CELEBRATING 10 YEARS | **2016 ANNUAL REPORT**

tTECH10 YEARS

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MISSION

We are professionals helping companies to maximize their investments in technology by simplifying the selection, implementation and management of their IT systems.

We provide "IT Peace of Mind".

VISION

tTech is a Jamaican company providing world class IT services globally. This will be accomplished by a combination of fostering an ethical work environment that allows team members to strive for excellence and personal growth while being empowered to represent the company: providing an insanely good customer experience and consistently exceeding all customer expectations.

tTech consistently delivers on their promise of providing customers with IT solutions that maximize returns on their IT investments. This is done by first understanding our customers' business objectives and areas they wish to improve, then recommending solutions which will provide benefits that can be delivered to the standards of excellence for which we are renown. Every one of tTech's customers will be willing to provide glowing references and unhesitating in recommending tTech to other companies.

Team members will be so engaged that they will readily tell everyone that tTech is the best place that they have ever worked, and that they are provided with the opportunity to realize their maximum potential and to grow professionally and financially. The team will work in a way that is supportive and respectful, will always seek to help each other to improve rather than finding fault. This positive and honest environment will be underscored by a culture that minimizes bureaucracy, embraces innovation, and puts the customers' needs first.

tTech will positively impact Jamaica and the markets in which we operate by consistently raising the bar for the industry through innovation and continuous improvement, while contributing to causes that facilitate growth and opportunity for Jamaica.

HIGHLIGHTS

$196M

Total assets (2015: $93.93M)

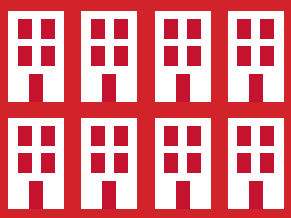
tTech offers a wide range of related services including Service Desk, IT Security, Unified Communications, Infrastructure Management, Cloud Migration and Consulting Services.

First Jamaican Information Technology company to list on the Junior Market of the Jamaica Stock Exchange on January 7, 2016.

$39.3M

Net profit attributable to owners (2015: $24.8M)

tTech currently has 37 highly capable and educated team members.



tTech now has 50 companies and more than 3,400 devices under management.

EARNINGS PER STOCK UNIT

$163.9M

Stock holders' equity (2015: $128.6M)

$50.2M

Raised in IPO

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2017 Annual General Meeting of tTech Limited (the "Company") will be held on Thursday, June 29, 2017 at 4:00 p.m. at the Knutsford Court Hotel, 16 Chelsea Avenue, Kingston 5, Jamaica for the following purposes:

1. To receive the Company's Audited Accounts and the Reports of the Directors and the Auditors for the year ended December 31, 2016. To consider and (if thought fit) pass the following resolution:

   Resolution No. 1 "That the Directors' Report, the Auditor's Report and the Statements of Account of the Company for the year ended December 31, 2016 be approved."

2. To appoint Auditors and authorize the Directors to fix the remuneration of the Auditors. To consider and (if thought fit) pass the following resolution:

   Resolution No. 2 "That Ernst & Young, Chartered Accountants be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

3. The Directors to retire from office pursuant to Article 102 of the Articles of Incorporation are Gregory Henry, Hugh Allen and Edward Alexander.

   Resolution No. 3 To approve the election and re-election of Directors recommended for appointment to the Board of Directors of the Company. To consider and (if thought fit) pass the following resolutions:

   a. "That retiring Director Hugh Allen be and is hereby re-elected a Director of the Company."
   b. "That retiring Director Edward Alexander be and is hereby re-elected a Director of the Company."

Dated this 20th day of April, 2017

BY ORDER OF THE BOARD

Gordon Christopher Reckord
Secretary

REGISTERED OFFICE
69 ½ Harbour Street
Kingston

A Member entitled to attend and vote at this meeting may appoint a Proxy to attend and vote in his/her stead. A Proxy need not be a Member of the Company. A Proxy Form is enclosed for your convenience. Completed Proxy Forms must be lodged at the Company's Registered Office at least forty-eight hours before the time appointed for holding the meeting. The Proxy Form shall bear the stamp duty of $100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy.

In addition to supporting the management of clients' IT Systems, tTech offers a wide range of related services including Service Desk, IT Security, Unified Communications, Infrastructure Management, Cloud Migration and Consulting Services. Included in these services are Microsoft Active Directory planning and upgrades, Server Virtualization implementation, Vulnerability Assessments, Penetration Testing, Network Design for High Availability and Disaster Recovery Planning.

Service Desk

At tTech, our team of highly trained Service Desk professionals are dedicated to serving our clients by troubleshooting and solving their technology challenges. Our clients have the assurance that through a phone call or email their service request will be addressed in a timely manner. The tTech Service Desk team is experienced in supporting end users' issues that relate to desktop and laptop computers, mobile devices, printers and other peripherals, networks and commonly used business applications such as Microsoft Office and email. Should complex issues arise they are quickly escalated so that the end user experiences minimal disruption.

IT Security

Security threats are real, and ever increasing in sophistication and frequency. A managed security service is essential to protect enterprises from cyber attacks and the potential interruption of operation or compromise of data that could result. With our trained team of experts in IT Security, tTech is available to serve its clients by ensuring the implementation of state of the art IT security systems tailored to the needs of your business. With years of service to clients with sensitive security needs in industries such as finance, insurance and money transfer, tTech in conjunction with existing IT teams, or as a fully outsourced solutions provider, is equipped to ensure the highest level of security. Security services provided by tTech include network security assessments, vulnerability and penetration testing, implementation and management of intrusion detection systems, anti-malware systems, training in security awareness and firewall administration.

Unified Communications

The right communications tools are essential to the success of any business. As a Unified Communications (UC) partner, tTech implements seamless, real-time communication services including instant messaging, telephony, video conferencing and desktop sharing among others. tTech ensures the right tools to enhance your business resulting in easy internal and external communications across multiple platforms and devices while minimizing costs and system interruptions. Currently Unified Communications Solutions are built on tried and proven technologies including Xorcom VoIP PBX, Microsoft Skype For Business, Microsoft Exchange and Office 365.

Infrastructure Management

tTech offers a range of Infrastructure Management services that ensure the performance, reliability and availability of the IT infrastructure that supports business. tTech's infrastructure Management service continuously collects performance data from all the devices being monitored. This real time monitoring allows for proactive alerts which inform support staff when problems occur on networks and servers, making sure that as a challenge arises it is immediately flagged and sends alerts to the relevant personnel who can respond to avoid costly downtime.

Cloud Migration Services

tTech recognized early on that the phenomenal growth in the adoption of Cloud computing globally will eventually happen in Jamaica and the Caribbean. This led to us being early adopters and users of Cloud Solutions like Google Apps for Business, Microsoft Office 365, as well as cloud based servers and backup services to run our own IT Infrastructure. This experience has allowed tTech to develop the expertise to be able to help our clients to design, plan and manage the migration of their IT Infrastructure to cloud computing. Cloud Services offers the advantage of reducing overall expenses associated with physical servers while maintaining user efficiency through easy access to files and software stored in the cloud. Our track record and understanding of network design, security and infrastructure monitoring also ensures that the access to, and use of cloud services are reliable and secure.

Consulting Services

In our bid to deliver IT Peace of Mind, tTech maintains that a reliable IT Infrastructure is the cornerstone to developing effective use of IT at the Application and Business Processes layers. All business segments, whether small, medium or large are dependent on IT today, and now recognise that the complexity of IT when providing services to 30 or more users far surpasses the simplicity of IT for the home. It is for these SME organisations that we provide Consulting Services. Our portfolio, that allows us to Simplify IT and guarantee ***IT Peace of Mind***, is based on the following Consulting Services:

Disaster Recovery and Business Continuity Planning

Disaster Recovery (DR) and Business Continuity Planning (BCP) targets both the IT Department and Executive teams and assist them to develop a governance framework for Disaster Recovery and Business Continuity Planning.

Virtual CIO Services

Virtual CIO Services (vCIO) is based on the partial or complete management of IT processes, to drive the cultural changes necessary to move from 'fire-fighting' to proactive, streamlined service delivery. We ensure that IT performance is measurable year over year.

Project and Portfolio Management (PPM)

Businesses continue to struggle with the delivery of effective Project and Project Portfolio Management that will allow for the meeting of business objectives. We support organisations as they embark on mission critical projects, with a high dependency on an IT solution to achieve business results.


TECH

Another good year of growth in all areas

2016, our first full year as a publicly traded company, was another good year for our young company. tTech continued to grow and our stock price closed at $5.80 on December 31, 2016, a more than 100% increase over our listing price of $2.50 on January 7, 2016, as the market continued to show confidence in the company.

In 2016, Revenues grew to $223,164,000 an increase of $46,188,000 or 25.39% over 2015. This resulted in Total Comprehensive Income attributable to shareholders of $38,341,000, an increase of $14,470,000 or 58.18% over 2015. This resulted in an Earnings per Share of $0.37 versus $0.31 in 2015.

The growth resulted from increased revenues in all the products and services offered by the company as well as the addition of new customers. The company continued to provide its products and services with exceptional customer service from a team of knowledgeable and dedicated professionals. The focus on growing cloud based services, IT security services and IT consultancy services continued in 2016.

During 2017, we will continue to execute our Strategic Plan ensuring that we continue to grow and focus on providing an exceptional customer service to both new and existing customers. We continue to strengthen our ability to do so by ensuring that our people are well trained, and led by a highly-motivated management team.

During 2016, Ms. Joan-Marie Powell was appointed to the position of Chairperson of the Remuneration Committee. I would like to thank Mr. Thomas Chin for the work he continues to do as the Chairman of the Audit Committee and for the work he did in support of the Management Team during the preparation of the 2016 Audited Accounts.

By June 1, 2017 we will appoint a Corporate Governance Committee which will focus on ensuring that any gaps that exist in our Governance are addressed. We will be using the Jamaica Stock Exchange Corporate Governance Index Manual and the PSOJ Corporate Governance Code as our guide.

I would like to congratulate and thank the tTech team on the job they did in 2016 and the directors for their continued support. I would also like to thank the investing public for the confidence they have shown in the company during 2016 and look forward to continued success and growth in 2017 and the years to come.

– U. Philip Alexander
Chairman

CEO, Edward 'Teddy' Alexander, delivering his welcome speech at the 10th Anniversary clelebration.

Committed to delivering an insanely good customer experience

2016 was a memorable year for tTech. The highlights for the year were:

1. On January 7, 2016 tTech became the first Jamaican Information Technology company to be listed on the Junior Market of the Jamaica Stock Exchange.
2. Strong demand for the company's services resulted in record revenues of $223.7 million, an increase of 25.4% over 2015 ($177.9 million).
3. Total Comprehensive Income for the year was $39.3 million, an increase of 58.2% over 2015 ($24.8 million).
4. The company's share price at the end of 2016 was $5.30, an increase of 112% over the listing price of $2.50.
5. On December 1, 2016 tTech celebrated its 10th Anniversary representing a decade of innovation, commitment to customer service, teamwork and strong financial performance.

