



tTech Limited  
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## **Report to Shareholders For the 3 months ended March 31, 2017**

The Board of Directors of tTech Limited is pleased to submit the unaudited results for the three months ended March 31, 2017.

### **Financial Performance:**

For the period the Company recorded revenues of \$56.5 million, an increase of 20.0% over the corresponding period in 2016 (\$47.1 million).

Expenses for the period were \$52.6 million, an increase of 28.9% over 2016 (\$40.8 million). This increase in expenses was due primarily to increases in our workforce over the first quarter in 2016, but there was no change in headcount over the previous 2 quarters.

Net Profit (Total Comprehensive Income) for the period was \$4.4 million, a decrease of 38.9% over 2016 (\$7.2 million).

### **Highlights:**

During the quarter we closed new contracts with new customers, however the results for the quarter were below expectations as we did not realize our revenue targets. The management team has reviewed our first quarter performance, identified areas which need to be changed to improve our close rate and have started to implement these changes.

Our sales pipeline remains strong and the increase in cybercrime that is occurring both globally and in Jamaica will create opportunities for tTech as the services which the company provides mitigates many of the risks posed by the threat of cybercrime.

The new technologies which we adopted in the second half of last year are now in place and we are confident that we have the capacity to accommodate increased business without significant increases in headcount. Nevertheless, we will work on ways to increase our efficiencies, particularly in our sales and back office processes, and will recruit selectively to ensure that we continue to meet the demand for our services and win new contracts.

### **Summary:**

Despite the disappointing profit performance for the first quarter the prospects for the year remain bright. We have a strong pipeline and expect that the company's performance will improve so that by year end we will have met our targets.

On behalf of the board I would like to thank our team for their dedication and professionalism, and our valued customers who continue to show confidence in tTech and our services.

Edward Alexander  
Chief Executive Officer

# **tTech Limited**

Financial Statements

For the three months ended 31 March 2017

(Unaudited)

# **tTech Limited**

## **FINANCIAL STATEMENTS**

**THREE MONTHS ENDED 31 MARCH 2017**

**(Unaudited)**

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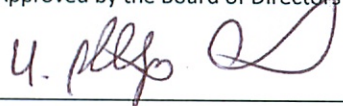
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**tTech Limited**

COMPANY STATEMENT OF FINANCIAL POSITION  
THREE MONTHS ENDED 31 MARCH 2017  
(Unaudited)

Expressed in \$'000	Notes	As at 31 Mar 17	As at 31 Mar 16	Audited 31 Dec 16
<b>Current assets</b>				
Cash and cash equivalents	2d	34,157	43,234	24,153
Government securities purchased under resale agreement		97,109	69,806	93,908
Accounts receivable		39,592	27,395	47,151
Other receivables		13,474	12,448	15,194
		<u>184,332</u>	<u>152,883</u>	<u>180,406</u>
<b>Current liabilities</b>				
Bank overdraft		-	-	-
Accounts payable		30,884	31,819	32,079
Deferred taxation		-	1,120	-
		<u>30,884</u>	<u>32,939</u>	<u>32,079</u>
<b>Net current assets</b>		<u>153,448</u>	<u>119,944</u>	<u>148,327</u>
<b>Non-current assets</b>				
Investments		2,299	1,573	2,027
Property, plant and equipment		12,719	14,378	13,615
		<u>15,018</u>	<u>15,951</u>	<u>15,642</u>
		<u><b>168,466</b></u>	<u><b>135,895</b></u>	<u><b>163,969</b></u>
Financed by:				
<b>Shareholders' equity:</b>				
Share capital		51,727	51,727	51,727
Unappropriated profit		116,739	84,168	112,242
		<u><b>168,466</b></u>	<u><b>135,895</b></u>	<u><b>163,969</b></u>

Approved by the Board of Directors on May 11, 2017 and signed on its behalf by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**tTech Limited**

## COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

THREE MONTHS ENDED 31 MARCH 2017

(Unaudited)

Expressed in \$'000	Notes	Qtr Ended 31 Mar 17	Qtr Ended 31 Mar 16	Audited Y/E 31 Dec 16
Revenues		56,585	47,142	223,164
Expenses		52,626	40,843	195,108
<b>Profit from operations</b>		3,959	6,300	28,056
Other income		108	104	2,740
Investment income		430	888	7,425
<b>Profit before taxation</b>		4,497	7,292	38,221
Taxation		-	-	1,120
<b>Net profit being total comprehensive income for the period</b>		4,497	7,292	39,341
Net profit attributable to owners		4,497	7,292	39,341
Earnings per share	2e	<b>\$0.04</b>	<b>\$0.06</b>	<b>\$0.37</b>



**tTech Limited**

## STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

THREE MONTHS ENDED 31 MARCH 2017

(Unaudited)

