transform • evolve • grow

tTECH

2022 ANNUAL REPORT

transform.
evolve.
grow.

BUILDING A
NEW ERA

contents

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 IT Peace of Mind.

PURPOSE

To Inspire, Achieve and Make a Difference

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

BEHAVIOURS

Appreciative

Respectful

Trustworthy

Fair

Committed

Proactive

Responsive

Supportive

Progressive

Empowered

Values & Behaviours working together

We care about people	Appreciative Respectful
We are open and honest	Trustworthy Fair
We do what it takes	Committed Proactive Responsive
We got each other's back	Supportive Progressive
We are continuously improving	Empowered

design privacy powered by tTECH

Leave IT to us!

Data Protection

Every company in Jamaica that processes personal data must become compliant with the Data Protection Act! tTech has partnered with Design Privacy to offer an End-to-End/360-Degree service to help businesses become compliant with the Data Protection Act (DPA).

Get compliant with our 3-phase plan:

Our DPA Compliance Programme is a three-phase programme which takes you through the process of becoming ready to register with the Information Commissioner, complying through implementation of the Organisational and Technical measures stipulated by the Act and in maintaining compliance with the DPA.

1 READINESS

- Registration with the Information Commissioners Office

2 COMPLIANCE

- Implementation of Organisation and Technical Measures
- Data protection measures as stipulated in the DPA and identified in Gap analyses

3 MAINTENANCE

- Data Protection Officer Services
- Annual Data Protection Impact Assessment (DPIA)
- Annual Penetration Test
- Annual Vulnerability Test

DPA Plan Objectives

1) To guide you through navigating the requirements of complying with the Data Protection Act.

2) To help you to successfully complete the Registration with the Information Commissioner at the appropriate time.

tTECH Limited 69 ½ Harbour Street, Kingston, Jamaica **t** 876-656-8448 / 876-656- 9599 **e** info@ttech.com.jm **www.ttech.com.jm**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 Annual General Meeting of tTech Limited (the "Company") will be held on Thursday, June 15, 2023, at 3 p.m. (EST) at the Courtleigh Hotel, 85 Knutsford Boulevard, Kingston to consider and if thought fit, to pass the following ordinary resolutions:

1. **To receive the Company's Audited Accounts and the Reports of the Directors and the Auditors for the year ended December 31, 2022. 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, 2022, be approved."

2. **The Directors to retire from office pursuant to Article 102 of the Articles of Incorporation are U. Philip Alexander, Joan-Marie Powell and Edward Alexander.**

   Resolution No. 2: 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 U. Philip Alexander be and is hereby re-elected a Director of the Company."

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

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

3. **To fix the remuneration of the Directors. To consider and (if thought fit) pass the following resolution:**

   Resolution No. 3: "That the amount of $1,153,000 included in the Audited Accounts of the Company for the year ended December 31, 2022, as fees for their services as Directors be and is hereby approved."

Dated this 20 day of April 2023

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.

CEO'S REPORT

It has been a year that has been challenging for businesses worldwide, and tTech was no exception. The post-pandemic era, coupled with a challenging global economic environment, negatively impacted our financial performance for 2022. Our revenue growth slowed, and for the first time, we recorded a net loss after tax of $22.8 million, while experiencing increased competition, supply chain disruptions, and one-off extraordinary items totalling $14.5 million.

15th Anniversary

However, we did achieve some significant milestones in the year including celebrating our 15th anniversary as a company. We are now focused on becoming a stronger and more agile company, and we are committed to achieving sustainable growth while staying true to our core purpose: "To Inspire, Achieve, and Make a Difference".

Appointment of New Chief Executive Officer

Since my appointment to the role of Acting Chief Executive Officer on December 1, 2022, we have been evaluating our business strategy, assessing market opportunities, and identifying areas for improvement. We believe we can achieve sustainable growth by focusing on customer satisfaction, operational excellence, and strategic investments in our people, products, and technology.

We understand that our financial results may be concerning to our shareholders, and we are taking steps to address these challenges. We have developed a strategic plan to improve revenue performance and explore options to strengthen our competitive position and adapt to changing market conditions.

In the short term, we are implementing measures to improve profitability, including reducing expenses, optimizing our supply chain, and exploring new revenue streams. In the long term, we are committed to investing in our products, technology, and people to drive sustainable growth and create value for our shareholders.

LOOKING AT 2023

Looking ahead, we are optimistic about the future of tTech Limited. We believe our focus on innovation, adaptability, and customer service will continue to serve us well as we navigate the challenges and opportunities of the ever-evolving technology landscape.

Our 2023 priorities are:

1. **Advanced Security Portfolio**

   Our IT Security business continues to grow, with strong interest from existing and prospective customers and we will continue to invest in developing solutions and team members to enable our customers to be secure in this ever-changing environment. With the increasing prevalence of cyber threats in today's digital landscape, we believe that this service will be a key driver of growth for our company in the years to come.

2. **Restructure for Growth – Customer Centric**

tTech would not be a company without its customers. After careful evaluation of our business strategy and operations, we have decided to restructure our organization. We are making this change to ensure that we remain customer centric as we position ourselves for growth. To accomplish this, we have created two distinctly different teams to address the unique business requirements and expectations of the Enterprise and Small & Medium Business (SMB) Markets that we proudly serve.

Our goal with this restructuring is to create a more focused and efficient organization that is better able to serve the evolving needs of our customers. We believe that by streamlining our operations, we can become more competitive, agile, and responsive to market changes, while also creating long-term value for our stakeholders.

3. **Driving Efficiencies**

We are exploring new ways to leverage technology to automate routine tasks, increase capacity within our team, and optimize our supply chain and procurement processes to reduce costs and improve competitiveness.

We believe that these efforts have already begun to bear fruit, with improved customer satisfaction, increased productivity, and reduced costs. However, we know that there is still more work to be done, and we remain committed to driving further efficiency gains across our business.

4. **An Engaged Team**

Our people are and will always be our greatest asset, and at tTech we will continue to believe in delivering "IT Peace of Mind". This can only be achieved through a high performance, engaged, and committed team. To accomplish this, we will continue to invest in our team, providing ongoing training and development opportunities to ensure that our employees have the skills and knowledge necessary to provide the best possible service to our customers. Our commitment to employee development has not only helped us to retain top talent but has also enabled us to maintain a strong culture of innovation and excellence.

We would like to express our sincere thanks to our former Chief Executive Officer, Mr. Gordon Christopher Reckord for his vision and leadership to bring tTech to where we are today.

To tTech's Team for living our Core Values everyday:

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

The Board of Directors for their continued guidance and governance.

Our Shareholders for your confidence and belief in our company.

And of course, our customers for their loyalty and ongoing support during the period.

As we move forward, we remain focused on our long-term vision for the company. We are confident that with your continued support, we can overcome these challenges and emerge stronger than ever. We appreciate your patience and understanding during these difficult times and look forward to sharing better news with you in the near future.

Thank you for your continued support and commitment to tTech Limited.

Norman Chen
Chief Executive Officer (Acting)

transform.

THROUGH TEAM

Girls in ICT Day

THE DIRECTORS' REPORT 2023

The Directors who served on the Board of tTech during 2022 were:

- Edward Alexander – Executive Chairman
- U. Philip Alexander – Non-Executive
- Joan-Marie Powell – Independent, Non-Executive
- Tracy-Ann Spence – Independent, Non-Executive
- G. Christopher Reckord – Executive, CEO
- Norman Chen – Executive, Director of Technical Services
- Hugh Allen – Executive, Assistant Technical Services Director

Resignation of CEO

G. Christopher Reckord resigned as the Company's Chief Executive Officer (CEO) effective November 30, 2022 to pursue new opportunities. Effective December 1, 2022 Norman Chen has been appointed Acting CEO. The transition from Chris to Norman has been relatively smooth as they worked very closely together while Chris was the CEO. Norman has extensive knowledge and a deep understanding of the Company's operations, having been employed to tTech as an executive since 2014.

The Directors would like to thank Chris for his service to tTech. Under his leadership many innovative marketing initiatives were implemented and the tTech brand was carried to a new level in Jamaica as a leader in the provision of Managed IT services. Chris continues as a Director of tTech and we wish him every success in his future endeavours.

Company Performance

In 2022 tTech recorded revenues of $374.2 million and a loss of $22.8 million. This disappointing result was due to different factors which are covered in the CEO's Report. The Directors have approved a plan prepared by the management team to return the company to a path of profitability and continued growth in 2023.

Best Website

tTech was 1st Runner Up for the Best Website category for Junior Market companies at The Jamaica Stock Exchange Best Practices Awards.

Dividends

During the year no dividend was paid by the Company.

Effect of COVID-19

The tTech Board continued to meet virtually in 2022 using the Microsoft Teams platform. However, as the COVID-19 restrictions were lifted in the year, the 2022 Annual General Meeting was held in-person at the Courtleigh Hotel. While COVID-19 is still around, it's impact is much reduced and in 2022 the Company started working in a hybrid mode with team members being in-office on a scheduled rotation. This hybrid mode is likely to be the way of working for the future as it provides flexibility for individual team members.

Appointment of Auditors

At the Annual General Meeting on September 15, 2022 the appointment of CrichtonMullings and Associates as the Company's auditor was approved. The decision to recommend the appointment of Crichton Mullings was submitted after a process that involved the review of proposals by CrichtonMullings and other recognized audit firms. The transfer to CrichtonMullings has gone well and the 2022 audit was completed on-time.

The Directors would like to thank Ernst & Young for their service to tTech as the company's auditors from 2016 Until 2022. Their professionalism and support was greatly appreciated.

The Directors are grateful for the support that tTech has received since the company was formed in 2006. We also acknowledge and thank our team of professionals who have contributed significantly to enable the growth that has been achieved and we look forward to the next 15 years of continued growth and expansion for tTech.

Edward Alexander
Executive Chairman

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.

Norman Chen, B.Sc.

Chief Executive Officer (Acting)

Mr. Chen is the Chief Executive Officer (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 a founder of the Company and currently is the Company's Assistant Technical Services Director. He is the technical lead in the area of Networking and Voice services. 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, a member of the Company's Remuneration Committee and an invitee to the Audit Committee.

G. Christopher Reckord, M.B.A.

Non-Executive Director

Mr. Reckord is a leading Digital Transformation and IT Specialist with almost 40 years of experience. He is the immediate former CEO of tTech and the founder and former Executive Director of Innovative Corporate Solutions in Jamaica. He also 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 currently 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. Chris serves on several public sector boards and committees and is a member of the Company's Remuneration and Corporate Governance Committees and an invitee to the Audit Committee.