Since its inception in 2006, tTech has differentiated itself from other IT companies in Jamaica by focusing on the delivery of services rather than computer equipment or software licenses which become more commoditized every year. The services provided by tTech require deep technical knowledge that typically is not a requirement of most organizations for the delivery of their core products and services. As a result, it is more efficient for companies to outsource the management and support of their IT systems to tTech than to develop and maintain those skills in-house. Ultimately our goal is for our customers to

In addition to focusing on our customers, tTech also pays very close attention to the development of our team members. Our size has allowed us to share information about the company, inclusive of the financial performance with all team members.

experience "IT Peace of Mind".

Another differentiator for tTech is that our services are delivered by a dedicated group of professionals in a way that we describe as "an insanely good customer experience", as we believe that excellence in technical services allied with a great customer experience will create loyal customers who will become advocates for tTech. Over the years this has been our formula for success and even as we grow we continue to focus on these fundamentals to ensure that they become a part of our DNA.

In addition to focusing on our customers, tTech also pays very close attention to the development of our team members. Our size has allowed us to share information about the company, inclusive of the financial performance with all team members. Our commitment to the delivery of "an insanely good customer experience" is recognized by giving team members who receive a commendation for excellent service a gift card and acknowledgment at monthly staff meetings. This is for both external and internal customers.

The technical services provided by tTech are termed Managed IT Services. The services are interrelated but can be separated into the following areas:

1. The management of core IT infrastructure such as servers and network equipment;
2. Service or Help Desk support for end users and their computers and mobile devices;
3. The deployment and management of IT Security systems;
4. Cloud migration and support services;
5. Consulting services;
6. Voice (or PBX) Solutions.

The services in 1, 2, 3 and 4 are provided to several customers as a package and this package is what is typically referred to as Managed IT Services.

Managed IT Services

In 2016 Managed IT Services experienced strong growth as several new customers were acquired across sectors including retail, financial services, manufacturing, legal and general commercial. To meet the demand for these services the company had to increase personnel which drove expenses up. However, in the second half of the year new internal systems were implemented to increase efficiencies and allow for continued growth without the need to hire additional personnel at the same rate as in the first half of 2016.

IT Security

IT Security is typically provided as a part of our Managed IT Services, but IT Security is being singled out because of its growing importance to not just tTech and our customers but to the entire world.

As companies become increasingly reliant on digital technologies and more

Continued on next page

The experience gained in our 10 years of delivering Managed IT Services has made tTech a leader in the Jamaican market.

Continued on next page

and more data is stored in digital form, the need for IT Security or Cybersecurity becomes more important. In addition to growing our IT Security services tTech also focused on educating the market about the importance of IT Security by partnering with organizations to deliver Cybersecurity seminars. Organizations with whom we partnered included the Jamaica Chamber of Commerce, The Jamaica Stock Exchange, The Jamaica Computer Society, the ISACA Kingston Chapter, the Mona ICT Policy Centre, the Jamaica Institute of Engineers, and the College of Insurance and Professional Studies. These seminars resulted in tTech educating C-level executives, business managers, IT professionals and non-IT professionals. Further exposure was garnered by bi-weekly contributions to the Jamaica Observer's Tech & You section. These activities have significantly increased the awareness of tTech as a Managed IT service provider and particularly as a provider of IT Security services.

Consulting

Complementing tTech's Managed IT Services and IT Security services are our Consulting Services. These services came on stream in 2015. In 2016, the demand for our Consulting Services was very strong from both existing and new customers. To ensure efficiency and consistent quality in the delivery of these services, tTech entered into a partnership agreement with a leading IT research organization in North America which has provided access to content that is very well suited to the needs of companies in our market. The partnership has also allowed us to deliver new services which are in keeping with our mission to help our customers to maximize returns from their investments in Information Technology.

Voice Solutions

The voice solutions provided by tTech are very cost-effective systems based on proven, open source technology. During 2016 the demand for our voice solutions remained strong. The highlight for the year was the installation of our largest commercial system, with over 400 extensions, for a leading media company. There are many companies in Jamaica with aging legacy voice systems and we anticipate that demand for our voice solutions will remain strong as we offer features that are comparable to those from far more costly competing proprietary systems.

Outlook

The use of Information Technology is increasing across all sectors in Jamaica. This is in keeping with global trends as organizations adopt digital transformation strategies to improve their service delivery and increase customer loyalty while becoming more efficient. This trend augurs well for tTech as it will drive demand for our services and create opportunities for new services to be introduced to our markets. The experience gained in our 10 years of delivering Managed IT Services has made tTech a leader in the Jamaican market.

The exposure which we have received since listing on the Junior Stock Exchange has increased the awareness in the market of the services we provide and we expect continued growth in the future.

– Edward Alexander,
Chief Executive Officer

THROUGH THE YEARS

Started operations on December 1, 2006

Founding partners:
- Edward "Teddy" Alexander
- Hugh Allen
- Gregory Henry
- Ayrton Salmon

Four companies under management: GraceKennedy, Gateway Shipping, International Shipping and Trucking, and Maritime Services.

07

First employee hired Gregory Salmon. Employee Headcount: 5

First Family Brunch at Terra Nova.

Companies under management: 11

Upgraded GraceKennedy's 2000+ user active directory system.

Implemented first infrastructure monitoring and management solution WhatsUp Gold for our key customers.

08

1st Anniversary customer function at Alhambra Inn

Started providing Infrastructure Management as a service to customers.

Implemented GraceKennedy Foods Division first fully redundant Virtual Cloud Datacenter using VMware.

09

Expanded our service offerings to include a Service desk department. This saw our staff complement doubling from 6 to 12 employees.

Designed and implemented the Voice and Data network for GraceKennedys' newly constructed Distribution Center, complete with WiFi-enabled systems for warehouse management.

First international assignment to setup the new network infrastructure for GraceKennedy Ontario.

Companies under management - 17

10

Implemented first commercial Asterisk VOIP PBX at the GraceKennedy Distribution Centre.

Implemented first High Availability Xorcom VOIP PBX solution with an initial 20 seat call centre for Cari-Med.

Christmas Brunch at Strawberry Hill.

Companies under management - 21

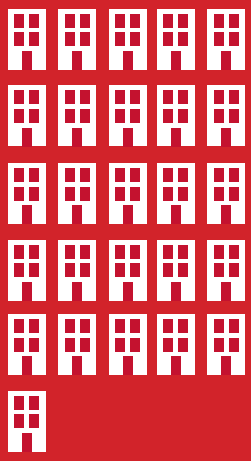
11

Annual staff outing to Runaway Bay.

Upgraded Grace Kennedy's phone systems from legacy analogue system to Asterisk open source based VOIP PBX.

Implemented second-high availability Xorcom PBX for Hardware & Lumber.

Companies under management - 26



U. Phillip Alexander, B.Sc.

Non-Executive Chairman of the Board of Directors and Company Secretary (Appointed October 1st, 2015)

As Non-Executive Chairman of the Board, Mr. Alexander brings a wealth of experience to the Board of Directors. With a B.Sc. in Mechanical Engineering from North East London Polytechnic, he has honed and shaped his career with various academic endeavours including the MIT Executive Program in Corporate Strategy, Product Development and Manufacturing Strategy at Stanford University Business School, and the Program for Management Development from Harvard University Business School.

Mr. Alexander began his career at Grace Kennedy in 1980 as a Project Engineer and retired at the end of 2012. During that period, he held posts such as Chief Risk Officer, Divisional Projects Manager, Engineering Manager Kingston Container Terminal, Quality Director and Manufacturing Director.

Mr. Alexander was also the Projects Manager at Kingston Wharves and went on to be its Acting CEO during his time there from 1999 to 2003. While his experience illustrates his management and leadership qualities, Mr. Alexander is also a practical and pragmatic man.

Mr. Alexander served as Director for the GraceKennedy Foundation, Grace & Staff Community Development Foundation, and Mona Institute of Applied Science. He has served as a Director of the Jamaica College Foundation the Bureau of Standards Jamaica, The Jamaica Manufacturers Association and the Jamaica Productivity Council Advisory Board. Such Directorships illustrate that he is someone who is not only interested in business but in community development as well.

Mr. Alexander is a member of the company's Audit and Remuneration Committees.

Edward Alexander, B.Sc., M.Sc.

Executive Director & Chief Executive Officer (Appointed December 1st, 2006)

Edward (Teddy) Alexander, founder and Chief Executive Officer of tTech Ltd., is a true visionary in the field of Information Technology.

This profoundly capable IT specialist and business executive established tTech in 2006 after an illustrious eighteen-year career with GraceKennedy Limited, where he served as the company's Chief Information Officer. During the 1980's he worked in the alternative energy field at the Ministry of Mining & Energy and the Petroleum Corporation of Jamaica before switching to the information technology field when he assumed the position of Management Consultant at KPMG Peat Marwick & Partners. In 1988 he joined Grace Unisys as an Account Manager and it was here his passion for IT blossomed.

By 1993 he was given responsibility for information technology at GraceKennedy and ushered in an era of innovation during his tenure until he left to form tTech in 2006. His vision is to assist companies to improve the effectiveness of their investments in information technology by minimizing the cost of ownership of their infrastructure while maximizing the value from their business applications, ultimately leading to systems which contribute to increased competitiveness and profitability.

He holds a Master's of Science degree from the University of Pennsylvania and a Bachelor of Science degree from the University of Windsor. In addition, he has completed professional courses at the Harvard Business School and the University of Florida. He is a former President of the Jamaica Computer Society, and was honoured by the JCS for his outstanding contribution to IT in Jamaica. He currently serves on the board of his alma mater, Jamaica College.

G. Christopher Reckord, MBA

Executive Director of Sales and Marketing (Appointed June 19th, 2014)

Christopher Reckord is the Company's Sales and Marketing chief, boasting more than twenty-nine years of experience within the Information and Communications Technology industry.

Prior to joining tTech, Mr. Reckord was a founder and Executive Director of Innovative Corporate Solutions in Jamaica, and held a number of management positions at Adjoined Consulting in Miami, Florida.

He is best described as a man of multiple proclivities who is a wine aficionado, a hobbyist photographer, a health and fitness enthusiast, and a wine columnist for a local newspaper – The Jamaica Observer.

In addition, Mr. Reckord serves as the Chairman of eLearning Jamaica, and a Director of the Jamaica Computer Society. He is also a member of the PSOJ and is currently the Chairman of its Membership Committee. His formal education includes a diploma in Industrial Education (with a specialization in Electrical Technology) from the University of Technology, and a Master's in Business Administration from Barry University. He has completed thousands of hours of technical training, management courses and seminars, and continues to do so as a self-proclaimed lifelong learner.

Norman Chen, B.Sc.

