation		(9,723,478)	(8,210,912)	(9,708,840)	(8,196,298)
	$	22,981,295	23,629,545	22,981,205	23,629,432

Included above are Right of Use Assets, comprising buildings and mobile equipment, at a cost of $248,710,797 (2019: $181,061793) with an accumulated depreciation of $74,927,361 (2019: $40,131,008).

As of December 31, 2020 and 2019, property, machinery and equipment, net and the changes in such line item during 2020 and 2019 are as follows:

The Group		2020				
		Land and land improvements	Building	Machinery and equipment	Construction in progress	Total
Cost at beginning of year	$	283,570	1,575,848	28,713,905	1,267,134	31,840,457
Accumulated depreciation		(87,942)	(761,299)	(7,361,671)	-	(8,210,912)
Net book value at beginning of year		195,628	814,549	21,352,234	1,267,134	23,629,545
Capital expenditures		-	-	-	778,029	778,029
Additions through capital leases (note 16.2)		-	20,784	65,338	-	86,122
Write-back		-	-	-	1,334	1,334
Reclassification		-	31,357	869,662	(901,019)	-
Adjustments - cost		(32,712)	31,217	16,729	-	15,234
Retirement of capital lease - cost		-	-	(16,403)	-	(16,403)
Movement in cost during the year		**(32,712)**	**83,358**	**935,326**	**(121,656)**	**864,316**
Adjustment - accumulated depreciation		17,684	(48,392)	23,417	-	(7,291)
Retirement of capital lease - accumulated depreciation		-	-	(16,403)	-	(16,403)
Depreciation for the year		4,330	71,583	1,460,347	-	1,536,260
Cost at end of year		250,858	1,659,206	29,649,231	1,145,478	32,704,773
Accumulated depreciation		(109,956)	(784,490)	(8,829,032)	-	(9,723,478)
Net book value at end of year	**$**	**140,902**	**874,716**	**20,820,199**	**1,145,478**	**22,981,295**

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14) PROPERTY, MACHINERY AND EQUIPMENT, NET - CONTINUED

As of December 31, 2020 and 2019, property, machinery and equipment, net and the changes in such line item during 2020 and 2019 are as follows: - continued

The Group		2019				
		Land and land improvements	Building	Machinery and equipment	Construction in progress	Total
Cost at beginning of year	$	223,838	1,538,277	27,820,043	2,044,789	31,626,947
Accumulated depreciation		(86,332)	(775,561)	(6,981,117)	-	(7,843,010)
Net book value at beginning of year		**137,506**	**762,716**	**20,838,926**	**2,044,789**	**23,783,937**
Recognition of right-of-use assets on initial application of IFRS 16 (note 16.2)			99,400	16,403	-	115,803
Capital expenditures		-	-	-	1,334,340	1,334,340
Additions through capital leases (note 16.2)		-	-	65,259		65,259
Write-off		-	-	-	(76,285)	(76,285)
Reclassification		64,298	7,802	1,969,412	(2,041,512)	-
Stripping costs		3,918	-	-	-	3,918
Adjustments - cost		-	16,186	-	-	16,186
Disposals - cost		(8,484)	(85,817)	(1,157,212)	5,802	(1,245,711)
Movement in cost during the year		**59,732**	**37,571**	**893,862**	**(777,655)**	**213,510**
Disposals - accumulated depreciation		(2,465)	(82,788)	(1,150,695)	-	(1,235,948)
Depreciation for the year		4,075	68,526	1,531,249	-	1,603,850
Cost at end of year		283,570	1,575,848	28,713,905	1,267,134	31,840,457
Accumulated depreciation		(87,942)	(761,299)	(7,361,671)	-	(8,210,912)
Net book value at end of year	$	**195,628**	**814,549**	**21,352,234**	**1,267,134**	**23,629,545**

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14) PROPERTY, MACHINERY AND EQUIPMENT, NET - CONTINUED

As of December 31, 2020 and 2019, property, machinery and equipment, net and the changes in such line item during 2020 and 2019 are as follows:
- continued

The Company		**2020**				
		Land and land improvements	**Building**	**Machinery and equipment**	**Construction in progress**	**Total**
Cost at beginning of year	$	283,597	1,565,693	28,709,298	1,267,142	31,825,730
Accumulated depreciation		(15,387)	(835,721)	(7,345,190)	-	(8,196,298)
Net book value at beginning of year		**268,210**	**729,972**	**21,364,108**	**1,267,142**	**23,629,432**
Capital expenditures		-	-	-	778,029	778,029
Additions through capital leases (note 16.2)		-	20,784	65,338	-	86,122
Write-back		-	-	-	1,334	1,334
Reclassification		-	31,357	869,662	(901,019)	-
Adjustments - cost		(32,712)	31,217	16,728	-	15,233
Retirement of capital lease - cost		-	-	(16,403)	-	(16,403)
Movement in cost during the year		**(32,712)**	**83,358**	**935,325**	**(121,656)**	**864,315**
Adjustment - accumulated depreciation		17,684	(48,392)	23,417	-	(7,291)
Retirement of capital lease - accumulated depreciation		-	-	(16,403)	-	(16,403)
Depreciation for the year		4,330	71,583	1,460,323	-	1,536,236
Cost at end of year		250,885	1,649,051	29,644,623	1,145,486	32,690,045
Accumulated depreciation		(37,401)	(858,912)	(8,812,527)	-	(9,708,840)
Net book value at end of year	**$**	**213,484**	**790,139**	**20,832,096**	**1,145,486**	**22,981,205**

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14) PROPERTY, MACHINERY AND EQUIPMENT, NET - CONTINUED

As of December 31, 2020 and 2019, property, machinery and equipment, net and the changes in such line item during 2020 and 2019 are as follows:
- continued

