Resilience&Change

Our strength

2020 ANNUAL REPORT

Year 2020 speaks to our resilience as a team and as a company. We proved that the human spirit is strong as we fought through the trials and challenges that came our way.

CONTENT

Mission

Mission

tTech is a Jamaican company that delivers world-class IT services through empowered and engaged team members who provide an insanely-good customer experience.

We help organisations to maximize returns on their IT investments resulting in them providing glowing references.

We provide a positive and honest environment which is underscored by a culture that minimizes bureaucracy, and embraces change.

tTech will impact the markets in which we operate by consistently raising the bar for the industry through innovation and continuous improvement. We contribute to causes that facilitate growth and opportunity for our communities.

Vision

To help achieve greatness by delivering insanely-good IT services!

Core Values

We care about people
We are open and honest
We do what it takes
We got each other's back
We are continuously improving

Purpose

To inspire, achieve and make a difference.

Credo

tTech Image: We will uphold the image of tTech through our conduct, appearance and speech.

Teamwork & Communication: Our work environment will foster teamwork and communication so that the needs of our internal and external customers are always met.

Ownership: We will own and immediately start working to resolve a customer's problem. If not resolved we will always provide timely updates until resolved.

Empowerment: We are empowered to take initiative and make decisions to always deliver and exceed our customers' expectations.

Personal Development: We will take every opportunity to grow professionally, financially and realize our maximum potential.

Confidentiality: We will protect the privacy and security of our clients, colleagues and the company's confidential information and assets.

Commend: We will always recognize and encourage the efforts of team members.

Corporate Social Responsibility: We will support the communities to which we belong.

Lines of Business

tTech offers customized IT Solutions for your business. Our objective is to improve the overall efficiencies of your company and reduce your costs. We assess your needs and implement our range of services which will best support and manage your IT needs.

Cloud Services

We have the expertise to design, plan and manage the migration of client's IT Infrastructure to the cloud. We create an integrated solution that reduces the concerns, uncertainty and issues related to decisions around cloud migration.

Consulting

tTech delivers the stable environment, and through its Consulting team provides the expertise necessary to select and implement applications that support higher value business needs.

Service Desk

tTech's highly trained service desk professionals are here to help! We are dedicated to serving our clients by troubleshooting and solving their technology challenges.

IT Security

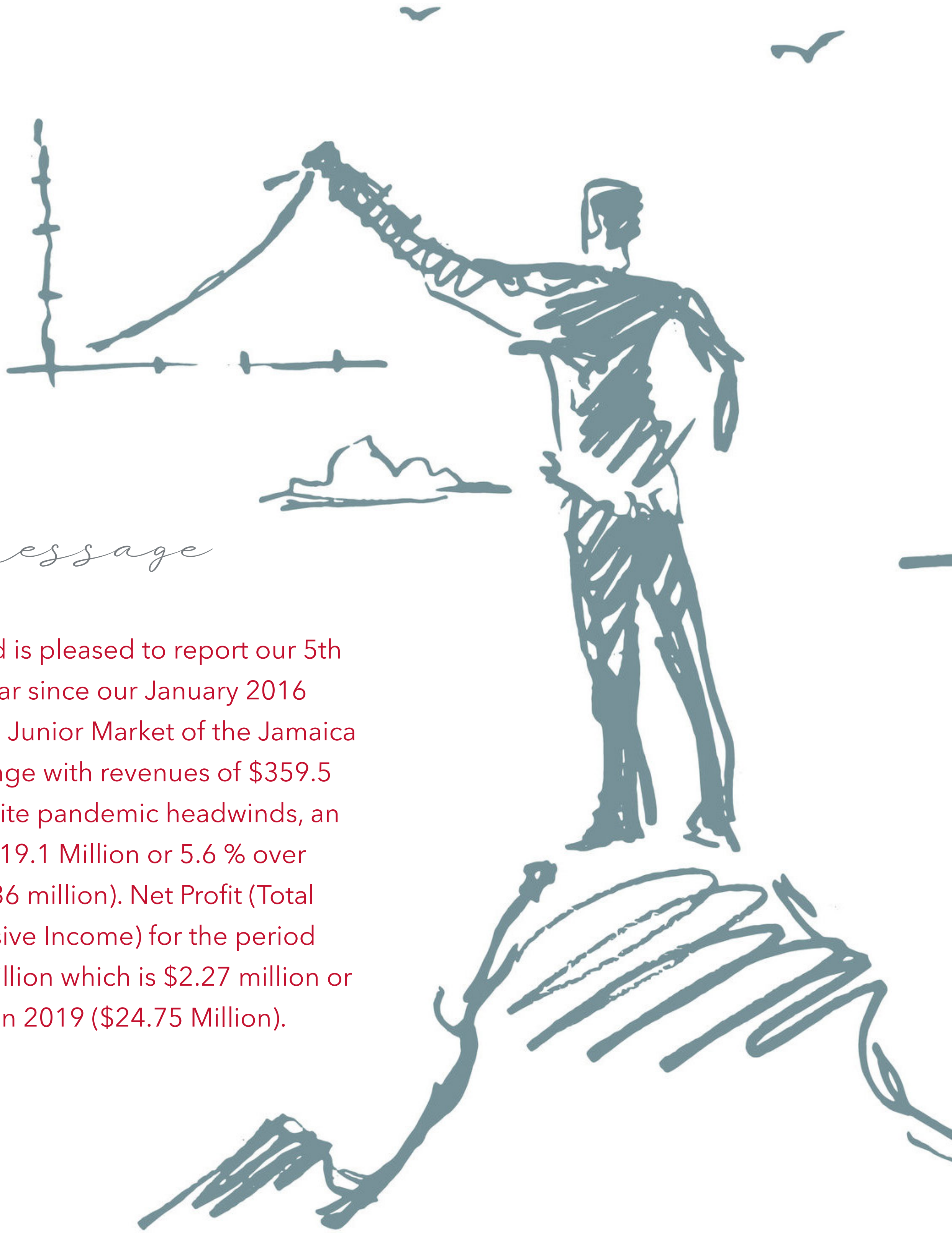
The stakes are high; in the event of a security breach, the organisation could be exposed to financial and reputational damage, while non-compliance with legal and other standards alone can result in steep penalties and even criminal liability. tTech offers a full complement of IT Security services including Firewall Administration, Penetration and Vulnerability Test, Intrusion Prevention Systems, Anti-Malware Systems, Windows Patch Management, Security Awareness Training, Active Directory Design and Security Consulting Services.

Managed Infrastructure

tTech offers a range of Infrastructure Management services that ensures the performance, reliability and availability of the IT infrastructure that supports your business.

Unified Communications

tTech's communication solutions provide a consistent unified user-interface and user-experience across multiple platforms and devices. You will have seamless, real-time communication using a variety of methods including instant messaging, telephony, video conferencing and desktop sharing among others.



CEO'S *Message*

tTech Limited is pleased to report our 5th profitable year since our January 2016 listing on the Junior Market of the Jamaica Stock Exchange with revenues of $359.5 million, despite pandemic headwinds, an increase of $19.1 Million or 5.6 % over 2019 ($340.36 million). Net Profit (Total Comprehensive Income) for the period was $22.5 million which is $2.27 million or 9.2% less than 2019 ($24.75 Million).

Impact of COVID-19

2020 was an extremely tough year globally because of the COVID-19 pandemic, and Jamaica and tTech did not escape its effects. While several customer projects were put on hold and some were cancelled, tTech was still able to increase revenues by implementing the technologies needed for our customers' staff to operate remotely, and the acquisition of new customers who required our support to improve security, migrate to the cloud and enable remote working.

We experienced minimal financial effects as the majority of our customers do not fall within the vulnerable sectors most affected by COVID-19 lockdowns, restrictions or economic downturns.

As a company, we were able to pivot operationally and implemented many of the services we provide to other organisations. A detailed report of tTech's internal response to the pandemic is provided in our COVID-19 Response Report (page 12).

tTech Operational Pivot

Discussions on the pandemic appear to be incomplete without the word "Pivot". When the government implemented the first set of lockdown measures in March 2020, tTech was able to respond immediately with our operational pivot, quickly moving to work from home, because of our investments in cloud software applications used to deliver our services. These applications include our RMM (Remote Monitoring and Management) application, our PSA (professional services automation) tools for managing customer support requests, and Microsoft Teams to facilitate collaboration between our team members and with our customers.

A Growing and Highly Engaged Team

At the end of 2020 the tTech team stood 45 strong, up from 42 members at the end of 2019. Areas of growth included Sales & Marketing, Consulting, Service Desk and Finance & Admin. While 2020 presented some unique recruiting challenges, we still managed to fill some critical roles amidst the challenges of COVID-19. Continuous monitoring of employee engagement through the Officevibe application allowed us to monitor how employees were coping with remote working. Our Human Resources team also got creative migrating several employee engagement activities online as COVID-19 protocols put a halt to our in-person programs. Further details are provided in the Human Resources Report.

Customer Engagement

With movement restrictions in place for the majority of the first half of the year, our customer engagement was mainly via online methods. Our marketing team continues to find innovative, protocol friendly ways that we can use to educate our prospective and existing customers on the best digital transformation initiatives on which to focus, and how investment in these IT related initiatives can provide tangible returns.

To that end, we participated in several online activities to spread these messages, share our findings and educate our audiences. These webinars or online conferences included a Data Protection webinar with the Jamaica Stock Exchange, a Cybersecurity presentation for the Institute of Chartered Accountants 2020 Business Webinar where we answered the question *"Is enough being done to safeguard our country's cybersecurity and our networks at all levels?"* Whilst travel was not an option, we were also able to deliver a presentation for the Haiti Tech Summit's panel on *"Building Investor Confidence: Tech and Other Tools for Responsible Business Practices"*.

Our major marketing event in 2020, TechCon by tTech, was rescheduled, reimagined and delivered digitally via a series of webinars over the course of 9 weeks. The topics delivered in association with our business partners included: The Data Protection Act and tTech's Role in IT Compliance for Privacy; How to Reduce

Your Cybersecurity Risks; Getting the Most Out of Office 365; Business Case for Moving to the Cloud; Consumer Payment Behaviour and How to Secure These Transactions; IT Industry 2020 Trends and What the Pandemic has Changed. Feedback was very positive resulting in an increase in our pool of potential revenue opportunities for tTech. Due to the high interest in the impact and ramifications of the new Data Protection Act (DPA), we repeated the webinar on that topic and we are receiving increased interest in our Data Privacy Solutions being offered as a service.

Our digital platforms, including our website ***www.ttech.com.jm***, Facebook, Instagram, YouTube & LinkedIn are continuously updated to provide valuable information on our IT services, and our marketing and educational activities. The TechCon by tTech event will be delivered digitally again in 2021.

Constantly Improving Our Processes

Our Continual Service Improvement in 2020 saw tTech make investments in "chat-based support" technologies to give our customers another way to connect with us and get the responsive support they need. We also added tools to track and document changes in the IT environments we manage for our customers and compare the existing state of their environments to our set of standards and best practices. Once completed, we can create a roadmap that allows our customers to clearly understand how to improve the resilience and reliability of their IT environments. 2020 also saw tTech acquiring specialized Data Privacy IT Compliance Assessment Tools and are using them in-house prior to customer rollout in 2021.

How We Provide Value

I never let an opportunity pass to explain to our stakeholders how tTech provides value to our customers and the events of 2020 shine a spotlight on our mission. Information Technology is very complex and in order to deliver real value, we initially focused on providing outsourcing services to manage customers' IT infrastructure because the skills required to manage infrastructure do not contribute directly to growing a business, and in this pandemic year, the reliance on reliable and highly available IT infrastructure is at an all-time high. We continue to see increased opportunity in this area as we educate the market on how our services help our customers to reduce cost while realizing more value from their IT systems.

Corporate Social Responsibility

Our Corporate Social Responsibility continues to centre around providing support for the communities to which tTech and each team member are a part. Since our offices are in downtown Kingston, we paid special attention to projects that would positively affect the livelihood of the downtown community. The City Kids Homeschool Programme is one such project. This initiative is geared towards providing some much needed academic support to inner-city children through the establishment of home-school clusters in three inner-city communities in Kingston: Waterhouse, Tivoli Gardens and Parade Gardens. See further details in our CSR report. We continue to support activities that are hosted by the associations and membership organizations that the company and our team members belong to.

Outlook for 2021

Remote work and social distancing requirements are driving organizations to seek alternate ways of working to reduce the effects of the pandemic. Opportunities for tTech include the implementation of hardware and software needed to safely and securely provide organizations with secure access to their digital assets from home or other remote work facilities.

Heightened security and data privacy awareness caused by frequent news across social and traditional media about vulnerabilities identified in online applications both locally and overseas is keeping our team busy answering questions about how tTech can help.

The recent passing of a Data Protection Act into law in 2020 presents many new opportunities for tTech, and we have already made headway on some of these. With so many new tools in place, virtual education and learning opportunities are being explored.

tTech continues to differentiate itself from other IT companies in Jamaica with its renewed focus on the strategic execution of its holistic Managed IT Services Provider (MSP) business model. The Company has a complete set of strategic tools and proven business processes necessary to align and synchronize all the components of our business to deliver an insanely good customer experience.

As more organizations realize the difficulty and increased risks associated with not having the required IT skills within their teams, outsourcing will become the preferred option and tTech is poised and ready with years of focused IT services delivery experience.

We will achieve our 2021 objectives with the relevant training for our team and continuously upgrading our processes and technologies, which will lead to more efficient business processes and an improved customer experience, which will ultimately lead to improved financial performance.

In 2021 tTech will continue to be on the lookout for mutually beneficial partnerships, including acquisition opportunities, while continuing to execute on our strategic plans including the continuous exploration of growing revenues outside of Jamaica.

A very special thanks to our Board of Directors, our management and team members for their hard work and dedication in 2020, We also say thanks to our customers for their loyalty and support during the year.

Gordon Christopher Reckord
Chief Executive Officer

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2021 Annual General Meeting of tTech Limited (the "Company") will be held on Tuesday, September 14, 2021 at 3 p.m. at the GraceKennedy Building, 73 Harbour Street, Kingston, Jamaica for the following purposes:

1. To receive the Company's Audited Accounts and the Reports of the Directors and the Auditors for the year ended December 31, 2020. To consider and (if thought fit) pass the following resolution:

   Resolution No. 1 "That the Directors' Report, the Auditor's Report and the Statements of Account of the Company for the year ended December 31, 2020 be approved."

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

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

3. The Directors to retire from office pursuant to Article 102 of the Articles of Incorporation are G. Christopher Reckord, Norman Chen and Joan-Marie Powell.

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

   a. "That retiring Director G. Christopher Reckord be and is hereby re-elected a Director of the Company."

   b. "That retiring Director Norman Chen be and is hereby re-elected a Director of the Company."

   c. "That retiring Director Joan-Marie Powell be and is hereby re-elected a Director of the Company."

4. Special Business: To fix the remuneration of the Directors. To consider and (if thought fit) pass the following resolution:

   Resolution No. 4 "That the amount of $1,940,000 included in the Audited Accounts of the Company for the year ended December 31, 2020 as fees for their services as Directors be and is hereby approved."

Dated this 10th day of April 2021

BY ORDER OF THE BOARD

G. Murray

Gillian Murray
Secretary

REGISTERED OFFICE
69 ½ Harbour Street
Kingston

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

In light of the COVID-19 Pandemic, the date of the Annual General Meeting on September 14th, 2021 is subject to change as per any laws, regulations, orders and/or guidance proclaimed by the Government of Jamaica and/or its statutory bodies and/or executive agencies.