Executive Director & Operations Manager
(Appointed June 19th, 2014)

Norman Chen serves as tTech's Operations Manager. He is a highly qualified Information Technology specialist with several years of experience within the IT industry. He is considered an extremely motivated professional with an impressive set of competencies in the field. His exemplary career began when he joined Commnett Caribbean Limited where over the course of nine years he worked his way up to Chief Technical Officer. From there he went on to head Fujitsu's IT Department and then to NC Associates as a Project Manager and IT Consultant.

His current position at the company is one that has allowed him to apply his vast skill-sets to the singular goal of offering the most comprehensive solutions to clients who rely on the company's innovative services.

He is also an accomplished academic who has a Bachelor's of Science in Computer Science from the University of the West Indies, a Research Fellowship from Brown University, Rhode Island, USA and several certifications in Information Technology from recognized institutions.

Hugh Allen, B.Sc.

Executive Director and Connectivity
& Voice Solutions Manager
(Appointed Dec. 1st, 2006)

As Connectivity and Voice Solutions Manager for the company, Hugh Allen has direct responsibility for LAN Management, WAN Management, Telecoms Management, Server Management, Infrastructure Management and E-Mail Administration.

After nineteen years of working with GraceKennedy Limited, fifteen of which were spent in different areas of information technology, Mr Allen is well-suited for his role. He holds a Bachelor of Science double major in the areas of Business Management and Computer Science and a Diploma in Computer Management and System Analysis and Design from the Royal British Computer Society.

Having completed several professional development courses, Mr Allen holds certifications from Microsoft, Cisco, and Asterisk PBX systems.

A strong advocate of quality customer service with a guiding philosophy of 'identifying the simplest approach then implementing it in a modular fashion,' Mr. Allen's practical application of this philosophy supports the company's quest to deliver superior IT management solutions to small and large-scale businesses.

Gregory Henry, B.Sc., ASc.

Non-Executive Director
(Appointed December 1st, 2006)

An insightful, results-driven IT Security professional with notable success executing information security system audit engagements, Mr. Henry also participates in planning, analysing and providing recommendations for improving key internal controls that support business objectives. He also has extensive experience in performing Risk Assessments, Policy Writing, Vulnerability Management, Content Filtering, Data Loss Prevention, Security Incident Event Management and Intrusion Prevention Systems.

His skills include network and Security Management, Risk Management, Vulnerability Assessments, Regulatory Compliance and Security Architecture. Mr. Henry is a member of the Cloud Security Software Defined Perimeter Working Group. The group is tasked with the development of a Software Defined Perimeter Open Source solution.

His work experience includes being a Systems Administrator/ CSR Engineer at Computers and Controls Ltd. It also includes several positions beginning as a Senior Network Administrator then Group Information Technology Internal Auditor, and finally a Senior Group Information Technology Security Officer within GraceKennedy from January 2003 to December 2006. He then joined tTech

12

Employees - 12

Performed first upgrade of GraceKennedy's core network.

Successfully rolled out Google Apps Office suite and email platform for four companies. (tTech Limited, Gateway Shipping, International Shipping and Allied Trucking).

Annual staff outing to Good Hope Great House and Christmas Dinner at Strawberry Hill.

Customer Count - 23

13

Employees - 15

Chris Reckord and Norman Chen joined as Directors of the company.

Sales & Marketing Department created.

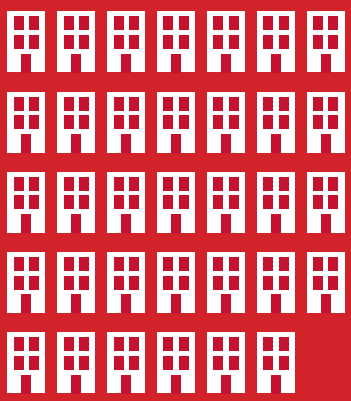
Implemented Microsoft Exchange for GraceKennedy and migrated users across the group.

Conducted first penetration tests and vulnerability assessments for customers.

Annual Staff outing to Sandals Ocho Rios and Christmas Dinner at Terra Nova.

Customer Count - 30

14



Redesign of logo.

Relocated to new offices.

Implemented our Internship Programme.

Our first interns were Wonnica Hall, Dwayne Grant and Orane Watson.

Transitioned tTech's email platform, office suite and unified communications platform from Google Apps to Office 365.

Successfully integrated voice and data services for GraceKennedy USA's office with GraceKennedy Jamaica.

Marcelle Smart joined to start tTech Consulting. First customers were Bert's Auto Parts and Island Grill.

Christmas dinner at Alhambra Inn.

Customer Count - 34

Employees - 18

15

Increased customer base by over 38%.

New Services:
1. Consulting Services
2. Cloud migration Services
3. Cloud backup service

Conducted the first IT Security seminar with the PSOJ.

Nominated by the Jamaica Chamber of Commerce for "Best of Chamber".

Successfully redesigned and implemented the core IT services for Hardware and Lumber.

Philip Alexander appointed Chairman.

New Director – Thomas Chin.

New Board Mentor – Richard Downer.

Governance improved by establishing Audit Committee and Remuneration Committee.

Successful IPO in December 2015 - Oversubscribed by over 400%.

All employees became shareholders.

Annual staff outing – Jewel Water Park and Blue Ridge Restaurant.

25 46

where he served as IT Security Manager and Director and still serves as a Non-Executive Director.

Mr. Henry is currently a Senior Information Security Specialist – Governance and Risk Management at Canadian Tire, as well as a Senior Information Security Analyst at FundSERV. Mr. Henry is also a member of the company's Audit and Remuneration Committees.

Thomas J. Chin, CMA, CPA

Non-Executive Director
(Appointed October 1st, 2015)

Thomas Chin has over forty years of experience and knowledge in Accounting/ Finance and Information Systems. Chin's diversified background in these fields include consolidations and reporting, budgeting and forecasting, acquisitions and divestitures, and information systems conversions, development and implementation.

Mr. Chin currently consults with Consolidated Bakeries (Jamaica) Limited and Chicken Mistress (Island Grill) providing them with accounting/financial and IT management services.

Before embarking upon these consultancies, Mr. Chin was the Vice-President of Finance at Columbus Communications Jamaica Limited (FLOW) before retiring in 2012. Prior to that, he had a long distinguished career at both Rogers Communications Inc. and Rogers Cable Systems Limited, and ultimately retired from Rogers Communications as Director of Financial Operations in 2008.

Mr. Chin is a Chartered Professional Accountant, and holds a Diploma in Accounting and Finance from Seneca College.

Mr. Chin also serves as the Chairman of the company's Audit Committee.

Joan-Marie Powell, B.Sc., MBA

Non-Executive Director
(Appointed May 10th, 2016)

Joan-Marie Powell was the Managing Director of GraceKennedy Money Services Limited until Dec 2013 when she retired. Powell's technical insight and operational expertise strengthened the company's culture of innovation which saw GKMS expanding into new markets and extending its service portfolio, reaching seven other markets in the Caribbean. In 2007, Powell co-led the acquisition by Western Union of twenty-five per cent equity stake in the company.

Prior to her appointment as Managing Director in 2006, she was responsible for the company's international expansion and relationship building with key stakeholders. Her career began at Citibank Jamaica after graduating from Immaculate Conception High School.

She holds a BSc. in Management Studies and an MBA, specializing in the management of technology, from the University of the West Indies.

Under her stewardship, GKMS copped many top Western Union awards, including Agent of the Region and Outstanding Customer Service. Although Powell attributes the success of the company to team work, her track record is well known. In 2000, she was asked by the Dean of the Western Union University to assist in setting up a training unit aimed at improving the product offering and service quality delivery of the brand worldwide. In 2001, she became a member of the board of directors of GKMS.

She was a member of the Board of Directors of Aerotel Ltd (2011-2016), a subsidiary of Jamaica Civil Aviation Authority, that Installs and maintains telecommunication, electronic, and data communication for the Authority. Miss Powell also acted as the General Manager for the company from January to May 2015, where she was able to work with the board to develop operating procedures in accordance with the governing laws and regulations and was successful in recruiting a General Manager for the company.

Miss Powell is a member of the Board of Directors of the Immaculate Conception High School as well as Grace and Staff Community Development Foundation. She is a Justice of the Peace for the Parish of Kingston.

She has an avid interest in sports and is an active member of the Kiwanis Club of New Kingston.

Richard Downer, CD.

Chartered Accountant and Financial Adviser
(Appointed as Mentor November 1st, 2015)

Mr. Downer brings to the Company his considerable experience in the financial services industry. He is the company's Board Mentor for the purposes of the Junior Market Rules, with responsibility for advising on the implementation of adequate procedures, systems and controls for financial reporting, corporate governance, timely disclosure of information to the market, and general compliance.

Mr. Downer is a former Senior Partner of PricewaterhouseCoopers in Jamaica. He currently serves as a Director on the Board of Sagicor Group Jamaica Limited and Sagicor Life Jamaica Limited and as Chairman of their Audit Committees and as a member of the Investment Committee. Mr. Downer is also the Board Mentor of Dolphin Cove Limited and a member of the Rating Committee of cariCRIS Limited.

He has served as Executive Director of the Bureau of Management Support in the Office of the Prime Minister of Jamaica and initiated privatization of several large public enterprises in Jamaica through public share offers for which he was awarded the Order of Distinction with the rank of Commander. He has advised the governments of sixteen other countries on privatisations and has served on a number of other private and public sector boards including the Bank of Jamaica and as Chairman of the Coffee Industry Board for eight years.

Mr. Downer was educated at Munro College (and inducted into its Hall of Fame) in Jamaica, Eastbourne College, Sussex, England and McGill University in Montreal, Canada and qualified as a Chartered Accountant in Canada. Mr. Downer is a Fellow of the Institute of Chartered Accountants of Jamaica and a recipient of its Distinguished Member Award.

Hortense Gregory-Nelson, FCCA, CFP

Finance & Administration Manager

Hortense Gregory-Nelson is Finance & Administrative Manager of the company with several years of experience within the field of accounting and financial auditing. Mrs. Gregory-Nelson is known for her professionalism and undeniable competencies.

Her career began in 1986 when she assumed the position of Clerical Officer at the Ministry of Education. After two years she left the Ministry to work with National Commercial Bank where she remained for six years serving in the capacity of Administrator and Accounting Clerk. She then worked for Ernst & Young Chartered Accountants until she left the company in 1996 to assume the position of Assistant Accountant at Mother's Enterprises.

From Mother's she went on to work with a wide range of clients in the manufacturing, education and retail sectors during her years of offering freelance accounting services. In 2002 she was awarded the position of Financial Manager of the Bible Society of the West Indies where she remained for six years.

After her productive tenure with the Bible Society she again went into business for herself. It was during this period that she was recruited by tTech.

Mrs. Gregory-Nelson is a Certified Chartered Accountant with FCCA accreditation. She is considered an adaptable individual whose wide range of experiences in different sectors affords her an even greater appreciation of the company's ultimate vision of promoting efficiency through innovative solutions.