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

Independent 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 at 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.

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

Independent Non- Executive Director

Ms. Spence is the Chief Operating Officer at NCB Capital Markets Limited, which is the Wealth Management, Asset Management and Investment Banking arm of the NCB Financial Group. She has responsibility for the Jamaican operations.

She has been employed to the NCB Financial Group for almost 20 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 currently pursuing her Doctorate in Business Administration from the Mona School of Business and Management.

Ms. Spence 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 has also taught at NCB's Corporate Learning Campus in the areas of Portfolio and Investment Management.

Tracy-Ann currently sits on the boards of the Jamaica Association for the Deaf, tTech Limited, Mailpac Group Limited, NCB Foundation 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.

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

Mr. Downer is a former Senior Partner of PricewaterhouseCoopers in Jamaica. He has served on other boards in the financial services industry, beverage manufacturing and distribution, and several public sector boards including the Bank of Jamaica and Chairman of the Coffee Industry Board. He was awarded the Order of Distinction with the rank of Commander (CD) for services to accountancy and being a pioneer in privatization.

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

tTECH

Leave IT to us!

In today's business, Information Technology (IT) is now a critical component. IT Infrastructure support needs to be in place to ensure there is little or no downtime.Currently many IT Departments are reactive not proactive – a.k.a "break-fix" support. When something breaks, such as a computer, network, or server, then tech support drops everything to fix it.

What does Managed IT or Outsourcing IT mean?

Managed IT Services is the philosophy behind modern-day IT services consists of simple, tried-and-true best practices:

- **Regular maintenance** prolongs the usability and performance of computer systems
- **Reporting and tracking** can segregate troublesome devices for replacement.
- **Security patches and software updates** protect the network from many threats and issues.
- **Remote technical support** can reduce support costs by eliminating transportation for most issues.
- **Proactive monitoring and early detection** can pinpoint issues for resolution before they cause downtime.
- Thorough **documentation and network maps** give technicians a precise overview of a business's IT needs even the event of special cases and intricacies and streamline support visits.

Reasons you should try to Outsource IT?

- Reduction in Staff
- Reduction in Budget
- Application Complexity
- New Technology
- Increased Number of Virtual Workers
- Change in Management
- New Business Initiative
- Hardware End of Life
- Merger or Acquisition
- Increased Regulatory Requirements

tTECH Limited 69 ½ Harbour Street, Kingston, Jamaica **t** 876-656-8448 / 876-656- 9599 **e** info@ttech.com.jm www.ttech.com.jm

MANAGEMENT TEAM

Hortense Gregory-Nelson, FCA, FCCA, CFP

Finance & Administrative Manager

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

She has strategic oversight of the finance and administrative functions, which includes the preparation of quarterly and annual financial reports, the monitoring of investment activities, and the provision of strategic financial information to management.

Mrs. Gregory-Nelson is a Certified Chartered Accountant with ACCA UK accreditation and a Certified Financial Planner (CFP), accredited by the Chartered Banker Institute. She is also trained in forensic accounting, performance management & leadership, and project management.

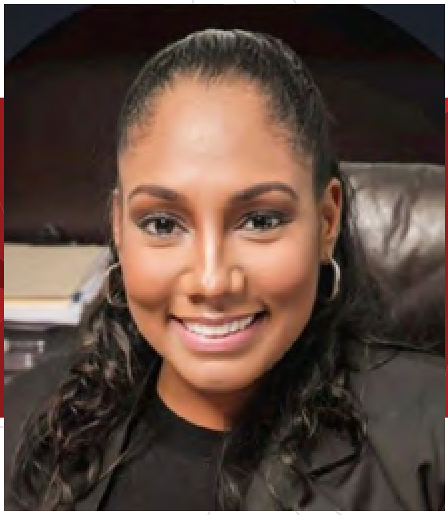
She has served in the following industries of banking, government, non-profit and other business services. Hortense also has a passion for gardening.

Moneshe Hutchinson, BEd.

Human Resources Manager

Moneshe Hutchinson is the Human Resources Manager and is responsible for developing, implementing and leading the company's people management strategy.

Moneshe has a Bachelor of Education in Information Technology from The Mico University College and is currently pursuing a master's degree in Human Resource Management. Her diverse background in teacher training and IT Education gives her a unique perspective that has propelled her success as the company's human resources strategist responsible for employee recruitment, engagement, and retention.



Marsha Bucknor, BSc., M.B.A.

Sales and Marketing Manager

Marsha Bucknor is the Sales and Marketing Manager of the company with approximately 15 years experience in Sales, Marketing and Customer Relationship Development. Her primary responsibility at tTech is to achieve growth and development through sales and marketing strategies that will ultimately result in increased revenue and profitability for the company. Recently, Marsha held the position of Sales and Customer Experience Manager at tTech, where she successfully increased the customer base. Prior to this, she was the head of the Sales and Customer Experience at Promobiz Limited where her responsibilities included development and execution of marketing campaigns and monitoring business development strategies. Marsha holds a BSc. in General Management from The University of the West Indies, Mona and an M.B.A in Marketing from The University of Technology, Jamaica.

Lesley S. Cousins, B.Sc., M.Sc.

Manager, Enterprise Services

Lesley Cousins is the Manager of Enterprise Services, the direct functional responsibilities of this role entails leadership and management of the Enterprise Customer team and the Professional Services team. Additionally, she is also responsible for strategic service planning for our enterprise customers to ensure optimization.

Lesley previously held the role of Manager of Consulting Services and Project Management Office for 5 years at tTech, in these roles her direct responsibilities included project service delivery along with increasing the revenue of the organization through delivery of consultancy services.

Her formal education includes a Bachelor of Science at the University of the West Indies, Mona in Environmental Sciences (Hons), and a Master's 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.

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

Change Management Lead & Company Secretary

Gillian Murray is the Change Management Lead and Company Secretary. She is responsible for monitoring and ensuring the company's compliance with the relevant legal and regulatory requirements and oversees the governance and administration of the company's affairs. Additionally, she focuses on the people side of change and enables the design, development, delivery and management of key change communications.

Gillian recently held the position of Marketing Manager for four years and successfully raised the brand awareness and profile of the Company which contributed directly to revenue generation through marketing strategies and activities.

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 training in information technology courses, digital marketing and the Jamaica Stock Exchange Director's Strategic Guide to Corporate Governance Course. She is also a Justice of the Peace for the parish of Kingston.

LINES OF BUSINESS

tTech offers a range of customized IT solutions to help clients improve their overall efficiencies and reduce costs. Some of these solutions include full-time user support, managed infrastructure, IT Security, cloud computing, and unified communications.

IT Security

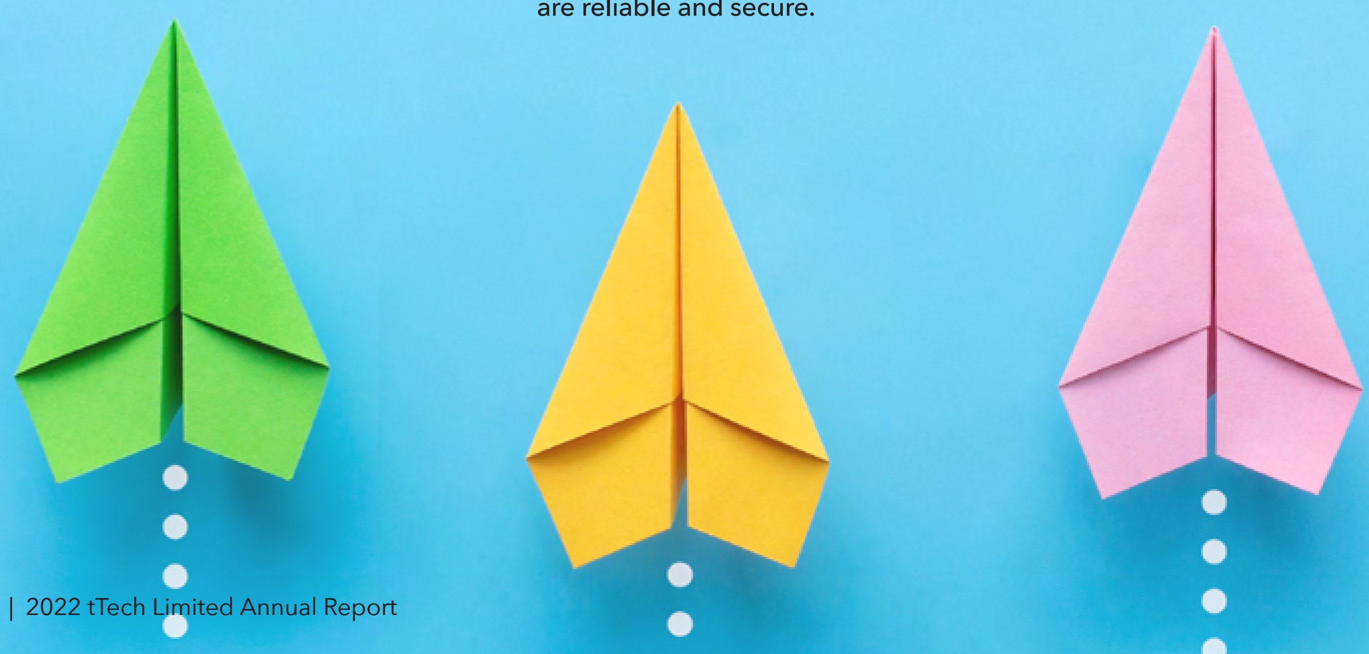
Security threats are real, and ever increasing in sophistication and frequency. A managed security service is essential to protect your enterprise from cyberattacks and the potential interruption of operations or compromise of data that could result. With our trained team of experts in IT Security, tTech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

Cloud Migration Services

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

Infrastructure Management

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



Service Desk

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

Unified Communications

The right communication tools are essential to the success of any business. As a Unified Communications (UC) partner, tTech allows clients to implement seamless, real-time communication services including instant messaging, telephony, video conferencing and desktop sharing among others. We ensure the right tools to enhance businesses resulting in easy internal and external communications across multiple platforms and devices while minimizing costs and system interruptions. Currently our UC Solutions are built on tried and proven technologies including Sangoma PBX, Microsoft Teams, Microsoft Exchange and Office 365.

