



tTech Limited  
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[www.ttech.com.jm](http://www.ttech.com.jm)

## **Report to Shareholders For the 3 Months Ended June 30<sup>th</sup> 2018**

The Board of Directors of tTech Limited is pleased to submit the unaudited results for the quarter ended June 30<sup>th</sup> 2018.

### **Financial Performance**

For the period tTech recorded revenues of \$75.4 million, an increase of 47.2% above the corresponding period in 2017 (\$51.2 million). Admin & Other expenses for the period were \$48.3 million, an increase of 17.6% over the same period in 2017 (\$41.1 million). The Cost of Sales for the period was \$22.2 million, up from \$4.7 million in the corresponding period in 2017. This was mainly due to additional subcontractors hired to execute the consulting contracts which have continued from Q1.

Net Profit (Total Comprehensive Income) for the period was \$9.7 million, an increase of 41.2% over 2017 (\$6.8 Million).

### **Highlights**

During the quarter the Company saw increased business in most of our major service categories including Infrastructure Management, IT Security Services, Voice/ PBX Systems, Cloud Services and Consulting with new contracts with new & existing customers.

tTech hosted a major marketing activity dubbed as TechCon 2018 during the quarter under review. The agenda included a presentation on the Data Protection Act which led to spirited discussions on Data Privacy and Data Security. Our IT Security business benefited as we help a number of organizations understand their Cybersecurity posture by performing vulnerability assessments and systems penetration testing. At this event tTech also officially launched and demonstrated the FileNexus Enterprise Document Management System which is capable of capturing information of any type and from any source, securely archiving it and allowing for business workflow automation, in one single application.

Our Consulting Team was very busy during this period visiting a number of clients and other organizations demonstrating the capability of the FileNexus application, all while they continue to deliver existing Portfolio and Project Management services and strategic IT planning services to new and existing clients.

With increased frequency of discussions around digitization and digital transformation, the tTech team took part in activities to provide guidance and direction to business executives.

We continue to have increased PBX business, however new customers have preferred to acquire these systems under a “hardware-as-a-service” model, where tTech provides and maintains the central switch under a predictable payment model contributing positively to our important monthly recurring revenue growth.

### **Summary**

We have had a good second quarter and with the expanded and reenergized sales team leveraging the momentum built up in Q1 closing more of the opportunities. We anticipate continued growth and performance in second half of 2018.

On behalf of the board and management, I would like to thank our team of dedicated IT Professionals, and our valued customers who are becoming more like business partners by showing continued confidence in tTech and our services.

A handwritten signature in black ink, appearing to read 'G. Christopher Reckord', written over a horizontal line.

G. Christopher Reckord  
Chief Executive Officer

# **tTech Limited**

Financial Statements

For the six months ended 30 June 2018

(Unaudited)

# **tTech Limited**

## Financial Statements

For the six months ended 30 June 2018

(Unaudited)

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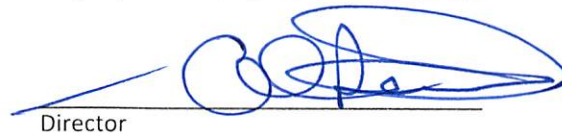
**tTech Limited**

STATEMENT OF FINANCIAL POSITION  
 SIX MONTHS ENDED 30 JUNE 2018  
 (Unaudited)

Expressed in \$'000	Notes	As at 30-Jun-18	As at 30-Jun-17	Audited 30-Dec-17
<b>Current assets</b>				
Cash and cash equivalents		38,006	21,521	30,579
Securities purchased	2c	99,327	94,395	94,910
Accounts receivable		33,694	31,603	29,801
Other receivables		21,730	13,899	15,325
		<u>192,757</u>	<u>161,418</u>	<u>170,615</u>
<b>Current liabilities</b>				
Accounts payable		39,098	27,555	30,389
		<u>39,098</u>	<u>27,555</u>	<u>30,389</u>
<b>Net current assets</b>		<u>153,660</u>	<u>133,863</u>	<u>140,226</u>
<b>Non-current assets</b>				
Investments		29,925	28,382	26,001
Property, plant and equipment		11,242	13,133	12,151
		<u>41,168</u>	<u>41,515</u>	<u>38,152</u>
		<u><b>194,827</b></u>	<u><b>175,378</b></u>	<u><b>178,378</b></u>
Financed by:				
<b>Shareholders' equity:</b>				
Share capital		51,727	51,727	51,727
Unappropriated profit		143,100	123,651	126,651
		<u><b>194,827</b></u>	<u><b>175,378</b></u>	<u><b>178,378</b></u>