Our COVID-19 Response

March 10th, 2020 was a significant date when Jamaica confirmed its first case of COVID-19, increased panic and uncertainty heightened island wide now that our shores were penetrated. The government subsequently implemented island-wide protocols to limit the spread. No industry was spared, and all were affected when the government closed its borders, issued work from home orders and curfews were introduced.

However, the government worked with industries that provided critical services in its effort to maintain economic activity and to keep essential services operating as normal. With the realization that COVID-19 has now penetrated our borders we went into immediate action to protect our team and fellow Jamaicans.

Activation Mode

We immediately activated and expanded tTech's Health, Wellness & Safety (HWS) Committee to ensure the safety and health of our tTech family while maintaining the viability of the business. Members of the committee include:

- Moneshe Hutchinson
- Lesley Cousins
- Marlon Philipps
- Patricia Fuentes-Green
- Nordeen Burke
- Stephan Pitterson
- Laren Lettman

Protocols and Guidelines

Implementing protocols was our first task and we activated our remote work plan, starting with a remote work pilot consisting of employees who traverse via public transport, have small children and who were at risk due to underlying health conditions. Access to our office was limited, we restricted walk-ins, face-to-face meetings with internal and external parties and promoted the use of an online platform (Microsoft Teams) for meetings and collaboration.

Working closely with the human resources team, the HWS Committee implemented several measures to prepare the remote workforce including, ensuring the health and safety of the team, ensuring their functionality in a remote workspace and providing guidance and direction as we navigated the management of a fully remote team for the first time. Some of the measures included the fast tracking of the company's remote work policy and the provision of guidelines for staff and managers to support the transition to remote work. The enabling of different software for communication and real time responses, as well as the deployment of tools such as smart phones, monitors and docking stations to support productivity.

Other measures implemented included:

- The fast-tracking of enrollment in health insurance for ALL team members including those serving probationary periods, providing assurance that their health and safety was paramount.
- Q&As on Remote Work and COVID-19; Scenario planning to consider any eventualities that may arise as a result of COVID-19.
- Provision of guidelines for employees working from home and the office, including practicing social distancing and recommended hygiene practices Provision of masks and other PPE's were essential.
- Frequent communication and updates regarding new MOH guidelines, changes or improved measures.

In addition, the updating of the staff contact listing and emergency contact information files and ensuring digital accessibility for seamless access and reference.

Health & Safety

Recommendations as outlined by the World Health Organisation and the Ministry of Health were used to guide our health and safety efforts.

Additionally, the company suspended all overseas travel, limited in-person meetings and suspended team group events which were then pivoted to team virtual events with immediate effect.

Disaster Recovery and Business Continuity

Work was started and continues with the company's Disaster Recovery and Business Continuity Planning (DRBCP) Team to update and activate the Disaster Recovery & Business Continuity Plan for the company.

Onsite Sanitation Measures

Strategic placements were done for hand washing and general tips for avoiding exposure to the virus in general areas such as in the bathrooms and kitchenette. Procurement efforts included the deployment of bottles of hand sanitizer and wipes, increased office cleaning schedule and automatic sanitation stations throughout the office. In addition, a procedure was implemented for handling and disinfecting customer equipment and other packages received at the office.

Team Support and Reassurance

Our team engagement platform, Officevibe was used as a survey instrument to carry out a poll on our remote workforce to determine the impact of remote work with the objective of providing the necessary support and reassurance to our team. Mandatory for all was weekly check-ins/phone calls with both remote workforce and staff working from the office and ensuring that all team members had the required tools to carry out their functions.

As we are social beings the strain of not being able to socialize created some challenges and we took action to help our team to cope. In addressing these challenges, we partnered with Grace and Staff Counselling Services to provide mental strain support, stress relief and counselling sessions for our team.

A major pivot was done to virtual team gatherings through the use of the Microsoft Teams platform. We had movie and games nights and karaoke dubbed "Virtual Games Night".

We made it COVID-19 free through the year and are indeed grateful and thankful. Work continues in the months to come in making health and safety our priority, for our team and their families and Jamaica, land we love.

Directors' Report

The Directors of tTech Limited are pleased to present their report for the year ended December 31, 2020.

On April 17, 2020 Mr. Thomas Chin resigned as a Director for personal reasons. Tom was appointed to the tTech board on October 1, 2020 and served as the Chairman of the Audit Committee until his resignation. Tom played a significant role in guiding the company through the reporting processes after tTech listed on the Junior Market of the Jamaica Stock Exchange (JSE). The board thanks him for his leadership, guidance and support during his tenure as a Director and wishes him all the best in his future endeavours.

Subsequent to Tom's resignation Ms. Tracy-Ann Spence was appointed to Chair the Audit Committee. In her new role Tracy has proven to be an efficient, competent chairperson and the Committee is benefiting from her knowledge and experience in the financial services industry.

On May 25, 2020 Mr. Justin Morin was appointed a Director of tTech Limited. Justin is currently the Managing Director of Appliance Traders Limited and comes to the board with considerable industry experience having served as the Chief Executive Officer at Digicel Jamaica and working as a consultant to the telecommunications industry in Europe and Asia.

The addition of Tracy in 2019 and Justin in 2020 has increased the diversity of the tTech board with respect to age, gender and industries, and they along with the longer serving Directors are helping the management team to refine the company's strategy.

COVID-19 & Virtual Meetings

The effect of COVID-19 on the tTech Board was not dramatic as for several years the Board has accommodated the remote participation of members at Board and Committee meetings, and all meetings since April 2020 have been held remotely on Microsoft Teams, a platform that tTech has helped many of its customers to implement.

The company's Articles of Incorporation were revised in 2015 prior to being listed on the JSE and the revisions made at that time allowed for Directors' meetings to be held by electronic means. However, because the Company Act does not allow companies to hold General Meetings by electronic means the Annual General Meeting (AGM) was held in-person following all required COVID-19 protocols.

The AGM was originally scheduled for September 10, 2020 but was rescheduled and held on September 18, 2020 at the Knutsford Court Hotel in Kingston. The rescheduling was done to facilitate an Extra-Ordinary General Meeting (EGM) which was held primarily to consider changes to the Company's Articles of Incorporation to allow for the holding of General Meetings virtually by electronic means. The changes to the Articles of Incorporation were approved at the EGM but it should be noted that until the Company's Act is amended companies will require a court order to hold General Meetings virtually.

The Company's Activities

tTech is a provider of Managed Information Technology Services, commonly referred to as an MSP in the Information Technology (IT) industry. The services that the Company provides are:

- IT Infrastructure Management
- IT Security
- Cloud Based IT Services
- Service (Help) Desk Services
- Unified Communications
- IT Consulting

These services are explained in more detail on the Company's website (***www.ttech.com.jm***) but suffice to say the demand for these services is growing as the use of IT increases in organizations across the globe. This increasing demand augurs well for the future of tTech as we are providing services to a growing market with the potential to provide the services internationally. The strategy to increase the Company's market share is discussed in the CEO's report.

Dividends

During the year the company did not declare a dividend as the Directors felt that, given the uncertainty created by COVID-19, it was prudent to retain cash in the event that the economy deteriorated significantly and affected the Company's earnings. Thankfully this did not materialize and tTech was able to report a profit for 2020 and maintain a strong balance sheet with no debt.

Company Performance

In 2020 the company recorded revenues of \$359.5 million, an increase of 5.6% (2019: \$340.36 million) and net profits attributable to owners of \$22.5 million, a decrease of 9.2% (2019: \$24.75 million). The decrease in profits was largely attributable to the slowdown of the economy, particularly during the second quarter when Jamaica went into lockdown and the country was coming to grips with the uncertainty created by the COVID-19 pandemic. The Audited Financial Statements provide further details and the Management Discussion and Analysis provide explanations for the changes in the company's financial performance.

In 2020 the Board continued to improve its adherence to the principles of Corporate Governance. At the JSE's Best Practice Awards, tTech was the winner of the award for Best Annual Report (Junior Market) and 1st Runner-Up for Best Website (Junior Market). During the year, one Director completed the Jamaica Stock Exchange e-Campus' course, The Directors Guide to Corporate Governance and Leadership. This brings to 6 the number of Directors and Officers who have completed that course.

In 2020 the company met all reporting deadlines of the Jamaica Stock Exchange and the Financial Services Commission, with the exception of a delay in the submission of the Annual Report because of COVID-19. The JSE was advised before the deadline that the report was going to be delayed and the public was informed.

The Directors are satisfied with tTech's performance in 2020 particularly because of the unusual circumstance created by COVID-19. The growth in revenues and the increasing use of technology because of COVID-19 are positive indicators for the Company. The Board has reviewed the strategy and plan developed by the management team for 2021 and are confident that successful execution of the strategy will result in continued growth and increased profits in 2021 and beyond.

Finally, the Directors would like to take this opportunity to thank the Company's customers and partners for their continued support and loyalty, and the management and staff of tTech for their professionalism and dedication as we continue to serve our customers in very unusual and stressful circumstances.

Edward Alexander
Executive Chairman

tTech Directors

Those who served as Directors during the reporting year were:

Non-Executive Directors

- U. Philip Alexander
- Joan-Marie Powell - Independent
- Tracy-Ann Spence - Independent
- Justin Morin - Independent

Executive Directors

- Edward Alexander
- G. Christopher Reckord
- Norman Chen
- Hugh Allen

Board Mentor

- Richard Downer

Company Secretary

- Gillian Murray

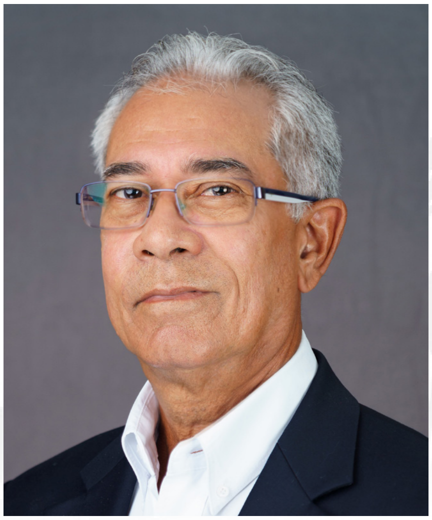
Registrar

Jamaica Central Securities Depository Limited
40 Harbour Street,
Kingston, Jamaica

Registered Office

69½ Harbour Street,
Kingston, Jamaica

The Board of Directors



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

Founder and Executive Chairman

Mr. Alexander is the Company's founder and Executive Chairman.

After founding tTech in 2006, the company steadily developed under his leadership and in January 2016, tTech became the first Jamaican information technology company to be listed on the Junior Market of the Jamaica Stock Exchange.

His vision is to assist companies to improve the effectiveness of their investments in information technology by minimizing the cost of ownership of their infrastructure while maximizing the value from their business applications, ultimately leading to systems which contribute to increased competitiveness and profitability.

Mr. Alexander holds a Master of Science degree from the University of Pennsylvania and a Bachelor of Science degree from the University of Windsor.

In addition, he has completed professional courses at the Harvard Business School and the University of Florida.

He serves on the boards of CAC 2000 Ltd and his alma mater, Jamaica College.

G. Christopher Reckord, M.B.A.

Chief Executive Officer

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

His formal education includes a diploma in Industrial Education (with a specialization in Electrical Technology) from the University of Technology, and a Master's in Business Administration (MBA) from Barry University.

He serves as a Commissioner for The Betting, Gaming & Lotteries Commission (BGLC) and a Director of the Jamaica Computer Society. He is also a member of the PSOJ and is currently the Chairman of its Innovation and Digital Transformation Committee.

Mr. Reckord is an Executive Director of the Company.

Norman Chen, B.Sc.

Sales Manager (Acting)

Mr. Chen is the Sales Manager (Acting) with the ability to apply his vast skill-sets to the singular goal of offering the most comprehensive solutions to clients who rely on the company's innovative services.

He is a highly qualified Information Technology specialist with several years of experience within the IT industry. His exemplary career began when he joined Commnett Caribbean Limited where he worked his way up to Chief Technical Officer over the course of nine years. From there he went on to head Fujitsu's IT Department and then to NC Associates as a Project Manager and IT Consultant.

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

Mr. Chen is an Executive Director of the Company.

Hugh Allen, B.Sc.

Assistant Technical Services Director

Mr. Allen is the Company's Assistant Technical Services Director responsible for LAN Management, WAN Management, Telecoms Management, Server Management, Infrastructure Management and E-Mail Administration.

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

Mr. Allen is an Executive Director of the Company.

U. Philip Alexander, B.Sc.

Non-Executive Director

Mr. Alexander brings a wealth of experience to the Board of Directors.

With a Bachelor of Science in Mechanical Engineering from North East London Polytechnic, he has honed and shaped his career with various academic endeavours including the Program for Management Development from Harvard University Business School, the MIT Executive Program in Corporate Strategy and Product Development and Manufacturing Strategy at Stanford University Business School.

He is currently retired from GraceKennedy Ltd after 32 years. While there he held the positions of Manufacturing Director, Group Quality Director and Group Risk Manager among others. He also served on the Main Board and a number of the subsidiary boards of the company and still serves as a Director for the GraceKennedy Foundation.

Mr. Alexander is the Chairman of the Corporate Governance Committee and a member of the Company's Audit and Remuneration Committees.

Joan-Marie Powell, B.Sc., M.B.A.

Non-Executive Director

Ms. Powell is the former Managing Director of GraceKennedy Money Services Limited (GKMS) until her retirement in December 2013. Ms. Powell's technical insight and operational expertise strengthened the company's culture of innovation which saw GKMS expanding into new markets and extending its service portfolio, reaching seven other markets in the Caribbean.

She holds a Bachelor of Science in Management Studies and a Masters in Business Administration, specializing in the management of technology, from the University of the West Indies. She serves as a member of the Board of Directors of the Immaculate Conception High School and the Grace and Staff Community Development Foundation. She is a Justice of the Peace for the Parish of Kingston and a member of the Kiwanis Club of New Kingston.

Ms. Powell is the Chairman of the Remuneration Committee and a member of the Company's Audit and Corporate Governance Committees.

The Board of Directors

Tracy-Ann Spence, B.Sc., M.B.A.

Independent Non- Executive Director

Ms. Spence was appointed to the Board on February 19th, 2019 and is the Chief Operating Officer at NCB Capital Markets Limited.

She has been employed to the NCB Financial Group for over 17 years and counts a BSc in Applied Mathematics from York University in Toronto, an MBA in Banking and Finance (with distinction) from the University of the West Indies and Project Management Professional (PMP®) Certification from the Project Management Institute among her educational achievements.

She is an adjunct lecturer at the Mona School of Business, University of the West Indies, where she has lectured in Financial Management in the MBA and EMBA programmes. She is also a Learning Partner at NCB's Corporate Learning Campus where she teaches Portfolio and Investment Management.

Tracy-Ann currently sits on the boards of the Jamaica Association for the Deaf, tTech Limited, Mailpac Group Limited and SiFi Studios Limited. Ms. Spence is the chairman of the Audit Committee and a member of the company's Remuneration and Corporate Governance Committees.

Justin Morin, B.Sc., M.B.A.

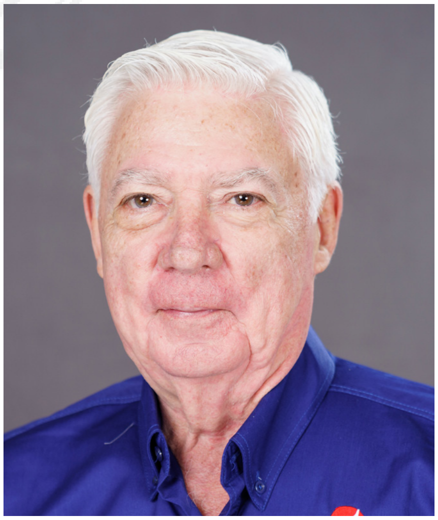
Independent Non -Executive Director

Mr. Morin was appointed to the Board on May 25, 2020 and is the Managing Director of Appliance Traders Limited, a position he has held since October 2019. He is also the Chair of the Universal Services Fund, and a member of the National ICT Advisory Council.

