



READYMIX (WEST INDIES) LIMITED

# SUMMARY CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2016



GROUP  
Building a Brighter Future

## SUMMARY CONSOLIDATED STATEMENT OF INCOME

TT\$'000	UNAUDITED Three Months Apr to June		UNAUDITED Six Months Jan to June		AUDITED Year Jan to Dec
	2016	2015	2016	2015	2015
<b>CONTINUING OPERATIONS</b>					
<b>REVENUE</b>	<b>38,239</b>	<b>68,705</b>	<b>71,156</b>	<b>116,824</b>	<b>216,716</b>
<b>Operating (loss)/profit from continuing operations</b>	<b>(2,021)</b>	<b>7,023</b>	<b>(2,715)</b>	<b>10,664</b>	<b>13,588</b>
Finance costs – net	(34)	(90)	(56)	(246)	(288)
(Loss)/profit before taxation from continuing operations	(2,055)	6,933	(2,771)	10,418	13,300
Taxation	(504)	(1,944)	(414)	(2,883)	(3,863)
<b>(Loss)/profit after taxation from continuing operations</b>	<b>(2,559)</b>	<b>4,989</b>	<b>(3,185)</b>	<b>7,535</b>	<b>9,437</b>
<b>Discontinued operations:</b>					
Profit/(loss) before taxation from discontinued operations	16	–	16	–	(115)
Taxation	–	–	–	–	–
<b>Profit/(loss) after taxation from discontinued operations</b>	<b>16</b>	<b>–</b>	<b>16</b>	<b>–</b>	<b>(115)</b>
<b>(Loss)/profit for the period</b>	<b>(2,543)</b>	<b>4,989</b>	<b>(3,169)</b>	<b>7,535</b>	<b>9,322</b>
<b>Attributable to:</b>					
Shareholders of the Parent	(2,550)	4,931	(3,176)	7,547	9,368
Non-controlling interests	7	58	7	(12)	(46)
	<b>(2,543)</b>	<b>4,989</b>	<b>(3,169)</b>	<b>7,535</b>	<b>9,322</b>
<b>Basic and diluted (loss)/earnings per share – cents:</b>					
From continuing operations	(0.21)	0.42	(0.27)	0.63	0.79
From discontinued operations	–	–	0.01	–	(0.01)
	<b>(0.21)</b>	<b>0.42</b>	<b>(0.26)</b>	<b>0.63</b>	<b>0.78</b>

## SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT\$'000	UNAUDITED Three Months Apr to June		UNAUDITED Six Months Jan to June		AUDITED Year Jan to Dec
	2016	2015	2016	2015	2015
<b>(Loss)/profit for the period</b>	<b>(2,543)</b>	<b>4,989</b>	<b>(3,169)</b>	<b>7,535</b>	<b>9,322</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Remeasurement losses on defined benefit plans	–	–	–	–	(799)
Income tax effect	–	–	–	–	200
	–	–	–	–	(599)
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Currency translation differences	(24)	(36)	(34)	(36)	(37)
<b>Total comprehensive (loss)/income for the period net of tax</b>	<b>(2,567)</b>	<b>4,953</b>	<b>(3,203)</b>	<b>7,499</b>	<b>8,686</b>
<b>Attributable to:</b>					
Shareholders of the Parent	(2,491)	4,909	(3,086)	7,525	8,747
Non-controlling interests	(76)	44	(117)	(26)	(61)
	<b>(2,567)</b>	<b>4,953</b>	<b>(3,203)</b>	<b>7,499</b>	<b>8,686</b>

## DIRECTORS' STATEMENT

Activity in the construction sector for the first half of 2016 suffered a substantial decline over 2015. At Readymix, Concrete and Aggregate sales volumes for Q2 2016 were lower than Q2 2015 by 42% and 39% respectively. In addition, competitive forces in the construction sector have placed downward pressure on prices of both our concrete and aggregate products as the market has become increasingly aggressive. As a consequence, Q2 revenue of \$38.2 million declined by 44% compared to Q2 2015.

In the circumstances, we have been focused on cost management and cost containment. Notwithstanding, additional payroll costs recognised in Q2 negatively

impacted results. Arising from this, the company recorded a net loss for the second quarter of \$2.5 million compared to a profit of \$5.0 million for the comparative 2015 period. For the half year to June 2016, a net loss after tax of \$3.2 million was recorded compared to a net profit of \$7.5 million in 2015 comparative period.

Management does not anticipate an improvement in the construction sector for the remainder of 2016, and therefore will continue to focus on cost reduction and improvement in operational efficiency. Notwithstanding the difficult market conditions, management is also focused on increasing market share and exploring new markets.