The Company		2019				
		Land and land improvements	Building	Machinery and equipment	Construction in progress	Total
Cost at beginning of year	$	48,334	1,502,494	27,700,320	2,050,599	31,301,747
Accumulated depreciation		(15,049)	(760,638)	(6,851,097)	-	(7,626,784)
Net book value at beginning of year		**33,285**	**741,856**	**20,849,223**	**2,050,599**	**23,674,963**
Recognition of right-of-use assets on initial application of IFRS 16 (note 16.2)			99,400	16,403	-	115,803
Capital expenditures		-	-	-	1,334,340	1,334,340
Additions through capital leases (note 16.2)		-	-	65,259	-	65,259
Write-off		-	-	-	(76,285)	(76,285)
Reclassification		64,298	7,802	1,969,412	(2,041,512)	-
Stripping costs		3,918	-	-	-	3,918
Cost - amalgamation adjustment		169,512	25,628	115,174	-	310,314
Adjustments - cost		-	16,186	-	-	16,186
Disposals - cost		(2,465)	(85,817)	(1,157,270)	-	(1,245,552)
Movement in cost during the year		235,263	63,199	1,008,978	(783,457)	523,983
Accumulated depreciation - amalgamation adjustments		-	91,145	112,474	-	203,619
Disposals - accumulated depreciation		(2,465)	(84,037)	(1,149,171)	-	(1,235,673)
Depreciation for the year		2,803	67,975	1,530,790	-	1,601,568
Cost at end of year		283,597	1,565,693	28,709,298	1,267,142	31,825,730
Accumulated depreciation		(15,387)	(835,721)	(7,345,190)	-	(8,196,298)
Net book value at end of year	**$**	**268,210**	**729,972**	**21,364,108**	**1,267,142**	**23,629,432**

15) INTANGIBLE ASSETS, NET

As of December 31, 2020 and 2019, the consolidated intangible assets are as follows:

		2020			2019		
		Cost	Accumulated amortisation	Carrying amount	Cost	Accumulated amortisation	Carrying amount
Intangible assets of definite useful life:							
Exploration cost	$	26,715	(26,715)	-	26,715	(26,715)	-
Dredging cost		38,091	(38,091)	-	38,091	(38,091)	-
	$	**64,806**	**(64,806)**	**-**	**64,806**	**(64,806)**	**-**

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16) FINANCIAL INSTRUMENTS

16.1) LONG-TERM DEBT

As of December 31, 2020 and 2019, consolidated debt summarised by interest rates, are as follows:

		Group and Company				
		2020			**2019**	
		Amount	**Effective rate**		**Amount**	**Effective rate**
Floating rate	$	1,366,650	4.95%	$	6,079,656	6.83%
Fixed rate		3,076,000	7.45%		3,076,000	7.45%
	$	**4,442,650**		$	**9,155,656**	

The equivalent amounts in Jamaican dollars of debt held by the Group by currency as at December 31, 2020 and 2019 are as follows:

		Group and Company	
		2020	**2019**
US$	**$**	1,366,650	6,079,656
Jamaican $		3,076,000	3,076,000
	$	**4,442,650**	**9,155,656**

As of December 31, 2020 and 2019, Caribbean Cement Company Limited's debt summarised by holders, are as follows:

		Group and Company	
		2020	**2019**
CEMEX Espana (a)	**$**	1,366,650	6,079,656
National Commercial Bank Jamaica Limited (b)		3,076,000	3,076,000
	$	**4,442,650**	**9,155,656**

Changes in debt for the years ended December 31, 2020 and 2019 are as follows:

		Group and Company	
		2020	**2019**
Debt at beginning of year	**$**	9,155,656	11,387,028
Debt repayments, net		(4,733,485)	(2,207,878)
Foreign currency translation effects		20,479	(23,494)
Debt at end of year	$	**4,442,650**	**9,155,656**

a) This is an unsecured revolving loan with a related party to lend to the Company up to US$52,000,000. This loan attracts interest at an annual rate equal to the 3-month London Inter-Bank offered rate (LIBOR) plus 420 basis points over a 7 year period. The net effect of the loan drawn down as at December 31, 2020 and 2019 was US$36,279,825 and US$45,860,312, respectively. The repayment is on completion of the 7 year period, however the Company has the option to make early repayment.

b) National Commercial Bank Jamaica Limited loan represents a bilateral unsecured revolving credit line which attracts interest at a rate of 7.45% per annum over a 5 year period. The repayment is on completion of the 5 year period, however the Company has the option to make early repayment.

Financial Covenants

On November 30, 2018, the Group negotiated a 5 year loan facility with National Commercial Bank Jamaica Limited (NCBJL). The terms of this loan are disclosed below:

	Maximum/principal amount	Interest rate	Maturity date
Term loan	$3,076,000,000	7.45%	November 30, 2023

The loan from NCBJL has some 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. 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

As at December 31, 2020 and 2019, the Group was in compliance with the financial covenants.

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16) FINANCIAL INSTRUMENTS – CONTINUED

16.2) OTHER FINANCIAL OBLIGATIONS

As of December 31, 2020 and 2019, other financial obligations in the consolidated statement of financial position are detailed as follows:

Other financial obligations in the statement of financial position of the Group and the Company as of December 31, 2020 and 2019, are as follows:

		2020			2019		
		Short-term	**Long-term**	**Total**	**Short-term**	**Long-term**	**Total**
Redeemable preference shares (a)	$	1,057,619	989,459	2,047,078	627,893	2,395,037	3,022,930
Lease liabilities (b)		50,495	132,957	183,452	45,134	101,709	146,843
	$	**1,108,114**	**1,122,416**	**2,230,530**	**673,027**	**2,496,746**	**3,169,773**

(a) Changes in redeemable preferences shares for the years ended December 31, 2020 and 2019 were as follows:

		2020	**2019**
Balance at beginning of year	$	3,022,930	3,848,452
Partial redemption		(1,451,891)	(1,120,972)
		1,571,039	2,727,480
Unwinding of discount on preferences shares (note 7)		221,169	89,772
Foreign exchange movement		254,870	205,678
Balance at end of year	$	2,047,078	3,022,930

The redemption period for the preference shares is from September 30, 2018, through to September 30, 2026. If the amount is not fully paid, the payback period will be automatically extended annually, without penalty, until all the preference shares have been redeemed and the total consideration is paid to the parent company (see also note 20.1).