Marcelle Smart, B.Sc., M.Sc.

Manager – Consulting Services

Marcelle Smart leads tTech Consulting Services, applying over 20 years of IT Service Management and Project Portfolio Management experience. She is known for her unique ability to help organisations balance the allure of cutting-edge technology, and the demands of tomorrow's business needs against the reality of today's budget.

Ms. Smart's multi-faceted portfolio includes support for:

1. Financial, Retail, Food Manufacturing & Distribution industries;
2. IT Financial Management
3. IT Due Diligence to support Mergers & Acquisitions.

Prior to joining tTech, Ms Smart was the Country Manager for Microsoft Jamaica Ltd, where she drove the local implementation of Microsoft global go-to-market strategies. Further, Ms. Smart launched initiatives that supported innovative technologies being made available to Jamaica, and spearheaded the donation of software to the NGO sector. For approximately six years Ms. Smart led the IT team of GraceKennedy Foods Division, which supported and implemented business solutions for the breadth of the Division. Ms. Smart also sat on the GraceKennedy Innovation Committee and committees responsible for the governance of the GraceKennedy Group's IT portfolio.

Ms. Smart has eight years of experience with the financial industry, culminating in the post of Assistant Vice President (IT) at Manufacturers Sigma Merchant Bank (now Sagicor Bank). Ms. Smart's body of work is built on a solid foundation of experience gained at PriceWaterhouseCoopers.

A graduate of The Queen's School and Campion College, Ms. Smart is proud to name the University of the West Indies (Mona) as her alma mater for both her degrees in Electronics (Bachelor of Sciences) and Computer Based Management Information Systems (Masters of Sciences). Further, Ms. Smart has on multiple occasions served the University as an Adjunct Lecturer in the area of User Interface Design.

Ms. Smart is the current Vice President of the Rotary Club of St Andrew North, a founding member of the Jamaica IT & Services Alliance (JITSA) and is now a member of the Board for the Universal Service Fund.

Mr. John Gibson, B.Sc.

Senior IT Security Officer

John Gibson is tTech's Security Officer, a position he fulfils with unquestionable enthusiasm. He is a Certified Information Systems Security Professional (CISSP) and Certified Information Security Manager (CISM). He considers the world of IT security to be one that is often undervalued which has led to several misconceptions about its practical importance within the business environment. His extensive knowledge in the field has given him clear insight

into the creation and implementation of innovative and cost-effective solutions that are exceedingly advantageous to the company's customers.

His career path has been paved with several successes. He got his official start in the industry at GraceKennedy Money Services where over a nine-year period, he assumed several vital technical roles within the IT department. From there he went to Jamaica Broilers to assume the position of Network Systems Engineer. Shortly after this, he was recruited to join the pioneering team at tTech to help develop the company's revolutionary line of Managed IT Services.

Mr. Gibson brings to the table several years of experience and an educational background which boasts a B.Sc in Computer and Management Studies and several professional certifications in IT security. While he recognizes the challenges faced when developing security systems in an ever-changing technological landscape, he still takes profound pleasure in conceiving management solutions that reliably meet the demands of the company's customer base.

Omar Bell, B.Sc.

Acting Service Desk Manager

Omar Bell has fourteen years' experience as a Systems Engineer/IT Professional. He demonstrates a strong work ethic, is task oriented and exudes efficiency. His educational background includes a B.Sc. in Electrical & Computer Engineering from the University of West Indies, Saint Augustine, Trinidad as well as training in multiple areas including Certified Information Systems Auditing, Microsoft Azure, Microsoft System Center, Active Directory and PowerShell.

Mr. Bell has experience with entities such as USAID as an IT Consultant but began at the Jamaica Broilers Group as a Junior Systems Engineer in 2003 and climbed through the ranks to become a Senior Systems Engineer.

A supremely talented IT professional Mr. Bell has direct responsibility for cloud services and the management and deployment of Microsoft technology.

Gregory Salmon

Solutions Architect

A Solutions Architect with 10 years experience in Systems Analysis, Infrastructure Design and Systems/Network Administration, Mr. Salmon enjoys stepping out of his comfort zone and challenging himself.

He has certifications, spanning Networking Security to Server Management from various IT bodies such as Cisco, DELL, VMware, CompTIA and knows how to get the job done.

Mr. Salmon began his career in IT as a System Administrator for CAC 2000 Ltd. before joining tTech in 2007 where he was tasked with the deployment and management of tTech's Infrastructure Management solutions. As the first employee of tTech, Mr. Salmon has been instrumental in the development of key solutions and services that are currently being used by various clients. Mr. Salmon has made significant contributions in the deployment of various IT solutions including VOIP based telephony systems based on Asterisk Open-source products across various business models. Additionally, he is the technical lead with responsibility for designing and deploying VMware-Based Cloud architecture, network solutions and infrastructure for many of tTech's customers.

Eldin Reynolds

Resolution Manager

As Resolution Manager, Eldin Reynolds has direct responsibility for Data Protection, Server Management, Infrastructure Management and Email Administration. He believes there is a solution to every problem and solves them with his own down-to-earth formula supported by people and technology.

He has spent over 20 years in the financial sector in various roles at several major commercial banks. His longest stint lasted 15 years with First Global Bank where he started as an Operations Clerk. He developed a passion for technology and transitioned quickly into the area of Information Technology, and after several promotions, began managing the IT Operations of the bank. He has had a broad exposure to many technological areas with specific focus on Storage, Virtualization and Disaster Recovery. Mr. Reynolds is well-suited for his role as he holds several technical certifications including VMware Certified Professional in the areas of Cloud Computing (VCP-Cloud) and Datacenter Virtualization (VCP-DV5), Cloud Infrastructure and Services (EMCCIS) and Information Storage (EMCISA).

He is also currently pursuing an Executive MBA degree at the UWI Mona School of Business.

CORPORATE DATA

Registered and Head Office

tTech Limited
69 ½ Harbour Street,
Kingston, Jamaica
Telephone: (876) 656-8448
Facsimile: (876) 922-0569
Email: info@ttech.com.jm
Website: www.ttech.com.jm

Auditors

Ernst & Young
Chartered Accountants
8 Olivier Road, Kingston 8, Jamaica W.I.
Telephone: (876) 969-9000/925-2501 ◊
Facsimile: (876) 755-0413
Website: www.ey.com

Bankers

Bank of Nova Scotia Jamaica Limited
Scotiabank Centre
Corner of Duke and Port Royal Streets
Kingston

First Global Bank Limited
Corner of Duke and Harbour Streets
2 Duke Street
Kingston

2016

First Jamaican Information Technology company to list on the Junior Market of the Jamaica Stock Exchange on January 7, 2016.

Historic listing as we listed on the same day as our customer, CAC 2000 Limited.

Implemented a digital marketing strategy.

Established partnership with InfoTech – the fastest growing IT research organization.

New Director – Joan-Marie Powell.

Publications in the Jamaica Observer – DIGIT pages.

Roll out of new RMM tool.

Profitable every year from inception.

Annual Staff Outing to Appleton Rum Tour and YS Falls.

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TOP TEN SHAREHOLDERS

As at December 31, 2016

Edward Charles Alexander (Charmaine Dawn Alexander)	41,284,834
Enqueue Inc.	15,391,566
Auctus Holdings Inc.	15,263,795
Hugh O'Brian Allen	8,806,028
Mayberry West Indies Limited	2,379,786
Marcelle Smart	2,370,399
GraceKennedy (2009) Pension Plan	1,604,893
NCB Capital Markets	1,412,896
Douglas Orane	881,448
Ravers Limited	806,448
JA. Credit Union Pension Fund	806,448

SHAREHOLDINGS OF DIRECTORS & CONNECTED PARTIES

As at December 31, 2016

Edward Charles Alexander (Charmaine Dawn Alexander)	41,284,834
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,263,795
Hugh O'Brian Allen	8,806,028
Uriah Philip Alexander	267,965
Thomas J. Chin	100,000
Joan Marie Powell	32,000
Gregory Craig Henry	NIL

SHAREHOLDINGS OF SENIOR MANAGERS & CONNECTED PARTIES

As at December 31, 2016

Edward Charles Alexander (Charmaine Dawn Alexander)	41,284,834
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,263,795
Hugh O'Brian Allen	8,806,028
Marcelle Smart	2,370,399
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
John Gibson	722,727
Gregory Salmon	361,364
Omar Bell	240,909
Eldin Reynolds	NIL

CORPORATE GOVERNANCE

The Board of Directors of tTech Limited is committed to ensuring the effective governance of the company. As the body responsible for this, the board establishes broad policies and objectives and ensures that sufficient resources are available to enable the company to meet these objectives. In 2017, to further strengthen the board's ability to carry out its mandate, a Corporate Governance Committee will be established by June 2017. The committee will be composed as per the recommendations in the Private Sector of Jamaica (PSOJ) Corporate Governance Guidelines.

The committee will review the current governance activities of the board and the company using the Jamaica Stock Exchange Corporate Governance Index Manual and the PSOJ Corporate Governance Guidelines to identify the gaps in our existing program. Any gaps identified will then be corrected. The initial focus will be on creating a comprehensive Governance Policy, a Whistle Blowers Policy for the company, and a plan for implementing the necessary changes.

The Board continues to meet quarterly to discuss and review the performance of the company to ensure that objectives are being pursued satisfactorily by the management team, bearing in mind the economic, social and regulatory environment and the risks that may exist in the markets in which the company operates.

The Board has established an Audit Committee and a Remuneration Committee. These committees are made up of the Non-Executive Members of the Board and has the right to co-opt members of the executive management team to attend meetings as deemed necessary. Charters for both Committees were established prior to their formation.

The Audit Committee is an advisor to the Board and provides assurance in the areas of financial reporting, compliance with legal and regulatory requirements, internal controls, risk management, internal and external audits and corporate governance. The Chairman of the Audit Committee is Thomas Chin and comprises the other Non-Executive Directors.

The Remuneration Committee recommends the levels of compensation for the Executive Directors. The recommendations, which reflect market conditions and best practices, are designed to ensure that the compensation plans will attract, retain and motivate the executives of the company. During 2016, Non-Executive Director, Joan-Marie Powell was appointed as Chairperson of the committee.

MD&A

MANAGEMENT, DISCUSSION & ANALYSIS

25.4%

INCREASE IN REVENUE OVER 2015

58.2%

INCREASE IN NET PROFIT OVER 2015

tTech's strategic partnership with Microsoft has resulted in it becoming a leading Microsoft partner for the delivery of their cloud-based services such as Exchange Online, Office 365 and Azure.

Financial Performance

The Company benefited from increased core business and consulting activities during the financial year. These were aided by increased marketing activity and the additional exposure resulting from the Company's listing on the Jamaica Stock Exchange (JSE) at the start of the 2016 financial year.