Consulting Services

A company's technological structure should support its business strategy, not constrain it. Our expert IT consultants use proven methodologies to develop customised implementations to meet the specific needs of companies and deliver IT solutions that maximize returns on their IT investments. International trends indicate a shortage of IT talent for organisations undergoing transition to a more mature IT management governance structure; this shortage is being felt here in Jamaica. tTech Consulting is poised to meet this need. We bring a range of technology capabilities that help our clients address three key business needs: Disaster Recovery and Business Continuity Planning, Virtual CIO Services, Project and Portfolio Management.

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
CrichtonMullings and Associates
Certified Public Accountants / Chartered Accountants / Consultants
Unit 27B, 80 Lady Musgrave Road
Kingston 10, Jamaica
Telephone: 876-946-1274
Facsimile: 876-978-0877
Website: www.crichtonmullings.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

SHAREHOLDERS' INTERESTS

Top Ten Shareholders

As at December 31, 2022

Edward Charles Alexander/Charmaine Dawn Alexander	41,712,834
Auctus Holdings Inc.	17,720,550
Enqueue Inc.	13,298,816
Hugh O'Brian Allen	8,367,479
Mayberry Jamaican Equities Limited	6,360,129
GraceKennedy (2009) Pension Plan	1,604,893
Marcelle Smart	1,002,759
Zachary Henry	894,016
Douglas Orane	881,448
Ja. Credit Union Pension Fund	806,448

Shareholdings of Directors & Connected Parties

As at December 31, 2022

Edward Charles Alexander/Charmaine Dawn Alexander	41,712,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	17,720,550
Norman Abraham Chen (Enqueue Inc.)	13,298,816
Hugh O'Brian Allen	8,367,479
Uriah Philip Alexander	267,965
Joan-Marie Powell	32,000
Tracy-Ann Spence	nil

Shareholdings of Senior Managers & Connected Parties

As at December 31, 2022

Edward Charles Alexander/Charmaine Dawn Alexander	41,712,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	17,720,550
Norman Abraham Chen (Enqueue Inc.)	13,298,816
Hugh O'Brian Allen	8,367,479
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
Gillian Juvan Thorpe Murray	240,909
Lesley Cousins	50, 000
Moneshe Hutchinson	600
Marsha Bucknor	nil

Security Operations Center

A Security Operations Center (SOC) is a facility that houses an information security team responsible for monitoring and analyzing an organisation's security network on an ongoing basis.
The SOC team's goal is to detect, analyze, and respond to cybersecurity incidents using a combination of technology solutions and a set of processes.
Security operations centers are typically staffed with security analysts and engineers as well as managers who oversee security operations.

What does a Security Operations Center do?

Although the staff size of SOC teams vary depending on the size of the organisation and the industry, most have roughly the same roles and responsibilities. Here are 3 key functions performed by the SOC:

Prevention & detection:

When it comes to cybersecurity, prevention is always going to be more effective than reaction. Rather than responding to threats as they happen, a SOC works to monitor the network around-the-clock. By doing so, the SOC team can detect malicious activities and prevent them before they can cause any damage. When the SOC analyst see something suspicious, they gather as much information as they can for a deeper investigation.

Investigation:

During the investigation stage, the SOC analyst analyzes the suspicious activity to determine the nature of a threat and the extent to which it has penetrated the network. The security analyst views the organisation's network and operations from the perspective of an attacker, looking for key indicators and areas of exposure before they are exploited.

The analyst then identifies and performs a triage on the various types of security incidents by understanding how attacks unfold, and how to effectively respond before they get out of hand.

Response:

After the investigation, the SOC team then coordinates a response to remediate the issue. As soon as an incident is confirmed, the SOC acts as first responder, performing actions such as isolating the infected machine/s (endpoints), stopping any harmful processes identified and preventing them from executing, deleting files, and more.

In the aftermath of an incident, the SOC works to restore systems and recover any lost or compromised data. This may include wiping and restarting machines, reconfiguring systems or, in the case of ransomware attacks, deploying backups in order to thwart the ransomware. When successful, this step will return the network to the state it was in prior to the incident.

tTECH

Leave IT to us!

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.

First line of service for tech troubles: tTech's service desk provides clients with a reliable team that can help them get back on track with whatever issues they may have. We are dedicated to solving your technology problems. These basic worries can be easily outsourced, leaving the IT department to concentrate on the business applications.

Device Management

We can handle printers, computers, mobile devices and operating systems for your company. The day-to-day issues that pop up regarding the most commonly used hardware and software can be quickly and easily resolved by tTech's pleasant, ready to assist user support service desk.

Customer Service for End User

Our service desk can take care of the standard day-to-day technology queries that may arise, including resetting of passwords, connectivity issues, and general troubleshooting. The client can liaise with the service desk to solve more immediate issues quickly before it escalates into a larger problem or results in a loss of productivity.

Desktop & Operating Systems Applications

We can manage the desktop applications necessary to operating your business. Eg. Microsoft Office Suite, Adobe Acrobat, etc. The installation and daily management, including updating, can be handled through tTech. End user issues can generally be rectified upon contact with the service desk.

tTech is ITIL certified!

The Information Technology Infrastructure Library (ITIL) is a set of IT practices that provide guidance with regards to how to handle IT service management. tTech is ITIL certified and uses this to guide their best practices.

tTECH Limited 69 ½ Harbour Street, Kingston, Jamaica **t** 876-656-8448 / 876-656- 9599 **e** info@ttech.com.jm **www.ttech.com.jm**

CORPORATE GOVERNANCE

tTech Limited is 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.

This Corporate Governance Statement outlines the key elements of the company's corporate governance framework as of December 31st, 2022.

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 Norman Chen as the Acting CEO, and Gillian Murray as the Company Secretary.

The Board comprises four Non-Executive Directors and three Executive Directors in addition to Mr. Richard Downer, Board Mentor. Mr. Christopher Reckord remains as a Non-Executive Director after his resignation as Chief Executive Officer in 2022.

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 factors including whether a director has been an employee of the company within the last 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

Induction of New Directors

New directors are formally inducted into the company which enables them to transition into Board meetings effortlessly. The induction covers the company's vision, strategy, financial position, regulatory requirements and risks. The Board Chairman meets with the new Directors 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 for an orientation and are given a tour of the Company's office (if possible).

tTech Limited Board of Directors' Meeting Attendance

January - December 2022

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

The following board changes occurred during 2022.
*Mr G. Christopher Reckord resigned as Chief Executive Officer (CEO). He remains a Non Executive Director effective December 1, 2022 **

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.

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 or persons independent of the company or board as 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. Internal and external audits.
4. Budgeting and forecasting.

During the year the committee focused on:

1. Assisting with the onboarding of the new auditors.
2. Oversight of the annual audit.
3. Understanding and getting explanations of the financial results and what it means operationally.
4. Improving the resourcing and operations of the team to ensure 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 2023 the main focus will be on:

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 and reporting.
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 Jamaica Stock Exchange (JSE) deadline.
5. Improving the financial analysis and commentary in the financial reports to support strategy development and execution.

The Chairman of the Audit Committee is Ms. Tracy-Ann Spence and comprises of the other Independent Non-Executive Director and Richard Downer. The Executive Chairman, other Non-Independent Directors and the Finance and Administration Manager are invitees to this committee.

External Auditor

The company appointed new external Auditors, Crichton Mullings & Associates Jamaica of 80 Lady Musgrave Road, Kingston 6. The appointment was approved by shareholders at the company's Annual General Meeting held on September 15, 2022. Crichton Mullings & Associates have replaced Ernst and Young of 8 Olivier Road, Kingston 6. We would like to thank Ernst and Young for their years of service to the company.

The Chairman of the Audit Committee invited the auditors to 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.
6. Safety and welfare of the team by implementing COVID 19 containment measures.
7. Chief Executive Officer succession planning & execution.
8. Company restructuring initiatives.

In 2023 the main focus will be on:

1. Employee retention measures including:
   - Optimization of benefits; employee recognition, compensation, professional training, and development, incentive programme for employees.
   - Career and succession planning.
   - Mentorship and coaching.
   - Leadership development.
   - Performance management.
2. Advising and monitoring organizational changes.
3. Development and implementation of policies including Health & Safety, Corporate Social Responsibility, Environmental and Social Media.

The Chairman of the Remuneration Committee is Ms. Joan- Marie Powell and comprises the other Non-Executive Directors. The Board Chairman, Executive Directors, Company Secretary, Human Resources 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.
5. Enterprise Risk Management.

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 continue to manage the impact of 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. Continued 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 a rigorous and effective Enterprise Risk Management program was in place to allow for the effective management and mitigation of the risks to the organisation.

In 2023 the main focus will be on:

1. Continuing training and education programs for the Board and Senior Managers.
2. Oversight of the company's Data Protection Compliance Program.
3. Monitor the effectiveness of the Enterprise Risk Management program and to support the management team where necessary.
4. Assisting with the Board succession planning and identification of possible candidates for appointment to the Board.
5. Board performance and evaluation.
6. Overseeing the Whistleblower Policy.
7. Improving the Corporate Governance profile.
8. Development of policies to enhance the governance of the company.

The Chairman of the Corporate Governance Committee is Mr. U. Philip Alexander and comprises the other Non-Executive Directors. The Board Chairman, CEO, Company 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.

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

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		✓	✓	✓	✓	✓	✓
Richard Downer (Mentor)		✓	✓	✓	✓	✓	✓

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.

- All Directors and Senior Managers participated in an Environmental, Social and Governance training.
- Some of our Directors have participated in The Jamaica Stock Exchange (JSE) Corporate Governance Index training.

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

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.

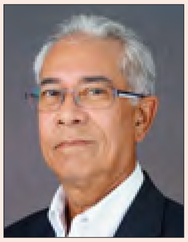
Disclosure and Transparency

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

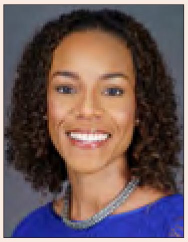
The following policies can be found on our website www.ttech.com.jm.

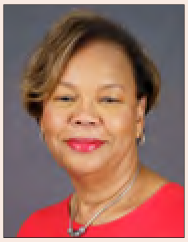
- Code of Conduct policy
- Whistle Blower policy
- Dividend policy

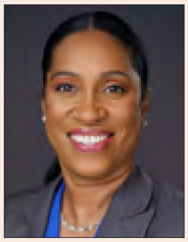
Directors and the Company Secretary that have completed the JSE/Private Sector Organization of Jamaica Directors Strategic Guide to Corporate Governance.