(b) The right-of-use assets under lease contracts are detailed in note 14. Changes in lease liabilities for the year ended December 31, 2020 and 2019 arising from cash flows and other changes were as follows:

		2020	**2019**
Balance at beginning of year	$	146,843	-
Initial application of IFRS 16		-	115,803
Lease liabilities arising from new leases during the year (note 14)		86,122	65,259
Unwinding of the discount on lease liabilities (note 7)		20,063	16,361
Payment of lease liabilities		(73,210)	(50,580)
Adjustment during the year		3,634	-
Balance at end of year	$	183,452	146,843

As of December 31, 2020 and 2019, the maturities of lease financial liabilities were as follows:

		2020	**2019**
No later than 1 year	$	49,675	45,134
Later than 1 year and not later than 5 years		100,196	80,218
Later than 5 years		33,581	21,491
	$	183,452	146,843

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's Treasury function.

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16) FINANCIAL INSTRUMENTS – CONTINUED

16.3) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities

The carrying amounts of cash, trade accounts receivable, other accounts receivable, accounts receivable from related parties, accounts receivable from subsidiary, other current assets, trade payable, other financial obligations, accounts payable to related parties and other current liabilities, 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.

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.

As of December 31, 2020 and 2019, the carrying amounts of financial assets/(liabilities) of the Group and the Company and their respective fair values are as follows:

		2020		2019	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Derivative financial instruments (note 16.4)...	$	8,634	8,634	-	-
		8,634	**8,634**	-	-
Financial liabilities					
Derivative financial instruments (note 16.4)...		-	-	(13,715)	(13,715)
		-	-	**(13,715)**	**(13,715)**
	$	**8,634**	**8,634**	**(13,715)**	**(13,715)**

16.4) 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 or fixing the price of fuels and electric energy.

As of December 31, 2020 and 2019, the carrying amounts and fair values of the Group’s derivative instruments were as follows:

		2020		2019	
		Carrying amount	Fair value	Carrying amount	Fair Value
Fuel price hedging	$	8,634	8,634	(13,715)	(13,715)

Up to December 31, 2020, the Company 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.

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.4) DERIVATIVE FINANCIAL INSTRUMENTS - CONTINUED

At December 31, 2020, the aggregate notional amount of the contract is $8,634,000 (US$61,000) [2019: $13,715,000 (US$103,000)], with estimated aggregate fair value of $8,634,000 (US$61,000) [2019: $13,715,000 (US$103,000)]. The contract was designated as a cash flow hedge of diesel fuel consumption, and as such, changes in 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 loss of a hedge contract recognised in other comprehensive income in 2019 amounting to $13,715,000 (US$103,000) were recycled through the income statement in 2020.

16.5) 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 services, inputs, products or commodities owned, produced, manufactured, processed, merchandised, leased or sell 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, 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, 2020, these strategies are sometimes complemented with the use of derivative financial instruments as mentioned in note 16.4, such as the commodity forward contracts on fuels negotiated to fix the price of these underlying commodities. The main risk categories are mentioned below.

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 affect the Group's results if the fixed rate long-term debt is measured at fair value. All our 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 in a high point when the interest rates market expects a downward trend, this is because there is an opportunity cost for remaining long periods paying 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 incentives that would have to be paid in such renegotiation or repurchase of debt.

As of December 31, 2020 and 2019, the net monetary assets (liabilities) by interest profile are as follows:

		The Group		The Company	
		2020	2019	2020	2019
Monetary Assets:					
Cash at bank and on hand	$	513,136	544,570	513,092	544,549
		513,136	544,570	513,092	544,549
Monetary liabilities:					
Floating rate debt	$	(1,366,650)	(6,079,656)	(1,366,650)	(6,079,656)
Fixed rate debt		(3,076,000)	(3,076,000)	(3,076,000)	(3,076,000)
		(4,442,650)	(9,155,656)	(4,442,650)	(9,155,656)
Net monetary liabilities	$	**(3,929,514)**	**(8,611,086)**	**(3,929,558)**	**(8,611,107)**

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.5) RISK MANAGEMENT - CONTINUED

Interest rate risk - continued

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

	The Group				
	Change in basis point			Effect on earnings before tax	
2020	+100	-100	$	8,535	(8,535)
2019	+100	-100	$	55,351	(55,351)

	The Company				
	Change in basis point			Effect on earnings before tax	
2020	+100	-100	$	8,535	(8,535)
2019	+100	-100	$	55,351	(55,351)

Foreign currency risk

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

Monetary position by foreign currency risk

As of December 31, 2020 and 2019, the net monetary assets (liabilities) of the Group and the Company by foreign currency are as follows:

		2020			2019		
		US$	EURO	TT$	US$	EURO	TT$
Foreign currency assets:							
Cash at bank and on hand	$	251	-	-	1,903	-	-
Trade accounts receivable, net		77	-	-	138	-	-
Accounts receivable from related parties		652	-	-	305	-	-
		980	-	-	2,346	-	-

	2020			2019		
	US$	EURO	TT$	US$	EURO	TT$
Foreign currency liabilities:						
Long-term debt	(9,580)	-	-	(45,860)	-	-
Other financial obligations	(14,350)	-	-	(22,803)	-	-
Accounts payable to related parties	(3,703)	-	-	(3,825)	-	(233)
Trade account payables	(6,474)	(13)	-	(670)	(6)	-
	(34,107)	(13)	-	(73,158)	(6)	(233)
	(33,127)	(13)	-	(70,812)	(6)	(233)

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.5) RISK MANAGEMENT – CONTINUED

Foreign currency risk - continued

Monetary position by foreign currency risk - continued

The following table demonstrates the sensitivity to a reasonably possible change in the following exchange rates of the Group's profit before taxation (expressed in Jamaican dollars), with all other variables held constant.

