READYMIX (WEST INDIES) LIMITED

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2019

TCL GROUP
Building a Brighter Future

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

TT$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2019	2018	2018
Revenue	**15,511**	**19,790**	**83,330**
(Loss)/earnings before interest, tax, depreciation, gain on disposal of property, plant and equipment, restructuring costs and impairment	**(1,432)**	**(608)**	**3,360**
Depreciation	(2,183)	(1,313)	(5,455)
Gain on disposal of property, plant and equipment	-	-	791
Manpower restructuring costs (Note 5)	(870)	(1,609)	(14,610)
Impairment credit on trade receivables	-	-	2,438
Integration restructuring expenses (Note 6)	-	(31)	(31)
Operating loss	**(4,485)**	**(3,561)**	**(13,507)**
Net finance (cost)/income	(91)	9	30
Loss before taxation	**(4,576)**	**(3,552)**	**(13,477)**
Taxation	(141)	812	600
Loss for the period	**(4,717)**	**(2,740)**	**(12,877)**
Loss attributable to equity holders of the Parent	**(4,717)**	**(2,740)**	**(12,877)**
Basic and diluted loss per share - cents (Note 3)	**(39.3)**	**(22.8)**	**(107.3)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2019	2018	2018
Loss for the period	**(4,717)**	**(2,740)**	**(12,877)**
Other comprehensive income/(loss):			
Not to be reclassified to profit or loss in subsequent periods:			
Remeasurement loss on defined benefit plans	-	-	(16)
Income tax effect	-	-	5
	-	**-**	**(11)**
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	-	-	(2)
Total other comprehensive loss for the period, net of tax	**-**	**-**	**(2)**
Total comprehensive loss for the period, net of tax	**(4,717)**	**(2,740)**	**(12,890)**
Attributable to:			
Equity holders of the Parent	**(4,717)**	**(2,740)**	**(12,888)**
Non-controlling interest	-	-	(2)
Total comprehensive loss attributable to Owners of the Company:	**(4,717)**	**(2,740)**	**(12,890)**

DIRECTORS' STATEMENT

As we continue with our focus on the health, safety and welfare of our employees, RML is pleased to report another quarter with no Lost Time Incidents (LTIs).

In the first quarter (Q1) of 2019, the challenges facing RML and other organisations engaged in the construction sector, as reported in previous quarterly statements, have persisted, and consequently RML's results continue to be unsatisfactory. Concrete and Aggregate sales volumes have declined by 18% and 28% respectively from Q1 2018, resulting in a 22% decline in revenue over the same period. Adjusted EBITDA (earnings before interest, tax, depreciation, gain on disposal of property, plant and equipment, restructuring costs and impairment) for Q1 2019 was negative $1.4 million compared to negative $0.6 million in Q1 2018, a decline of 135%, directly related to our decreased revenue. Additionally, the adoption of IFRS 16 has led to a $0.4 million positive impact on adjusted EBITDA for Q1 2019.

Net loss for the quarter was $4.7 million compared to a loss of $2.7 million in Q1 2018, inclusive of manpower restructuring costs of $0.9 million recorded in the current period compared to $1.6 million charged in Q1 2018. On a positive note, net cash from operating activities was $0.9 million compared to negative $0.4 million in the prior year period due to an improvement in our working capital.

While activity in the construction sector remains largely very depressed, RML continues to explore avenues for growing revenue and further reducing costs. Our strategic partnership for the development and sale of housing units through East Lake Development Company Limited on unutilised land owned by RML is well underway and progressing as expected.

RML continues to await the decision of the Trinidad and Tobago Securities and Exchange Commission regarding our application for derecognition as a reporting issuer.

Michael Glenn Hamel-Smith	Jose Luis Seijo Gonzalez
Chairman	Director
April 17, 2019	**April 17, 2019**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	UNAUDITED		AUDITED
	31.03.19	31.03.18	31.12.18
ASSETS			
Non-current assets			
Property, plant and equipment	59,226	55,865	59,383
Investment	1	-	1
Deferred tax assets	21,233	13,655	14,297
	80,460	69,520	73,681
Current assets			
Inventories	10,165	11,825	9,340
Receivables and prepayments	11,664	10,907	14,099
Cash at bank and short-term deposits	19,198	50,734	18,380
	41,027	73,466	41,819
Total assets	**121,487**	**142,986**	**115,500**
EQUITY AND LIABILITIES			
Equity			
Stated capital	12,000	12,000	12,000
Retained earnings	40,831	55,696	45,548
Equity attributable to Owners of the Company	**52,831**	**67,696**	**57,548**
Non-controlling interests	(4,901)	(4,899)	(4,901)
Total equity	**47,930**	**62,797**	**52,647**
Non-current liabilities			
Employee benefits liability	4,986	12,662	4,784
Deferred tax liabilities	11,628	4,429	4,693
Leases long term	951	-	-
	17,565	17,091	9,477
Current liabilities			
Payables and Accruals	54,934	62,677	52,953
Leases short term	635	-	-
Liabilities directly associated with the discontinued operations	423	421	423
	55,992	63,098	53,376
Total equity and liabilities	**121,487**	**142,986**	**115,500**