2018 - Edward Alexander

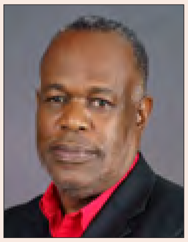

2018 - Norman Chen


2018 - Tracy-Ann Spence


2019 - Joan-Marie Powell


2019 – Gillian Murray (Company Secretary)


2020 - G. Christopher Reckord


2020 - Hugh Allen

Meetings

Schedule of meetings

During each financial year, there are a minimum of 4 regular Board and Committee meetings. These meetings are scheduled on a quarterly basis. Two other Board 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 and raise concerns. 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.

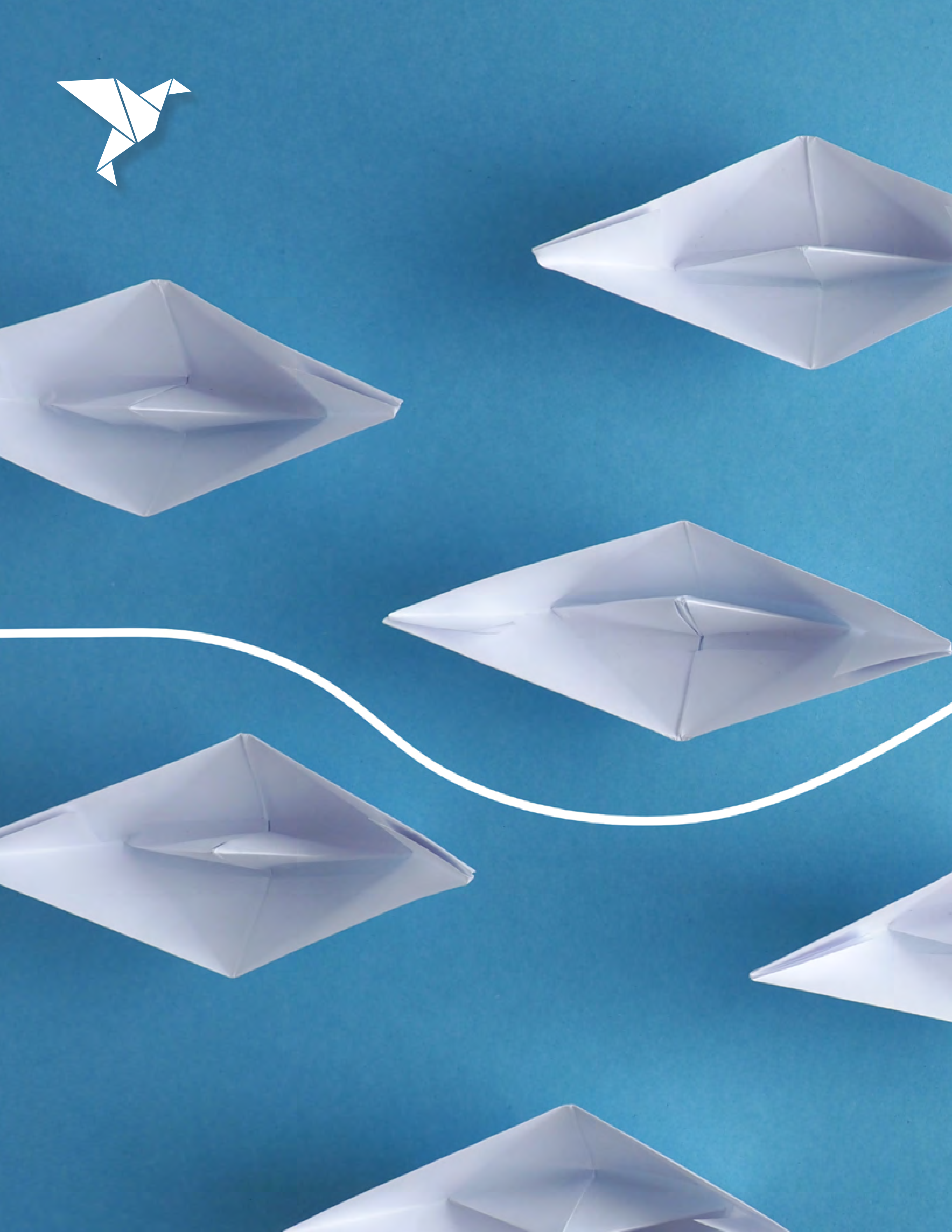
Shareholders Communication

Information about tTech is published on the Company and the Jamaica Stock Exchange websites. This includes the Annual Audited Financial Statements, the Quarterly Unaudited Financial Statements, the Annual Report and any changes in the Board or the Senior Management. Where required, notices are also published in the print media. The Annual Report is also available in hard copy at each Annual General Meeting in addition to the Notice of the AGM and Proxy Form being distributed to all shareholders by the Jamaica Central Securities Depository.

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 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.



evolve.

THROUGH STRATEGY

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

Financial Performance

tTech had a challenging year in 2022. The Company recorded revenues of J$374.2 Million, a decrease of 4.6% from 2022 and for the first time, a loss after tax of $22.8 Million. The loss compares to a profit after tax of $8.2 Million in the prior year. One-off extraordinary items totaling $14.5 Million were incurred during the year and these contributed significantly to the loss for the year.

In 2022, the Company realized lower earnings compared to 2021 resulting from a combination of, lost accounts, contract changes for some customers which resulted in lower earnings, and several projects which were delayed due to supply chain issues. The Company will recognize revenues from these projects in the coming year. In the meantime, we closed several long-term contracts close to our year end to replace revenues lost in the previous year. In 2022, in spite of this downturn, the Company experienced growth in the provision of its Consulting Services.

Direct Costs

This year, the direct costs was restated to include the direct costs of operational personnel who are responsible for the delivery of services to our customers. It was decided to do this after consultation with our auditors as this provides a more accurate representation of the costs associated with our services.

With this restatement, the direct costs in 2022 was 60.5% of revenue versus 55.7% in 2021. This increase over the prior year was led by the increase in providing equipment to support our customers' networks and system upgrades at lower margins, along with further investments in applications to support the Company's service delivery.

Administrative and other Operating expenses

Administrative and other Operating expenses as a percentage of sales decreased to 45.8% in 2022 versus 46.5% in 2021 decreasing by $10.9 Million or 6.0%. Our primary spending was in advertising to maintain brand awareness and to provide relevant information to the market. Insurance costs increased marginally, as a result of market price changes and increased head count. The spending in staff costs and training 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.

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 contribute to improved customer satisfaction and ultimately shareholder value. The Company, as part of its marketing program, held its fifth Tech Conference (TechCon) online under the theme INSPIRE Accelerate Your Digital Maturity. This was a two-day event with speakers on current and relevant topics

$374.2M	$397.3M	($22.8M)
Revenue	**Operating Expenses**	**Net loss attributable to owners**

Five-Year Financial Review

J$ '000	2018	2019	2020	2021	2022
INCOME STATEMENT					
Revenue	283,923	340,365	359,481	392,160	374,221
Other Income, Gains and (Losses)	2,734	6,294	14,399	17,170	-1,311
Finance Income	2,013	1,554	1,726	1,938	2,690
Finance Cost		-2,471	-2,393	-2,286	-2,090
Operating Expense (excl. Investment Financing Cost)	-261,133	-320,984	-350,732	-400,806	-397,603
Normalized Net Profit or (Loss) before Tax	27,537	24,758	22,481	8,176	-24,093
Net Profit or (Loss) before Tax	27,537	24,758	22,481	8,176	-24,093
Taxation	-	-	-	45	1,224
Change to Net Profit or (Loss) being Total Comprehensive Income	27,537	24,758	22,481	8,221	-22,869

BALANCE SHEET	2018	2019	2020	2021	2022
Non-Current Assets	38,429	72,420	69,837	46,712	38,505
Current Assets	211,829	220,317	247,409	267,184	250,328
Total Assets	250,258	292,737	317,246	313,896	288,833
Current Liabilities	51,383	46,558	50,122	46,129	46,111
Non-Current Liabilities	-	29,436	27,900	25,940	23,764
Total Liabilities	51,383	75,994	78,022	72,069	69,875
Net Assets	198,875	216,743	239,224	241,827	218,958

OTHER INFORMATION	2018	2019	2020	2021	2022
Fixed Assets	10,333	13,102	12,898	12,947	12,742
Working capital	160,446	173,759	197,287	221,055	204,217
Accounts Receivables	51,389	43,136	71,789	68,433	78,344
Operating expenses (less Technical Fees & Investing Finance Cost)	198,048	225,813	236,739	182,362	171,377
Technical Fees/Direct Costs	63,085	95,171	113,993	218,444	226,226

$288.8M
Total Assets

$69.8M
Total Liabilities

$218.9M
Stockholders' Equity

in the marketplace such as Digital Maturity and Data Privacy. The advertising and marketing spend, though reduced from the previous year, provided information on industry hot topics to improve market awareness of our products and services.

Liquidity & Asset Position

tTech experienced a reduction in its Total Net Asset value of $22.8 Million, a decrease of 9.5% from the prior year. This resulted from reductions in our net current assets of $16.8 Million and a decrease in our net non-current assets of $6.0 Million. This is represented by increases in our inventories, accounts receivable, investments and accounts payable, and was balanced by decreases in contract assets, cash and bank balances and government securities, other receivables, property and equipment, and contract liabilities.

The Company's profits fell by 378.1%, unappropriated profit decreased by $22.8 million at year end, resulting in a Shareholder's equity of $218.9 million compared to $241.8 in 2021.

Risk Management

The company employs both internal and external risk management practices. Effective management of these risks is necessary as stronger risk governance supports stronger corporate governance and the continued success of the company. The Company's Board of Directors has the overall responsibility for ensuring that a robust risk management framework exists. The management team is responsible for implementing the measures to mitigate identified risks.