	2020				
	Change in exchange rate			Effect on profit before tax	
US$	+6.00%	-2.00%	$	(283,533)	94,511
Euros	+6.00%	-2.00%	$	(138)	46
TT$	+6.00%	-2.00%	$	-	-

	2019				
	Change in exchange rate			Effect on profit before tax	
US$	+6.00%	-4.00%	$	(563,243)	375,495
Euros	+6.00%	-4.00%	$	(58)	38
TT$	+6.00%	-4.00%	$	(273)	182

Credit risk

Credit risk is the risk of financial loss faced by the Group if a customer or counterpart of a financial instrument does not meet its contractual obligations and originates mainly from trade accounts receivable. As of December 31, 2020, and 2019, the maximum exposure to credit risk is represented by the balance of financial assets. Management has developed policies for the authorisation of credit to customers. The accounting exposure to credit risk is monitored constantly according to the behaviour of payment of debtors. Credit is assigned on a customer-to-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.

The Company'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, 2020, considering the Group's best estimate of potential expected losses based on the ECL model developed by the Group (note 9), the allowance for expected credit losses was $283,000 (2019: $1.088 million).

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 customer operations to ensure that they remain 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 based on a model that calculates the expected credit loss ("ECL") of the trade accounts receivable and are recognised over their term.

The Group estimates expected credit losses ("ECL") on trade receivables 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's for trade receivables as at December 31 2020 and 2019.

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.5) RISK MANAGEMENT – CONTINUED

Credit risk – continued

The Group

Aged buckets (days)		2020 Weighted average loss rate	Carrying gross amount	Impairment loss allowance	Credit impaired
Current (not past due)	$	0.1498%	141,684	283	No
31-60		0.0000%	-	-	No
61-90		0.0000%	-	-	No
91-120		0.0000%	-	-	No
121-365		0.0000%	-	-	No
Over 365 days		100.0000%	-	-	Yes
	$		141,684	283	

Aged buckets (days)		2019 Weighted average loss rate	Carrying gross amount	Impairment loss allowance	Credit impaired
Current (not past due)	$	4.3800%	510,511	1,087	No
31-60		1.7280%	-	-	No
61-90		1.4850%	-	-	No
91-120		1.5070%	-	-	No
121-365		1.6270%	-	-	No
Over 365 days		100.0000%	1	1	Yes
	$		510,512	1,088	

The Company

Aged buckets (days)		2020 Weighted average loss rate	Carrying gross amount	Impairment loss allowance	Credit impaired
Current (not past due)	$	0.1498%	141,684	283	No
31-60 days		0.0000%	-	-	No
61-90 days		0.0000%	-	-	No
91-120 days		0.0000%	-	-	No
121-365 days		0.0000%	-	-	No
Over 365 days		100.0000%	-	-	Yes
	$		141,684	283	

Aged buckets (days)		2019 Weighted average loss rate	Carrying gross amount	Impairment loss allowance	Credit impaired
Current (not past due)	$	4.3800%	510,511	1,087	No
31-60 days		1.7280%	-	-	No
61-90 days		1.4850%	-	-	No
91-120 days		1.5070%	-	-	No
121-365 days		1.6270%	-	-	No
Over 365 days		100.0000%	1	1	Yes
	$		510,512	1,088	

As at December 31, 2020, the Group had 2 customers (2019: 3 customers) that owed the Group more than $20,000,000 each (2019: $20,000,000 each), which accounted for 57% (2018: 97%) of all trade receivables owing.

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.5) RISK MANAGEMENT – CONTINUED

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 and acquisitions, 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, any one of which may materially affect the Group's results and reduce cash from operations.

The table below summarises the maturity profile of the financial liabilities at the reporting date based on contractual undiscounted payments.

The Group

2020

Months		Lease liabilities	Redeemable preference shares	Long-term debt	Accounts payable to related parties	Trade payables	Total
Less than 3	$	-	-	-	585,169	3,044,761	3,629,930
3 - 12		49,675	1,057,619	-	-	14,046	1,121,340
12 - 60		100,196	989,459	4,442,650	-	-	5,532,305
Over 60		33,581	-	-	-	-	33,581
	$	**183,452**	**2,047,078**	**4,442,650**	**585,169**	**3,058,807**	**10,317,156**

2019

Months		Lease liabilities	Redeemable preference shares	Long-term debt	Accounts payable to related parties	Trade payables	Total
Less than 3	$	-	-	-	527,383	-	527,383
3 - 12		45,134	627,893	-	-	2,469,260	3,142,287
12 - 60		80,218	2,395,037	-	-	-	2,475,255
Over 60		21,491	-	9,155,656	-	-	9,177,147
	$	**146,843**	**3,022,930**	**9,155,656**	**527,383**	**2,469,260**	**15,322,072**

The Company

2020

Months		Lease liabilities	Redeemable preference shares	Long-term debt	Accounts payable to related parties including subsidiary	Trade payables	Total
Less than 3	$	-	-	-	585,169	3,039,906	3,625,075
3 - 12		49,675	1,057,619	-	-	14,046	1,121,340
12 - 60		100,196	989,459	4,442,650	-	-	5,532,305
Over 60		33,581	-	-	-	-	33,581
	$	**183,452**	**2,047,078**	**4,442,650**	**585,169**	**3,053,952**	**10,312,301**

2019

Months		Lease liabilities	Redeemable preference shares	Long-term debt	Accounts payable to related parties including subsidiary	Trade payables	Total
Less than 3	$	-	-	-	530,489	-	530,489
3 - 12		45,134	627,893	-	-	2,467,376	3,140,403
12 - 60		80,218	2,395,037	-	-	-	2,475,255
Over 60		21,491	-	9,155,656	-	-	9,177,147
	$	**146,843**	**3,022,930**	**9,155,656**	**530,489**	**2,467,376**	**15,323,294**

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.5) RISK MANAGEMENT – CONTINUED

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business activities, maximise stockholder value. As at the reporting date, excluding the covenants on long-term debt (note 16.1) there were no externally imposed capital ratio requirements.