This translated into annual revenues growing 25.4% to $223.1 million from $177.9 million a year earlier. Profit from operations totaled $28 million, up $3.4 million year on year. The rise in revenues allowed the Company to cushion a reduction in gross profit margins from 13.8% to 12.5%. During the year, expenses grew 27.2% to $195.1 million due primarily to increased marketing activities and increased staffing needed to service the growth in business activity.

Despite the rise in core expenses, tTech also positioned its investment portfolio to gain $7.4 million in investment income during the year which virtually doubled this income category from a year earlier. Overall, net profit due to owners grew 58.2% to $39.3 million from $24.8 million in the prior year, while earning per share increased to 37 cents up from 31 cents a year earlier.

Focus

During the year there was a strong focus on acquiring new customers. One highlight of 2016 was the commissioning of tTech's largest system supply contract since inception. It involved supplying a leading media company with a new PBX (voice) system. The Company also shepherded existing and new clients towards Microsoft cloud technologies for which tTech provides cloud migration and support services. tTech's strategic partnership with Microsoft has resulted in it becoming a leading Microsoft partner for the delivery of their cloud-based services such as Exchange Online, Office 365 and Azure.

The Consulting team also secured several new contracts with clients, for projects in Disaster Recovery & Business Continuity Planning, Virtual CIO Services, Project & Portfolio Management, and IT Service Management. The Consulting services provided by tTech are complementary to the core service offerings of the Company, and are expected to form an increasingly important part of tTech's portfolio of services as margins for the core outsourcing services inevitably decline.

Another important milestone in the Company's development in the year was its listing on the Junior Market of the JSE on January 7, 2016. The Initial Public Offer (IPO) which occurred in December 2015 raised $50.2 million for the Company, in an offer that was three times oversubscribed. tTech became the first Jamaican Information Technology company listed on the JSE. tTech now in its 11th year, holds a portfolio of more than 3,400 devices under management.

Cash flow

During the year, the Company's cash flow and equivalents position improved

$28M

PROFIT FROM OPERATIONS

$104.5M

CASH FLOW & EQUIVALENTS

Summary Financial Performance 2016

INCOME STATEMENT					
				Restated	
J$ '000	2012	2013	2014	2015	2016
Revenue	80,485	109,053	128,542	177,976	223,164
Other Income	2,919	4,173	3,946	6,083	10,165
"Operating Expense (excl. Investment Financing Cost)"	-64,801	-89,640	-110,165	-153,357	-195,108
Normalized Net profit before Tax	18,603	23,586	22,323	30,702	38,221
Investment Financing Cost	-	-	-1,817		
Net Profit before Tax	18,603	23,586	20,506	30,702	38,221
Taxation	-5,789	-5,857	-3,743	-5,831	1,120
Net Profit being Total Comprehensive Income	12,814	17,729	16,763	24,871	39,341
BALANCE SHEET					
Non-Current Assets	4,971	9,814	13,752	15,610	15,642
Current Assets	51,720	61,134	80,183	156,803	180,406
Total Assets	56,691	70,948	93,935	172,413	196,048
Current Liabilities	24,906	27,592	27,685	42,690	32,079
Non-Current Liabilities	-	-	-	-	-
Total Liabilities	24,906	27,592	27,685	42,690	32,079
Net Assets	31,785	43,356	66,250	129,723	163,969
OTHER INFORMATION					
Fixed Assets	3,450	3,568	12,443	14,037	13,615
Working capital	26,814	33,542	52,498	114,113	148,327
Accounts Receivables	9,191	10,980	16,964	26,436	47,151
Operating expenses (less Technical Fees & Investing Finance Cost)	58,498	74,916	94,829	125,523	161,486
Technical Fees	6,303	14,724	15,115	27,834	33,622

due to increased cash flows from operations which offset the cash used in investing and financing activities. Overall, the cash flow and equivalents position at the end of the year totaled $104.5 million up from $67.3 million a year ago.

Long-term Debt

The Company operated with long-term debt at nil ($1.1 million in 2015) at the close of the year. The low leverage reflects the Company's business model of providing services which obviate many costly fixed expenditures. The Company's balance sheet strengthened with total assets growing to $196 million and shareholders' equity increasing 27.5% to $163.9 million from $128.6 million a year earlier.

The Company now in its 11th year, remains poised for future growth on the heels of completing its first year since its IPO. Growth is projected to continue in 2017 for all the Company's services as organizations become more comfortable with outsourcing the management of their IT systems to service providers like tTech. In addition, the investments made in new remote monitoring and management systems will significantly reduce the time to onboard new clients, improve our service delivery for the Company's core outsourcing services, and increase our operating efficiencies.

WORK HARD. PLAY HARD.

Through the years.

Each year, we seek to improve...

At tTech, we support initiatives that relate to our team members, improving their health and wellness, our customers, the environment and strengthening our communities. All these initiatives work in harmony with our values of being a good corporate citizen.

Our Team

We empower and support our team to seek and lead initiatives that will improve the economic and social conditions of our country, through partnerships with various stakeholders. We support the Sickle Cell Foundation of Jamaica, Special Olympics Jamaica, and the University of Technology School of Computing Research Initiative in Information Communications Technology (ICT). We encourage team volunteerism in the areas of educational tutoring and the mentoring of youths.

Our Customers

We continue to commit to partnering with our customers that through charitable enterprises make donations to those that are less fortunate. Some of our customers are involved in hosting various 5K runs including Grace Kennedy and ICWI which we continuously support.

Our Communities

The community in which we operate is of utmost importance to us and we strive to support it by providing technical support to the various Grace and Staff Homework centres located in Downtown Kingston. Our aim is to minimise the exposure from our equipment to the environment using green plants in our office, which works to reduce the emissions from computers. Our commitment to a better community is ingrained in our values.

Actions to create a healthy workforce, improve the social conditions of our country and community are ongoing. If we are to achieve long term sustainability we must lead by example and create a philosophy of good corporate citizenry. Each year we seek to improve on our efforts.

From top: Members of staff participating in Kingston City Run, Digicel Night Run and ICWI Pink Run.

2016 AUDITED FINANCIAL STATEMENTS

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Building a better working world
Chartered Accountants

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Kingston 8
Jamaica, W.I.

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Fax: +1 876 755 0413
ey.com

INDEPENDENT AUDITOR'S REPORT

To the Members of tTech Limited

Opinion

We have audited the financial statements of tTech Limited (the Company), which comprise the statement of financial position as at 31 December 2016, the statements 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 Company as at 31 December 2016 and of its 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 *Auditor's 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' Code of Ethics for Professional Accountants ("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.

Other Matter

The financial statements of the Company for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those financial statements on 4 May 2016.

As part of our audit of the 2016 financial statements, we also audited the adjustments described in Note 22 that were applied to amend the 2015 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the 2015 financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2015 financial statements taken as a whole.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

EY
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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of tTech Limited (Continued)

Key Audit Matters (continued)

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Allowance for credit losses	
As described in Note 2 (d) Use of estimates and judgements under section *Allowance for impairment losses on receivables* in the financial statements, in determining amounts recorded for impairment losses in the financial statements, management makes judgments regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individually significant receivables with similar characteristics.	Assessing the valuation of trade receivables requires judgment and we have reviewed and challenged the assumptions used to calculate the trade receivables impairment amount. We tested aged balances where no provision was recognised to determine if the balances were impaired. This included verifying if payments had been received since the year-end, reviewing historical payment patterns and any correspondence with customers on expected settlement dates. We selected a sample of trade receivable balances where a provision for impairment of trade receivables was recognised and understood the rationale behind management's judgement. In order to evaluate the appropriateness of these judgements we verified whether balances were overdue, the customer's historical payment patterns and whether any post year-end payments had been received up to the date of completing our audit procedures. In assessing the appropriateness of the overall provision for impairment we considered the consistency of management's application of policy for recognising provisions with the prior year.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of tTech Limited (Continued)

Other information included in the Annual Report

Management is responsible for the other information. The other information comprises of the information included in the Annual Report for the year ended 31 December 2016 but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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.

Responsibilities of Management and the Board of Directors 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 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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.

Building a better working world

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of tTech Limited (Continued)

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

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 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 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 auditor's 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 auditor's 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 presents a true and fair view.

We communicate with the Board of Directors 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 the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Building a better working world

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of tTech Limited (Continued)

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

From the matters communicated with the Board of Directors, 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 auditor's 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.

Report on additional requirements of 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 auditor's report is Winston Robinson.

Ernst & Young

Ernst & Young
Kingston, Jamaica

28 February 2017

STATEMENT OF FINANCIAL POSITION

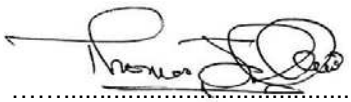
As at 31 December 2016
(Expressed in Jamaican dollar unless otherwise indicated)

	Notes	2016 $'000	Restated 2015 $'000
Current assets			
Cash and cash equivalents	3,22	24,153	36,105
Government securities purchased under resale agreements	4	93,908	31,169
Accounts receivable	5	47,151	26,436
Other receivables	6,22	15,194	63,093
		180,406	156,803
Current liabilities			
Accounts payable	7	32,079	38,018
Taxation payable		-	4,672
		32,079	42,690
Net current assets		148,327	114,113
Non-current assets			
Investments	10,22	2,027	1,573
Property, plant and equipment	11	13,615	14,037
		15,642	15,610
Total net assets		163,969	129,723
Shareholders' equity			
Share capital	12	51,727	51,727
Unappropriated profit	22	112,242	76,876
		163,969	128,603
Non-current liability			
Deferred taxation	9	-	1,120
		163,969	129,723

The accompanying notes form an integral part of these Financial Statements.

The financial statements were approved and authorised for issue by the Board of Directors on 28 February 2017 and are signed on its behalf by:

.....
Edward Alexander - Director



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Thomas Chin - Director

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2016
(Expressed in Jamaican dollar unless otherwise indicated)

	Notes	2016 $'000	Restated 2015 $'000
Revenues	13	223,164	177,976
Expenses	14	195,108	153,357
Profit from operations		28,056	24,619
Other income		2,740	2,168
Investment income	16,22	7,425	3,915
Profit before taxation	17	38,221	30,702
Taxation	8	1,120	(5,831)
NET PROFIT BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	22	39,341	24,871
Net profit attributable to owners	22	39,341	24,871
Earnings per share	20,22	**$0.37**	**$0.31**

The accompanying notes form an integral part of these Financial Statements

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2016
(Expressed in Jamaican dollar unless otherwise indicated)

	Note	Share Capital $'000	Restated Unappropriated Profit $'000	TOTAL $'000
Balance at 1 January 2015		8,584	57,666	66,250
Shares issued	12	43,143	-	43,143
Net profit being total comprehensive income for the year, as restated	22	-	24,871	24,871
Dividends	21	-	(5,661)	(5,661)
Balance at 31 December 2015, as restated	22	51,727	76,876	128,603
Net profit being total comprehensive income for the year		-	39,341	39,341
Dividends	21	-	(3,975)	(3,975)
Balance at 31 December 2016		51,727	112,242	163,969

The accompanying notes form an integral part of these Financial Statements.