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 management team, 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, the Finance team ensures that there is a diversified mix of assets in the portfolio, with at least 60% of the portfolio held in foreign currency. Where possible, the team endeavours to maintain a mix of variable and fixed-rate interest-bearing instruments. The company's revenues were impacted in 2022 by the fluctuations in the JA$:US$ foreign exchange rates which also affected input costs along with supply chain challenges. 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 operational risks is mitigated is via our governance structure. The management team also reviews other risk areas such as staff retention, technology, sales, supply chain, competition, and product development. We manage these risks with the use of standard operating procedures to minimize the possibility of people and process failures; 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 optimistic about the future of tTech Limited. In 2023 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 while lowering our operating expenses as a percentage of revenue. We continue to explore opportunities for new partnerships while exploring new ways to leverage technology to automate routine tasks and increase capacity within our team. We are focused on managing our operational expenses to optimize same, while maintaining our service levels and improving competitiveness. The net effect of these will result in increased profitability for the company and its stakeholders.

---

tTECH

At tTech we have the **POWER OF 3** ways for securing your company in the virtual space.

3 STEPS TO SECURITY

Did you know that any piece of your business that is touching the internet should be reviewed by IT and IT Security Personnel?

Multi-factor authentication

While this sounds complicated it is not, and it is strongly recommend that this be done. The multi factor authentication usually requires several levels of verification to authenticate the user. This is a good way to prevent vulnerability and changes to accounts including passwords.

Cyber Security Awareness Training

We are a huge advocate for this training for all companies. We offer a very in-depth Cyber Security Awareness Training. The door often used by bad actors is preying on the weakest link in the cyber chain, humans.

Vulnerability and Penetration testing

Bad actors will always try to penetrate your IT Systems, much like your physical space. Identifying where you are vulnerable and where you can be penetrated in order to fix those gaps is of utmost importance.

HUMAN RESOURCES REPORT:

Transform, Evolve, Grow with our People

Transformation is the new normal. And while a lot of things are difficult to predict in these volatile times, one thing we can say with confidence is, 'Change is here to stay'.

Change is continuous, not episodic. From the sudden shift towards remote work, to the Great Reopening, followed by the Great Resignation and talent shortages, change is here to stay.

At the onset of 2022, our main objectives were to realign our company structure to meet our strategic objectives. Company restructuring, organizational change management, performance management and reward & recognition programs were earmarked to support the company's performance.

No growing, successful organization can afford to stand still. There are always new challenges to meet, and better ways of doing things. This means that workplace processes, systems, and strategies must continuously evolve for an organization to remain competitive. For tTech 2022 was the beginning of a phase of critical business transformation.

Change in Leadership-Passing the Baton

One of the most significant changes was the change in leadership during the final quarter of 2022. Following 10 years of invaluable contribution and almost 5 years as Chief Executive Officer, Christopher Reckord handed over the baton to Norman Chen, who assumed the role of Acting Chief Executive Officer on December 1, 2022.

Change in Internal Operating Model

With the change in leadership came other organizational changes including the changes in our internal operating model from a modular team structure that was technologically focused to a pod team structure that is more customer centric and collaborative.

The primary reason for this shift was twofold, to improve our service delivery and to enhance our employee experience by creating better growth and developmental opportunities through increased knowledge of various technologies and wider training and exposure to IT Systems.

As this was a major change, it required strategic change management and leadership to enable and support this change within the company.

Our Annual Christmas Luncheon and Awards Ceremony was held to recognize employees, foster togetherness and teamwork. In keeping with the spirit of the festive season, members engaged in the exchange of gifts, showing appreciation and gratitude to colleagues, and just having a merry time, to commemorate the year we had.

Team Engagement

Employee engagement, year-on- year, continues to be a top priority for our organization. To continue to have a highly engaged team, we continue to facilitate the strengthening of the mental and emotional connection employees feel toward the work they do, their teams, and the organization.

Team Development

We are committed to investing in the personal growth of our employees through technical & professional training, leadership development and access to health and wellness services. In addition, our employees are consistently encouraged to stretch their abilities and take every opportunity to grow professionally, financially and realize their maximum potential.

Our family culture embodies our core values:

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

These are the central, underlying philosophies that guide our employees and influences the way we interact with partners, clients, and shareholders.

Employee Well-Being

Health is wealth and we recognize the value of a healthy and fit team that is why we continue to invest in overall employee well-being.

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.

We have expanded our in-reach activities by providing various forms of assistance to members of the team including educational assistance, tuition sponsorships and mental health services. Additionally, the company continues to provide subsidized gym memberships and facilities for emotional and mental health through partnership with professional counselling organizations.

Our Hybrid work model is achieved through staff rotation for onsite/off-days across departments and roles that can function effectively remotely.

Annual Summer Trip

Games Night

Christmas Breakfast Treat By Management

Team Bonding

We remain committed to improving our employees' experiences by keeping them engaged. This year we had the opportunity to get together as a team to break from the monotony of work through several team bonding activities including:

- Annual Summer Trip
- Games Night & Karaoke
- Christmas Breakfast Treat By Management
- Annual Christmas Luncheon & Awards Ceremony

Reward & Recognition

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.

Employee of the Year Award

Our employee of the year award is given to a team member who demonstrates the true tTech Spirit which is captured by our Credo and guides the way 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.

Our employees showed that they are committed to tTech and went beyond expectations, which resulted in not one, not two but four outstanding employees vying for employee of the year, and we made sure that their hard work and dedication did not go unnoticed.

Long Service Award

We also recognized our long-serving employees. They have remained with tTech through its high and low points, helping to rebuild, maintain and improve the company.

- Shevon McHayle Heywood - 5 years
- Shanice Letts – 5 years
- Moneshe Hutchinson – 6 years
- Ashani Steele – 6 years

From left: Daniel Battick - Runner Up, Fitzroy Gray - Runner Up, Victor Harris - Employee of the Year, Chris Reckord - Former CEO, and Rohando Brown - Runner Up

Hybrid work is here to stay!

Employees have been demanding more flexibility as the result of the shift to remote work during the pandemic and our approach to management is evolving as we learn to become more flexible, agile, and resilient. This means leaders are being equipped with how to manage employees they hardly physically see, and teams are adapting to achieving work flexibility while meeting their goals.

The pandemic has fundamentally shifted not only where, when, and how people want to work, but also why they want to work and what they value in their jobs. The employee value proposition has shifted. Instead, there is more emphasis on flexibility, supporting employees, and creating purpose.

There is no doubt that the role of the office as we knew it has fundamentally changed, however, we strongly believe that excellent work does not only happen in the office, hence we continue to provide a supportive hybrid work environment with an outcome driven culture.

CORPORATE SOCIAL RESPONSIBILITY

This year being our 15th year anniversary we have continued our 15th anniversary thrust to forego any celebratory events and channel our funds to Corporate Social Responsibility (CSR) activities. We recognized that given the immediate struggles of our nation it will be a better spend for the company that will create impact for the greater good.

Support of Girls in ICT Project

We partnered with the STEAMHouse Network to carry out a girl-focused Information and Communications Technology (ICT) initiative called 'CreatHER'. This initiative, which was launched in celebration of Girls in ICT Day on May 6, 2022, saw approximately one hundred girls, ranging from grades 9 to 12 from several high schools across Jamaica participating in the programme.

Our passion for youth development and education was foremost in our decision to join the CreatHER initiative, especially as the wide gender gap in the Science, Technology, Engineering, Arts and Mathematics (STEAM) fields remains a pressing issue both locally and globally.

Grace and Staff Annual Essay Competition

For the fifth year, tTech supported the Grace and Staff Community Development Foundation in the staging of their annual essay competition. The competition targets students through homework centres established by the foundation in vulnerable areas. The entries were from students at the primary and secondary levels across all six homework centres. We have continued the five year partnership which is a demonstration of our commitment to nation-building through community renewal and youth development. It was a delight to once again partner with the Grace and Staff Community Development Foundation on this very empowering activity and to see the happy faces of the children as they received their prizes.

Investment in Food Security, Labour Day in the Rose Town Community

Our team of volunteers, which included team members and members of their family, were in the community of Rose Town demonstrating our commitment to good corporate citizenship by planting fruit trees to provide food security and nutritional benefits, particularly for the children.

As a company we remain committed to investing in sustainable initiatives surrounding community and youth development, which made 'going green' with our 2022 Labour Day Project an easy decision. In keeping with our 15th anniversary, we planted 15 fruit trees in two separate areas of the Rose Town community. We partnered with the Caribbean Tree Planting Project, an initiative under the Caribbean Philanthropic Alliance and the Rose Town Foundation, which aided in accessing the Rose Town Community.

Rural Back to School Drive

The company once again partnered with the Youth Education Association (YEA) to host a back-to-school donation drive at the Nonsuch Primary School in Portland. We provided some much-needed supplies to students from the Nonsuch community. Packages containing various food items and school supplies were distributed to approximately 130 students and their parents who made an appearance throughout the day. We focused on students at the primary school level by providing books, pencils, pens, crayons, rulers and other supplies of which the students were in need. It was a fulfilling activity to invest in and make a difference in these children's lives.

Spreading Christmas Cheer with Donations to Local Children's Homes

We gave a sprinkling of holiday cheer over Christmas with donations and treats to The Strathmore Gardens Children's Home in St. Catherine and the Annie Dawson Home for Children in Kingston. This was done in partnership with the Youth Education Association (YEA).

We provided some much-needed supplies to the children including a wide variety of food items, cleaning, grooming, and hygiene supplies, and treats of ice cream as we interacted with the children throughout the day and played games. It was great to see that the children were happy, loved and well taken care of by the staff, and we were pleased to know that the supplies we donated will go a far way in meeting the children's needs.

We have always supported initiatives geared towards youth education, community renewal and development, our team and customers. These are the pillars that we are committed to and will continue to build on in the future.

AUDUTED FINANCIAL STATEMENTS

Certified Public Accountants | Chartered Accountants | Consultants

Leary Mullings
FCA, CPA, MBA
Senior Partner

Rohan Crichton
FCA, CPA MActg
Senior Partner

CrichtonMullings & Associates
Florida: (954) 862-2250
Atlanta: (770) 320-7786
Jamaica: (876) 946-1274
admin@crichtonmullings.com
http://crichtonmullings.com/

INDEPENDENT AUDITOR'S REPORT

To the members of

tTECH LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of tTech Limited (the "Company"), which is comprised of the statement of financial position as at December 31, 2022, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Jamaican Companies Act (the "Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements section of our report*. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). 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 judgement, 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.