Approved and authorised by the Board of Directors on July 24, 2018 and signed on its behalf by:

  
 Director

  
 Director

## tTech Limited

### STATEMENT OF COMPREHENSIVE INCOME

SIX MONTHS ENDED 30 JUNE 2018

(Unaudited)

Expressed in \$'000	Notes	Qtr Ended 30-Jun-18	Qtr Ended 30-Jun-17	YTD 30-Jun-18	YTD 30-Jun-17	Audited Y/E 30-Dec-17
Revenue		75,436	51,247	145,252	107,832	217,247
Cost of Sales		(22,284)	(4,749)	(39,707)	(14,047)	(28,081)
<b>Gross Profit</b>		53,152	46,498	105,545	93,785	189,166
Other income, gains and losses		4,887	1,485	5,460	2,023	(439)
Administrative expenses		(41,351)	(38,788)	(81,330)	(76,589)	(149,874)
Other operating expenses		(6,965)	(2,309)	(13,226)	(7,836)	(20,204)
<b>Profit before taxation</b>		9,723	6,886	16,449	11,383	18,649
<b>Net profit being</b>						
<b>total comprehensive income</b>		<u>9,723</u>	<u>6,886</u>	<u>16,449</u>	<u>11,383</u>	<u>18,649</u>
Net profit attributable to owners		9,723	6,886	16,449	11,383	18,649
<b>Earnings per share</b>	2d	<u>\$0.09</u>	<u>\$0.07</u>	<u>\$0.16</u>	<u>\$0.11</u>	<u>\$0.18</u>

**tTech Limited**

STATEMENT OF CHANGES IN EQUITY  
 SIX MONTHS ENDED 30 JUNE 2018  
 (Unaudited)

Expressed in \$'000	<u>Share Capital</u>	<u>Unappropriated Profit</u>	<u>Total</u>
Balance at 30 December 2016	51,727	112,242	163,969
Net profit being total comprehensive income		11,383	11,383
<b>Balance at 30 June 2017</b>	<u>51,727</u>	<u>123,625</u>	<u>175,352</u>
Balance at 30 December 2017	51,727	126,651	178,378
Net profit being total comprehensive income		16,449	16,449
<b>Balance at 30 June 2018</b>	<u>51,727</u>	<u>143,100</u>	<u>194,827</u>