Nigel Edwards  
Chairman  
July 20, 2016

Luis Gilberto Ali Moya  
Director  
July 20, 2016

## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT\$'000	UNAUDITED 30.06.2016	UNAUDITED 30.06.2015	AUDITED 31.12.2015
	Non-current assets	44,322	51,757
Current assets	101,058	102,559	105,382
Assets directly associated with the discontinued operations	39	78	44
Current liabilities	(36,584)	(45,540)	(39,900)
Liabilities directly associated with the discontinued operations	(411)	(396)	(402)
Non-current liabilities	(12,055)	(10,033)	(11,608)
<b>Total net assets</b>	<b>96,369</b>	<b>98,425</b>	<b>99,572</b>
<b>Equity attributable to the Parent</b>			
Share capital	12,000	12,000	12,000
Reserves	89,360	91,248	92,446
	101,360	103,248	104,446
Non-controlling interests	(4,991)	(4,823)	(4,874)
<b>Total equity</b>	<b>96,369</b>	<b>98,425</b>	<b>99,572</b>

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

TT\$'000	UNAUDITED Three Months Apr to June		UNAUDITED Six Months Jan to June		AUDITED Year Jan to Dec
	2016	2015	2016	2015	2015
<b>(Loss)/profit before taxation from continuing operations</b>	<b>(2,055)</b>	<b>6,933</b>	<b>(2,771)</b>	<b>10,418</b>	<b>13,300</b>
<b>Profit/(loss) before taxation from discontinued operations</b>	<b>16</b>	<b>–</b>	<b>16</b>	<b>–</b>	<b>(115)</b>
(Loss)/profit before taxation	(2,039)	6,933	(2,755)	10,418	13,185
Adjustment for non-cash items	1,628	1,478	3,404	2,127	13,048
Changes in working capital	4,156	14,677	(2,647)	26,909	40,174
	3,745	23,088	(1,998)	39,454	66,407
Net interest, taxation and pension contributions paid	(1,504)	(1,933)	(2,345)	(3,669)	(6,352)
Net cash generated by/(used in) operating activities	2,241	21,155	(4,343)	35,785	60,055
Net cash used in investing activities	(3,563)	(568)	(3,820)	(3,304)	(51,692)
Net cash used in financing activities	–	(4,028)	–	(4,778)	(4,778)
(Decrease)/increase in cash and cash equivalents	(1,322)	16,559	(8,163)	27,703	3,585
Cash and cash equivalents – beginning of period	11,965	26,365	18,806	15,221	15,221
<b>Cash and cash equivalents – end of period</b>	<b>10,643</b>	<b>42,924</b>	<b>10,643</b>	<b>42,924</b>	<b>18,806</b>

## SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT\$'000	PARENT			NON-CONTROLLING INTERESTS		
	UNAUDITED Six Months Jan to June	AUDITED Year Jan to Dec		UNAUDITED Six Months Jan to June	AUDITED Year Jan to Dec	
	2016	2015	2015	2016	2015	2015
<b>Balance at beginning of period</b>	<b>104,446</b>	<b>95,699</b>	<b>95,699</b>	<b>(4,874)</b>	<b>(4,813)</b>	<b>(4,813)</b>
Currency translation differences	90	(22)	(22)	(124)	(14)	(15)
Other comprehensive income/(loss)	–	24	(599)	–	16	–
(Loss)/profit after taxation	(3,176)	7,547	9,368	7	(12)	(46)
<b>Balance at end of period</b>	<b>101,360</b>	<b>103,248</b>	<b>104,446</b>	<b>(4,991)</b>	<b>(4,823)</b>	<b>(4,874)</b>

## SEGMENT INFORMATION

TT\$'000	Concrete	Aggregate	Adjustments & Eliminations	Total
<b>UNAUDITED SIX MONTHS JAN TO JUNE 2016</b>				
Revenue	51,439	19,717	–	71,156
(Loss)/profit before taxation	(9,327)	6,572	–	(2,755)
<b>UNAUDITED SIX MONTHS JAN TO JUNE 2015</b>				
Revenue	85,169	31,655	–	116,824
Profit before taxation	6,774	3,644	–	10,418
<b>AUDITED YEAR JAN TO DEC 2015</b>				
Revenue	158,255	58,461	–	216,716
Profit before taxation	7,574	5,611	–	13,185



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FOR THE SIX MONTHS ENDED JUNE 30, 2016



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## NOTES

### 1. Basis of Preparation

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows.

### 2. Accounting Policies

Accounting policies used in the preparation of these summary consolidated financial statements are consistent with those set out in Note 2 of the December 31, 2015 Audited Consolidated Financial Statements consistently applied from period to period. The Group has adopted all the new and revised accounting standards and

interpretations that are mandatory for annual accounting periods beginning on or after January 01, 2016 and which are relevant to the Group's operations.

### 3. Earnings Per Share

Earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

### 4. Segment Information

The Group derived 72% (2015 - 73%) of its revenue from the sale of pre-mixed concrete and 28% (2015 - 27%) from the sale of aggregates. The Group's Sales strategy is associated with these two product lines, accordingly the segment information is so presented.

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