Independent Auditor's Report (cont'd)

To the members of

tTECH LIMITED

Key audit matters (cont'd)

Key audit matters	How the matter was addressed in our audit
1) Revenue from contracts with customers Notes 3 (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. 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 required by IFRS 15. We also evaluated the appropriateness of the Company's revenue recognition policy in relation 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: i. We obtained and reviewed signed contracts to validate that legitimate contracts exist with customers, ii. We identified the relevant performance obligations as stipulated by the contracts, iii. We verified the transaction prices that are explicitly stated in the contracts associated with the relevant performance obligations, iv. 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, v. 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 as they exercise control over the related assets, including warranties and software licenses, purchased from third parties and resold to customers. We also reviewed the disclosures for appropriateness in accordance with IFRS 15.

Independent Auditor's Report (cont'd)

To the members of
tTECH LIMITED

Key audit matters (cont'd)

Key audit matters	How the matter was addressed in our audit
2) Allowance for expected credit losses As described in Notes 3 (i), 7, and 20, and in accordance with IFRS 9 – 'Financial Instruments', the Company applies the simplified approach to computing expected credit losses ('ECLs') on trade receivables and other related assets 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, judgement 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 audit procedures to address the key audit matter relating to allowance for expected credit losses 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, 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.

Other matter

The financial statements of the Company as at and for the year ended 31 December 2021 were audited by another firm of auditors whose report, dated March 31, 2022, expressed an unmodified opinion on those statements.

CrichtonMullings & ASSOCIATES

Certified Public Accountants | Chartered Accountants | Consultants

Independent Auditor's Report (cont'd)

To the members of
tTECH LIMITED

Responsibilities of management and those charged with governance 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 Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report. This description, which is located at pages 5-6, forms part of our auditor's report.

Report on additional matters as required by the 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 Act, in the manner required.

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

CrichtonMullings & Assoc.
CrichtonMullings & Associates
Chartered Accountants

Kingston, Jamaica
March 1, 2023

CrichtonMullings & ASSOCIATES

Certified Public Accountants | Chartered Accountants | Consultants

Independent Auditor's Report (cont'd)

To the members of
tTECH LIMITED

Appendix to the independent auditor's report

As part of an audit in accordance with ISAs, we exercise professional judgement 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 achieves fair presentation.

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.

CrichtonMullings & ASSOCIATES
Certified Public Accountants | Chartered Accountants | Consultants

Independent Auditor's Report (cont'd)

To the members of
tTECH LIMITED

Appendix to the independent auditor's report (cont'd)

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate to 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 matters 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.

tTech Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022	2021
		$'000	**$'000**
Current assets			
Inventories	5	5,680	1,518
Contract assets	6	20,695	26,337
Tax recoverable		-	884
Accounts receivable	7	78,344	68,433
Other receivables	8	12,951	17,428
Investments	9	29,044	28,485
Government securities purchased under resale agreements	10	72,791	87,710
Cash and bank balances	11	30,823	36,389
		250,328	267,184
Current liabilities			
Accounts payable	12	41,335	40,847
Contract liabilities	13	2,493	3,323
Lease liability (current portion)	14	2,283	1,959
		46,111	46,129
Net current assets		204,217	221,055
Non-current assets			
Deferred tax asset	15	2,292	1,068
Property and equipment	16	12,742	12,947
Intangibles	17	596	304
Right-of-use asset	14	19,226	22,235
Investments	9	3,649	10,158
		38,505	46,712
Non-current liability			
Long-term lease liability	14	23,764	25,940
Net non-current assets		14,741	20,772
Total net assets		218,958	241,827
Shareholders' equity			
Share capital	18	51,727	51,727
Unappropriated profit		167,231	190,100
		218,958	241,827

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 March 1, 2023 and are signed on its behalf by:

Edward Alexander – Chairman

Norman Chen - Director

tTech Limited

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000	
Revenue from contracts with customers	19	374,221	392,160	
Direct costs	20	(226,226)	(218,444)	*
Gross profit		147,995	173,716	
Other (losses) / gains	21	(1,311)	17,170	
Administrative expenses	20	(144,701)	(147,379)	*
Other operating expenses	20	(26,676)	(34,983)	
Operating (loss) / profit		(24,693)	8,524	
Finance income	23	2,690	1,938	
Finance cost	24	(2,090)	(2,286)	
(Loss) / Profit before taxation		(24,093)	8,176	
Taxation	26	1,224	45	
NET (LOSS) / PROFIT, BEING TOTAL COMPREHENSIVE (EXPENSE) /INCOME FOR THE YEAR		(22,869)	8,221	
Net (loss) / profit attributable to owners		(22,869)	8,221	
(Loss) / Earnings per share	29	$(0.22)	$0.08	

- Restated to conform to current year presentation

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

tTech Limited

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022 (Expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000 (Note 18)	Unappropriated Profit $'000	Total $'000
Balance at 1 January 2021		51,727	187,497	239,224
Net profit, being total comprehensive income for the year		-	8,221	8,221
Dividends	30	-	(5,618)	(5,618)
Balance at 31 December 2021		51,727	190,100	241,827
Net loss, being total comprehensive expense for the year		-	(22,869)	(22,869)
Balance at 31 December 2022		51,727	167,231	218,958

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

tTech Limited

STATEMENT OF CASH FLOWS

Year ended 31 December 2022 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Net (loss) / profit for the year		(22,869)	8,221
Adjustments for:			
Allowance for expected credit losses	20	4,185	4,760
Depreciation – Right-of-use asset	14,20	3,009	3,067
Depreciation charge	16,20	5,739	5,506
Amortization	17,20	221	346
Loss on disposal of equipment	21	-	313
Dividend income	21	(87)	(126)
Foreign exchange gain	21	2,448	(8,608)
Tax credit	26	(1,224)	(45)
Depreciation / (Appreciation) in fair value of equity investments	21	987	(398)
Interest income	23	(2,690)	(1,938)
Interest expense - lease liability	14,24	2,090	2,286
Operating cash flows before movements in working capital		(8,191)	13,384
Inventories		(4,162)	1,897
Contract assets		5,642	7,083
Accounts receivable		(14,097)	79
Other receivables		5,361	(3,235)
Accounts payable		1,201	(2,487)
Contract liabilities		(830)	(1,929)
		(15,076)	14,792
Dividend received		87	126
Interest received		2,643	1,970
Interest paid - lease liability		(2,090)	(2,286)
		(14,436)	14,602
Taxation paid		(714)	(1,907)
Net cash flows (used in) / provided by operating activities		(15,150)	12,695
Cash flows from investing activities			
Additions to property and equipment	16	(5,534)	(5,555)
Additions to intangibles	17	(513)	(313)
Investments		6,699	(2,124)
Cash provided by / (used in) investing activities		652	(7,992)
Cash flows from financing activity			
Payment of lease liability- principal portion	14	(1,852)	(1,537)
Dividends paid	30	-	(5,618)
Cash used in financing activities		(1,852)	(7,155)
Decrease in cash and cash equivalents carried forward		(16,350)	(2,452)

tTech Limited

STATEMENT OF CASH FLOWS

Year ended 31 December 2022 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
Decrease in cash and cash equivalents brought forward		(16,350)	(2,452)
Effect of exchange rate on cash and cash equivalents		(2,457)	8,608
Cash and cash equivalents at beginning of the year		122,421	116,265
Net cash and cash equivalents at end of the year		103,614	122,421
Comprised of:			
Cash and bank balances	11	30,823	33,840
Short term investments	10	72,791	88,581
Net cash and cash equivalents at end of the year		103,614	122,421

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 did not have any first-time adoption of any standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. 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, Presentation of financial statements, on the classification of liabilities, (effective for annual periods beginning on or after 1 January 2022. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting periods. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The Company is currently assessing the impact of this amendment.

Amendments to IFRS 3, IAS 16, IAS 37, and some annual improvements on, IFRS 9 and IFRS 16, (effective for annual periods beginning on or after 1 January 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to, IFRS9, 'Financial instruments' and the Illustrative examples accompanying IFRS 16, 'Leases'. The Company is currently assessing the impact of this amendment.

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)

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

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Company's financial statements. These standards and interpretations may be applicable to the Company at a future date and will be adopted when they become effective. The Company is currently assessing the impact of adopting these standards and interpretations.

Amendments to IAS 8 – Definition of Accounting Estimates (effective 1 January 2023)

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates.

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments 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)

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Polices

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy

Earlier application of the amendments to IAS 1 is permitted as long as this fact is disclosed. The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires the use of judgement. Therefore, entities are encouraged to revisit their accounting policy information disclosures to ensure consistency with the amended standard.

The Company will assess the impact of this amendment for adoption at the effective date for annual periods beginning on or after 1 January 2023.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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)

Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (continued)

Right to defer settlement
The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period
The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Management expectations
IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term 'settlement'
The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.

In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current.

Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current. Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'.

The Company will assess the impact of this amendment for adoption at the effective date for annual periods beginning on or after 1 January 2023.

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)

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Company will assess the impact of this amendment for adoption at the effective date for annual periods beginning on or after 1 January 2023.

(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 4(b). Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented in Jamaican dollars ($), which is the functional currency of the Company.

3. 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.

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 7 and 28.

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.

3. ESTIMATES AND JUDGEMENTS (CONTINUED)

(i) Allowance for expected credit losses (continued)

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 $28.17 million (2021: $33.84 million) with an impairment provision of $0.35 million (2021: $0.45 million) (Note 11). Government securities purchased under resale agreements had a gross carrying amount of $73.52 million (2021: $88.50 million) with an impairment provision of $0.72 million (2021: $0.87 million) (Note 10). Accounts receivable had a gross carrying amount of $92.02 million (2021: $79.21 million) for which an impairment provision of $13.67 million (2021: $10.78 million) was recognised (Note 7). Debt instruments at amortised cost had a gross carrying amount of $29.32 million (2021: $28.73 million) for which an impairment provision of $0.32 million (2021: $0.27 million) (Note 9). Contract assets had a gross carrying amount of $22.14 million (2021: $27.78 million) with an impairment provision of $1.44 million (2021: $1.44 million) (Note 6).

(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.

3. ESTIMATES AND JUDGEMENTS (CONTINUED)

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

- *Identifying performance obligations in a bundled sale of equipment and installation services (continued)* 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.

  - 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.

3. ESTIMATES AND JUDGEMENTS (CONTINUED)

(iii) Fair value of financial instruments

As described in Note 28(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 $3.65 million (2021: $10.15 million) (Note 9).

