

tTECH LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

(Expressed in Jamaican dollars unless otherwise indicated)

tTECH LIMITED

YEAR ENDED 31 DECEMBER 2016

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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.



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	
<p>As described in Note 2 (d) Use of estimates and judgements under section <i>Allowance for impairment losses on receivables</i> 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.</p>	<p>Assessing the valuation of trade receivables requires judgment and we have reviewed and challenged the assumptions used to calculate the trade receivables impairment amount.</p> <p>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.</p> <p>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.</p> <p>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.</p>



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.



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.



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.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young
Kingston, Jamaica

28 February 2017

tTECH LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

(Expressed in Jamaican dollar unless otherwise indicated)

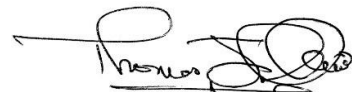
	Notes	2016 \$'000	Restated 2015 \$'000
Current assets			
Cash and cash equivalents	3,22	24,153	36,105
Government securities purchased under resale agreements	4	93,908	31,169
Accounts receivable	5	47,151	26,436
Other receivables	6,22	15,194	63,093
		<u>180,406</u>	<u>156,803</u>
Current liabilities		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

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



Thomas Chin - Director

tTECH LIMITED
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	<u>195,108</u>	<u>153,357</u>
Profit from operations		28,056	24,619
Other income		2,740	2,168
Investment income	16,22	<u>7,425</u>	<u>3,915</u>
Profit before taxation	17	38,221	30,702
Taxation	8	<u>1,120</u>	<u>(5,831)</u>
NET PROFIT BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	22	<u><u>39,341</u></u>	<u><u>24,871</u></u>
Net profit attributable to owners	22	39,341	24,871
Earnings per share	20,22	<u>\$0.37</u>	<u>\$0.31</u>

The accompanying notes form an integral part of these Financial Statements

tTECH LIMITED
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.

tTECH LIMITED
STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2016

(Expressed in Jamaican dollar unless otherwise indicated)

		2016	Restated
	Notes	\$'000	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
Tax paid	22	(4,672)	(16,970)
Dividend received		79	(3,721)
Interest received	22	1,328	-
Cash provided by/(used in) operating activities		52,711	462
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.

tTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

(Expressed in Jamaican dollar unless otherwise indicated)

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.

YEAR ENDED 31 DECEMBER 2016

(Expressed in Jamaican dollar unless otherwise indicated)

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.

tTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

(Expressed in Jamaican dollar unless otherwise indicated)

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.

tTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

(Expressed in Jamaican dollar unless otherwise indicated)

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.

tTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

(Expressed in Jamaican dollar unless otherwise indicated)

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.

YEAR ENDED 31 DECEMBER 2016

(Expressed in Jamaican dollar unless otherwise indicated)

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.

YEAR ENDED 31 DECEMBER 2016

(Expressed in Jamaican dollar unless otherwise indicated)

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.

tTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Jamaican dollar unless otherwise indicated)

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.

tTECH LIMITED
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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.

tTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Jamaican dollar unless otherwise indicated)

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.

tTECH LIMITED
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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.

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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.

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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.

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NOTES TO THE FINANCIAL STATEMENTS

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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.

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NOTES TO THE FINANCIAL STATEMENTS

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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.

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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).

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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.

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(Expressed in Jamaican dollar unless otherwise indicated)

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

(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%).

tTECH LIMITED
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4. GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS

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

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	2015
	\$'000	\$'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
	<u>47,741</u>	<u>26,436</u>
Less provision for bad debts	(590)	-
	<u>47,151</u>	<u>26,436</u>

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	2015
	\$'000	\$'000
Balance at beginning of year	-	-
Impairment losses recognised on accounts receivable	590	-
	<u>590</u>	<u>-</u>

tTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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5. ACCOUNTS RECEIVABLE (CONTINUED)

(ii) Aging of impaired accounts receivable

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

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

	2016	2015
	\$'000	\$'000
90 -180 days	940	-
180-365 days	623	-
Over 1 year	1,576	-
	<u>3,139</u>	<u>-</u>

6. OTHER RECEIVABLES

	2016	2015
	\$'000	\$'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
	<u>15,194</u>	<u>63,093</u>

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	Restated
	\$'000	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
	<u>32,079</u>	<u>38,018</u>

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8. TAXATION

The charge for the year represents:

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

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	<u>38,221</u>	<u>30,701</u>
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	<u>(10,878)</u>	<u>(1,869)</u>
	<u><u>(1,120)</u></u>	<u><u>5,831</u></u>

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	<u>1,120</u>
At December 31, 2015	1,120
Credited to income for the year	<u>(1,120)</u>
At December 31, 2016	<u><u>-</u></u>