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED		AUDITED
	Three Months Jan to Mar		Year Jan to Dec
	2019	2018	2018
Cash flows from operating activities			
Loss before taxation	**(4,576)**	**(3,552)**	**(13,477)**
Adjustments to reconcile profit before taxation to net cash generated by operating activities:			
Depreciation	2,183	1,313	5,455
Net finance costs	122	(5)	304
Other non-cash items	-	(455)	-
Employee benefit expense	202	453	169
Gain on disposal of property, plant and equipment	-	-	(791)
	(2,069)	(2,246)	(8,340)
(Increase)/decrease in inventories	(825)	115	2,600
Decrease/(increase) in receivables and prepayments	2,553	(1,460)	(5,400)
Increase/(decrease) in payables and accruals	1,751	3,726	(6,008)
Cash generated from/(used in) operations	1,410	135	(17,148)
Pension contributions paid	(236)	(236)	(7,611)
Taxation paid	(150)	(171)	(811)
Net interest paid	(122)	(102)	(304)
Net cash generated from/(used by) operating activities	**902**	**(374)**	**(25,874)**
Cash flows from investing activities			
Additions to property, plant and equipment	(84)	(615)	(8,260)
Reduction in short-term deposits	2,206	-	29,961
Proceeds from disposal of property, plant and equipment	-	-	791
Net cash generated from/(used in) investing activities	**2,122**	**(615)**	**22,492**
Net increase/(decrease) in cash and cash equivalents	3,024	(989)	(3,382)
Cash and cash equivalents - beginning of period	2,244	5,626	5,626
Cash and cash equivalents - end of period	**5,268**	**4,637**	**2,244**
Represented by:			
Cash at bank and on hand	**5,268**	**4,637**	**2,244**

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SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT			NON-CONTROLLING INTERESTS		
	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec	UNAUDITED Three Months Jan to Mar		AUDITED Year Jan to Dec
	2019	2018	2018	2019	2018	2018
Balance at beginning of period	**57,548**	**74,833**	**74,833**	**(4,901)**	**(4,899)**	**(4,899)**
Recognition of opening carrying amount differences upon initial application of IFRS 9	-	(4,397)	(4,397)	-	-	
	57,548	70,436	70,436	(4,901)	(4,899)	(4,899)
Currency translation loss	-	-	-	-	-	(2)
Other comprehensive loss	-	-	(11)	-	-	-
Loss after taxation	(4,717)	(2,740)	(12,877)	-	-	-
Total comprehensive loss	(4,717)	(2,740)	(12,888)	-	-	(2)
Balance at end of period	**52,831**	**67,696**	**57,548**	**(4,901)**	**(4,899)**	**(4,901)**

SEGMENT INFORMATION

TT$'000	CONCRETE	AGGREGATE	TOTAL
UNAUDITED THREE MONTHS JAN TO MAR 2019			
Revenue	12,902	2,609	15,511
Loss before tax	(3,798)	(778)	(4,576)
UNAUDITED THREE MONTHS JAN TO MAR 2018			
Revenue	16,031	3,759	19,790
Loss before tax	(687)	(2,865)	(3,552)
AUDITED YEAR JAN TO DEC 2018			
Revenue	67,250	16,080	83,330
(Loss)/profit before tax	(14,554)	1,077	(13,477)

NOTES:

1. Basis of Preparation
These condensed consolidated financial statements are prepared in accordance with established criteria developed by management and discloses the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, summary consolidated statement of changes in equity and consolidated statement of cash flows.

2. Accounting Policies
These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the December 31st, 2018 audited financial statements consistently applied from period to period, except where the company has adopted the new and revised accounting standards that are mandatory for annual accounting periods on or after January 1st, 2019 and which are relevant to the Company's operations.

3. Earnings Per Share
Earnings per share (EPS) is calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

4. Segment Information
The Group derived 83% (2018 - 81%) of its revenue from the sale of concrete and 17% (2018 - 19%) from the sale of aggregates. The Group's Sales strategy is associated with these two product lines, accordingly the segment information is so presented.

5. Manpower Restructuring Costs
Manpower restructuring costs mainly comprise settlement of obligations to separated employees incurred during implementation of restructuring programmes. The objective of the restructuring programmes is to improve cost efficiency in light of continuing market conditions.

6. Integration Restructuring Expenses
Integration restructuring expenses comprise the expenses incurred to align the operations and integrate the processes with the ultimate parent company.

7. Initial Application of IFRS 16
The Group adopted IFRS 16 Leases ("IFRS 16") on January 1, 2019. The adoption of IFRS 16 impacted the accounting policy for property, plant and equipment. The impact on the results of the first quarter of 2019 was a recognition of $1.9 million in right-of-use assets, $1.9 million in lease liability and an increase in adjusted EBITDA by $0.4 million.