STATEMENT OF CASH FLOW

Year ended 31 December 2016
(Expressed in Jamaican dollar unless otherwise indicated)

	Notes	2016 $'000	Restated 2015 $'000
Cash flows from operating activities			
Net profit for the year	22	39,341	24,871
Adjustments for:			
Bad debts provision	5	590	-
Depreciation	11	4,034	2,874
Taxation	8	(1,120)	5,831
Contingency provision write off during the year	7	(1,500)	-
Investment income	16	(7,425)	(3,915)
Operating cash flows before movements in working capital		33,920	29,661
Receivables		(21,305)	(9,472)
Other receivables		47,910	(51,175)
Directors account		-	(3,251)
Accounts payable	22	(4,549)	17,267
		55,976	(16,970)
Tax paid	22	(4,672)	(3,721)
Dividend received		79	-
Interest received	22	1,328	462
Cash provided by/(used in) operating activities		52,711	(20,229)
Cash flows from investing activities			
Additions to property, plant and equipment	11	(3,612)	(4,469)
Government securities purchased under resale agreements		(13,604)	-
Investments		(76)	(263)
Cash used in investing activities		(17,292)	(4,732)
Cash flows from financing activities			
Share capital		-	43,143
Dividends paid	21	(3,865)	(5,661)
Cash (used in)/provided by financing activities		(3,865)	37,482
Increase in cash and cash equivalents		31,554	12,521
Effect of exchange rate on cash and cash equivalents	22	5,629	3,453
Cash and cash equivalents at beginning of the year		67,274	51,300
Net cash and cash equivalents at end of the period	22	104,457	67,274
Comprised of:			
Cash and bank balances	3,22	24,153	36,105
Short term investments	4	80,304	31,169
Net cash and cash equivalents at end of the period	22	104,457	67,274

The accompanying notes form an integral part of these Financial Statements.

1. IDENTIFICATION

tTech Limited ("Company") is a limited liability company, which was incorporated under the Jamaican Companies Act and is domiciled in Jamaica with registered office located at 69½ Harbour Street, Kingston, Jamaica.

The principal activity of the Company is that of information technology service providers and consultants.

The Company increased the number of the authorized ordinary shares (shares) from 1,000 to 106,000,000 on November 11th, 2015 and on that date the 274 shares, then in issue, were split to 80,348,000 shares. The Company made an Initial Public Offering (IPO) under which 25,652,000 additional shares were issued on December 28, 2015. On January 7, 2016, the Company's ordinary shares were listed on the Junior Market of the Jamaica Stock Exchange.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance:

These financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act (“the Act”).

(b) Adoption of new and revised International Financial Reporting Standards:

Standards and interpretations adopted during the year

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2016. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2016, they did not have a material impact on the financial statements of the Company. The nature and the impact of each new standard or amendment are described below:

IFRS 14 Regulatory Deferral Accounts
IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity’s rate-regulation and the effects of that rate-regulation on its financial statements.

Since the Company is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards: (Continued)

Standards and interpretations adopted during the year (continued)

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 *Business Combinations* principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are applied prospectively. These amendments do not have any impact on the Company as there has been no interest acquired in a joint operation during the period.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively and do not have any impact on the Company, given that it has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 *Agriculture*. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply. The amendments are applied retrospectively and do not have any impact on the Company as it does not have any bearer plants.

Amendments to IAS 27: Equity Method in Separate Financial Statements
The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements have to apply that change retrospectively.

These amendments do not have any impact on the Company's financial statements.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards: (Continued)

Standards and interpretations adopted during the year (continued)

Annual Improvements 2012-2014 Cycle
These improvements include:

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
Assets (or disposal groups) are generally disposed of either through sale or distribution to the owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment is applied prospectively.

IFRS 7 *Financial Instruments: Disclosures*

(i) Servicing contracts
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be made retrospectively. However, the required disclosures need not be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements
The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

IAS 19 Employee Benefits
The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

IAS 34 *Interim Financial Reporting*
The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.

These amendments do not have any impact on the Company.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards: (Continued)

Standards and interpretations adopted during the year (continued)

Annual Improvements 2012-2014 Cycle (Continued)

Amendments to IAS 1 Disclosure Initiative
The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments do not have any impact on the Company.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception
The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 *Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments are applied retrospectively and do not have any impact on the Company as the Company does not apply the consolidation exception.

New revised and amended standards and interpretations that are not yet effective
The standards and interpretations that are issued, but not yet effective are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards: (Continued)

New revised and amended standards and interpretations that are not yet effective (continued)

IFRS 9 *Financial Instruments*
In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for the financial instruments project: classification and measurement; impairment; and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company plans to adopt the new standard on the required effective date. During 2016, the Company has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Company in the future. Overall, the Company expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of IFRS 9. The Company does not expect a higher loss allowance but will perform a detailed assessment in the future to determine the extent.

(a) Classification and measurement
The Company does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Company expects that these will continue to be measured at amortised cost under IFRS 9. However, the Company will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9.

(b) Impairment
IFRS 9 requires the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Company expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Company does not expect a significant impact on its equity but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of the impact.

(c) Hedge accounting
This amendment is not applicable as the Company does not apply hedge accounting.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards: (Continued)

New revised and amended standards and interpretations that are not yet effective (continued)

IFRS 15 *Revenue from Contracts with Customers*
IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Company plans to adopt the new standard on the required effective date using the full retrospective method. During 2016, the Company performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Company is considering the clarifications issued by the IASB in April 2016 and will monitor any further developments.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. This amendment is not expected to have an impact on the Company.

IAS 7 *Disclosure Initiative – Amendments to IAS 7*
The amendments to IAS 7 *Statement of Cash Flows* are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of the amendments will result in additional disclosures provided by the Company.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards: (Continued)

New revised and amended standards and interpretations that are not yet effective (continued)

IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12*
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in the opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Company.

IFRS 2 *Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2*
The IASB issued amendments to IFRS 2 *Share-based Payment* that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The amendment is not applicable as the Company does not have share-based payments.

IFRS 16 *Leases*
IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards: (Continued)

New revised and amended standards and interpretations that are not yet effective (continued)

IFRS 16 *Leases (Continued)*
Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2017, the Company plans to assess the potential effect of IFRS 16 on its financial statements.

(c) Basis of preparation:

The Company's financial statements have been prepared on the historical cost basis, except for revaluation of financial assets classified as fair value through profit or loss that are measured at revalued amounts or fair values as explained in the accounting policy at Note 2(f). Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented Jamaican dollars ($), which is the functional currency of the Company.

(d) Use of estimates and judgements:

The preparation of the financial statements to conform with IFRS, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses on receivables in the financial statements, management makes judgement regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as timing of such cash flows.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements: (Continued)

(i) Allowance for impairment losses on receivables: (continued)

Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

At year end the impairment provision recognised in respect of trade receivables amounted to $0.59 million (2015: $Nil) (Note 5).

(ii) Fair value of financial instruments:

As described in Note 19(b), management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets. Valuation techniques commonly used by market practitioners supported by appropriate assumptions are applied by the Company. The financial assets of the Company at the end of the reporting period stated at fair value determined in this manner amounted to $2.03 million (2015: $1.57 million) (Note 10).

Had the fair value of these securities been 2% higher or lower the profit or loss for the Company would increase/decrease by $0.04 million (2015: $0.31 million).

(e) Current vs. non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(g) Financial instruments

Financial instruments include transactions that give rise to both financial assets and financial liabilities.

Financial assets and liabilities are recognised on the Company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss where such costs are recognised immediately in profit or loss), as appropriate, on initial recognition.

The fair values of financial instruments are discussed in Note 19. Listed below are the Company's financial assets and liabilities and the specific accounting policies relating to each:

Financial assets

Financial assets are recognised and derecognised on trade date where the purchase or sale of the instrument is under a contract whose terms require delivery of the instrument within the timeframe established by regulation or convention in the market place.

The Company's financial assets are classified as financial assets at 'fair value through profit or loss (FVTPL)' and 'loans and receivables' with the classification being based on the nature and purpose of the financial asset and is determined at the time of initial recognition.

(i) *Financial assets at FVTPL*

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis: or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset and liability) to be designated as at FVTPL.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(g) Financial instruments (Continued)

Financial assets (continued)

(i) *Financial assets at FVTPL (continued)*

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income', if any. Fair value is based on realisable prices derived by valuation techniques that are quoted by the financial institution at the end of the reporting period.

The Company's portfolio of financial assets FVTPL is comprised of investments in quoted shares.

(ii) *Loans and receivables*

These are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company's portfolio of loans and receivables comprises accounts receivable, other receivables, cash and cash equivalents and short term investments.

(iii) *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that have occurred after initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as accounts receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables includes the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 10 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(g) Financial instruments: (Continued)

Financial assets (continued)

(iii) *Impairment of financial assets (continued)*

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return of a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Recoveries of amounts previously written off are credited to income. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iv) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the company retains control), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(g) Financial instruments: (Continued)

Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities
These are classified as "other financial liabilities".

Financial liabilities are initially measured at fair value, net of transaction costs (where applicable). They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis except for short-term liabilities when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company's financial liabilities comprise accounts payable balances.

Derecognition of financial liabilities
The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(h) Government securities purchased under resale agreements:

Securities purchased under resale agreements ("reverse repos") are short-term transactions whereby an entity buys securities and simultaneously agrees to resell the securities on a specified date and at a specific price. Title to the security is not actually transferred unless the counter-party fails to comply with the terms of the contract.

Reverse repos are accounted for as short-term collateralized lending, classified as loans and receivables and measured at amortised cost.

The difference between the sale and repurchase considerations is recognised on an accrual basis over basis over the period of the transaction and is included in interest income.

(i) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances and highly liquid financial assets with original maturities of less than 90 days.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(j) Provisions:

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(k) Property, plant and equipment:

Property, plant and equipment held for use in the supply of services, or for administrative purposes, are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is recognised so as to write off the cost of property, plant and equipment less residual values, over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(l) Impairment of non-current assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset maybe be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(l) Impairment of non-current assets: (Continued)

Where an impairment loss subsequent reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generated unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(m) Taxation:

Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit before tax as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. (Note 8).

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(m) Taxation: (Continued)

Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(n) Related party transactions and balances:

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", that is, the Company).

(A) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the company or of a parent of the Company.

(B) An entity is related to the company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the Company.
- (vi) The entity is controlled, or jointly controlled by a person identified in (A).
- (vii) A person identified in (A)(i) 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).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(o) Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(p) Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity'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. Based on the information presented to and reviewed by the CODM, the operations of the Company are considered as one operating segment.