He is an accomplished business executive with over 20 years' experience spanning Strategy, General Management, Digital Transformation, and Corporate Finance.

Prior to joining Appliance Traders Limited, Justin was Chief Executive Officer for Digicel Jamaica, having returned to Jamaica after a 10-year stint living in Barcelona, Singapore and Dubai. Justin has significant experience in Strategy and Consulting having been a Senior Advisor to C-level executives of several global companies such as Veon, MTN, Saudi Telecoms, Virgin Mobile, and GraceKennedy, giving him a unique blend and depth of experience across various industries and verticals, including Telecoms, Media, Manufacturing, Distribution, Retail, and Banking.

He earned his MBA in General Management at the prestigious IESE School of Business in Barcelona, Spain, and holds a Bachelors' degree in Industrial Engineering from the University of Florida.



Richard Downer, CD, FCA.

Board Mentor

Mr. Downer has responsibility for advising on the implementation of adequate procedures, systems and controls for financial reporting, corporate governance, timely disclosure of information to the market, and general compliance.

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

Mr. Downer is a former Senior Partner of PricewaterhouseCoopers in Jamaica. He currently serves as a Director on the Board of Sagicor Life Jamaica Limited and as Chairman of its Audit Committees and as a member of the Investment Committee.

Mr. Downer is also the Board Mentor and a Director of Dolphin Cove Limited and Chairman of its Audit Committee.

Corporate Data

Registered and Head Office

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

Auditors

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

Bankers

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

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

Top Ten Shareholders

As at December 31, 2020

Edward Charles Alexander/Charmaine Dawn Alexander	41,592,834
Auctus Holdings Inc.	15,628,500
Enqueue Inc.	15,391,566
Hugh O'Brian Allen	8,412,850
Mayberry West Indies Limited	5,414,228
GraceKennedy (2009) Pension Plan	1,604,893
Marcelle Smart	1,001,105
Douglas Orane	881,448
Ravers Limited	806,448
Ja. Credit Union Pension Fund	806,448

Shareholdings of Directors & Connected Parties

As at December 31, 2020

Edward Charles Alexander/Charmaine Dawn Alexander	41,592,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,628,500
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Hugh O'Brian Allen	8,412,850
Uriah Philip Alexander	267,965
Joan-Marie Powell	32,000
Tracy-Ann Spence	nil
Justin Morin	nil

Shareholdings of Senior Managers & Connected Parties

As at December 31, 2020

Edward Charles Alexander/Charmaine Dawn Alexander	41,592,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,628,500
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Hugh O'Brian Allen	8,412,850
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
Omar St. Elmor Bell	240,909
Gillian Juvan Thorpe Murray	240,909
Lesley Cousins	50, 000

Management Team

Hortense Gregory-Nelson, ACCA, CFP

Hortense Gregory Nelson is the Finance & Administrative Manager of the company with several years of experience within the field of accounting and financial auditing.

Her career began at the Ministry of Education, after which she left to work with National Commercial Bank for six years. She then worked for Ernst & Young Chartered Accountants, Mothers Enterprise and the Bible Society of the West Indies where she remained for six years.

Mrs. Gregory-Nelson is a Certified Chartered Accountant with ACCA accreditation and holds the Certified Financial Planner (CFP) credentials, accredited by the Chartered Banker Institute.

Gillian Murray, B.B.A., M.B.A.

Gillian Murray is the Marketing & Human Resources Manager and Company Secretary. She is responsible for developing the marketing strategy for the company in line with company objectives and leading the HR programs and policies.

Her formal education includes a Bachelor of Business Administration in Marketing & Finance from the University of Technology, and a Master's in Business Administration from the University of the West Indies, Mona School of Business and Management. She has also completed trainings in information technology courses, digital marketing and the Jamaica Stock Exchange Director's Strategic Guide to Corporate Governance Course.

Omar Bell, B.Sc.

Mr. Bell is the Technical Services Manager and Lead Engineer for Cloud Services – Special Projects. His responsibilities include operational oversight of the company IT services along with deployment of cloud technologies in a cloud service model. In addition to leading and motivating the Operation team to deliver the ideal information technology solutions to our customers.

His educational background includes a Bachelor of Science in Electrical & Computer Engineering from the University of West Indies, Saint Augustine, Trinidad as well as training in multiple areas such as Certified Information Systems Auditing, Microsoft Azure, Microsoft System Center, Active Directory and PowerShell.

He is currently pursuing a Masters of Business Administration at Edinburgh Business School.

Lesley Suzanne Cousins, B.Sc., M.Sc.

Mrs. Lesley Cousins is the Consulting Services Manager of the company. Her responsibilities include project portfolio management for Consulting Services and the other services that the company provides.

Her formal education includes a Bachelor of Science at the University of the West Indies, Mona in Environmental Science (Hons), and later pursued a Masters of Science in Management and Implementation of Development Projects (Hons) at the University of Manchester Institute of Science and Technology (UMIST), United Kingdom. She is a certified Microsoft Projects user.

Corporate Governance

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

On January 7, 2016 tTech became the first Jamaican Information Technology company to be listed on the Junior Market of the Jamaica Stock Exchange. As a public listed company, we are committed to providing value to our shareholders, and are governed by a Board of Directors with extensive knowledge and experience in their respective fields.

The company is grounded in the belief that accountability to its stakeholders is a business imperative, and good governance practices that positively impact the company's performance and long-term viability are essential.

These practices guide our transparency and integrity practices that are applicable throughout the company. Additionally, good governance lends itself to good ethical principles which has created a culture of respect and compliance.

This Corporate Governance Statement outlines the key elements of the Company's corporate governance framework as of December 31st, 2020.

Structure of the Board and its Committees

Board Structure

The Board of Directors is committed to ensuring the effective governance of the company. As the body responsible for this, the board establishes broad policies and strategic objectives and ensures that sufficient resources are available to enable the company to meet these objectives. The Board Charter is available on the Company's website ***www.ttech.com.jm.***

The board is chaired by Executive Director, Edward Alexander with Christopher Reckord as the CEO, and Gillian Murray as the Company Secretary.

The Board comprises four Non-Executive Directors and four Executive Directors. Mr. Richard Downer was also appointed Board Mentor in November 2015 and continues to serve in this position.

Independent Non-Executive Director Statement

The board identifies in its annual report each Non-Executive director it considers to be independent taking into account various facts including whether a director has been an employee of the company within five years; or, has had a direct or indirect material business relationship with the company or its officers; or has received remuneration, apart from a director's fee, from the company, or, its employees; or has close family ties with the company's advisers, directors or senior employees; or holds cross directorships or has links with other directors through involvement with other companies or bodies; or represents a significant shareholder; or has served on the board for more than nine years. Any exceptions would have to be justified by the board.

Based on these principles the Board has appointed the following Independent Non-Executive Directors:-

- Joan-Marie Powell
- Tracy-Ann Spence
- Justin Morin

Induction of New Directors

New directors are formally inducted into the company which enables them to transition into Board meetings effortlessly. The induction period ensures an understanding of the company's strategies, financial position and operations. The Board Chairman meets with the new Director to inform them of the structure, rights, duties, responsibilities and roles of the Board and a Director. Additionally, they meet with the Chairs of the Board Committees and the management team, and are given a tour of the Company's office (if possible).

Board Meetings

The Board and Board Committees meet quarterly to discuss and review the performance of the company to ensure that the strategy and key objectives are being satisfactorily pursued by the management team. Other Board meetings are held in the year to review the company's long-term strategy along with the budget and operating plans for the upcoming year. The board takes into account the economic, social and regulatory environment and the risks that may exist in the markets in which the company operates.

The board also retains the right to call additional meetings if it deems them necessary.

tTech Limited Board of Directors' Meeting Attendance

January - December 2020

Number of Boards & Committee Meetings	**7**	**6**	**4**	**4**	**1**
Names	**Board**	**Audit**	**Remuneration**	**Corporate Governance**	**Annual General Meeting**
Board of Directors					
Edward Alexander, Chairman	7	6	4	4	1
U. Philip Alexander [1]	7	6	4	4	-
G. Christopher Reckord	7	6	4	4	1
Hugh Allen[2]	6	n/a	1	n/a	1
Joan-Marie Powell	7	6	4	4	1
Norman Chen	7	6	4	4	1
Tracy Ann Spence	5	6	4	4	1
Justin Morin[3]	5	3	2	1	1
Richard Downer (Mentor)[1]	7	5	2	3	-

1- U. Phillip Alexander and Richard Downer did not attend the Annual General Meeting as they were unable to travel because of COVID-19.

2 - Hugh Allen was invited to attend the Remuneration Committee meetings at the July Board Meeting.

3 - Mr Justin Morin was appointed as an Independent Non Executive Director effective May 25, 2020

Board Committees

The Board has established an Audit Committee, a Remuneration Committee and a Corporate Governance Committee. Each committee has its own written charter which can be viewed on the Company's website ***www.ttech.com.jm***. These committees are Chaired by Non-Executive Directors and made up primarily of the Non-Executive Members of the Board and have the right to co-opt members of the executive management team as is deemed necessary.

Audit Committee

The Audit Committee was formed in 2015 and its main functions are oversight of:

1. Financial reporting and compliance with legal and regulatory requirements.
2. Internal controls.
3. Risk management.
4. Internal and external audits.
5. Budgeting and forecasting.

During the year the committee focused on:

1. Assisting the management team with balancing the workload between the staff and adjusting responsibilities as required, especially within the context of the new Work from Home paradigm.
2. Oversight of the annual audit.
3. Understanding and getting explanations of the financial results and what it means operationally.
4. Ensuring that the financial reports were completed and checked in a timely manner.
5. Ensuring that all external reporting requirements were completed and filed on time.
6. Identified any additional monthly financial reports that are required from time to time and determine which formats are best suited for the company.

In 2021 the main focus will be on:

Producing a flash financial report (including revenues, operating income and bank/investment balances) by the end of the fifth working day after month end.

1. Moving to shorter cut-off times for monthly, quarterly and annual reporting, based on the best practice benchmarks for companies of our size and to meet all statutory requirements.
2. Working with operations to automate accounting processes as best as possible in an effort to improve efficiency.
3. Continuous training and support for the accounting team.
4. Working with our external auditors to have the final draft of the audited financial report at least 10 working days before the JSE deadline.
5. Identifying major risks to the company and ways of mitigating those risks.

The Chairman of the Audit Committee is Ms. Tracy-Ann Spence and comprises the other Non-Executive Directors. The Board Chairman, CEO, Finance and Administration Manager, Sales Manager (Acting) and Board Mentor are invitees to this committee.

External Auditor

Ernst and Young is the Company's external auditor, and the Lead Audit Partner was invited by the Chairman of the Audit Committee, to attend a meeting of the Committee to present the Company's audit findings and discuss the draft audited financial statements. The external auditors also attended the Annual General Meeting to make a presentation on the audited financial statements to shareholders and were available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Remuneration Committee

The Remuneration Committee was formed in 2016 and its main functions are:

1. Oversight of the company's compensation and benefits policies.
2. Oversee and set compensation for the company's Executive Officers, including its Executive Chairman, CEO and Non-Executive Directors.
3. Development of an incentive scheme for the senior executives.
4. Oversee the establishment of appropriate human resource strategies and policies.

During the year the committee focused on:

1. Employee Remote Work operational plans and strategies to facilitate high team engagement, safety and welfare of the team
2. Developing an Incentive Scheme for the Executive Officers.
    - Scheme was developed showing an alignment with approved performance targets.
3. Setting of Executive Salaries.
    - The executive salaries were set and approved by the board.
4. Advising on HR policies and procedures.
5. Employee retention, training and development

In 2021 the main focus will be on:

1. Development and implementation of policies including Health & Safety, Corporate Social Responsibility, Environmental and Social Media.
2. Continuous monitoring of the Occupational Health and Safety Act and the developments thereof.
3. Employee retention as a major focus will contain efforts to optimize our benefits to include employee recognition, and professional training and development.
4. Continue the process of executing on the succession plans developed in 2019 for all key positions.
5. Development plans highlighted at the performance appraisals will be executed.
6. Expand the Human Resource (HR) Department to include a full time HR Manager whose sole responsibility will be to manage the welfare of the staff for the successful running of the company.
7. Employee retention, which is an operational risk for companies operating in the technology industry, by continuing to implement measures, including training and adequate compensation, to help to mitigate the risk.

The Chairman of the Remuneration Committee is Ms. Joan-Marie Powell and comprises the other Non-Executive Directors. The Board Chairman, Executive Directors, Corporate Secretary, Technical Services Manager, Assistant HR Manager and Board Mentor are invitees to this committee.

Corporate Governance Committee

The Corporate Governance Committee was formed in 2017 and its main functions are:

1. Creation and review of governance policies.
2. Selection and recruitment of board members.
3. Board training and education.
4. Board performance and evaluation.

During the year the committee focused on:

1. Ensuring that the appropriate policies, procedures, and guidelines for the staff and/or customers were in place to manage the COVID-19 virus.
2. Review and support of the Whistleblowers Policy which can be found on the Company's website ***www.ttech.com.jm.***
3. Review of the company's Jamaica Stock Exchange/PSOJ Corporate Governance profile
4. Training on the new Data Protection Act for the board and senior managers
5. Ensuring that the Code of Conduct and Conflict of Interest Certification for the Directors and Senior Management was done and reviewed.
6. Ensuring that the annual Board Performance and Evaluation was carried out.

In 2021 the main focus will be on:

1. Continuing Training and Education programs for the Board, Senior Managers and the Executives who attend Board and Committee meetings.
2. Improving the Corporate Governance profile.
3. Continuing to ensure that the appropriate policies and procedures to manage the COVID-19 virus are in place.
4. Oversight of the company's Data Protection Compliance Programme.
5. Overseeing the Whistleblower Policy.
6. Development of Policies to enhance the Governance of the company.
7. Board performance and evaluation.
8. Assisting with the Board Succession Planning and identification of possible candidates for appointment to the Board.

The Chairman of the Corporate Governance Committee is Mr. U. Philip Alexander and comprises the other Non-Executive Directors. The Board Chairman, CEO, Corporate Secretary and Board Mentor are invitees to this committee.

Responsibilities of the Board

The company has attracted a strong and experienced Board of Directors who review and approve key policies and make decisions in relation to:

- Corporate Governance
- Internal Controls
- Fiduciary Oversight
- Compliance with laws and regulations
- Strategy direction and operating plans
- Business development including major investments and divestitures
- Appointment or removal of Directors
- Remuneration of Directors
- Risk Management
- Financial reporting and Audit
- Financing
- Corporate Social Responsibility
- Ethics
- Environment
- Succession planning for the Directors and Senior Executives.

Responsibilities of the Chairman, Company Secretary and Directors

The Chairman's primary responsibilities are the effective operation of the Board and the dissemination of sufficient information to support decisions. He is also responsible for ensuring that new Directors are inducted into tTech and receive the necessary orientation.

The Company Secretary is responsible for ensuring that the Board's procedures are effectively followed and supports the decision-making process and governance. All Directors have access to the Company Secretary for advice and services.