**tTech Limited**  
**COMPANY STATEMENT OF CASH FLOWS**  
**SIX MONTHS ENDED 30 JUNE 2018**  
(Unaudited)

Expressed in \$'000	YTD Ended 30-Jun-18	YTD Ended 30-Jun-17	Audited 30-Dec-17
<b>SOURCES/(USES) OF CASH</b>			
Cash Flows From operating activities			
Net profit being total comprehensive income	16,449	11,383	18,649
Adjustments for:			
Bad debts provision	-	66	(48)
Depreciation	1,716	2,080	4,027
Loss on disposal of equipment	-	-	60
Interest income	(1,132)	(661)	(2,192)
Dividend income	(38)	(34)	(84)
Foreign exchange (gain)/loss	(3,854)	(562)	4,348
Appreciation in fair value of equity investments	(51)	463	(1,133)
Operating cash flows before movements in working capital	13,090	12,735	23,627
Accounts receivable	(3,893)	15,548	17,398
Other receivables	(6,405)	1,295	(11)
Accounts payable	8,709	(4,524)	(1,723)
Cash provided by operating activities	11,500	25,054	39,291
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	(865)	(1,598)	(2,623)
Securities purchased	(4,417)	(40)	(12,378)
Investments	(289)	(26,873)	(22,841)
Dividend received	38	34	84
Interest received	1,080	661	2,072
Cash provided/(used in) by investing activities	(4,453)	(27,816)	(35,686)
<b>Cash flows from financing activities</b>			
Dividends paid	-	-	(4,207)
Net cash provided by financing activities	-	-	(4,207)
Increase in cash and cash equivalents	7,047	(2,762)	(602)
Effect of exchange rate on cash and cash equivalents	3,854	562	(4,348)
Cash and cash equivalents at beginning of the year	99,507	104,457	104,457
<b>Net cash and cash equivalents at end of the period</b>	<b>110,408</b>	<b>102,257</b>	<b>99,507</b>
Comprised of:			
Cash and bank balances	38,006	21,521	30,579
Securities purchased	72,402	80,736	68,928
<b>Net cash and cash equivalents at end of the period</b>	<b>110,408</b>	<b>102,257</b>	<b>99,507</b>

**tTech Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED 30 JUNE 2018**  
**(Unaudited)**

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**1. GENERAL INFORMATION**

tTech Limited ("Company") is a limited liability company, which was incorporated under the Companies Act and is domiciled in Jamaica with registered office located at 69 1/2 Harbour Street, Kingston.

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

On January 7, 2016, the Company's ordinary shares were listed on the Junior Junket of the Jamaica Stock Exchange.

**2. ACCOUNTING POLICIES**

**(a) Statements of Compliance**

These interim financial statements for the period ended 30 June 2018, have been prepared in accordance with IAS34, 'Interim Financial Reporting'. These interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 30 December 2017.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 30 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the provisions of the Jamaican Companies Act.

**(b) Tax Status**

The Company was listed on the Junior Market of the Jamaica Stock Exchange on 7 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.

**(c) Securities Purchased**

	YTD Ended 30-Jun-18	YTD Ended 30-Jun-17
Short term investments - with settlement dates of 90 days or less	72,402	80,736
Reverse repurchase agreements and other investments	<u>26,925</u>	<u>13,659</u>
Securities purchased	<u><u>99,327</u></u>	<u><u>94,395</u></u>

**(d) Earnings per Share**

Earnings per stock unit have been calculated by dividing the 'Net Profit' by the total number of weighted average stock units at the end of the respective period 106,000,000 (2017 - 106,000,000).



**tTech Limited**

## NOTES TO THE FINANCIAL STATEMENTS (Cont'n)

SIX MONTHS ENDED 30 JUNE 2018

(Unaudited)

## 3. SHAREHOLDERS' INFORMATION AT June 30, 2018

## (a) Top 10 Shareholders

Edward Charles Alexander/Charmaine Dawn Alexander	41,567,834
Auctus Holdings Inc.	15,628,500
Enqueue Inc.	15,391,566
Hugh O'Brian Allen	8,806,028
Mayberry West Indies Limited	3,421,008
Marcelle Smart	2,026,105
GraceKennedy (2009) Pension Plan	1,604,893
Douglas Orane	881,448
Ravers Limited	806,448
Ja. Credit Union Pension Fund	806,448

## (b) Shareholding of Directors and Connected Parties

Edward Charles Alexander/Charmaine Dawn Alexander	41,567,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,628,500
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Hugh O'Brian Allen	8,806,028
Uriah Philip Alexander	267,965
Thomas J. Chin	100,000
Joan-Marie Powell	32,000

## (c) Shareholding of Senior Managers and Connected Parties

Edward Charles Alexander/Charmaine Dawn Alexander	41,567,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,628,500
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Hugh O'Brian Allen	8,806,028
Marcelle Smart	2,026,105
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
John Samuel Gibson	536,013
Eldin Reynolds	260,000
Omar St. Elmor Bell	240,909
Gillian Thorpe-Murray	240,909