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

17) OTHER CURRENT AND NON-CURRENT LIABILITIES

As of December 31, 2020 and 2019, the balance of other current liabilities are summarised as follows:

		The Group		The Company	
		2020	2019	2020	2019
Provision (i)	$	494,851	682,546	495,818	682,546
Rehabilitation provision		7,265	773	7,265	773
Interest Payable		628	631	628	631
Advances from customers		213,136	237,434	213,136	237,434
Tax payable		917,233	292,726	917,233	294,467
Other account payable and accrued expenses		205,380	70,771	204,924	69,021
	$	**1,838,493**	**1,284,881**	**1,839,004**	**1,284,872**

(i) Provisions primarily consist of utilities and production related accruals, along with accrued employee benefits. These amounts are revolving in nature and are expected to be settled and replaced by similar amounts within the next 12 months.

As of December 31, 2020 and 2019, the balance of other non-current liabilities are summarised as follows:

		The Group and Company	
		2020	2019
Rehabilitation provision	$	50,121	54,094

Changes in rehabilitation provision for the years ended December 31, 2020 and 2019, are as follows:

		The Group and Company	
		2020	2019
Balance at beginning of the year	$	54,867	45,639
Decrease or increase in estimates		(5,572)	8,431
Unwinding of discount on rehabilitation provision (note 7)		8,091	797
Balance at end of the year		57,386	54,867
Out of which:			
Current provision		(7,265)	(773)
Non-current provision	$	50,121	54,094

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18) PENSIONS AND POST-EMPLOYMENT BENEFITS

Defined contribution pension plan

The Group participates in a defined contribution pension plan which is managed by an independent party, Sagicor Life Jamaica Limited. This plan is mandatory for all categories of permanent employees. Contributions are 10% of pensionable salary for both employee and employer. The amount of annual pension at any date shall be that pension which can be secured by the accumulated contribution plus interest to that date. The Group's and Company's contributions in the year amounted to $51,602,000 (2019: $58,124,000) and $51,602,000 (2019: $58,124,000) respectively.

Employee benefits obligation

The Group offers a post-retirement medical benefit to its employees and retirees whereby the company covers a portion of the cost for active members and full medical coverage for retired employees and their spouses, provided they were already covered by the scheme at the time of retirement. Employees who had fifteen (15) years' service and are age 50 and above, shall remain on the medical scheme provided that they were not re-employed.

		Total	
Net period cost (income)		**2020**	**2019**
Recorded in operating expenses			
Current service cost	$	13,675	10,788
Recorded in financial expenses			
Interest cost		61,824	57,197
Recorded in other comprehensive income			
Actuarial gains for the year	$	(3,142)	(29,840)

For the years 2020 and 2019, actuarial (gains) losses for the period were generated by the following main factors as follows:

		2020	2019
Changes in financial assumptions	$	(163,654)	(45,685)
Experience adjustments		160,512	15,845
	$	(3,142)	(29,840)

As of December 31, 2020 and 2019, the reconciliation of the actuarial benefits' obligations and pension plan assets, are presented as follows:

		2020	2019
Change in benefits obligation:			
Projected benefit obligation at beginning of the year	$	839,047	832,804
Service cost		13,675	10,788
Interest cost		61,824	57,197
Actuarial gains		(3,142)	(29,840)
Benefits paid		(29,044)	(31,902)
Projected benefit obligation at end of the year	$	882,360	839,047

The principal actuarial assumptions used are as follows:

	2020	2019
Assumptions:		
Discount rate	9.00%	7.50%
Inflation rate	6.00%	4.00%
Medical growth rate	10.50%	8.00%

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.

At December 31, 2020, the weighted average duration at the defined benefit obligation was 26 years (2019: 29 years).

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18) PENSIONS AND POST-EMPLOYMENT BENEFITS - CONTINUED

Sensitivity analysis on projected benefits obligation

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarises how the projected benefit obligation measured at the end of the reporting period would have increased (decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation. Hence, for example, a 1% reduction in the long-term discount rate, would cause some reduction in the health cost inflation rate.

	2020				
	Change			Effect on health cost	
Assumptions:					
Discount rate sensitivity	+1.00%	-1.00%	$	(128,371)	165,824
Medical growth rate	+1.00%	-1.00%	$	165,824	(127,854)
Life expectancy	+1.00%	-1.00%	$	37,213	(36,355)

	2019				
	Change			Effect on health cost	
Assumptions:					
Discount rate sensitivity	+1.00%	-1.00%	$	(119,677)	153,241
Medical growth rate	+1.00%	-1.00%	$	153,241	(120,162)
Life expectancy	+1.00%	-1.00%	$	32,678	(32,152)

In 2019 the Group embarked on an exercise to determine whether all retirees, who are in receipt of medical benefits are alive. One hundred and sixty-four (164) retirees have not collected the medical cards which is needed to access the benefits. While this does not directly imply that these members are not alive, it has been assumed, for the purpose of the valuation, thirty-nine (39) retirees and eleven (11) spouses who are aged 75 years and over, are deceased and as a result they were removed from the data. This resulted in a reduction in the medical obligation of $78,200,000. If any of these members present themselves, the related obligation will be included in subsequent valuation of the medical benefit obligation. There was no amendment to the plan in 2020.

19) TAXATION

19.1) TAXATION CHARGE FOR THE PERIOD

The amounts of tax expense in the statement of profit or loss for 2020 and 2019 are summarised as follows:

		The Group		The Company	
		2020	2019	2020	2019
Current tax	$	796,006	180,793	796,006	180,793
Previous year tax adjustment		17,753	8,808	17,687	8,808
Deferred tax		414,448	664,135	414,448	664,135
	$	**1,228,207**	**853,736**	**1,228,141**	**853,736**

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19) TAXATION - CONTINUED

19.2) DEFERRED TAXES

The effect of deferred taxes for the period represents the difference between the tax balances at the beginning and end of the year.