All Directors are expected to allot sufficient time to prepare for and attend meetings of the Board and its Committees. Regular attendance at Board and Committee meetings is required; in the absence of an agreement a Director should not miss two consecutive regular Board meetings. The leadership of the Company is accessible to the Directors via the Executive Chairman.

Directors Skills and Competencies

The Board has a strong mix of expertise, experience and leadership which aids good corporate governance and business practices.

AREAS OF EXPERTISE							
	Industry	**Strategy & Leadership**	**Finance & Audit**	**Governance**	**Risk Mgmt**	**HR Mgmt**	**Acquisitions & Divestitures**
Board of Directors							
Edward Alexander, Chairman	✓	✓	✓	✓	✓	✓	✓
U. Philip Alexander		✓	✓	✓	✓	✓	✓
G. Christopher Reckord	✓	✓		✓		✓	
Hugh Allen	✓			✓		✓	
Joan-Marie Powell		✓	✓	✓	✓	✓	✓
Norman Chen	✓			✓		✓	
Tracy-Ann Spence		✓	✓	✓	✓	✓	✓
Justin Morin	✓	✓	✓		✓		✓
Richard Downer (Mentor)		✓	✓	✓	✓	✓	✓

Performance Evaluation of the Board, Committees & Individual Directors

A system for the evaluation of the Board and Director's performance is in place. It evaluates the performance of the Board by the Directors as a whole, a Peer Review by the Directors of the other Directors, and a Self-Assessment by the Directors of their own performance. It is done annually, and a corrective action plan is developed for any areas of concern that are identified.

Board & Executive Compensation

The Non-Executive Directors compensation reflects their contribution, commitment and time taken to improve the Board's performance. It is also built on the premise of attracting and retaining Directors of high standards. This compensation is subject to annual reviews based on comparable conditions and evaluation of the effectiveness of the Board and its committees.

Non-Executive Directors Fees

	Annual Fee (JMD)	**Attending Committee Meetings (JMD)**
Non-Executive Directors	$250,000	$15,000 per meeting
Board Chairman	$100,000	
Committee Chairman	$50,000	

Non-Executive Directors fees are paid quarterly. Executive Directors are not paid fees.

Director's Training and Education

The Board has placed emphasis on Director's training and education and recognizes the importance of continuing this path. Some of our Directors have completed the following:

- The Jamaica Stock Exchange (JSE) Corporate Governance Index training
- The JSE/Private Sector Organization of Jamaica Corporate Governance training

In addition:

- All Directors and Senior Managers attended an internal presentation on the Data Protection Act and how it impacts tTech Ltd.

Succession Planning

An integral responsibility of the Board is succession planning for all Senior Executives and the Directors. This is done by identifying potential successors for each senior post and providing the necessary exposure for them to function in the business in case of an emergency.

Code of Conduct

The Company's Code of Conduct policy is governed primarily by our Vision and Mission. All Directors and Senior Managers complete annually an adherence to the Company's Code of Conduct policy certificate. Employees are also mandated to adhere to the Company's Code of Conduct policy and act ethically at all times.

Disclosure and Transparency

All Directors and Senior Managers are required to complete annually, a Disclosure of Interest Certificate which is reviewed by the Chairman.

The following policies can be found on our website ***www.ttech.com.jm.***

- Code of Conduct policy
- Whistle Blower policy
- Dividend policy

Meetings

Schedule of meetings

During each financial year, there is a minimum of 4 regular Board and Committee meetings. These meetings are scheduled on a quarterly basis. Two other meetings are scheduled each year to focus on the company's long term strategy, operating plans and annual budget. Special Board or Committee meetings may also occur at times as required.

Agenda Items for Board Meetings

The Chairman, CEO and Company Secretary establish the agenda for each Board meeting. Each Board member has the option to suggest items for inclusion on the agenda. Information is distributed electronically and or in writing to the Directors before the Board meetings.

Invited Attendees

Additionally, the Board invites Senior Managers to join Board and Committee meetings who;

(a) make presentations to the Board and Committees on their areas of responsibility.

(b) can provide additional insight into items being discussed due to direct involvement, or

(c) are managers that display attributes that the Executives believe should be given exposure to the Board as a part of their development.

Annual General Meeting (AGM)

The AGM provides the avenue for shareholders to hold the company accountable, provides transparency through the presentation of the company's audited accounts and gives the shareholders a voice to ask questions/raise issues. The AGM is also the forum for decisions; to finalize dividends paid within a year, appoint auditors and fix their remuneration and the re-election of Members of the Board. To view our AGM's in video format; go to our YouTube page tTech Limited or our website ***www.ttech.com.jm.***

Shareholders Communication

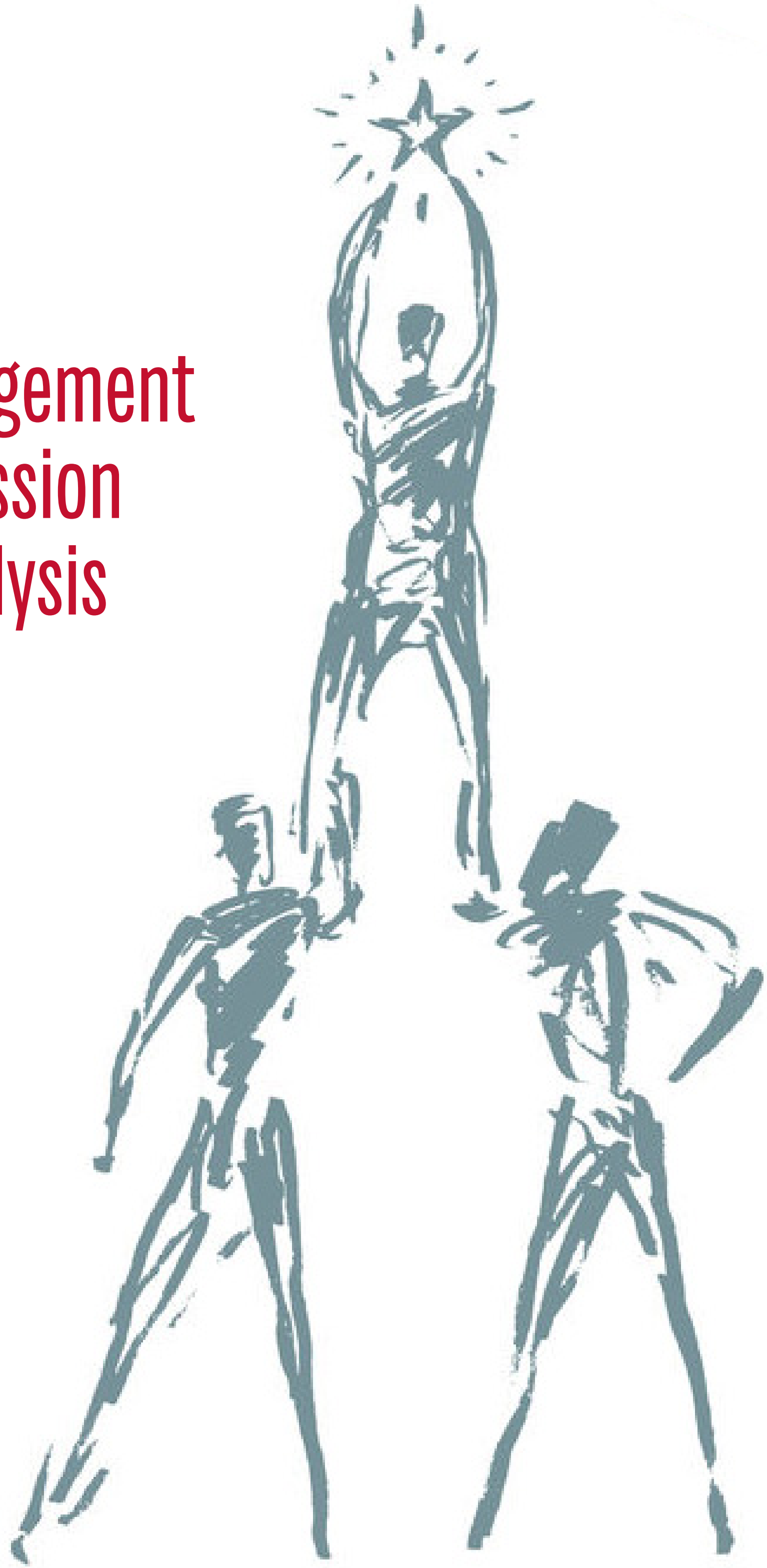
The Annual Reports and Financial Statements are available on the Company and the Jamaica Stock Exchange website for download to ensure shareholders communication. The Annual Report is also available in hard copy at each Annual General Meeting in addition to being distributed to all shareholders in electronic format by the Jamaica Central Securities Depositary.

Additionally, minutes of the Annual General Meetings held are available for download on the company's website ***www.ttech.com.jm.***

Avenues for Shareholders Communication

We encourage each shareholder to share with us concerns and suggestions as we value your feedback and support. Communication can be done by email to the Company Secretary at company.secretary@ttech.com.jm or by writing directly to the Executive Chairman, Edward Alexander, at tTech Limited, 69 ½ Harbour Street, Kingston.

Management Discussion & Analysis



Financial Performance

tTech had another profitable year despite the pandemic in 2020. The Company recorded revenues of J$359.5 Million, an increase of 5.6% over 2019; while recognizing net profits of $22.5 Million, a decrease of 9.2% over the prior year.

In 2020 the company realized growth in both Managed Services and Security Services. For the year, the Cost of Sales was 31.7% of revenue versus 27.9% in 2019. This increase over the prior year was as a result of providing equipment to support our customers' networks and system upgrades at lower margins than our services, along with investments in applications to support the Company's service delivery.

Administrative and Other Operating expenses as a percentage of sales were lower at 65.9% in 2020 versus 66.3% in 2019 increasing by $10.9 Million or 4.8%. Our primary spend was in advertising to maintain brand awareness and offer relevant information to the market. Insurance costs increased per market price changes and increased head count. The spend in staff costs and training increased but was in keeping with our mandate of continuous learning for our staff to meet the demand for the Company's services. Improved efficiencies are anticipated to contain the pace of increase in expenses in the future.

Five-Year Financial Review

J$ '000	2016	2017	2018	2019	2020
Income Statement					
Revenue	223,164	217,247	283,923	340,365	359,481
Other Income, gains and losses	10,165	-2,631	2,734	6,294	14,399
Finance Income		2,192	2,013	1,554	1,726
Finance Cost				-2,471	-2,393
Operating Expense (excl. Investment Financing Cost)	-195,108	-198,159	-261,133	-320,984	-350,732
Net Profit before Tax	38,221	18,649	27,537	24,758	22,481
Taxation	1,120	-	-	-	-
Net Profit being Total Comprehensive Income	39,341	18,649	27,537	24,758	22,481
Balance Sheet					
Non-Current Assets	15,642	38,152	38,429	72,588	69,837
Current Assets	180,406	170,615	211,829	220,149	247,409
Total Assets	196,048	208,767	250,258	292,737	317,246
Current Liabilities	32,079	30,389	51,383	46,558	50,122
Non-Current Liabilities	-	-	-	29,436	27,900
Total Liabilities	32,079	30,389	51,383	75,994	78,022
Net Assets	163,969	178,378	198,875	216,743	239,224
Other Information					
Fixed Assets	13,615	12,151	10,333	13,102	12,898
Working capital	148,327	140,226	160,446	173,591	197,287
Accounts Receivables	47,151	29,801	51,389	43,136	71,789
Operating expenses (less Technical Fees & Investing Finance Cost)	161,486	170,078	198,048	225,813	236,739
Technical Fees/Cost of Sales	33,622	28,081	63,085	95,171	113,993

$359.5M

Recorded revenues:
5.6% Increase

$187.5M

Profit, 13.6%

$239.2M

Total Net Asset Value,
10.4% increase

$197.3M

Net Current Asset

tTech operates in an industry of low fixed assets as most of the Company's costs for service and support tools are operating expenses and not capital in nature. To maintain the high level of service that differentiates the Company from our competitors, we continually invest in training and tools to increase efficiency and service levels in our operations. This will increase customer satisfaction and ultimately shareholder value over time. Our staff are encouraged to achieve and maintain industry qualifications to remain current and meet the anticipated needs of the business and to manage our portfolio of services. This is achieved by a mix of attendance at seminars, conferences and online training. The event of Covid-19 resulted in a lower spend of 17.7% in training and subscriptions amounting to $2.76 million, resulting from less attendance at events. The Company, as part of its marketing program, had to postpone its third Tech Conference (TechCon) due to Covid19 protocols. We pivoted to a series of webinars over a period of six weeks on current and relevant topics in the marketplace. We continued to partner with other entities throughout the year in conducting seminars and information sessions. The advertising and marketing spend was $6.1 million less than prior year or 39.5% and was carried out to provide information on industry hot topics, enhance market awareness of our products and services, as well as provide a think tank for the IT space in Jamaica.

Liquidity & Asset Position

tTech experienced growth in its Total Net Asset value of $22.4 Million, an increase of 10.4% over prior year. This was driven by a mix of growth in our net current assets of $23.7 Million and decrease in our net non-current assets of $1.5 Million. This is represented by increases in our government securities, accounts receivables, inventories, investments, accounts payables, contract liabilities and balanced by decreases in cash and bank balances, other receivables, and property and equipment.

The Company's profit grew by 13.6% to $187.5 million at year end resulting in a Total Assets position of $239.2 million compared to $216.7 in 2019.

Risk Management

The company employs both internal and external risk management practices. Effective management of these risks is necessary as stronger risk governance ensures stronger corporate governance and the continued success of the company. While the company's Board of Directors has the overall responsibility for ensuring a robust risk management framework exists, this responsibility is also shared by the executive and management team.

tTech has a strong Corporate Governance structure which supports tTech' s risk management practices, which are designed to mitigate the possibility of loss from the different types of risk exposures. The company has the appropriate insurance coverage in place to mitigate the risk of loss from disruption to business activities, as a result of natural disasters, accidents, or equipment/system failures. Annual reviews are carried out by members of the executive and management teams, to assess the adequacy of coverage and adjustments are made, where necessary to ensure any exposure is kept at an acceptable level.

Market Risk

These risks mainly arise from changes in foreign currency exchange rates, interest rates, political risk and economic risk. To mitigate these risks, under the direction of the Management Committee, the finance team ensures that there is a diversified mix of assets in the portfolio, with at least 70% of the portfolio held in foreign currency. Where possible, the team will also endeavour to maintain a mix of variable and fixed-rate interest-bearing instruments. The company's revenues were impacted in

2020 by the fluctuations in the JA$:US$ foreign exchange rates which also affected input costs. The impact of foreign exchange rates is closely monitored to determine and manage the business risk and impact.

Credit risk

The Finance team reviews information on companies and governments before deciding to invest in their debt securities and will choose sound financial institutions through which to make these investments, to reduce the exposure to credit risk. Our credit risk also covers our customer sales process to assist in managing and maintaining our accounts receivable portfolio.

Liquidity risk

Through a system of regular cash forecasting, the finance team is kept aware of financial obligations and maintains the maturity profile of investments to ensure adequate liquid assets are available, as required for operational efficiency.

Operational risk

Operational risk is internal and exists in the way the company carries out its decisions. One of the ways we mitigate operational risk is via our strong corporate governance structure. The management reviews other risk areas such as staff retention, technology, sales, supply chain, competition and product development, to name a few. We manage these risks with the use of control systems for people failure and also process failure, such as standard operating procedures which staff follow; the use of insurance to protect the business; while for others we have planning for contingencies to reduce downtime, damage to our reputation and loss of revenue.