Had the fair value of these securities been 6% (2021: 5%) higher or lower the profit or loss for the Company would increase/decrease by $0.22 million (2021: $0.51 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.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Current vs. non-current classification

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

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

All other assets are classified as non-current. A liability is current when:

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

The Company classifies all other liabilities as non-current.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

(c) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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 28(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Financial assets (continued)

(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 cost 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.

(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).

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Financial assets (continued)

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

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. 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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.

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.

(d) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) 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.

(f) 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.

(g) 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.

(h) 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).

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of non-current assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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.

(j) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Related party transactions and balances (continued)

(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.

(k) 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.

(l) 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.

(m) 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 3(ii). Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue recognition (continued)

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.

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.

(n) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Segment reporting (continued)

Based on the information presented to and reviewed by the CODM, the operations of the Company are considered as one operating segment.

(o) 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.

(p) 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.

(q) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Leased assets: (continued)

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.

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.

(r) Reclassification

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

5. INVENTORIES

	2022 $'000	2021 $'000
Equipment for resale	5,680	1,518

Inventory represents purchases of equipment for resale. During 2022, $36.65 million (2021: $17.82 million) was recognized as an expense in cost of sales related to inventory purchases.

6. CONTRACT ASSETS

Contract assets represent purchases of equipment including related third-party charges and licences based on contracts with customers, to be billed at a later date. As at 31 December 2022, the Company has contract assets of $20.69 million (2021: $26.33 million) which is net of an allowance for expected credit losses of $1.44 million (2021: 1.44 million).

7. ACCOUNTS RECEIVABLE

	2022 $'000	2021 $'000
0 - 30 days	50,838	51,245
31- 60 days	6,738	1,937
61 - 90 days	4,069	6,488
91 - 180 days	16,270	8,079
181 - 365 days	9,041	3,797
Over 365 days	5,061	7,665
	92,017	79,211
Allowance for expected credit losses	(13,673)	(10,778)
	78,344	68,433

Trade receivables are non-interest bearing and are generally on terms of 10 days. Included in receivables are debtors with the carrying amount of $36.18 million (2021: $20.30 million) which are past due but not impaired at the reporting date (Note (7) (iii).

(i) Movement in provision for expected credit losses:

	2022 $'000	2021 $'000
Balance at beginning of year	10,778	7,501
Provision for expected credit losses on accounts receivable	2,895	3,277
Balance at end of year	13,673	10,778

7. ACCOUNTS RECEIVABLE (CONTINUED)

(ii) Ageing of impaired accounts receivable

	2022 $'000	2021 $'000
Over 365 days	5,051	7,665

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

	2022 $'000	2021 $'000
31 - 60 days	6,738	1,937
61 – 90 days	4,069	6,488
91 - 180 days	16,270	8,079
181 – 365 days	9,041	3,797
	36,118	20,301

8. OTHER RECEIVABLES

	2022 $'000	2021 $'000
Withholding tax	3,867	3,076
Prepayments	3,511	8,608
Other	5,573	5,744
	12,951	17,428

9. INVESTMENTS

	2022 $'000	2021 $'000
Certificate of deposits maturing January 2023:		
USD instrument with interest of 3.75% (US$0.101 million) (2021: US$$0.114 million)	17,646	17,478
JMD instrument with interest of 6.0% (2021: 5.59%)	11,675	11,250
Debt instruments at amortised cost	29,321	28,728
Investment in unit trust	-	5,521
Quoted equity securities at FVTPL	3,649	4,637
	32,970	38,886
Allowance for expected credit losses	(320)	(274)
	32,650	38,612
Interest receivable	43	31
	32,693	38,643

The movement for the year in investments is as follows:

	2022 $'000	2021 $'000
At January 1		
Quoted equity securities at FVTPL	4,637	4,239
Investment in unit trust	5,183	5,183
Debt instruments at amortised cost	28,728	26,942
	38,548	36,364
Purchases	(5,746)	1,786
Interest received	1,155	338
Movement in fair value on quoted equity securities at FVTPL	(987)	398
	32,970	38,886
Allowance for expected credit losses	(320)	(274)
	32,650	38,612
Interest receivable	43	31
At December 31	32,693	38,643

Current	29,044	28,485
Non-current	3,649	10,158
	32,693	38,643

9. INVESTMENTS (CONTINUED)

Movement in provision for expected credit losses:

	2022 $'000	2021 $'000
Balance at beginning of year	274	257
Provision for expected credit losses recognized	46	17
Balance at end of year	320	274

10. GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS

	2022 $'000	2021 $'000
Reverse repurchase agreements	73,520	88,581
Allowance for expected credit losses	(729)	(871)
	72,791	87,710

Included in the government securities purchased under resale agreements are foreign currency repurchase agreements of US$409,373 (2021: US$503,294). As at 31 December 2022, the maturity dates on reverse repurchase agreements range from 30 days to 90 days (2021: 30 days to 90 days) and interest rates range from 0.07% - 3.50% (2021: 0.02% - 2.00%).

(i) Movement in provision for expected credit losses:

	2022 $'000	2021 $'000
Balance at beginning of the year	871	961
Provision for expected credit losses reversed	(142)	(90)
Balance at end of year	729	871

11. CASH AND BANK BALANCES

	2022 $'000	2021 $'000
Current accounts (a)	2,037	4,155
Saving accounts (b)	26,118	29,665
Cash in hand	20	20
	28,175	33,840
Restricted cash	3,000	3,001
Allowance for expected credit losses	(352)	(452)
	30,823	36,389

(a) The current accounts are JMD accounts which carry an interest rate of 0.04% (2021: 0.05%) per annum.

(b) These include foreign currency bank accounts of US$90,843 (2021: US$147,368). As at 31 December 2022, interest rate on foreign currency bank accounts ranged from 0.01% - 0.03% (2021: 0.01% - 0.05%) per annum. Cash held in a restricted account bears an interest rate of 4.0% (2021 – 4.0%).

(c) Movement in provision for expected credit losses:

	2022 $'000	2021 $'000
Balance at beginning of the year	452	339
Provision for expected credit losses (reversed)/recognized	(100)	113
Balance at end of year	352	452

12. ACCOUNTS PAYABLE

	2022 $'000	2021 $'000
Trade payables	9,020	6,314
Statutory liabilities	4,882	5,969
Accrued expenses	6,206	13,934
GCT payable	4,158	3,575
Credit card payables	14,762	8,664
Dividend payable	1,021	1,025
Others	1,286	1,366
	41,335	40,847

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 28(a)(ii).

13. CONTRACT LIABILITIES

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

	2022 $'000	2021 $'000
Customer advances	2,493	3,323

The movement in contract liabilities is shown below:

	2022 $'000	2021 $'000
Balance at beginning of the year	3,323	5,252
Additional customer advance payments	3,100	2,307
Recognised in revenue during the year	(3,930)	(4,236)
Balance at end of the year	2,493	3,323

14. RIGHT-OF-USE ASSET /LEASE LIABILITY

Right-of-use asset

	2022 $'000	2021 $'000
At Cost:		
Balance as at 1 January and 31 December	22,235	25,302
Depreciation:		
Charge for the year	3,009	3,067
Balance as at 31 December	3,009	3,067
Net book value as at 31 December	19,226	22,235

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.

14. RIGHT-OF-USE ASSET /LEASE LIABILITY

Lease liability (continued)

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

	2022 $'000	2021 $'000
As at 1 January	27,899	29,436
Interest charged for the year	2,090	2,286
Payments made during the year	(3,942)	(3,823)
As at 31 December	26,047	27,899
Current	2,283	1,959
Non-current	23,764	25,940
	26,047	27,899

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

31 December 2022	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	(4,417)	(4,749)	(5,105)	(5,488)	(5,615)	(8,413)	(33,787)
Interest expense	2,134	1,764	1,504	1,194	784	360	7,740
	(2,283)	(2,985)	(3,601)	(4,294)	(4,831)	(8,053)	(26,047)

31 December 2021	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	(4,109)	(4,417)	(4,749)	(5,105)	(5,488)	(13,855)	(37,723)
Interest expense	2,150	1,977	1,764	1,504	1,194	1,235	9,824
	(1,959)	(2,440)	(2,985)	(3,601)	(4,294)	(12,620)	(27,899)

The following are the amounts recognised in profit or loss:

	2022 $'000	2021 $'000
Depreciation expense of right-of-use assets	3,009	3,067
Interest expense on lease liabilities	2,090	2,286
Total recognised in the statement of comprehensive income	5,099	5,353

15. DEFERRED TAXATION

Deferred taxes are calculated on all temporary differences using the current tax rate of 25% adjusted for the 50% remission to be expected over the next five (5) years.

Analysis for financial reporting purposes:

	2022 $'000	2021 $'000
Deferred tax assets	2,292	1,068

The following are the main deferred tax assets and liabilities recognised by the Company and the movements thereon, during the current period:

	Accrued vacation	ECL provision	Lease liability /Right of use assets	PPE	Interest receivable	Unrealized foreign exchange gain	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 January 2022	413	1,727	696	(594)	(4)	(1,170)	1,068
(Charged)/ credited to income for the year	(100)	157	(320)	69	(2)	1,420	1,224
At 31 December 2022	313	1,884	376	(525)	(6)	250	2,292

16. PROPERTY AND EQUIPMENT

	Computer Equipment $'000	Furniture & Equipment $'000	Total $'000
At cost:			
31 December 2019	18,680	12,900	31,580
Additions	3,901	375	4,276
31 December 2020	22,581	13,275	35,856
Additions	4,662	893	5,555
31 December 2021	27,243	14,168	41,411
Additions	4,533	1,001	5,534
31 December 2022	31,776	15,169	46,945
Depreciation:			
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
Charge for the year	3,961	1,545	5,506
31 December 2021	19,594	8,870	28,464
Charge for the year	4,003	1,736	5,739
31 December 2022	23,597	10,606	34,203
Net book values:			
31 December 2022	8,179	4,563	12,742
31 December 2021	7,649	5,298	12,947
31 December 2020	6,948	5,950	12,898

The following rates are used in the calculation of depreciation:

Furniture and equipment	10%
Computer equipment	33⅓%

17. INTANGIBLES

	Computer Software $'000
At cost:	
1 January 2021	1,609
Addition	313
Disposal	(670)
31 December 2021	1,252
Addition	513
31 December 2022	1,765
Amortisation:	
1 January 2021	959
Charge for the year	346
Relieved on disposal	(357)
31 December 2021	948
Charge for the year	221
31 December 2022	1,169
Net book values:	
31 December 2022	596
31 December 2021	304

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

18. SHARE CAPITAL

	2022 $'000	2021 $'000
Authorized		
106,000,000 ordinary shares of no par value		
Issued and fully paid:		
Share capital at beginning of year 106,000,000 ordinary shares of no par value	51,727	51,727

19. 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.