Expressed in \$'000	Share Capital	Dividends	Retained Earnings	Other Comprehensive Income	Total
Balance at 31 December 2015, restated	51,727	(5,661)	82,537	-	128,603
Net income			7,292		7,292
Balance at 31 March 2016	51,727	(5,661)	89,829	-	135,895
Balance at 31 December 2016	51,727	(3,975)	116,217	-	163,969
Net income			4,497		4,497
Balance at 31 March 2017	51,727	(3,975)	120,714	-	168,466

**tTech Limited**
**COMPANY STATEMENT OF CASH FLOWS**  
**THREE MONTHS ENDED 31 MARCH 2017**  
**(Unaudited)**

Expressed in \$'000	Qtr Ended 31 Mar 17	Qtr Ended 31 Mar 16	Audited Y/E 31 Dec 16
<b>SOURCES/(USES) OF CASH</b>			
<b>Cash flows from operating activities</b>			
Net profit for the period	4,497	7,292	39,341
Adjustments for:			
Bad debts provision	-	-	590
Depreciation	997	804	4,034
Taxation	-	-	(1,120)
Contingency provision write off during the year	-	-	(1,500)
Investment income	(430)		(7,425)
	5,064	8,096	33,920
Changes in working capital components:			
Receivables	6,975	(960)	(21,305)
Other receivables	1,720	50,645	47,910
Accounts Payables	(1,195)	(8,488)	(4,549)
Tax payable	-	(2,383)	(4,672)
Dividend received	18		79
Interest received	263	-	1,328
Cash provided by/(used in) operating activities	12,845	46,910	52,711
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	(97)	(1,144)	(3,612)
Government securities purchased under resale agreements	(15)		(13,604)
Investments	289	-	(76)
Net cash used in investing activities	177	(1,144)	(17,292)
<b>Cash flows from financing activities</b>			
Dividends paid	-	-	(3,865)
Cash provided by/(used in) financing activities	-	-	(3,865)
Increase in cash and cash equivalents	13,022	45,766	31,554
Effect of exchange rate on cash and cash equivalents	168	-	5,629
Cash and cash equivalents at beginning of the year	104,457	67,274	67,274
<b>Net cash and cash equivalents at end of the period</b>	<b>117,647</b>	<b>113,040</b>	<b>104,457</b>
Comprised of:			
Cash and bank balances	34,157	43,234	24,153
Short term investments	83,490	69,806	80,304
<b>Net cash and cash equivalents at end of the period</b>	<b>117,647</b>	<b>113,040</b>	<b>104,457</b>

# tTech Limited

## NOTES TO THE FINANCIAL STATEMENTS THREE MONTHS ENDED 31 MARCH 2017 (Unaudited)

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### 1. GENERAL INFORMATION

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

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

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. ACCOUNTING POLICIES

#### (a) Statements of Compliance

These interim financial statements for the period ended 31 March 2017, have been prepared in accordance with IAS34, 'Interim Financial Reporting'. These interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the provisions of the Jamaican Companies Act.

#### (b) Reporting Currency

These financial statements are presented in Jamaican dollars unless otherwise indicated.

#### (c) Tax Status

Under the Income Tax Act (Jamaica Stock Junior Market Remission Notice 2010), 100% of the Company's income tax liability is relieved for 5 years (2016 to 2020), provided the Company remains on the Stock Exchange for a total of 15 years.

#### (d) Cash & Cash Equivalents

Cash & cash equivalents includes investments with settlement dates of 90 days or less.

#### (e) Earnings per Share

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

#### (e) Restatement

These financial statements have been adjusted in accordance with the review of our accounting policies at our last audit.



**tTech Limited**

NOTES TO THE FINANCIAL STATEMENTS  
THREE MONTHS ENDED 31 MARCH 2017  
(Unaudited)

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## 3. SHAREHOLDERS' INFORMATION AT MARCH 31, 2017

## (a) Top 10 Shareholders

EDWARD CHARLES / CHARMAINE DAWN ALEXANDER	41,284,834
AUCTUS HOLDINGS INC	15,463,795
ENQUEUE INC.	15,391,566
HUGH O'BRIAN ALLEN	8,806,028
MAYBERRY WEST INDIES LIMITED	2,547,305
MARCELLE SMART	2,370,399
GRACEKENNEDY (2009) PENSION PLAN	1,604,893
NCB CAPITAL MARKETS LIMITED A/C 2231	976,206
DOUGLAS ORANE	881,448
RAVERS LIMITED	806,448
JA. CREDIT UNION PENSION FUND	806,448

## (b) Shareholding of Directors and Connected Parties

Edward Charles Alexander/Charmaine Dawn Alexander	41,284,834
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,463,795
Hugh O'Brian Allen	8,806,028
Uriah Philip Alexander	267,965
Thomas J. Chin	100,000
Joan-Marie Powell	32,000
Gregory Craig Henry	NIL

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

Edward Charles Alexander/Charmaine Dawn Alexander	41,284,834
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,463,795
Hugh O'Brian Allen	8,806,028
Marcelle Smart	2,370,399
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
John Samuel Gibson	722,727
Gregory Salmon	361,364
Omar St. Elmor Bell	240,909
Eldin Reynolds	NIL