Outlook

The Board and Management are confident about the future of tTech. In 2021 the Company will continue to benefit from the investment in our people and the increased use of remote monitoring and management systems. We expect growth in revenues resulting from increased uptake in our Consulting and Security Services along with continued growth in our Managed Infrastructure Services. We continue to explore opportunities for new partnerships in 2021 while seeking revenues from markets outside of Jamaica. We continued to focus on managing our operational expenses and reduce same, while maintaining our service levels. The net effect of these will result in increased profitability for the company and its stakeholders.

Human Resources Report

Resilience of our team, we stood strong together

What a year!
We have made it through and are indeed thankful and grateful for our team who stood with us through the year which came with upheaval and change. Year 2020 speaks to our resilience as a team and as a company. We proved that the human spirit is strong as we fought through the trials and challenges that came our way.

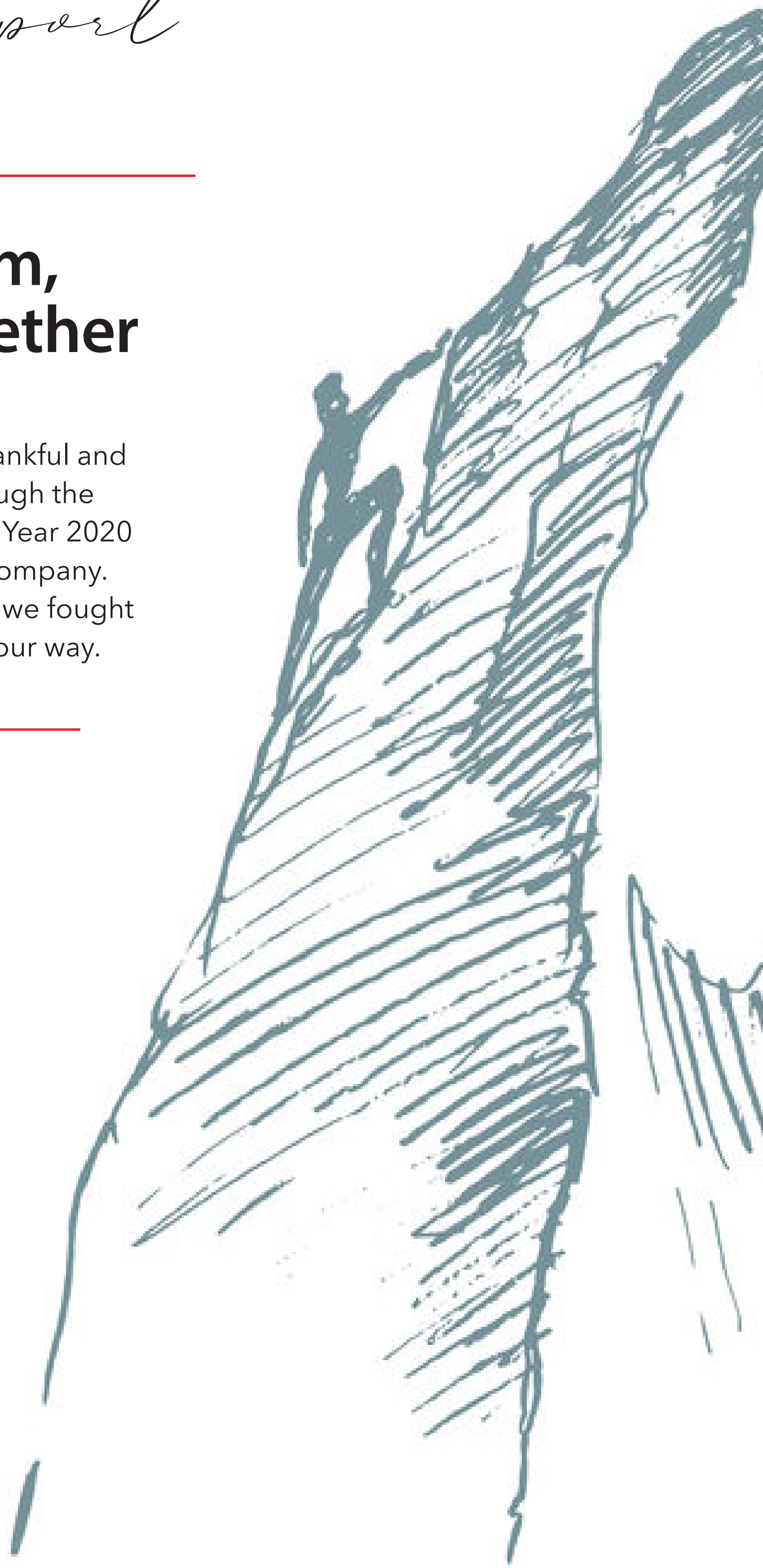
As our core values say, *"We care about people"*, and *"We do what it takes"*, through the raging pandemic, COVID-19 taught us new ways to demonstrate how much we value our team as we pivoted operationally.

Our way of working and our regular in-house team activities quickly transformed into virtual/online activities as we embraced the lifestyle of the new normal. While this came with its own challenges we remained resolute in providing a team centric and supportive work environment for our hybrid workforce.

Team engagement, reward and recognition, health and wellness, utilizing innovative tools and delivering on our strategy of service excellence remained a continuous focus throughout the year.

Our Team Together

Who would have thought that we could conduct work fully from our homes and engage with our colleagues virtually building out ideas, concepts, and projects?



Evolution of the species is at play again and this year will go down in history as evolutionary for the world. Our team stood strong against the tide of the pandemic and went full throttle into remote working mode and team engagement remained high. However, we are social beings and not being together presented some challenges of loneliness, anxiety and mental health struggles. We supported our team throughout these challenges by providing professional counselling and mental health support along with team building activities and continuous mandatory check-ins.

Orientation and Onboarding

Our onboarding and orientation programme continue to receive positive feedback from new team members who have gone through the process. With changes in how we now operate, mostly remote based, recruitment and onboarding remained integral and the feedback from new hires was positive and fulfilling as we seek to ensure a first class employee experience.

What makes us different

Differently, that is how we strategize about team building and providing a positive and supportive work environment that caters to the holistic well-being of our team. Flexible working hours, remote work opportunities, reimbursement for internet access at home, personal & birthday days off, and paternity leave are just some of the ways we ensure our team can function, while taking care of the things that matter when life happens.

Differently!

Yeah, We are different!

- ✓**Health & Wellness:**
  - ✓Fruits for the Office
  - ✓tTech Fit
  - ✓Annual Health Clinic
- ✓**Team Building & Bonding**
  - ✓4 major team bonding events yearly
  - ✓Inhouse activities: Games/Giveaways/sponsorships
  - ✓Theme Days
- ✓**Trainings:**
  - ✓Technical/professional Training
  - ✓Soft skills
  - ✓Seminars
  - ✓Conferences
  - ✓workshops
- ✓**Work life Balance**
  - ✓Personal Days-Birthday Day Off
  - ✓Remote work option
- ✓**Recognition**
  - ✓Commendations
  - ✓Amazon Gift Cards
  - ✓Movie Tickets
  - ✓Hi-Lo Supermarket Vouchers
  - ✓Employee of the year award
  - ✓Birthdays and Anniversaries

Health and Wellness

Mental and Counselling Support

The health and safety of our team has and will always be one of our main priorities and there is no difference when it comes to Mental Health. With the pandemic creating uncertainties and fears in the lives of many, we saw it essential to provide counselling sessions, mental health and stress management support to our team through a professional counsellor, as we navigated through the uncertainties of the new normal.

Our tTech Fit Workout Programme continued in the first half of the year. However, we reverted to encouraging team members to exercise from home in the last half of the year due to the challenges encountered with having virtual sessions.

The company continues to provide interventions for team members who are perceived to have physical, mental or wellness related issues and are referred to specialists for treatment.

Training & Development

For the company to be sustainable and for our team to provide an insanely-good customer experience, training is critical and paramount.

We continue to invest heavily in training and expanding our succession planning throughout the company. This is achieved through the provision of technical training, soft skills training, participation in conferences locally and overseas, and sponsorship for exams, aimed at gaining technical certifications necessary to support their function.

Officevibe

Officevibe is a tool for measuring employee engagement. Since its implementation, it has provided real-time, frequent and timely feedback from staff by way of pulse surveys and suggestions, with the option of participating anonymously.

Engagement Report

Our team is a critical part of our existence and having engaged and empowered team members is at the very essence of our Mission. The organisation strategically focuses on team engagement which is essential for the quality customer service we provide.

Officevibe helps organizations measure and improve Employee Engagement through a set of 10 indicators or Key Metrics. This is based on decades of studies of the various factors that have the highest impact on Employee Engagement. Importantly the Metrics are backed by prominent organizational development theories and have been endorsed by world-renowned thought leaders including Deloitte, Gallup, Towers Watson and more.

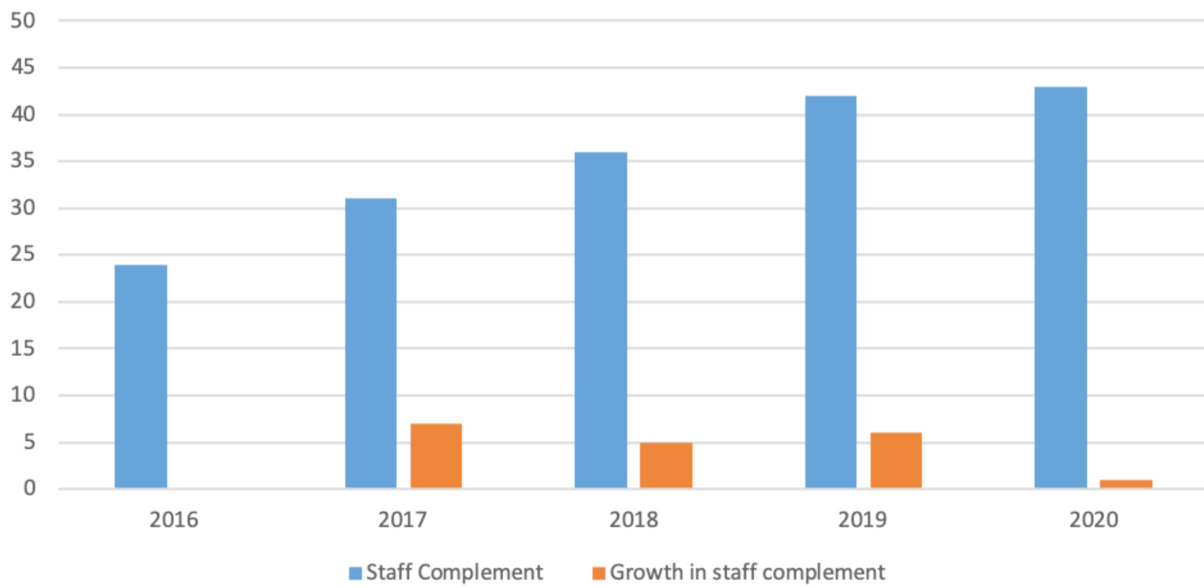
The 10 Key Metrics

This comprehensive report gives us insight into the overall team engagement based on answers employees have given on online anonymous surveys. The rating takes into account the ten (10) key metrics which are averaged based on a predetermined calculation and a 90-day rolling average. The 10 key metrics are:

- Relationship with Peers
- Recognition
- Personal Growth
- Ambassadorship
- Alignment
- Relationship with Manager
- Feedback
- Satisfaction
- Wellness
- Happiness

Staff Complement Comparison

	2016	2017	2018	2019	2020
Staff Complement	24	31	36	42	43
Growth in staff complement		7	5	6	1



Service Excellence week

Service is the lifeblood of our organization and great service is when we take every interaction with our customers (internal & external) and use it as a way of improving the image of the company. This year the efforts of our team did not go unnoticed, as we celebrated our qualified, hard working, and dedicated customer service professionals, for their continued commitment to Service Excellence.

For Customer Service Week, we extended tokens of appreciation and heartfelt thank you to all our team members, who have worked with utmost dedication and hard work to make us a successful company over the years. Our growth is the result of the synergy of all their dedication put together.

Like a circle, the pursuit of excellence has no end. As such, tTech will continue to achieve greatness by delivering insanely good IT services, through the continued dedication and support of this vision.

"Customer Service A Fi Wi Business, Big 'n Small Serving ALL"

Reward & Recognition

Team Activity, Employee of the Year & Special Awards

This year has taken unusual turns, because of the ongoing pandemic which has led to us missing out on a few opportunities to get together as a team, for our usual quarterly team activities. Nevertheless, we have remained resilient and made use of other creative ways to facilitate fun and engaging activities as a team via virtual platforms. Our Annual Christmas Brunch this year continued the creative trend and while there were limitations, we used the opportunity to cater to the team in the form of a "Drive Thru Christmas Brunch".

Special Awards

This year, in addition to our annual Employee of the Year award, we recognized sixteen members of our team with some special award categories. The sixteen team members included members of our Events Planning and Health, Wellness and Safety committees and other team members whose contribution during the year to team engagement, COVID-19 response, service delivery and service excellence was outstanding.

Rohando Brown (left), for Outstanding Service & Support

Brendon McCormack (centre), Top Closer of the Year

Shevon Mchayle-Heywood (left), for Exemplifying tTech's Mission, Vision & Credo

Staff Events Committee (Samantha Jones, Michael-Shane Brown, Shevon McHayle-Heywood, Shaniece Henry)

Health Wellness & Safety Committee (Lesley Cousins, Patricia Fuentes-Green, Marlon Phillips, Stephan Pitterson, Nordeen Burke)

Other Rewards & Recognition Activities

We are committed to providing a rewarding, positive and supporting environment for our team to strive and develop.

As such, we continue to recognize and reward our team members throughout the year for delivering insanely good customer experiences in their daily interactions with our internal & external customers by recognizing them publicly in staff meetings, through our internal communication channels and rewarding them for simply being a great team, poised to continually deliver on our vision of achieving greatness which they consistently display, daily.

Employee of the Year Award

Our employee of the year award each year is given to a team member who demonstrates the true tTech Spirit which is captured by our Credo and guides the way how we should work, both with our customers and partners as well as with each other. Each employee that meets the criteria for selection is given an equal opportunity to be selected as the Employee of the Year through the voting process.

This year, the recipient for the Employee of The Year Award was Fitzroy Gray - Service Desk Analyst (l).

Corporate Social *Responsibility*

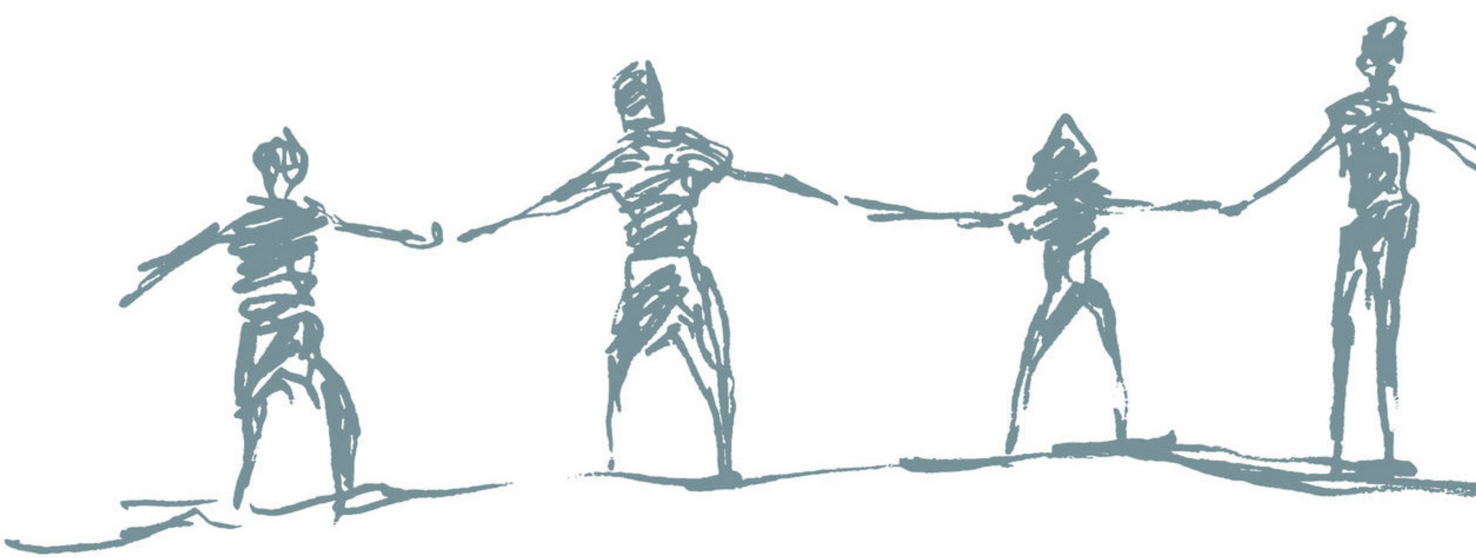
Globally the world recognised that showing humanity is the very core of our existence with the advent of COVID-19. The pandemic brought to the fore our collective social responsibility and that indeed we are one world without impenetrable barriers.