As of December 31, 2020 and 2019, the temporary differences that generated the deferred tax assets and liabilities of the Group are presented below:

2020		January 1	Recognised in the income statement	Recognised in OCI	December 31
Deferred tax assets:					
Tax losses	$	62,121	(62,121)	-	-
Interest accrual		417	(218)	-	199
Other accrual		36,983	(38,487)	-	(1,504)
Inventory accrual		61,016	(9,995)	-	51,021
Lease liabilities		-	45,863	-	45,863
Accrued vacation		39,493	(3,311)	-	36,182
Post-retirement benefit obligation		209,761	11,615	(786)	220,590
Unrealised exchange losses 2019		364	(9,849)	-	(9,485)
Total deferred tax assets	$	410,155	(66,503)	(786)	342,866
Deferred tax liabilities:					
Property, machinery and equipment		(1,695,878)	(347,945)	-	(2,043,823)
Total deferred tax liabilities		(1,695,878)	(347,945)	-	(2,043,823)
Net deferred tax liabilities	$	(1,285,723)	(414,448)	(786)	(1,700,957)

2019		January 1	Recognised in the income statement	Recognised in OCI	December 31
Deferred tax assets:					
Tax losses	$	345,422	(283,301)	-	62,121
Interest accrual		5,277	(4,860)	-	417
Other accrual		16,386	20,597	-	36,983
Inventory accrual		(2,174)	63,190	-	61,016
Accrued vacation		45,582	(6,089)	-	39,493
Post-retirement benefit obligation		208,202	9,019	(7,460)	209,761
Unrealised exchange losses		2,096	(1,732)	-	364
Total deferred tax assets	$	620,791	(203,176)	(7,460)	410,155
Deferred tax liabilities:					
Property, machinery and equipment	$	(1,234,919)	(460,959)	-	(1,695,878)
Total deferred tax liabilities		(1,234,919)	(460,959)	-	(1,695,878)
Net deferred tax liabilities	$	(614,128)	(664,135)	(7,460)	(1,285,723)

At December 31, 2020, subject to agreement with the Taxpayer Audit and Assessment Department, tax losses amounted to approximately $39,867 (2019: $248,482,001) for the Group and $nil (2019: $248,482,001) for the Company. The amount that can be utilised in any one assessment year is restricted to 50% of chargeable income (before utilising any prior year losses) of that assessment year.

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19) TAXATION - CONTINUED

19.3) RECONCILIATION OF EFFECTIVE TAX RATE

For the years ended December 31, 2020 and 2019, the effective tax rates were as follows:

		The Group		The Company	
		2020	**2019**	**2020**	**2019**
Earnings before taxation	$	4,424,900	2,737,414	4,433,047	2,742,367
Taxation	$	1,228,207	853,736	1,228,141	853,736
Effective tax rate		28%	31%	28%	31%

The current tax charge differs from the theoretical amount that would arise using the tax rate as follows:

		The Group		The Company	
		2020	**2019**	**2020**	**2019**
Earnings before taxation	$	4,424,900	2,737,414	4,433,047	2,742,367
Taxed at 25%		(1,106,225)	(684,354)	(1,108,262)	(685,592)
Tax on non-allowable expenses		(278,521)	(253,594)	(278,521)	(253,594)
Employment tax credit		197,823	81,615	197,823	81,615
Other		(41,284)	2,597	(39,181)	3,835
	$	**(1,228,207)**	**(853,736)**	**(1,228,141)**	**(853,736)**

20) SHARE CAPITAL & RESERVES

20.1) SHARE CAPITAL

As of December 31, 2020 and 2019, the breakdown of authorised share capital was as follows:

	Number of units ('000)	
	2020	**2019**
Ordinary stock units at no par value	1,350,000	1,350,000
Preference shares of US$1 par value	115,000	115,000

As of December 31, 2020 and 2019 the share capital of the Group is as follows:

		2020			
Issued and fully paid:		**Number of units ('000)**	**Value ($)**	**Number of units ('000)**	**Value ($)**
Ordinary stock at no par value	$	851,138	1,808,837	851,138	1,808,837
Preference shares of US$1 par value (i)					
January 1		37,800	-	48,071	-
Less amount redeemed [note 20.1(i)]		(12,840)	-	(10,271)	-
December 31		24,960	-	37,800	-
Capital contribution (ii)	**$**		**3,839,090**		**3,839,090**

(i) Preference shares

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

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20) SHARE CAPITAL & RESERVES - CONTINUED

20.1) SHARE CAPITAL - CONTINUED

(i) Preference shares - continued

On June 25, 2013, at a General Meeting the stockholders approved a resolution for the creation of 100,000,000 new preference shares and further authorised the Board to issue to TCL allotments of new preference shares for the purpose of discharging debts owed by the Company to TCL. Subsequently, on June 29, 2013, the Board approved the conversion of US$37,000,000 due to TCL into thirty-seven million (37,000,000) redeemable preference shares of US$1 each.

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

On July 6, 2018, a preference share agreement was made between the Company and the holder of the preference shares TCL for the redemption of 15,000,000 redeemable preference shares issued on January 5, 2010, and 37,000,000 redeemable preference shares issued on June 29, 2013.

The number of preference shares to be redeemed on each partial redemption (the Partially Redeemed Preference Shares") shall be the result of multiplying; (i) an amount equal to at least 33 1/3% ("the Conversion Factor") of the US Dollar equivalent of the profits of Issuer (which under Jamaican law would otherwise have been available for dividend payment) for the fiscal year prior to the fiscal year in which the Partial Redemption is taking place (with the annual profits being based on the latest year end financial statements of the Issuer) (the "Annual Consideration"); by (ii) 1.283950 (the "Discount Factor") shall always be rounded down to the nearest whole number.