(ii) Major customers
Revenues from transactions with two customers, which amounted to $220 million (2021: $171.00 million) were greater than 10 per cent of the Company's revenues accounting for 58% of revenue (2021: 44%).

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:

	2022 $'000	2021 $'000
Amounts included in contract liabilities at the beginning of the year	3,323	5,252
Performance obligations partially satisfied in previous years	3,930	4,236

20. EXPENSES BY NATURE

Total direct, administrative and other operating expenses:

	2022 $'000	2021 $' 000	
Direct costs:			
Technical fees, services and products	131,489	136,150	
Technical staff costs (Note 22)	94,737	82,294	*
	226,226	218,444	
Administrative expenses:			
Professional services	3,654	5,526	
Property rental and utilities	10,925	10,584	
Non-technical staff costs, inclusive of directors' emoluments (Note 22)	69,624	72,021	
Statutory contributions (Note 22)	16,629	15,222	
Directors' fees	1,153	1,945	
Depreciation (Note 16)	5,739	5,506	
Amortization of intangible asset (Note 17)	221	346	
Insurance	7,237	6,965	
Staff expenses	4,301	-	
Corporate expenses	3,761	3,968	
Repairs and maintenance	1,400	1,371	
Allowance for expected credit losses	4,185	4,760	
Depreciation – right of use asset (Note 14)	3,009	3,067	
Consultancy fees	6,728	10,282	
Other	6,135	5,816	
	144,701	147,379	
Other operating expenses:			
Advertising and promotion	9,242	13,486	
Training and subscription	9,612	10,618	
Computer and communications	6,123	6,623	
Subsistence and staff expenses	1,699	4,256	
	26,676	34,983	
	397,603	400,806	

21. OTHER (LOSSES) / GAINS

	2022 $'000	2021 $'000
Commission	479	-
Dividend income	87	126
Loss on disposal of equipment	-	(313)
(Depreciation) /Appreciation in value of investments (quoted equity securities at FVTPL) (Note 9)	(987)	398
Foreign exchange (loss)/gain	(2,448)	8,608
Other	1,558	8,351
	(1,311)	17,170

- Restated to conform to current year presentation

22. STAFF COSTS

	2022 $'000	2021 $'000
Salaries and other employee benefits:		
Non-technical staff, inclusive of directors' emoluments	69,624	72,021
Technical staff costs	94,737	82,294
Statutory contributions	16,629	15,222
	180,990	169,537

23. FINANCE INCOME

	2022 $'000	2021 $'000
Interest income on investments at amortised cost	2,690	1,938

24. FINANCE COST

	2022 $'000	2021 $'000
Interest expense for leasing arrangements	2,090	2,286

25. DISCLOSURE OF EXPENSES

	2022 $'000	2021 $'000
Profit before taxation is stated after charging:		
Directors' emoluments (included in staff costs)	25,259	28,975
Directors' fees	1,153	1,945
Depreciation (Note 16)	5,739	5,506
Amortization of intangible asset (Note 17)	221	346
Depreciation – right of use asset (Note 14)	3,009	3,067
Auditor's remuneration	1,864	1,912
Staff costs (Note 22)	180,990	169,537

26. 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 remissioned by the Minister of Finance during the first five years of listing on Junior Market (remissioned) of the Jamaica Stock Exchange and 50% of income taxes will be remissioned by the Minister of Finance during the second five years of listing on the Junior Market (remissioned) of the Jamaica Stock Exchange.

Current and deferred taxes have been calculated using the tax rate of 25%.

The taxation charge is comprised of:

	2022 $'000	2021 $'000
Taxation charge	-	2,046
Tax credit- JSE Junior Stock Exchange incentive (50%)	-	(1,023)
Deferred tax credit	(1,224)	(1,068)
	(1,224)	(45)

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

	2022 $'000	2021 $'000
(Loss) / Profit before tax	(24,093)	8,176
Computed "expected" tax (credit) / charge @ 25%	(6,023)	2,044
Difference between profit for financial statements and tax reporting purposes on:		
Expenses not deducted for tax purposes	193	729
Relief given under Junior Stock Exchange Regulation	-	(1,023)
Net effect of other charges and allowance	4,606	(1,795)
	(1,224)	(45)

27. 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.

	2022 $'000	2021 $'000
Related party transactions:		
Key management compensation and directors' emoluments	25,259	28,975
Directors' fees	1,153	1,945
	26,412	30,920

As at 31 December 2022 and 2021, there are no related party receivable or payable balances.

28. 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.

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(i) Credit risk (continued)

The maximum exposure to credit risk is as follows:

	2022 $'000	2021 $'000
Financial assets:		
Cash and bank balances (Note 11)	30,823	36,389
Accounts receivable (Note 7)	78,344	68,433
Short-term investments (Note 9, 10)	101,835	116,195
Long-term investments (Note 9)	3,649	10,158
Contract assets (Note 6)	20,695	26,337
Other receivables (Note 8)	5,573	5,744
	240,919	263,256

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 counterparties 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 2022, amounts receivable from four (2021: three) customers that individually accounted for greater than 5% of the accounts receivable balance represented 49.15%, 5.55%, 5.19%, 5.03% (2021: 45.84%, 5.66%, 5.07%). 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 7.

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

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(i) Credit risk (continued)

Accounts receivable and other receivables (continued)

	Trade receivables						
	Days past due						
2022	**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	1.81%	3.21%	7.12%	28.08%	29.04%	100%	
Estimated total gross carrying amount at default	50,838	6,738	4,069	16,270	9,051	5,051	92,017
Expected credit loss	922	216	290	4,569	2,625	5,051	13,673

	Trade receivables						
	Days past due						
2021	**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	0.92%	1.44%	6.61%	19.28%	16.51%	100%	
Estimated total gross carrying amount at default	51,245	1,937	6,488	8,079	3,797	7,665	79,211
Expected credit loss	471	28	429	1,558	627	7,665	10,778

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(i) Credit risk (continued)

12 Month Expected credit loss	2022 Average Expected Credit Loss Rate	2022 Expected credit loss	2021 Average Expected Credit Loss Rate	2021 Expected credit loss
		$'000		$'000
Financial Assets				
Cash and cash equivalents	1.10%	352	1.10%	452
Government securities purchased under resale agreements	1.10%	729	1.10%	871
Investments	1.10%	320	0.005% 1.10%	274

There were minor changes in the credit ratings of the underlying securities or corporate rating for the debt instruments as at year end.

Contract assets had a gross carrying amount of $22.14 million (2021: $27.78 million) with an impairment provision of $1.44 million (2021: $1.44 million).

(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.

28. 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
2022					
Financial liabilities:					
Non-interest bearing	0.00%	20,059	-	-	20,059
Interest bearing liability	7.95%	17,210	18,005	7,214	42,429

	Average Effective Interest rate	Less than 1 Year $'000	1 - 5 Years $'000	Over 5 Years $'000	Total $'000
2021					
Financial liabilities:					
Non-interest bearing	0.00%	26,661	-	-	26,661
Interest bearing liability	7.95%	4,109	19,759	13,855	37,723

(ii) 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. 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.

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued)

(iii) Market risk (continued)

Currency risk (continued)

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.

	2022 $'000	2021 $'000
Bank of Jamaica foreign exchange buying rates (JM$ to US$)	152.05	152.75
Financial assets:		
Cash resources (Note 11)	13,831	22,511
Short term investments (Note 9, 10)	78,867	94,356
Total financial assets	92,698	116,867

Foreign currency sensitivity

The Company's investment portfolio is exposed to the United States dollar. The Company's sensitivity to a 1% increase and at 4% decrease (2021: 2% increase, and an 8% decrease) in the Jamaican dollar against the United States dollar is the sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate.

The sensitivity of a 1% increase or 4% decrease (2021: 2% increase or 8% decrease) in the Jamaican dollar against the United States dollar exposure would result in a change of $0.92 million (2021: $2.34 million) or $3.70 million (2021: $9.35 million) to the profit and loss account respectively.

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

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued)

(iii) Market risk (continued)

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 and unit trust investments.

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 6% increase or 6% decrease (2021: 5% increase or 5% decrease) represents management's best estimate of the possible change in equity prices.

If bid prices had been 6% higher and 6% lower (2021: 5% higher/lower) and all other variables were held constant, they would result in an increase/decrease in net profit as detailed below:

	2022 $'000 6% increase/ 6% decrease	**2021 $'000 5% increase/ 5% decrease**
Quoted shares	219/ (219)	232/ (232)
Investment in unit trust	-	276/ (276)

The change in sensitivity is due to the decrease in the fair value of quoted shares and increase in the unit price of the investment in unit trust.

(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.

28. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value of financial instruments (continued)

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.

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 4(b)) based on the degree to which the fair value is observable:

	2022			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Equity securities	3,649	-	-	3,649
Investment in unit trust	-	-	-	-

	2021			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Equity securities	4,637	-	-	4,637
Investment in unit trust	-	5,521	-	5,521

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

28. FINANCIAL INSTRUMENTS (CONTINUED)

(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.

29. (LOSS) / EARNINGS PER STOCK UNIT (EPS) ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY

(Loss) / Earning per stock unit is calculated by dividing the net (loss) / profit attributable to stockholders by the weighted average number of ordinary stock units.

	2022	**2021**
Net (loss) / profit attributable to stockholders ($'000)	(22,869)	8,221
Weighted average number of ordinary stock units	106,000,000	106,000,000
Basic (loss) / earnings per stock unit ($)	(0.22)	0.08

30. DIVIDENDS

During 2022, the Company did not declare a dividend. At 31 December 2022, of the amount declared in prior years, dividend payable of $1.021 million (2021: $1.025 million) is included in accounts payable.

FORM OF PROXY

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 2023 Annual General Meeting of the Company to be held **at 3.00 p.m. on Thursday, June 15, 2023**, at the Courtleigh Hotel, 85 Knutsford Boulevard, Kingston and at any adjournment thereof.

Signed this ________________ day of __________________________________ 2023:

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)

PLACE STAMP

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.*

Annual Report designed by Heather Kong-Smith