We were constrained by the pandemic and not able to be socially active as normal in a physical setting, but we could not pass up on the opportunity to make a difference in the lives of children in Downtown Kingston.

Community Renewal and Engagement

Our community outreach activities were less intense than in previous years because of the COVID-19 pandemic, but our outreach did take place and included support for the Parade Gardens South Side community.

The City Kids Homeschool initiative, was the brainchild of a Parade Gardens resident affectionately known as 'Aunty Paula' and Pastor Carrington Morgan, Executive Director of the local non-profit City Life Ministries. The aim is to provide much needed academic support to inner-city children through the establishment of homeschool clusters in three inner-city communities in Kingston: Waterhouse, Tivoli Gardens and Parade Gardens.



We partnered with City Life by a cash contribution as well as facilitating training for "parent-teachers" in the use of ICTs as well as curriculum delivery amidst the COVID-19 pandemic.

Our involvement in the programme was a natural fit for us as we work and operate within the downtown Kingston community, so we jumped on-board this timely initiative. Our Corporate Social Responsibility philosophy speaks to youth and community development and we believe that if you impact a child's life, you impact a community and ultimately, the country.

Our Team

Our commitment to the team remains a priority and we continue to support the various charity initiatives they are involved in.

Youth Development

We once again partnered with Grace and Staff Community Development Foundation on their Annual Child Month Essay Competition. The title for the year was *"Coronavirus School Lockdown - What can I do to build a better me during and after the crisis?"* We provided two tablets for the winners.

Our Customers

Our customers are our business partners, and we support their charitable activities and pledge our continued support.

AMCHAM awards tTech for excellence in corporate social responsibility

tTech was named second-place winners for 'Excellence in Outstanding Corporate Social Responsibility' by The American Chamber of Commerce of Jamaica (AMCHAM) at their 33rd Annual Business and Civic Leadership Awards for Excellence ceremony. We were recognized at the event, held at the Jamaica Pegasus, from a group of nominees in the small business category and were commended for our commitment to community development and empowering youth to optimize their skills.

AMCHAM, through their awards, aim to showcase businesses, individuals and non-profit organizations that are driving and achieving economic and social progress in Jamaica through ethical leadership, stewardship, and community-building activities.

Although the year was challenging in terms of outreach activities our core values, passion for change, renewal of our community, our team and our customers remain a priority.

US Ambassador to Jamaica, Donald Tapia (right) joins tTech team members From left: Nordeen Burke, Sales and Marketing Associate; Norman Chen, Acting Sales Manager and Samantha Jones, Sales and Marketing Associate for a photo op at the AMCHAM Awards.

Audited Financial Statements

As more organizations realize the difficulty and increased risks associated with not having the required IT skills within their teams, outsourcing will become the preferred option and tTech is poised and ready with years of focused IT services delivery experience.

Ernst & Young Chartered Accountants
8 Olivier Road, Kingston 8
Jamaica W.I.

Tel: 876 925 2501
Fax: 876 755 0413
http://www.ey.com

INDEPENDENT AUDITOR'S REPORT

To the Members of tTech Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of tTech Limited (the "Company"), which comprise the statement of financial position as at 31 December 2020, the statements of 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 2020 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 of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) ("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.

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.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of tTech Limited (Continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	*How our audit addressed the key audit matter*
Allowance for expected credit losses	
As described in Note 2 (d) (i), and in accordance with IFRS 9 – 'Financial Instruments', the Company applies the simplified approach to computing expected credit losses ('ECLs') on trade receivables and the general approach for debt instruments. The measurement of ECLs requires Management to consider its historical credit loss experience and current business conditions, adjusted for forward-looking factors such as economic indicators, which may impact a debtor's ability to pay. Where the general approach is applied, judgment is used in determining whether there has been a significant increase in credit risk and estimating the probability of default and the loss given default. The ECLs being recorded are therefore considered to be highly subjective.	Our procedures amongst others included the following: We evaluated the techniques and methodologies developed by the Company in order to estimate the ECLs, and assessed their compliance with the requirements of IFRS 9. We assessed the reasonableness of the methodologies and assumptions applied, by validating the completeness of the inputs used to derive the loss rates, which are integral to the provision matrix used in determining the ECLs for trade receivables. For financial assets classified as debt instruments and cash and cash equivalents, we corroborated management's assumptions with data from external sources, particularly with respect to the determination of whether there has been a significant increase in credit risk, probabilities of default and loss given default rates. We also assessed the adequacy of disclosures in the financial statements.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of tTech Limited (Continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	*How our audit addressed the key audit matter*
Revenue recognition under IFRS 15 - Revenue from Contracts with Customers	
Note 2 (d) ii) Use of estimates and judgements under the section "*Revenue recognition under IFRS 15*", details Management's judgements, when applying the five (5) step approach outlined by the standard, to contracts with their customers, as follows: 1. Identify the contract(s) with a customer 2. Identify the performance obligations in the contract 3. Determine the transaction price 4. Allocate the transaction price to the performance obligations in the contract 5. Recognise revenue when (or as) the entity satisfies a performance obligation. The standard also requires management to identify the performance obligations in a bundled sale of equipment and installation services and determine the timing of satisfaction of the performance obligations. It also requires management to determine whether it acts as a principal or agent in executing the contracts and if there are significant financing components included in the promised payment amounts.	We have obtained and reviewed management's assessment and understood the underlying assumptions used to support the calculations as regards IFRS 15. We also evaluated the appropriateness of the Company's revenue recognition policy in comparison to the requirements of the standard. We reviewed management's computations and independently reviewed a sample of contracts and evaluated them in accordance with the five (5) step approach as follows: 1. We obtained and reviewed established signed contacts to validate that legitimate contracts exist with customers, 2. We identified the relevant performance obligations as stipulated by the contracts. 3. We verified the transaction prices that are explicitly stated in the contracts associated with the relevant performance obligations. 4. We obtained and reviewed invoices on a sample basis, along with supporting reports confirming evidence of work carried out and performance obligations met. Additionally, where bundled services were offered, we assessed whether the transaction price should be allocated to each performance obligation. 5. Based on the above, we verified that revenue was properly recognized in the correct period. We also assessed management's assertion that the Company acts as a principal for the equipment sold asg they exercise control over the related assets, including warranties and software licenses, purchased from third parties and resold to customers.

EY
Building a better working world

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of tTech Limited (Continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	*How our audit addressed the key audit matter*
Revenue recognition under IFRS 15 - Revenue from Contracts with Customers (continued)	
	Short-term advances received from customers were tested to determine whether any significant financing components were identified. These advances were generally settled within one year. We also reviewed the disclosures for appropriateness in accordance with IFRS 15.

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 2020 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of tTech Limited (Continued)

Report on the Audit of the Financial Statements (continued)

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.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of tTech Limited (Continued)

Report on the Audit of the Financial Statements (continued)

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

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.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditor's report is Winston Robinson.

Ernst & Young

Ernst & Young
Kingston, Jamaica

1 March 2021

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A member firm of Ernst & Young Global Limited

Statement of Financial Position

As at 31 December 2020 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
Current assets			
Cash and bank balances	3	23,577	40,636
Government securities purchased under resale agreements	4	99,572	81,843
Accounts receivable	5	71,789	43,136
Other receivables	6	33,761	38,378
Inventories	7	18,710	16,156
		247,409	220,149
Current liabilities			
Accounts payable	8	43,334	41,725
Contract liabilities	9	5,252	3,670
Lease liability (current portion)	10	1,536	1,163
		50,122	46,558
Net current assets		197,287	173,591
Non-current assets			
Investments	11	30,987	30,163
Right-of-use asset	10	25,302	28,369
Property and equipment	12	12,898	13,102
Intangibles	13	650	954
		69,837	72,588
Non-current liabilities			
Long-term lease liability	10	27,900	29,436
Net non-current assets		41,937	43,152
Total net assets		239,224	216,743
Shareholders' equity			
Share capital	14	51,727	51,727
Unappropriated profit		187,497	165,016
		239,224	216,743

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 1 March 2021 and are signed on its behalf by:

Edward Alexander – Chairman

Gordon Christopher Reckord - Director

tTECH LIMITED

Statement of Comprehensive Income

Year ended 31 December 2020 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
Revenue from contracts with customers	15	359,481	340,365
Cost of sales	16	(113,993)	(95,171)
Gross profit		245,488	245,194
Other income, gains and losses	17	14,399	6,294
Administrative expenses	16	(206,526)	(184,882)
Other operating expenses	16	(30,213)	(40,931)
Operating profit		23,148	25,675
Finance income	19	1,726	1,554
Finance cost	20	(2,393)	(2,471)
		22,481	24,758
NET PROFIT BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	21	22,481	24,758
Net profit attributable to owners		22,481	24,758
Earnings per share	25	0.21	0.23

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

Year ended 31 December 2020 (Expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000 (Note 14)	Unappropriated Profit $'000	Total $'000
Balance at 1 January 2019		51,727	147,148	198,875
Net profit being total comprehensive income for the year		-	24,758	24,758
Dividends	26	-	(6,890)	(6,890)
Balance at 31 December 2019		51,727	165,016	216,743
Net profit being total comprehensive income for the year		-	22,481	22,481
Balance at 31 December 2020		51,727	187,497	239,224

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 December 2020 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
Cash flows from operating activities			
Net profit for the year		22,481	24,758
Adjustments for:			
Allowance for expected credit losses	16	4,845	205
Depreciation – Right-of-use asset	10	3,067	3,067
Depreciation charge	12	4,480	4,271
Amortization	13	304	403
Loss on disposal of equipment	17	-	113
Dividend income	17	(112)	(158)
Foreign exchange gain	17	(14,607)	(4,971)
Depreciation/(Appreciation) in fair value of equity investments	17	1,112	(778)
Interest income	19	(1,726)	(1,554)
Interest expense - lease liability	20	2,393	2,471
Operating cash flows before movements in working capital		22,237	27,827
Accounts receivable		(33,478)	8,192
Other receivables		4,617	(24,315)
Inventories		(2,554)	(8,699)
Accounts payable		1,609	5,114
Contract liabilities		1,582	(11,102)
		(5,987)	(2,983)
Dividend received		112	158
Interest received		1,831	1,554
Interest paid - lease liability		(2,393)	(2,471)
Net cash flows used in operating activities		(6,437)	(3,742)
Cash flows from investing activities			
Additions to property and equipment	12	(4,276)	(7,153)
Additions to intangibles	13	-	(1,042)
Government securities purchased under resale agreements		-	21,046
Investments	11	(2,070)	(1,443)
Cash (used in)/provided by investing activities		(6,346)	11,408
Cash flows from financing activity			
Payment of lease liability- principal portion	10	(1,163)	(837)
Dividends paid		-	(6,855)
Cash used in financing activities		(1,163)	(7,692)
Decrease in cash and cash equivalents carried forward		(13,946)	(26)

Statement of Cash Flows

Year ended 31 December 2020 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
Decrease in cash and cash equivalents brought forward		(13,946)	(26)
Effect of exchange rate on cash and cash equivalents		14,607	4,977
Cash and cash equivalents at beginning of the year		115,604	110,653
Net cash and cash equivalents at end of the year		116,265	115,604
Comprised of:			
Cash and bank balances	3	23,916	41,046
Short term investments	4	92,349	74,558
Net cash and cash equivalents at end of the year		116,265	115,604

Non-cash transactions

The following are the non- cash transactions which are not reflected in the statement of cash flows:

	2020 $'000	2019 $'000
Investing activities		
Right of use asset	-	31,436
Financing activities		
Long term lease liability	-	31,436

The accompanying notes form an integral part of these financial statements.

1. IDENTIFICATION

tTech Limited (the "Company") is a limited liability company, which is 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.

On 7 January 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

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards and interpretations adopted during the year

Amendments to IAS 1 and IAS 8 - Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. Although the amendments to the definition of material is not expected to have a significant impact on an entity's financial statements, the introduction of the term 'obscuring information' in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements. The standard is effective for annual periods beginning on or after 1 January 2020. The amendments did not have a significant impact on the financial statements of the Company.

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

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

Standards and interpretations adopted during the year (continued)

Amendments to IFRS 7, IFRS 9 and IAS 39 - Interest Rate Benchmark Reform (effective 1 January 2020)

The amendments require additional disclosures around uncertainty arising from the interest rate benchmark reform given the potential effects the Interbank Offered Rates (IBOR) reform could have on financial reporting. IBORs are interest referenced rates (e.g. LIBOR) that represent the cost of obtaining unsecured funding, in a particular combination of currency and maturity and in a particular interbank term lending market.

Recent market developments have brought into question the long-term viability of those benchmarks. Issues arise for financial reporting in the period before the replacement of existing interest rate benchmarks with an alternative interest rate, which the amendment addresses. The amendments also address the implications for specific hedge accounting requirements of IFRS 9 and IAS 39, which require forward looking analysis and disclosures around the effects on hedging relationships.

The amendments are applicable for annual periods beginning on or after 1 January 2020. The amendments did not have a significant impact on the financial statements of the Company.

Conceptual Framework for Financial Reporting (effective 1 January 2020)

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard. Its purpose is to assist the IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards. Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards.

The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020. The amendments did not have any impact on the financial statements of the Company.

Year ended 31 December 2020 (Expressed in Jamaican dollars 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 3 - Definition of a Business (effective 1 January 2020)

The IASB issued amendments to the definition of a business in IFRS 3 Business combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, most entities will likely not be affected by these amendments on transition. However, entities considering the acquisition of a set of activities and assets after first applying the amendments should update their accounting policies in a timely manner.

The amendments could also be relevant in other areas of IFRS (e.g., they may be relevant where a parent loses control of a subsidiary and has early adopted Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)). The amendments are not applicable to the Company, as the Company did not have any business combinations.

New, revised and amended standards and interpretations that are not yet effective

New and Revised Standards		Effective for annual periods beginning on or after
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date deferred
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16	Interest Rate Benchmark Reform- Phase 2	1 January 2021
Amendments to IFRS 16	COVID-19-Related Rent Concessions	1 June 2020
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual Improvements 2018 - 2020 Cycle (issued in May 2020		1 January 2022

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)

COVID-19-Related Rent Concessions – Amendment to IFRS 16 (effective 1 June 2020)

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendment does not apply to lessors. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).
- There is no substantive change to other terms and conditions of the lease.