(q) Foreign currencies:

The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Company operates (its functional currency). In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items, are recognised in profit or loss in the period in which they arise.

(r) Finance costs:

Finance costs comprise interest payable on borrowings as well as any discount arising from applying the time value of money to current obligations calculated using the effective interest rate method.

3. CASH RESOURCES

	2016 $'000	Restated 2015 $'000
Current accounts	1,194	260
Saving accounts (a)	22,944	35,835
Cash	15	10
	24,153	36,105

(a) These comprise foreign currency bank accounts of US$0.11 million (2015: US$0.29 million). As at 31 December 2016, interest rates on foreign currency bank accounts range from 0.07% - 0.10% (2015: 0.07% - 0.15%).

4. GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS

	2016 $'000	2015 $'000
Reverse repurchase agreements – classified as cash and cash equivalents	80,304	31,169
Reverse repurchase agreements – other	13,604	-
	93,908	31,169

Included in the government securities purchased under resale agreements are foreign currency repurchase agreements of US$0.60 million (2015: US$0.20 million). As at 31 December 2016, the maturity dates on reverse repurchase agreements range from 30 days to 180 days (2015: 30 days to 180 days) and interest rates range from 0.05% - 4.00% (2015: 0.50% - 4.50).

5. ACCOUNTS RECEIVABLE

	2016 $'000	2015 $'000
0-30 days	41,355	18,663
31- 60 days	1,729	2,439
61- 90 days	928	3,256
90 - 180 days	980	436
180 – 365 days	779	771
Over 365 days	1,970	871
	47,741	26,436
Less provision for bad debts	(590)	-
	47,151	26,436

The average credit period on services is 10 days. No interest is charged on accounts receivable. The Company provides for receivable balances over 90 days (except where these amounts are assessed as recoverable by management) because historical experience is such that receivables that are past due beyond 90 days are generally recoverable.

Included in receivables however, are debtors with the carrying amount of $3.14 million (2015: $Nil), which are past due at the reporting date for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. Management believes that the non-past due unimpaired receivables are collectable in full.

(i) Movement in allowance for doubtful debts:

	2016 $'000	2015 $'000
Balance at beginning of year	-	-
Impairment losses recognised on accounts receivable	590	-
Balance at end of year	590	-

5. ACCOUNTS RECEIVABLE (CONTINUED)

(ii) Aging of impaired accounts receivable

	2016 $'000	2015 $'000
90+ days	590	-

(iii) Ageing of receivables that are past due but not impaired:

	2016 $'000	2015 $'000
90 -180 days	940	-
180-365 days	623	-
Over 1 year	1,576	-
	3,139	-

6. OTHER RECEIVABLES

	2016 $'000	2015 $'000
Withholding tax	628	637
Prepayments	3,627	3,969
Procurement (a)	7,079	3,818
Subscription of shares (b)	-	50,440
Other	3,860	4,229
	15,194	63,093

a) Procurement represents amounts recoverable from customers for purchases of equipment made on their behalf.
b) During January 2016 the sum of $50.44 million was received for subscription of shares net of listing expenses.

7. ACCOUNTS PAYABLE

	2016 $'000	Restated 2015 $'000
Trade payables	2,453	8,865
Statutory liabilities	2,547	2,059
Accrued expenses	18,135	19,372
GCT payable	3,067	559
Contingency provision	-	1,500
Others	5,877	5,663
	32,079	38,018

8. TAXATION

The charge for the year represents:

	2016 $'000	2015 $'000
Taxation charge components:		
Current tax	-	4,711
Deferred tax (Note 9)	(1,120)	1,120
	(1,120)	5,831

The charge for the year is reconciled to the profit as per the statement of comprehensive income as follows:

	2016 $'000	Restated 2015 $'000
Profit before tax	38,221	30,701
Computed "expected" tax charge @ 25%	9,555	7,675
Difference between profit for financial statements and tax reporting purposes on:		
Expenses not deducted for tax purposes	203	25
Net effects of other charges and allowances	(10,878)	(1,869)
	(1,120)	5,831

The Company was listed on the Junior Market of the Jamaica Stock Exchange in January 2016 and under the Income Tax Act (Jamaica Stock Exchange Junior Market) Remission Notice, 2010 , 100% of income taxes will be remitted by the Minister of Finance during the first five years of listing on Junior Market (Phase one) of the Jamaica Stock Exchange and 50% of income taxes will be remitted by the Minister of Finance during the second five years of listing on the Junior Market (Phase two) of the Jamaica Stock Exchange.

9. DEFERRED INCOME TAX

As at 31 December 2016, no deferred income tax was calculated on temporary difference pursuant to the Company listing on the Junior Market of the Jamaica Stock Exchange. (Note 8)

	Capital allowance in excess of depreciation $'000
At January 1, 2014	-
Charged to income for the year	1,120
At December 31, 2015	1,120
Credited to income for the year	(1,120)
At December 31, 2016	-

10. INVESTMENTS

	2016 $'000	2015 $'000
Quoted equity securities	2,027	1,573

11. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment $'000	Furniture & Equipment $'000	Total $'000
At cost:			
January 1, 2015	9,542	8,916	18,458
Additions	3,413	1,056	4,469
December 31, 2015	12,955	9,972	22,927
Additions	2,782	830	3,612
December 31, 2016	15,737	10,802	26,539
Depreciation:			
January 1, 2015	5,709	307	6,016
Charge for the year	1,668	1,206	2,874
December 31, 2015	7,377	1,513	8,890
Charge for the year	2,694	1,340	4,034
December 31, 2016	10,071	2,853	12,924
Net book values:			
December 31, 2016	5,666	7,949	13,615
December 31, 2015	5,578	8,459	14,037

The following useful lives are used in the calculation of depreciation:

Furniture and equipment	10%
Computer equipment	33⅓%

12. SHARE CAPITAL

	2016 $'000	2015 $'000
Authorized		
106,000,000 ordinary shares of no par value		
(2015 – 106,000,000 Ordinary shares of no par value)	106,000	106,000
Issued and fully paid:		
Share capital at beginning of year		
106,000,000 ordinary shares of no par value		
(2015 – 274 ordinary shares of no par value)	51,727	8,584
Share capital issued during the year		
Nil ordinary shares of no par value		
(2015 – 25,652,000 ordinary shares of no par value)	-	50,310
Less: Transaction cost of share issued	-	(7,167)
	-	43,143
Net share value	51,727	51,727

Increase in share capital
During the year ended 31 December 2015, the Company issued 25,652,000 ordinary shares of no par value amounting to $43.14 million. (Note 1).

13. OPERATIONAL REVENUES

a) This represents fees for technical services rendered less General Consumption Taxes.

b) The following are entity-wide disclosures:

(i) Revenue sources (Note 13 (a).

(ii) Geographical areas

There are no geographical segments as all revenues are attributed to the Company's country of domicile.

(iii) Major customer

Revenues from transactions with two customers amount to $124.08 million and $28.87 million, respectively, and were individually greater than 10 per cent of the Company's revenues.

14. EXPENSES

Total direct, administrative & other operating expenses:

	2016 $'000	2015 $'000
Advertising and promotion	7,106	5,525
Professional services	2,533	30,545
Property rental and	9,534	9,095
Staff costs (Note 18)	112,328	58,239
Technical fees, services and products	33,622	27,834
Depreciation	4,034	2,874
Insurance	3,167	2,479
Office supplies, computer and communications	3,246	3,740
Training and subscription	7,773	8,081
Other	11,765	4,945
	195,108	153,357

15. RELATED PARTY TRANSACTIONS

During the year the Company had transactions with related parties in the normal course of business. Related party transactions and balances are detailed below.

	2016 $'000	2015 $'000
(a) Related party transactions:		
Directors' emoluments	26,317	11,604
Directors' fees	1,203	513
Professional fees paid to directors	-	15,641
	27,520	27,758

As at 31 December 2016 and 2015, there are no related party receivable or payable balances.

16. INVESTMENT INCOME

	2016 $'000	2015 $'000
Foreign exchange gains	5,629	3,453
Interest income	1,339	462
Appreciation in value of investments	378	-
Dividend income	79	-
	7,425	3,915

17. DISCLOSURE OF EXPENSES

	2016 $'000	2015 $'000
Profit before taxation is stated after charging/(crediting):		
Directors' emoluments (Included in staff costs)	26,317	11,604
Directors' fees	1,203	513
Depreciation	4,034	2,874
Auditor's remuneration	1,080	300
Staff costs, inclusive of directors' emoluments (Note 18)	112,328	58,239
Interest income	(1,339)	(462)

18. STAFF COSTS

	2016 $'000	2015 $'000
Salaries and other employee benefits	102,958	53,564
Statutory contributions	9,370	4,675
	112,328	58,239

19 FINANCIAL INSTRUMENTS

(a) Financial risk management:

The Company has exposure to the following risks from its use of financial instruments:

~ Credit risk;
~ Liquidity risk and
~ Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents, securities purchased under resale agreements and amounts due from customers and related parties.

The maximum exposure to credit risk is reflected in the statement of financial position at the reporting date.

19 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management: (continued)

(i) Credit risk (continued)

The maximum exposure to credit risk is as follows:

	2016 $'000	2015 $'000
Financial assets:		
Cash resources	24,153	36,105
Accounts receivable	47,151	26,436
Short-term investments	93,908	31,169
Other receivables	10,659	58,025
	175,871	151,735

Cash and cash equivalents and securities purchased under resale agreements:

The Company limits its exposure to credit risk including investments by placing cash resources with substantial counter-parties who are believed to have minimal risk of default.

Accounts receivable and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Accounts receivable mainly consist of amounts owing from corporate customers. As at 31 December 2016, amounts receivable from two customers receivable represent 61.58% and 8.46% of the accounts receivable balance. There are no other concentrations of credit risk.

The Company does not require collateral in respect of trade and other receivables.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowances for impairment is based on the ageing of the receivables, with provision made for balances outstanding for over 90 days, if attempts to collect fail and the amount is deemed to be uncollectible. The Company also provides for receivables that are outstanding for less than this time period based on information that shows that the receivable balance is uncollectible.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk may result from an inability to sell a financial asset at, or close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

19 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management: (continued)

(ii) Liquidity risk: (continued)

The Company's liquidity management process, as carried out within the company and monitored by the Finance Department, includes:

~ Monitoring future cash flows and liquidity on a bi-weekly basis.
~ Maintaining a portfolio of short term deposit balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.

The following table details the Company's contractual maturity for its financial assets and financial liabilities. The table below has been drawn up based on undiscounted contractual maturities of financial assets including interest that will be earned on those except where the Company anticipates that the cash flows will occur in a different period, and in the case of financial liabilities, based on the earliest date on which the Company can be required to pay.