The redemption period for the preference share is from September 30, 2018 through to September 30, 2026. The redemption period based on the full terms and conditions of the agreement will be automatically extended annually, without penalty, until all the preference shares have been redeemed and the total consideration is paid to holder provided that the Conversion Factor shall be increased to at least 66.6% for the Partial Redemption occurring after the first such extension. The preference shares shall be redeemed in the following order: (i) the number of 2010 Preference Shares that corresponds to each Annual Consideration until all 2010 preference shares have been redeemed; and (ii) only after all the 2010 preference shares have been fully redeemed, the number of 2013 preference shares that correspond to each Annual Consideration until all the 2013 preference shares have been redeemed.

As of December 31, 2020, the company has made three partial redemptions of its preference shares amounting to 27,039,704, which composed 15,000,000 out of the total preference shares that were issued to TCL in 2010 and 12,039,703 out of the total preference shares that were issued to TCL in 2013. The amount of the consideration paid for the three partial redemptions as of December 31, 2020 was US$21,059,780. After this partial redemption, TCL still holds an aggregate number of 24,960,296 preference shares. See note 16.2 for details related to amounts paid for the redemption of the preference shares during the year.

(ii) Capital contribution

On June 25, 2013, the TCL Board approved that intercompany balances of US$38,000,000 due by the Company to TCL be forgiven. The debt forgiven was credited to capital contribution by the Company.

This restructuring was designed to strengthen the equity position of the Company.

20.2) RESERVES

(a) Realised capital gain

The Group and the Company realised capital gains of $1,413,661,000 and $1,413,656,000, respectively, which represent the profit from the sale of certain machinery and equipment in August 1999. This was credited to the income statement over the 10-year period of the original operating lease.

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20) SHARE CAPITAL & RESERVES - CONTINUED

20.2) RESERVES - CONTINUED

(b) Other equity reserves

As of December 31, 2020 and 2019 other equity reserves are summarised as follows:

		The Group and Company	
		2020	2019
Capital redemption fund reserve (i)	$	2,556,022	1,268,221
Fuel price hedge (16.4)		8,634	(13,715)
	$	2,564,656	1,254,506

(i) Capital redemption fund reserve

This represents amount being transferred to capital redemption fund reserve on redemption of the preference shares pursuant to Section 64(d) of the Jamaica Companies Act. The movement in the reserve during the year was as follows:

		The Group and the Company	
		2020	2019
Balance at the beginning of the year	$	1,268,221	350,864
Amount transferred during the year		1,287,801	917,357
Balance at the after of the year	$	2,556,022	1,268,221

(c) Accumulated net income/(losses) and total comprehensive income:

(i) The "total net income" for the years ended December 31, 2020 and 2019 was dealt with in the financial statements as follows:

		2020	2019
Company	$	3,204,906	1,888,631
Subsidiary		(8,213)	(4,953)
	$	3,196,693	1,883,678

(ii) The "accumulated net income/(losses)" as of December 31, 2020 and 2019 are reflected in the financial statements as follows:

		2020	2019
Company	$	1,910,809	(8,652)
Subsidiary		(5,131)	3,082
	$	1,905,678	(5,570)

(iii) Changes in accumulated net income/(losses) for the years ended December 31, 2020 and 2019 are as follows:

		The Group		The Company	
		2020	2019	2020	2019
Balance at beginning of the year	$	(5,570)	(994,271)	(8,652)	(987,260)
Net income		3,196,693	1,883,678	3,204,906	1,888,631
Actuarial gains for the year		2,356	22,380	2,356	22,380
Transfer to capital redemption fund reserve		(1,287,801)	(917,357)	(1,287,801)	(917,357)
Amalgamated subsidiaries equity transferred		-	-	-	(15,046)
Balance at end of the year	$	1,905,678	(5,570)	1,910,809	(8,652)

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21) EARNINGS PER STOCK UNIT

Basic earnings per stock unit is calculated by dividing consolidated net income attributable to ordinary stockholders of the Parent Company (the numerator) by the weighted-average number of stock units outstanding (the denominator) during the year.

The amounts considered for calculations of earnings per share in 2020 and 2019 were as follows:

		The Group	
		2020	2019
Consolidated net income attributable to stockholders	$	3,196,693	1,883,678
Number of ordinary stock units in issue (thousands)		851,138	851,138
Earnings per ordinary stock unit (expressed in $ per stock unit)	$	3.76	2.21

22) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

22.1) ACCOUNTS RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES

Balances and operations between the Company and its subsidiary and associated companies, including the Parent result mainly from: (i) businesses and operational activities; (ii) billing of administrative services and other services rendered between affiliated companies; and (iii) loans between subsidiaries and associates companies. The transactions between subsidiaries and associates companies are conducted at arm's length.

For the transactions mentioned above, as of December 31, 2020 and 2019, the main accounts receivable and payable with related parties, are the following:

		Assets		Liabilities	
2020		Short-term	Long-term	Short-term	Long-term
TCL Trading Limited	$	-	-	4,222	-
Trinidad Cement Limited		-	-	11,001	-
TCL Packaging Limited		-	-	5,962	-
TCL Ponsa Manufacturing Limited		-	-	3,881	-
CEMEX USA		10,134	-	-	-
CEMEX SAB de CV		8,752	1,521	169	-
CEMEX Jamaica Limited		39,178	-	5,153	-
Transenergy Grinding Inc		-	-	502,893	-
CEMEX Beijing		10,960	-	51,888	-
CEMEX International Trading LLC		81,033	-	-	-
	$	**150,057**	**1,521**	**585,169**	**-**

		Assets		Liabilities	
2019		Short-term	Long-term	Short-term	Long-term
Arawak Cement Company Limited	$	3,431	-	497	-
Trinidad Cement Limited		1,670	-	112,461	-
TCL (Nevis) Limited		-	-	7,656	-
TCL (Guyana) Limited		12	-	-	-
TCL Packaging Limited		-	-	30,156	-
TCL Ponsa Manufacturing Limited		-	-	4,159	-
CEMEX Espana Gestion y Servicios, S.L		-	-	3,819	-
CEMEX SAB de CV		-	-	14,420	4,207
CEMEX Jamaica Limited		15,050	-	13,182	-
CEMEX Research Group		33,513	-	-	-
Transenergy Grinding Inc		-	-	311,106	-
CEMEX Columbia		1,286	-	-	-
CEMEX Nicaragua		1,286	-	-	-
CEMEX Puerto Rico		17,400	-	-	-
Sunbulk Shipping		-	-	29,927	-
	$	**73,648**	**-**	**527,383**	**4,207**

Accounts receivable from related parties are deemed to have low credit risk. The expected credit loss on these are therefore considered immaterial.