This amendment did not have any significant impact on the financial statements of the Company.

Reference to the Conceptual Framework – Amendments to IFRS 3 (effective 1 January 2022)

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

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)

Reference to the Conceptual Framework – Amendments to IFRS 3 (effective 1 January 2022) (continued)

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. Management and the directors believe the amendments are not applicable to the Company.

(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 expected credit losses

The Company uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for various ageing buckets and the related loss patterns. The provision matrix is initially based on the Company's historical observed default rates.

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

(d) Use of estimates and judgements (continued)

(i) Allowance for expected credit losses(continued)

The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product, inflation and foreign exchange rates) are expected to deteriorate over the next year which can lead to an increased number of defaults in the technology sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Notes 5 and 24.

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

As described above, for trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

At year end, cash and cash equivalents had a gross carrying value of $23.92 million (2019: $41.05 million) with an impairment provision of $0.34 million (2019: $0.41 million) (Note 3). Government securities purchased under resale agreements had a gross carrying amount of $100.53 million (2019: $82.74 million) with an impairment provision of $0.96 million (2019: $0.90 million) (Note 4). Accounts receivable had a gross carrying amount of $79.29 million (2019: $45.81 million) for which an impairment provision of $7.50 million (2019: $2.68 million) was recognised (Note 5). Debt instruments at amortised cost had a gross carrying amount of $27.01 million (2019: $25.04 million) for which an impairment provision of $0.26 million (2019: $0.23 million) (Note 11).

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

(d) Use of estimates and judgements (continued)

(ii) Revenue recognition under IFRS 15- Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligations in a bundled sale of equipment and installation services*
  The Company determined that both the equipment and installation are combined and not sold separately except on rare occasions where a customer only requires either the equipment or installation services alone. The Company also determined that the promises to transfer the equipment and to provide installation are grouped within the context of the contract. The equipment and installation are inputs to a combined item in the contract. The Company is providing a significant integration service because the presence of the equipment and installation together in this contract result in additional or combined functionality. In addition, the equipment and installation are highly interdependent or highly interrelated, because the Company would not be able to transfer the equipment if the customer declined installation.

- *Determining the timing of satisfaction of installation and maintaining equipment services*
  The Company concluded that revenue for installation, maintaining the equipment and information technology system services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Company.

  The fact that another entity would not need to re-perform the installation that the Company provided demonstrates that the customer simultaneously receives and consumes the benefits of the Company's performance as it performs. The Company determined that the input method is the best method in measuring progress of the installation services because there is a direct relationship between the Company's effort (i.e., labour hours incurred) and the transfer of service to the customer.

  The Company recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service, and the number of equipment units serviced.

- *Principal versus agent considerations*
  The Company enters into contracts with its customers to acquire, on their behalf, equipment produced by foreign suppliers. Under these contracts, the Company provides procurement services (i.e., coordinating the selection of suitable suppliers and managing the ordering and delivery of the imported equipment).

  The Company determined that it controls the goods before they are transferred to customers, and has the ability to direct the use of the equipment or obtain benefits from the equipment. The following factors indicate that the Company controls the goods before they are being transferred to customers. Therefore, the Company determined that it is the principal in these contracts.

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

(d) Use of estimates and judgements (continued)

(ii) Revenue recognition under IFRS 15- Revenue from contracts with customers (continued):

- The Company is primarily responsible for fulfilling the promise to provide the specified equipment. i.e., is responsible for ensuring the equipment is acceptable and meets the customers' specification.
- The Company has inventory risk before the specified equipment has been transferred to the customer.
- The Company has discretion in establishing the price for the specified equipment or service.

(iii) Fair value of financial instruments

As described in Note 24(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 $4.24 million (2019: $5.35 million) (Note 11).

Had the fair value of these securities been 10% (2019: 10%) higher or lower the profit or loss for the Company would increase/decrease by $0.42 million (2019: $0.53 million).

(iv) Leases - Estimating the incremental borrowing rate
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the IBR used by the Company is the lending rate offered by its banker for similar secured borrowing.

(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.

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

(e) Current vs. non-current classification (continued)

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.

(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

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

(f) Fair value measurement (continued)

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.

(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 24(b). Listed below are the Company's financial assets and liabilities and the specific accounting policies relating to each:

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). 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.

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

(g) Financial instruments (continued)

Financial assets (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt instruments only when its business model for managing those assets changes

(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.

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

(g) Financial instruments (continued)

Financial assets (continued)

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

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.

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) *Financial asset at amortised cost*

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's portfolio of financial assets at amortised costs is comprised of certificate of deposits, repurchase agreements, accounts receivables, and cash and cash equivalents.

(iii) *Financial assets at fair value through OCI*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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

(g) Financial instruments (continued)

Financial assets (continued)

(iv) *Impairment of financial assets*

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(v) *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.

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

(g) Financial instruments (continued)

Financial assets (continued)

(v) *Derecognition of financial assets (continued)*

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.

Financial liabilities and equity instruments

(i) *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.

(ii) *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.

(iii) *Other financial liabilities*

Other 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.

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

(g) Financial instruments (continued)

Financial liabilities and equity instruments (continued)

(iii) *Other financial liabilities (continued)*

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 and contract liabilities.

(iv) *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) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and highly liquid financial assets with original maturities of 90 days or less, which are subject to an insignificant risk of changes in value.

(i) 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 debt instruments 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.

(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 a 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.

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

(k) Property and equipment

Property 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 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 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 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) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and carried at cost less any accumulated amortisation and accumulated impairment losses. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

(m) 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.

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

(m) Impairment of non-current assets (continued)

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.

When an impairment loss subsequently 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.

(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.

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

(o) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(p) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs comprise expenses incurred in bringing each product to its present location and condition are accounted for on first in/first out basis.

(q) Revenue recognition

Revenue from contracts with customers
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2(d)(ii). Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes.

Sale of equipment
Revenue from sale of equipment is recognised at the point in time when control of the asset is transferred to the customer, generally due within 10 days from delivery of the equipment. The transaction price is specified in the contract.

Installation services
The performance obligation is satisfied over-time and payment is generally due upon completion of installation and acceptance of the customer.

Contracts for bundled sales of equipment and installation
Installation services are in instances bundled together with the sale of equipment to a customer. The Company accounts for the equipment and installation service as one deliverable within bundled sales with specified transaction prices for equipment and installation services.

Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

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

(q) Revenue recognition (continued)

The Company recognises revenue from installation services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from the sale of the equipment are recognised at a point in time, generally upon delivery of the equipment.

Procurement services
The Company is a principal and records revenue on a gross basis as it controls the promised goods or services before transferring them to the customer. The performance obligation is satisfied, and payment is due upon receipt of the goods or services by the customer.

Warranty
For all IP phones sold, one year warranty is provided to customers for manufacture defects that may have existed at the time of sale. The warranty is not a separate performance obligation on the part of the Company as it is directly charged to the manufacturer. The extent of the performance obligation for the Company under the warranty service agreement is to transfer the defective part/unit back to the manufacturer and facilitate a transportation of a replacement part/unit.

The performance of the obligation is satisfied upon delivery of finished goods is generally due before, or at the time of, delivery.

(r) 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 Board of Directors which is 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.

(s) 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.

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

(t) 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 (EIR) method. The EIR amortisation is included as finance costs in the statement of comprehensive income.

(u) Leased Assets

The Company is a lessee under the agreement for the leased premises utilized for its corporate office. The Company determines whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company must have the right to direct the use of the asset.

i) *Right-of use assets*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Company should have the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

ii) *Lease liability*

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments expected to be payable and payments arising from options reasonably certain to be exercised.

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

(u) Leased assets: (continued)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

(v) Reclassification

Certain balances have been reclassified to accord with the current year's presentation. These reclassifications had no impact on the company's financial positions, financial performance or cash flows.

3. CASH AND BANK BALANCES

	2020 $'000	**2019 $'000**
Current accounts (a)	1,426	1,224
Saving accounts (b)	22,490	39,802
Cash in hand	-	20
	23,916	41,046
Allowance for expected credit losses	(339)	(410)
	23,577	40,636

(a) The current accounts are JMD accounts which carry an interest rate of 0.05% (2019: 0.1%) per annum.

(b) These include foreign currency bank accounts of US$131,875 (2019: US$140,925). As at 31 December 2020, interest rate on foreign currency bank accounts ranged from 0.02% - 0.05% (2019: 0.02% - 0.05%) per annum.

(c) Movement in provision for expected credit losses:

	2020 $'000	**2019 $'000**
Balance at beginning of the year	410	250
Provision for expected credit losses (reversed)/recognized	(71)	160
Balance at end of year	339	410

4. GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS

	2020 $'000	2019 $'000
Reverse repurchase agreements – classified as cash and cash equivalents	92,349	74,558
Reverse repurchase agreements – other	8,184	8,184
	100,533	82,742
Allowance for expected credit losses	(961)	(899)
	99,572	81,843

Included in the government securities purchased under resale agreements are foreign currency repurchase agreements of US$500,499 (2019: US$576,932). As at 31 December 2020, the maturity dates on reverse repurchase agreements range from 30 days to 90 days (2019: 30 days to 90 days) and interest rates range from 0.02% - 4.25% (2019: 0.05% - 7.89%).

(i) Movement in provision for expected credit losses:

	2020 $'000	2019 $'000
Balance at beginning of the year	899	922
Provision for expected credit losses recognized/(reversed)	62	(23)
Balance at end of year	961	899

5. ACCOUNTS RECEIVABLE

	2020 $'000	2019 $'000
0 - 30 days	49,767	27,018
31- 60 days	4,730	7,819
61 - 90 days	6,904	3,282
91 - 180 days	7,673	2,838
181 - 365 days	3,574	2,931
Over 365 days	6,642	1,924
	79,290	45,812
Allowance for expected credit losses	(7,501)	(2,676)
	71,789	43,136

Trade receivables are non-interest bearing and are generally on terms of 10 days.

Included in receivables, however, are debtors with the carrying amount of $22.88 million (2019: $16.87 million) which are past due at the reporting date; see note (5 iii) below.

5. ACCOUNTS RECEIVABLE (CONTINUED)

(i) Movement in provision for expected credit losses:

	2020 $'000	2019 $'000
Balance at beginning of year	2,676	2,615
Provision for expected credit losses on accounts receivable	4,825	61
Balance at end of year	7,501	2,676

(ii) Aging of impaired accounts receivable

	2020 $'000	2019 $'000
Over 365 days	6,642	1,924

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

	2020 $'000	2019 $'000
31 - 60 days	4,730	7,819
61 – 90 days	6,904	3,282
91 - 180 days	7,673	2,838
181 – 365 days	3,574	2,931
	22,881	16,870

6. OTHER RECEIVABLES

	2020 $'000	2019 $'000
Withholding tax	2,609	2,079
Prepayments	11,741	11,192
Procurement (a)	15,510	3,777
Other	3,901	21,330
	33,761	38,378

(a) Procurement represents amounts recoverable from customers for purchases of renewal licenses made on their behalf.

7. INVENTORIES

	2020 $'000	2019 $'000
Equipment for resale	18,710	16,156

Inventory represents purchases of equipment for resale. During 2020, $46.66 million (2019: $33.54 million) was recognized as an expense for inventories carried at cost. This was recognized in cost of sales.

8. ACCOUNTS PAYABLE

	2020 $'000	2019 $'000
Trade payables	7,846	3,213
Statutory liabilities	3,038	2,801
Accrued expenses	18,436	18,847
GCT payable	5,530	3,002
Credit card payables	3,990	10,399
Others	4,494	3,463
	43,334	41,725

Trade payables are non-interest bearing and are normally settled on 15-30-day terms.
For explanations on the Company's liquidity risk management processes, refer to Note 24(a)(ii).

9. CONTRACT LIABILITIES

Contract liabilities represent short-term customer advances received to deliver equipment and to render installation services.

	2020 $'000	2019 $'000
Customer advances	5,252	3,670

The movement in contract liabilities is shown below:

	2020 $'000	2019 $'000
Balance at beginning of the year	3,670	14,772
Additional customer advance payments	4,045	20,249
Recognised in revenue during the year	(2,463)	(31,351)
Balance at end of the year	5,252	3,670

10. RIGHT-OF-USE ASSET /LEASE LIABILITY

Right-of-use Asset

	2020 $'000	2019 $'000
At Cost:		
Balance as at 1 January	28,369	-
Additions	-	31,436
Balance as at 31 December	28,369	31,436
Depreciation:		
Charge for the year	3,067	3,067
Balance as at 31 December	3,067	3,067
Net Book Value as at 31 December	25,302	28,369

The right-of-use asset is being depreciated over a period of 10 years and 3 months (the anticipated lease term including extension options).

Lease Liability

The lease which commenced in 2014 was renewed in 2019 for a term of five years, and the Company has an option to renew the lease for a further 5-year period. The rental is subject to annual increases.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020 $'000	2019 $'000
As at 1 January	30,599	-
Addition	-	31,436
Interest charged for the year	2,393	2,471
Payments made during the year	(3,556)	(3,308)
As at 31 December	29,436	30,599
Current	1,536	1,163
Non-current	27,900	29,436
	29,436	30,599

10. RIGHT-OF-USE ASSET /LEASE LIABILITY (CONTINUED)

Lease Liability (continued)

The lease liability is secured by the related underlying assets set out above. The maturity of the lease liability at 31 December 2020 is as follows:

31 December 2020	Within 1 Yr $'000	Within 2 yrs $'000	Within 3 yrs $'000	Within 4 yrs $'000	Within 5 yrs $'000	6-10 yrs $'000	Total $'000
Lease payments	(3,823)	(4,109)	(4,417)	(4,749)	(5,105)	(19,342)	(41,545)
Interest expense	2,287	2,150	1,977	1,764	1,504	2,427	12,109
	(1,536)	(1,959)	(2,440)	(2,985)	(3,601)	(16,915)	(29,436)

31 December 2019	Within 1 Yr $'000	Within 2 yrs $'000	Within 3 yrs $'000	Within 4 yrs $'000	Within 5 yrs $'000	6-10 yrs $'000	Total $'000
Lease payments	(3,556)	(3,822)	(4,109)	(4,417)	(4,749)	(24,447)	(45,100)
Interest expense	2,393	2,287	2,149	1,977	1,763	3,932	14,501
	(1,163)	(1,535)	(1,960)	(2,440)	(2,986)	(20,515)	(30,599)

The following are the amounts recognised in profit or loss:

	2020 $'000	2019 $'000
Depreciation expense of right-of-use assets	3,067	3,067
Interest expense on lease liabilities	2,393	2,471
Total recognised in the statement of comprehensive income	5,460	5,538

11. INVESTMENTS

	2020 $'000	2019 $'000
Certificate of deposits maturing July 2022:		
USD instrument with interest of 4.25% (US$0.101 million) (2019: US$0.100 million)	15,873	14,021
JMD instrument with interest of 3.54% (2019: 2.75%)	11,069	10,851
Debt instruments at amortised cost	26,942	24,872
Quoted equity securities at FVTPL	4,239	5,351
	31,181	30,223
Allowance for expected credit losses	(257)	(228)
	30,924	29,995
Interest receivable	63	168
	30,987	30,163

The movement for the year in investments is as follows:

	2020 $'000	2019 $'000
At January 1		
Quoted equity securities at FVTPL	5,351	4,202
Debt instruments at amortised cost	24,872	23,800
	30,223	28,002
Purchases	2,070	1,443
Movement in fair value on quoted equity securities at FVTPL	(1,112)	778
	31,181	30,223
Allowance for expected credit losses	(257)	(228)
	30,924	29,995
Interest receivable	63	168
At December 31	30,987	30,163

(i) Movement in provision for expected credit losses:

	2020 $'000	2019 $'000
Balance at beginning of year	228	221
Provision for expected credit losses recognized	29	7
Balance at end of year	257	228

12. PROPERTY AND EQUIPMENT

	Computer Equipment $'000	Furniture & Equipment $'000	Total $'000
At cost:			
1 January 2019	13,455	11,206	24,661
Additions	5,225	1,928	7,153
Disposal	-	(234)	(234)
31 December 2019	18,680	12,900	31,580
Additions	3,901	375	4,276
31 December 2020	22,581	13,275	35,856
Depreciation:			
1 January 2019	9,477	4,851	14,328
Charge for the year	2,983	1,288	4,271
Relieved on disposal	-	(121)	(121)
31 December 2019	12,460	6,018	18,478
Charge for the year	3,173	1,307	4,480
31 December 2020	15,633	7,325	22,958
Net book values:			
31 December 2020	6,948	5,950	12,898
31 December 2019	6,220	6,882	13,102

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

Furniture and equipment	10%
Computer equipment	33⅓%

13. INTANGIBLES

	Computer Software $'000
At cost:	
1 January 2019	4,194
Additions	1,042
31 December 2019	5,236
Disposal	(3,627)
31 December 2020	1,609
Amortisation:	
1 January 2019	3,879
Charge for the year	403
31 December 2019	4,282
Charge for the year	304
Relieved on disposal	(3,627)
31 December 2020	959
Net book values:	
31 December 2020	650
31 December 2019	954

Intangible assets represent the cost of software and are amortised over a useful life of 3 years.