	Average Effective Interest rate	Less than 1 year
		$'000
2016		
Financial assets		
Non-interest bearing	0.00%	71,388
Interest bearing	0.10%	10,575
Fixed interest rate instruments	4.00%	94,086
		176,049
Financial liabilities		
Non-interest bearing		10,877

	Average Effective Interest rate	Less than 1 year
		$'000
2015		
Financial assets		
Non-interest bearing	0.00%	112,621
Interest bearing	0.15%	7,945
Fixed interest rate instruments	4.50%	31,205
		151,771
Financial liabilities		
Non-interest bearing		16,587

19 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management: (continued)

(iii) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates and foreign exchange rates and will affect the Company's income or the value of its holdings of financial instrument.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The nature of the Company's exposures to market risks and it objectives, policies and processes for managing these risk have not changed significantly over the prior year. For each of the major components of market risks the Company has policies and procedures in place which detail how each risk is managed and monitored. The management of each of these major components of market risks and the exposure of the Company at the reporting date to each major risk are addressed below.

Currency risk

Foreign currency risk is the risk of loss arising from adverse movements in foreign exchange rates. The Company undertakes certain investment transactions denominated in currencies other than the Jamaican dollar. Exchange rate exposures are managed within approved policy parameters and maintaining a manageable balance in the types of investments.

The Company's investment portfolio is exposed to foreign exchange risk primarily with respect to the United States dollar.

Derivative financial instruments are not presently used to reduce exposure to fluctuations in foreign exchange rates.

Concentration of currency risk

The table below summaries the Company's exposure to foreign exchange rate risk as at December 31, 2016.

	2016	2015
Bank of Jamaica foreign exchange buying rates (JM$ to US$)	$ 128.44	$ 120.42
	$'000	**$'000**
Financial assets: Cash resources	14,546	34,290
Short term investments	77,260	24,004
Total financial assets	91,806	58,294

19 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management: (continued)

(iii) Market risk: (continued)

Foreign currency sensitivity

The Company's investment portfolio is exposed to the United States dollar. The Company's sensitivity to a 1% increase, 6% decrease (2015: 1% increase, 8% decrease) in the Jamaican dollar against the United States dollar is the sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate.

The sensitivity of the 1% increase or 6% decrease (2015: 1% increase, 8% decrease) in the Jamaican dollar against the United States dollar exposure would be a decrease in profit by J$0.92 million (2015: J$0.58 million) or increase of net profit by J$5.51 million (2015: J$4.66 million).

The Company's sensitivity to foreign currency has increased during the year mainly due to increased holdings of foreign cash and short term investments balances.

Interest rate risk

The Company's interest rate risk arises from deposits and repurchase agreements.

Interest rate sensitivity

There is no significant exposure to interest rate risk on short term deposits, as these deposits have a short term to maturity and are constantly reinvested to current market rates. Short term deposits are at fixed rates.

Price risk management

The Company is exposed to price risks arising from quoted equity instruments.

19 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management: (continued)

(iii) Market risk: (continued)

Price risk management (continued)

Price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risks at the reporting date. The analysis is prepared assuming that the number of units at the reporting date remains the same for the whole year. A 10% increase or decrease (2015: 20% increase or decrease) represents management's best estimate of the possible change in equity prices.

If bid prices had been 10% higher/lower (2015: 20% higher/lower) and all other variables were held constant, the Plan's net assets available for benefits and changes in net assets available for benefits, would increase/decrease as detailed below:

	2016 $'000 10% increase /decrease	**2015 $'000 20% increase /decrease**
Quoted shares	203	315
	203	315

The change in sensitivity is due to the increase in the fair value of quoted shares.

(b) Fair value of financial instruments

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 following methods and assumptions have been used to measure the Company's financial instruments that are carried at fair value:

i) The carrying values of cash and bank balances, receivables (excluding income tax recoverable), accounts payable, securities purchased under resale agreements and investments in short-term fixed interest rate bearing securities approximate their fair values because of the short-term maturity of these instruments.

(ii) Investments represents quoted equities which are valued using the year end closing bid price published by the Jamaica Stock Exchange.

No significant unobservable inputs were applied in the valuation of the Company's financial instruments classified as fair value through profit or loss.

19 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value of financial instruments

Fair value measurement recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 (See Note 2(f)) based on the degree to which the fair value is observable:

	2016			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Equity securities	2,027	-	-	2,027

	2015			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Equity securities	1,573	-	-	1,573

There were no transfers between Level 1 and Level 2 during the period.

(c) Capital management:

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders. The directors of the Company seek to maintain a strong capital base so as to maintain shareholder and creditor confidence. The Company defines capital as total shareholders' equity. There were no changes in the Company's approach to capital management during the year.

20. EARNINGS PER STOCK UNIT (EPS) ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY:

Earning per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units. The 274:80,348,000 share split in 2015 was taken into account in determining the EPS.

Net profit attributable to stockholders ($'000)	39,341	24,871
Weighted average number of ordinary stock units	106,000,000	80,629,118
Basic earnings per stock unit for the prior year	$ 0.37	$ 0.31

21. DIVIDENDS

During the year, the Company declared a dividend dividend of $3.98 million or $0.04 per share (2015: $5.66 million or $0.05 per share). Of the amount declared $3.87 million (2015: $5.66 million) has been paid. Dividend payable as at 31 December 2016 of $0.11 million (2015: $Nil) is included in accounts payable.

22. RESTATEMENT

During the year ended 31 December 2016, the Company conducted a review of its accounting policy for the recognition of accrued vacation and the recognition of foreign currency gains and losses and concluded that the policies were not in conformity with IFRS. Additionally, during the 2016 examination of the accounts payable certain balances were identified as being misstated in the prior year. Management also reclassified certain prior year balances in order to conform with current year classification. This resulted in restatements for the year ended 31 December 2015 as indicated below:

(i) Impact on Statement of Financial Position:

	As previously reported 2015 $'000	Adjustments 2015 $'000	Notes	Restated 2015 $'000
Current assets				
Cash and cash equivalents	36,213	(108)	(1)	36,105
Short term investments	31,169	-		31,169
Accounts receivable	26,436	-		26,436
Other receivables	62,660	433	(4)	63,093
	156,478	325		156,803
Current liabilities				
Bank overdraft	108	(108)	(1)	-
Accounts payable	38,050	(32)	(2),(3)	38,018
Taxation payable	4,672	-		4,672
Deferred taxation	1,120	(1,120)	(4)	-
	43,950	(1,260)		42,690
Net current assets	112,528	1,585		114,113
Non-current assets				
Investments	2,006	(433)	(5)	1,573
Property, plant and equipment	14,037	-		14,037
	16,043	(433)		15,610
Total net asset/s	128,571	1,152		129,723
Financed by:				
Shareholders' equity				
Share capital	51,727	-		51,727
Unappropriated profit	76,844	32	(2)	76,876
	128,571	32		128,603
Long-term liability				
Deferred taxation	-	1,120	(4)	1,120
	128,571	1,152		129,723

22. RESTATEMENT (CONTINUED)

(ii) Impact on Statement of Comprehensive Income:

	As previously reported 2015 $'000	Adjustments 2015 $'000	Notes	Restated 2015 $'000
Continuing operations:				
Revenues	177,976	-		177,976
Expenses	152,132	1,225	(2)	153,357
Profit from operations	25,844	1,225		24,619
Other income	911	1,257	(3)	2,168
Investment income	-	3,915	(6),(7)	3,915
Net interest income	462	(462)	(6)	-
Profit before taxation	27,217	3,485		30,702
Taxation	(5,831)	-		(5,831)
NET PROFIT	21,386	3,485		24,871
Other comprehensive income				
Unrealized gain/(loss) on investments	3,453	(3,453)	(7)	-
Total comprehensive income	24,839	32		24,871
Net profit attributable to owners	21,386	3,485		24,871
Earnings per share	**$0.27**			**$0.31**

22. RESTATEMENT (CONTINUED)

(iii) Impact on Statement of Cash Flows:

	As previously reported 2015 $'000	Adjustments 2015 $'000	Notes	Restated 2015 $'000
Cash flows from operating activities				
Net profit for the period	24,839	32	(2),(3)	24,871
Adjustments for:				
Depreciation	2,874	-		2,874
Taxation	-	5,831	(8)	5,831
Investment income	-	(3,915)	(8)	(3,915)
Operating cash flows before movements in working capital	27,713	1,948		29,661
Receivables	(9,472)	-		(9,472)
Other receivables	(50,742)	(433)	(5)	(51,175)
Directors account	(3,251)	-		(3,251)
Accounts payable	17,299	(32)	(2),(3)	17,267
Taxation payable	990	(990)	(8)	-
Deferred taxation	1,120	(1,120)	(8)	-
	(16,343)	(627)		(16,970)
Tax paid	-	(3,721)	(8)	(3,721)
Interest received	-	462	(8)	462
Cash used in operating activities	(16,343)	(3,886)		(20,229)
Cash flows from investing activities				
Additions to property, plant and equipment	(4,469)	-		(4,469)
Investments	(696)	433	(5)	(263)
Cash used in investing activities	(5,165)	433		(4,732)
Cash flows from financing activities				
Share capital	43,143	-		43,143
Dividends paid	(5,661)	-		(5,661)
Cash provided by financing activities	37,482	-		37,482
Increase in cash and cash equivalents	15,974	(3,453)		12,521
Effect of exchange rate on cash and cash equivalents	-	3,453	(8)	3,453
Cash and cash equivalents at beginning of the year	51,300	-		51,300
Net cash and cash equivalents at end of the period	67,274	-		67,274

22. RESTATEMENT (CONTINUED)

Notes:

(1) Amounts previously classified as bank overdraft has been reclassified to cash and cash equivalents as the Company has the right of set-off.
(2) Adjustment for accrued vacation previously not recorded.
(3) Reversal of accrued customer payment amounts that were misstated in the prior year.
(4) Reclassification of deferred tax liability from current liabilities to long-term liability in conformity with IFRS.
(5) Adjustment for the reclassification of cash balances due from brokers from investment securities.
(6) Reclassification of net interest income balance to investment income in order to conform to current year presentation.
(7) Gains and losses on cash and cash equivalents, short term investments and investment securities have been reclassified from other comprehensive income and are included in net profit in conformity with IFRS.
(8) Adjustments arising from the reclassification and restatement of items 1 – 7 above, in addition to other differences arising from the recalculation of the 2015 cash flows.

POSTAGE STAMP

FORM OF PROXY

I/We _____

of _____ being a member/members

of the above named Company, hereby appoint _____

of _____

or failing him _____ of _____

_____ as my/our proxy to vote for me/us on my/our

behalf at the 2017 Annual General Meeting of the Company to be held on June 29, 2017 and at any

adjournment thereof.

Signed this ……..…. day of …….. 2017

Signature _____ (Signature of primary shareholder)

Name: _____ (Name of primary shareholder)

Signature _____ (Signature of secondary shareholder)

Name: _____ (Name of secondary shareholder)

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Growth is projected to continue in 2017 for all the Company's services as organizations become more comfortable with outsourcing the management of their IT systems to service providers like tTech.