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22) BALANCES AND TRANSACTIONS WITH RELATED PARTIES – CONTINUED

22.1) ACCOUNTS RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES - CONTINUED

Short-term assets relate to management fees, sales, purchases and reimbursable expenses. Amounts receivables are deemed to have low credit risk. They are short-term in nature and due on demand. Additionally, they are interest free, unsecured and do not have any set repayment terms.

22.2) MAIN OPERATIONS WITH RELATED PARTIES

		CEMEX SAB de CV and related entities		Trinidad Cement Limited and its subsidiaries		Caribbean Cement Company Limited's subsidiary	
		2020	**2019**	**2020**	**2019**	**2020**	**2019**
Included in the income statement profit or loss							
Revenue:							
Sale of clinker	$	-	100,200	-	91,621	-	-
Sale of cement		-	750	-	-	-	-
Management fees income		42,951	-	-	-	-	20,000
Other		83,952	73,127	5,477	2,375	-	-
Cost of sales and operating expenses:							
Purchase of gypsum, shale and pozzolan		-	-	-	-	-	(81,965)
Purchase of cement		(1,170)	(383,261)	(36,813)	(416,044)	-	-
Purchase of grinding aids		-	-	-	-	-	-
Purchase of coal		(1,088,444)	(1,099,642)	-	-	-	-
Purchase of goods and Other materials		-	-	(815,085)	(493,257)	-	-
Purchase of iron silicate		(66,014)	-	-	-	-	-
Technical service fees		(128,611)	(151,008)	(155,232)	(117,948)	-	-
Management fees expenses		(24,850)	(10,012)	-	-	-	-
Subvention		-	-	-	-	(12,055)	(14,110)
Freight charges		(10,535)	(216,851)	-	-	-	(4,927)
Other purchases		-	(25,814)	-	(24,790)	-	-
Financing cost:		-					
Financial expenses		(225,732)	(534,054)	-	-	-	-
Included in the statement of financial position		-					
Capital expenditure	$	(98,022)	(36,011)	-	-	-	-

22.3) COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

		The Group		The Company	
		2020	**2019**	**2020**	**2019**
Short-term employee benefits	$	153,460,726	130,104,242	153,460,726	130,104,242
Directors' emoluments (i)		6,538	6,514	6,538	6,514
	$	153,467,264	130,110,756	153,467,264	130,110,756

(i) Director's emoluments includes an amount for health insurance paid for the Chairman of the Board.

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22.4) ACCOUNTS RECEIVABLE FROM AND PAYABLE TO SUBSIDIARY

This amount represents recharges net of trade amounts due to and from subsidiary which are interest free, unsecured and have no fixed repayment period.

Accounts receivable from subsidiary is deemed to have low credit risk. The expected credit loss on these are therefore considered immaterial.

23) CAPITAL COMMITMENTS

An aggregate amount of $nil (US$nil) [(2019: $293,807,541 (US$2,216,261)] was approved and contracted for as at December 31, 2020 in respect of capital projects.

24) CONTINGENCIES

There is one pending legal action as at December 31, 2020, in which the Group is involved. It is the opinion of the directors, based on the information provided by the Company's attorneys, that liability, if any, arising out of this claim is not considered significant. Accordingly, no provision has been made in these financial statements in respect of this matter.

25) LIMESTONE RESERVES

The major raw material used in the cement manufacturing process is limestone. The limestone requirements of the Group are met from reserves in land leased from the Government of Jamaica. The annual lease charge is $1,200,000 and the lease term has 28 years remaining and exploitable reserves are expected to have a life of 29 years based on the current extraction rate. These limestone reserves are not recorded in these financial statements.

26) IMPACT OF COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic related with Coronavirus SARS-CoV-2 which produce the disease known as COVID-19. The spread of COVID-19 around the world in the first half of 2020 has caused significant volatility in Jamaica as well as the global community. A lot of uncertainty remains and so it is difficult to determine the precise impact on the Company. Based on the results reported in these financial statements, the Company had no significant negative impact due to COVID-19 and the resulting disruptions, but due to the uncertainties that exist it is difficult to determine the future impact. The company has however prepared an assessment of its revised operating and cash flow forecasts for calendar year 2021 using various scenarios, including a conservative analysis, and has concluded that it has sufficient equity and liquidity to meet obligations as they become due, under these scenarios. Nevertheless, additional measures have been taken such as the suspension of all capital investments not associated with the administration of the pandemic and the suspension of all activities not focused on the administration of basic operations.

In light of the heightened concerns and in accordance with the directives of the Government of Jamaica, the Company has activated measures to minimize the potential exposure to employees, contractors and customers, whilst ensuring that any disruption to the business is kept at a minimum. The Company adopted 52 new protocols designed to reinforce safe behaviours and prevent the spread of COVID-19. We believe these protocols have been responsible for the absence so far of COVID-19 transmission at any of the company's facilities. Some other measures such as work from home protocols for administrative personnel have been also implemented, we also have supplied all our facilities and staff with hand sanitizers, face masks, and face shields (where necessary), and are required to comply with the social/physical distancing rules mandated by the Government. The company ensures that the plant and depots remain compliant with government/public health restrictions and mitigating measures.

Management continues to review the effect of developments arising from the pandemic on the risks faced by the Company. Management believes the group is in a sufficiently strong position to deal with the possible significant economic downturn. However, management is aware that a long duration of the pandemic and the associated containment measures could have a material adverse effect on the group, its customers, employees, and suppliers.

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