14. SHARE CAPITAL

	2020 $'000	2019 $'000
Authorized		
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	51,727	51,727

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

b) The following are entity-wide disclosures:

(i) Geographical areas

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

(iii) Major customers

Revenues from transactions with one customer, which amounted to $155.00 million (2019: $154.00 million) was greater than 10 per cent of the Company's revenues accounting for 43% of revenue (2019: 45%).

c) Performance obligations

(i) Equipment
The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 10 days from delivery.

(ii) Warranty
Warranties are provided for one year from the date of purchase on equipment purchased on behalf of the customers. The warranty is not a separate performance obligation on the part of the company as it is directly charged to the manufacturer.

(iii) Installation services
The performance obligation is satisfied over-time and payment is generally due upon completion of installation and acceptance of the customer. In some contracts, short-term advances are required before the installation service is provided.

(iv) Procurement services
There are contracts with customers to acquire equipment on their behalf. Payment is due within 10 days from delivery after the performance obligation has been satisfied.

Set out below is the amount of revenue recognised from:

	2020 $'000	2019 $'000
Amounts included in contract liabilities at the beginning of the year	3,670	14,772
Performance obligations partially satisfied in previous years	2,463	31,351

16. EXPENSE BY NATURE

Total direct, administrative & other operating expenses:

	2020 $'000	2019 $'000
Technical fees, services and products	113,993	95,171
Advertising and promotion	9,409	15,545
Professional services	8,387	3,368
Property rental and utilities	8,909	8,917
Staff costs (Note 18)	148,876	140,745
Directors' fees	1,940	1,743
Depreciation (Note 12)	4,480	4,271
Amortization of intangible asset (Note 13)	304	403
Insurance	5,890	5,834
Training and subscription	12,853	15,614
Computer and communications	5,215	4,307
Subsistence and staff expenses	2,989	5,371
Corporate expenses	4,289	3,152
Repairs and maintenance	199	2,626
Allowance for expected credit losses	4,845	205
Depreciation – lease ROU (Note 10)	3,067	3,067
Consultancy fees	8,998	4,476
Other	6,089	6,169
	350,732	320,984

	2020 $'000	2019 $'000
Cost of sales	113,993	95,171
Administrative expenses	206,526	184,882
Other operating expenses	30,213	40,931
	350,732	320,984

17. OTHER INCOME, GAINS AND LOSSES

	2020 $'000	2019 $'000
Commission	84	44
Dividend income	112	158
Loss on disposal of equipment	-	(113)
(Depreciation)/ Appreciation in value of investments (quoted equity securities at FVTPL) (Note 11)	(1,112)	778
Foreign exchange gain	14,607	4,971
Other	708	456
	14,399	6,294

18. STAFF COSTS

	2020 $'000	2019 $'000
Salaries and other employee benefits	135,895	128,634
Statutory contributions	12,981	12,111
	148,876	140,745

19. FINANCE INCOME

	2020 $'000	2019 $'000
Interest income on debt instruments at amortised cost	1,726	1,554

20. FINANCE COST

	2020 $'000	2019 $'000
Interest expense for leasing arrangements	2,393	2,471

21. DISCLOSURE OF EXPENSES

	2020 $'000	2019 $'000
Profit before taxation is stated after charging:		
Directors' emoluments (Included in staff costs)	30,084	27,416
Directors' fees	1,940	1,743
Depreciation (Note 12)	4,480	4,271
Amortization of intangible asset (Note 13)	304	403
Depreciation – lease ROU (Note 10)	3,067	3,067
Auditor's remuneration	1,485	1,309
Staff costs, inclusive of directors' emoluments (Note 18)	148,876	140 745

22. TAXATION

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.

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

	2020 $'000	**2019 $'000**
Profit before tax	22,481	24,758
Computed "expected" tax charge @ 25%	5,620	6,190
Difference between profit for financial statements and tax reporting purposes on:		
Expenses not deducted for tax purposes	-	1,100
Relief given under Junior Stock Exchange Regulation	(5,620)	(7,290)
	-	-

As at 31 December 2020 and 2019, deferred tax on temporary differences, that are not expected to be reversed during the 100% tax remission period, were not deemed material for reporting in the financial statements.

23. RELATED PARTY TRANSACTIONS

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

	2020 $'000	**2019 $'000**
(a) Related party transactions:		
Directors' emoluments	30,084	27,416
Directors' fees	1,940	1,743
	32,024	29,159

As at 31 December 2020 and 2019, there are no related party receivable or payable balances.

24. 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 bank balances, 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.

The maximum exposure to credit risk is as follows:

	2020	**2019**
	$'000	**$'000**
Financial assets:		
Cash and bank balances (Note 3)	23,577	40,636
Accounts receivable (Note 5)	71,789	43,136
Short-term investments (Note 4)	99,572	81,843
Long-term investments (Note 11)	26,748	24,812
Other receivables	19,411	25,107
	241,097	215,534

24. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(i) Credit risk (continued)

Cash and bank balances 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 2020, amounts receivable from three (2019: five) customers that individually accounted for greater than 5% of the accounts receivable balance represented 41.9%, 5.7%, 5.1% (2019: 24.2%, 8.9%, 6.6%, 6.2%, 5.1%). There are no other concentrations of credit risk.

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

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customers with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than 90 days and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 5.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix.

24. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(i) Credit risk (continued)

Accounts receivable and other receivables (continued)

	Trade receivables						
	Days past due						
2020	**0-30 days Current $'000**	**31 - 60 days $'000**	**61 - 90 days $'000**	**91 - 180 days $'000**	**Over 181 - 365 days $'000**	**Over 365 days $'000**	**Total $'000**
Expected credit loss rate	0.00%	0.42%	1.33%	2.74%	15.05%	100%	
Estimated total gross carrying amount at default	49,767	4,730	6,904	7,673	3,574	6,642	79,290
Expected credit loss	-	20	91	210	538	6,642	7,501

	Trade receivables						
	Days past due						
2019	**0-30 days Current $'000**	**31 - 60 days $'000**	**61 - 90 days $'000**	**91 - 180 days $'000**	**Over 181 - 365 days $'000**	**Over 365 days $'000**	**Total $'000**
Expected credit loss rate	2.30%	1.10%	16.72%	4.22%	0.00%	67.56%	
Estimated total gross carrying amount at default	27,018	7,819	3,282	2,838	2.931	1,924	45,812
Expected credit loss	621	86	549	120	-	1,300	2,676

24. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(i) Credit risk (continued)

12 Month Expected credit loss	2020 Average Expected Credit Loss Rate	2020 Expected credit loss	2019 Average Expected Credit Loss Rate	2019 Expected credit loss
		$'000		$'000
Financial Assets				
Cash and cash equivalents	1.43%	339	1.00%	410
Government securities purchased under resale agreements	0.50%-0.96%	961	0.50%-1%	899
Investments	0.82%	257	0.76%	228

There were no changes in the credit ratings of the underlying securities or corporate rating for the debt instruments as at year end.

(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.

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 liabilities. The table below has been drawn up for financial liabilities, based on the earliest date on which the Company can be required to pay. The financial liability below includes; trade payables, contract liabilities and lease liabilities.

24. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(ii) Liquidity risk (continued)

	Average Effective Interest rate	Less than 1 Year $'000	1 - 5 Years $'000	Over 5 Years $'000	Total $'000
2020					
Financial liabilities:					
Non-interest bearing	0.00%	24,620	-	-	24,620
Interest bearing liability	7.95%	3,823	18,380	19,342	41,545

	Average Effective Interest rate	Less than 1 Year $'000	1 - 5 Years $'000	Over 5 Years $'000	Total $'000
2019					
Financial liabilities:					
Non-interest bearing	0.00%	23,546	-	-	23,546
Interest bearing liability	7.95%	3,556	17,097	24,447	45,100

(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 instruments.

24. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued)

(iii) Market risk (continued)

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The nature of the Company's exposures to market risks and it objectives, policies and processes for managing these 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 summaries the Company's exposure to foreign exchange rate risk as at 31 December 2020.

	2020 $'000	**2019 $'000**
Bank of Jamaica foreign exchange buying rates (JM$ to US$)	142.70	129.78
Financial assets:		
Cash resources (Note 3)	18,819	18,289
Short term investments (Note 4)	71,421	74,874
Long-term investments (Note 11)	15,873	14,021
Total financial assets	106,113	107,184

24. 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 2% increase and a 6% decrease (2019: 4% increase, and a 6% 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 2% increase or 6% decrease (2019: 4% increase or 6% decrease) in the Jamaican dollar against the United States dollar exposure would be a decrease in profit by $2.12 million (2019: J$4.29 million) or increase of net profit by $6.37 million (2019: J$6.43 million).

The Company's sensitivity to foreign currency has decreased 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, repurchase agreements and lease liability.

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 and long-term deposits are at fixed rates and are carried at amortised cost.

Price risk management

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

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 5% increase or 10% decrease (2019: 10% increase or decrease) represents management's best estimate of the possible change in equity prices.

24. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued)

(iii) Market risk (continued)

Price risk management (continued)

Price sensitivity analysis (continued)

If bid prices had been 5% higher and 10% lower (2019: 10% higher/lower) and all other variables were held constant, they would result in an increase/decrease in net profit as detailed below:

	2020 $'000 5% increase /10%decrease	2019 $'000 10% increase /decrease
Quoted shares	249/(498)	+/-535

The change in sensitivity is due to the decrease 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 determine the fair values of the Company's financial instruments:

(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.

(iii) The carrying value of long-term investments approximates fair value, as the interest rates are based at market rates at year end.

(iv) The fair values of the Company's lease liability are determined by using the discounted cashflow method, using discount rate that reflects its bankers borrowing interest rate as at the end of the reporting period.

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

24. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value of financial instruments (continued)

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:

	2020			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Equity securities	4,239	-	-	4,239

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	2019			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Equity securities	5,351	-	-	5,351

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.

25. 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.

	2020	**2019**
Net profit attributable to stockholders ($'000)	22,481	24,758
Weighted average number of ordinary stock units	106,000,000	106,000,000
Basic earnings per stock unit ($)	0.21	0.23

26. DIVIDENDS

During 2019, the Company declared a dividend of $6.89 million or $0.065 per share. At 31 December 2019 of the amount declared $6.72 million was paid. No dividend was declared for year ended 31 December 2020. Dividend payable at 31 December 2020 of $0.167 (2019: $0.167 million) is included in accounts payable.

27. CORONAVIRUS UPDATE

On 30 January 2020, the World Health Organization declared the outbreak of a novel strain of Coronavirus (COVID 19) to constitute a 'Public Health Emergency of International Concern'. This global outbreak, and the response of governments worldwide to it, has disrupted supply chains and activities across a range of industries. The extent of the impact of COVID 19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. A series of precautionary and control measures have been and continue to be implemented by the Company. The Company has implemented measures specifically around cash flow management and adherence to COVID 19 protocols issued by the Ministry of Health in the daily operation of their business. The effect of the COVID-19 pandemic is being felt in all industries and financial markets have been very volatile. In particular, the equity markets have experienced significant declines. The profitability of the Company was not significantly impacted by the pandemic for the year ended 31 December 2020.

COVID-19 has created uncertainty for revenue forecasts, sourcing, credit ratings, but also volatility in stock and commodity prices, interest rate and currency exchange rates. Estimates based on such metrics may be subject to change in the near term, however Management does not believe these changes will be material to the financial statements.

Proxy

FORM OF PROXY

PLACE STAMP

I/We ____ of

____ (address)

being a shareholder(s) of the above-named Company, hereby appoint:

____ (proxy name)

of ____ (address)

or failing him, __________________________________ ___________ (alternate proxy)

of ____ (address)

as my/our proxy to vote for me/us on my/our behalf at the 2021 Annual General Meeting of the Company to be held at 3 p.m. on Tuesday, September 14, 2021 at the GraceKennedy Building, 73 Harbour Street, Kingston and at any adjournment thereof.

Please indicate by inserting a tick in the appropriate square how you wish your votes to be cast. Unless otherwise instructed, the proxy will vote or abstain from voting, at his/her discretion.

No	Resolution Details	FOR	AGAINST
1	**Resolution No. 1** "That the Directors' Report, the Auditor's Report and the Statements of Account of the Company for the year ended December 31, 2020 be approved	○	○
2	**Resolution No. 2** "That Ernst & Young, Chartered Accountants be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."	○	○
3	**Resolution 3a** "That retiring Director Gordon Christopher Reckord be and is hereby re-elected a Director of the Company".	○	○
	Resolution 3b: "That retiring Director Norman Chen be and is hereby re-elected a Director of the Company".	○	○
	Resolution 3c: "That retiring Director Joan-Marie Powell be and is hereby re-elected a Director of the Company".	○	○
4	**Resolution No. 4:** "That the amount of $1,940,000 included in the Audited Accounts of the Company for the year ended December 31, 2020 as fees for their services as Directors be and is hereby approved."	○	○

FORM OF PROXY

Signed this ____________________ day of ____ 2021:

Signature: ____ (Signature of primary shareholder)

Name: ____ (Name of primary shareholder)

Taxpayer Registration Number: _____________________________________ (Primary Shareholder)

Signature: ____ (Signature of secondary shareholder)

Name: ____ (Name of secondary shareholder)

Notes:

1. If the appointer is a Corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorised.

2. A Member entitled to attend and vote at this meeting may appoint a Proxy to attend and vote in his/her stead. A Proxy need not be a Member of the Company. A Proxy Form is enclosed for your convenience. Completed Proxy Forms must be lodged at the Company's Registered Office, 69 ½ Harbour Street, Kingston at least forty-eight hours before the time appointed for holding the meeting. The Proxy Form shall bear the stamp duty of $100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy.

3. The Taxpayer Registration Number is required to determine shareholdings across all JCSD Broker Accounts held.

tTech continues to differentiate itself from other IT companies in Jamaica with its holistic Managed IT Services Provider (MSP) business model and complete set of strategic tools and proven business processes to deliver an insanely good customer experience.

tTECH

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