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10. INVESTMENTS

	2016	2015
	\$'000	\$'000
Quoted equity securities	<u>2,027</u>	<u>1,573</u>

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	<u>3,413</u>	<u>1,056</u>	<u>4,469</u>
December 31, 2015	12,955	9,972	22,927
Additions	<u>2,782</u>	<u>830</u>	<u>3,612</u>
December 31, 2016	<u>15,737</u>	<u>10,802</u>	<u>26,539</u>
Depreciation:			
January 1, 2015	5,709	307	6,016
Charge for the year	<u>1,668</u>	<u>1,206</u>	<u>2,874</u>
December 31, 2015	7,377	1,513	8,890
Charge for the year	<u>2,694</u>	<u>1,340</u>	<u>4,034</u>
December 31, 2016	<u>10,071</u>	<u>2,853</u>	<u>12,924</u>
Net book values:			
December 31, 2016	<u>5,666</u>	<u>7,949</u>	<u>13,615</u>
December 31, 2015	<u>5,578</u>	<u>8,459</u>	<u>14,037</u>

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

Furniture and equipment	10%
Computer equipment	33 $\frac{1}{3}$ %

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12. SHARE CAPITAL

	2016	2015
	\$'000	\$'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	-	<u>(7,167)</u>
	<u>-</u>	<u>43,143</u>
Net share value	<u>51,727</u>	<u>51,727</u>

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.

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14. EXPENSES

Total direct, administrative & other operating expenses:

	2016	2015
	\$'000	\$'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
	<u>195,108</u>	<u>153,357</u>

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

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

16. INVESTMENT INCOME

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

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17. DISCLOSURE OF EXPENSES

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

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.

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19 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management: (continued)

(i) Credit risk (continued)

The maximum exposure to credit risk is as follows:

	2016	2015
	\$'000	\$'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
	<u>175,871</u>	<u>151,735</u>

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.

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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
<u>2016</u>		
Financial assets		
Non-interest bearing	0.00%	71,388
Interest bearing	0.10%	10,575
Fixed interest rate instruments	4.00%	<u>94,086</u>
		<u>176,049</u>
Financial liabilities		
Non-interest bearing		<u>10,877</u>

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

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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 its objectives, policies and processes for managing these risks 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 summarizes 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	<u>91,806</u>	<u>58,294</u>

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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.

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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	<u>203</u>	<u>315</u>
	<u>203</u>	<u>315</u>

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.

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

	2015			Total
	Level 1	Level 2	Level 3	
	\$'000	\$'000	\$'000	\$'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	<u>\$ 0.37</u>	<u>\$ 0.31</u>

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21. DIVIDENDS

During the year, the Company declared a 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
	<u>156,478</u>	<u>325</u>		<u>156,803</u>
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)	-
	<u>43,950</u>	<u>(1,260)</u>		<u>42,690</u>
Net current assets	<u>112,528</u>	<u>1,585</u>		<u>114,113</u>
Non-current assets				
Investments	2,006	(433)	(5)	1,573
Property, plant and equipment	14,037	-		14,037
	<u>16,043</u>	<u>(433)</u>		<u>15,610</u>
Total net asset/s	<u>128,571</u>	<u>1,152</u>		<u>129,723</u>
Financed by:				
Shareholders' equity				
Share capital	51,727	-		51,727
Unappropriated profit	76,844	32	(2)	76,876
	<u>128,571</u>	<u>32</u>		<u>128,603</u>
Long-term liability				
Deferred taxation	-	1,120	(4)	1,120
	<u>128,571</u>	<u>1,152</u>		<u>129,723</u>

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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	<u>152,132</u>	<u>1,225</u>	(2)	<u>153,357</u>
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	<u>462</u>	<u>(462)</u>	(6)	<u>-</u>
Profit before taxation	27,217	3,485		30,702
Taxation	<u>(5,831)</u>	<u>-</u>		<u>(5,831)</u>
NET PROFIT	<u>21,386</u>	<u>3,485</u>		<u>24,871</u>
Other comprehensive income				
Unrealized gain/(loss) on investments	<u>3,453</u>	<u>(3,453)</u>	(7)	<u>-</u>
Total comprehensive income	<u>24,839</u>	<u>32</u>		<u>24,871</u>
Net profit attributable to owners	<u>21,386</u>	<u>3,485</u>		<u>24,871</u>
Earnings per share	<u>\$0.27</u>			<u>\$0.31</u>

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22. RESTATEMENT (CONTINUED)

(iii) Impact on Statement of Cash Flows:

	As previously reported	Adjustments	Notes	Restated
	2015	2015		2015
	\$'000	\$'000		\$'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)	-
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

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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.