



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

## Report to Shareholders For the 3 months ended September 30<sup>th</sup> 2018

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

### Financial Performance

tTech is happy to report our 11<sup>th</sup> profitable quarter since our January 2016 listing on the JSE Junior Market with Total Comprehensive Income for the period being \$12.2 million an increase of 83% over 2017 (\$6.7 Million).

For the period, tTech recorded revenues of \$69.6 million, an increase of 25% above the corresponding period in 2017 (\$55.8 million). Admin & Other expenses for the period were \$ 50.6 million, an increase of 14% over the same period in 2017 (\$44.2 million).

### Highlights

During the quarter the Company saw increased business in our major service categories. tTech continued to engage, educate and challenge IT Leadership from across Jamaica in our quarterly CIO forum called tTech Insights. This edition was a non-technical discussion on “Digital Transformation – Challenge or Opportunity?” led by our Executive Chairman. Further, tTech continues to be at the forefront of local IT thought-leadership as our Executive Chairman also delivered a lecture at Mona School of Business on the topic of “Strategic Digital Leadership”.

Our marketing team saw immediate positive results as we supported our digital marketing activities with traditional marketing efforts. This has resulted in adding more opportunities in the pipeline, increased brand engagement and raised our profile as the leading fully managed IT outsourcing service provider in Jamaica.

As the Digital Transformation buzz is getting louder again, our Consulting Services are seeing more opportunities enter the pipeline as organizations look for guidance in executing their business strategy digitally. Our ability to support and guide organizations in their digital transformation efforts resulted in consulting projects. Our growing consulting services team was kept busy with:

- Delivery of an IT Strategy Plan & Road-Map for a fast-growing financial services organization.
- Development of the tTech solutions portfolio to drive customer-centric FileNexus implementation activities.
- Application assessment, software testing and application implementation services to support key clients.

IT Security Services continue to grow in line with our strategic intent to support clients, as the local regulatory environment matures with the imminent Data Protection Act. This quarter our focus was the delivery of Security Governance services with major clients, specifically:

- Security Awareness training targeted to staff, executives and Boards.
- IT and Security Policy development.
- Support for Data Discovery and Classification.

### Summary

We have had a good third quarter and our engaged business development team continues to leverage the momentum by closing more of the opportunities presented to us. We expect continued growth and performance as we provide guidance and support for digital transformation efforts in growth minded organizations.

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

G. Christopher Reckord  
Chief Executive Officer

# **tTech Limited**

Financial Statements

For the nine months ended 30 September 2018

(Unaudited)

# **tTech Limited**

Financial Statements

For the nine months ended 30 September 2018

(Unaudited)

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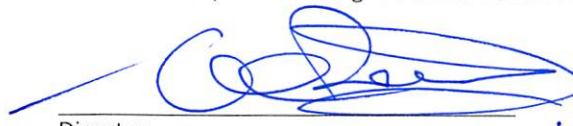
**tTech Limited**

STATEMENT OF FINANCIAL POSITION  
 NINE MONTHS ENDED 30 SEPTEMBER 2018  
 (Unaudited)

Expressed in \$'000	Notes	As at 30-Sep-18	As at 30-Sep-17	Audited 31-Dec-17
<b>Current assets</b>				
Cash and cash equivalents		46,230	21,627	30,579
Securities purchased	2c	105,609	95,583	94,910
Accounts receivable		45,971	35,474	29,801
Other receivables		23,341	16,976	15,325
		<u>221,151</u>	<u>169,660</u>	<u>170,615</u>
<b>Current liabilities</b>				
Accounts payable		57,359	33,738	30,389
		<u>57,359</u>	<u>33,738</u>	<u>30,389</u>
<b>Net current assets</b>		<u>163,792</u>	<u>135,922</u>	<u>140,226</u>
<b>Non-current assets</b>				
Investments		31,240	29,187	26,001
Property, plant and equipment		12,026	12,691	12,151
		<u>43,266</u>	<u>41,878</u>	<u>38,152</u>
		<u><b>207,058</b></u>	<u><b>177,800</b></u>	<u><b>178,378</b></u>
Financed by:				
<b>Shareholders' equity:</b>				
Share capital		51,727	51,727	51,727
Unappropriated profit		155,331	126,073	126,651
		<u><b>207,058</b></u>	<u><b>177,800</b></u>	<u><b>178,378</b></u>

Approved and authorised by the Board of Directors on November 06, 2018 and signed on its behalf by:

  
 Director

  
 Director

**tTech Limited**

STATEMENT OF COMPREHENSIVE INCOME  
 NINE MONTHS ENDED 30 SEPTEMBER 2018  
 (Unaudited)

Expressed in \$'000	Notes	Qtr Ended 30-Sep-18	Qtr Ended 30-Sep-17	YTD 30-Sep-18	YTD 30-Sep-17	Audited Y/E 30-Dec-17
Revenue		69,592	55,801	214,844	163,633	217,247
Cost of Sales		(13,484)	(7,263)	(53,191)	(21,310)	(28,081)
<b>Gross Profit</b>		<b>56,108</b>	<b>48,538</b>	<b>161,653</b>	<b>142,323</b>	<b>189,166</b>
Other income, gains and losses		6,750	2,312	12,210	4,335	(439)
Administrative expenses		(43,549)	(38,670)	(124,879)	(115,260)	(149,874)
Other operating expenses		(7,078)	(5,491)	(20,304)	(13,327)	(20,204)
<b>Profit before taxation</b>		<b>12,231</b>	<b>6,689</b>	<b>28,680</b>	<b>18,071</b>	<b>18,649</b>
<b>Net profit being</b>						
<b>total comprehensive income</b>		<b>12,231</b>	<b>6,689</b>	<b>28,680</b>	<b>18,071</b>	<b>18,649</b>
Net profit attributable to owners		12,231	6,689	28,680	18,071	18,649
Earnings per share	2d	<b>\$0.12</b>	<b>\$0.06</b>	<b>\$0.27</b>	<b>\$0.17</b>	<b>\$0.18</b>

**tTech Limited**

STATEMENT OF CHANGES IN EQUITY  
 NINE MONTHS ENDED 30 SEPTEMBER 2018  
 (Unaudited)

Expressed in \$'000	<u>Share Capital</u>	<u>Unappropriated Profit</u>	<u>Total</u>
Balance at 30 December 2016	51,727	112,242	163,969
Net profit being total comprehensive income		18,071	18,071
Dividends		(4,240)	(4,240)
<b>Balance at 30 September 2017</b>	<u>51,727</u>	<u>126,073</u>	<u>177,800</u>
Balance at 30 December 2017	51,727	126,651	178,378
Net profit being total comprehensive income		28,680	28,680
<b>Balance at 30 September 2018</b>	<u>51,727</u>	<u>155,331</u>	<u>207,058</u>

**tTech Limited**

COMPANY STATEMENT OF CASH FLOWS  
 NINE MONTHS ENDED 30 SEPTEMBER 2018  
 (Unaudited)

Expressed in \$'000	YTD Ended 30-Sep-18	YTD Ended 30-Sep-17	Audited 30-Dec-17
<b>SOURCES/(USES) OF CASH</b>			
Cash Flows From operating activities			
Net profit being total comprehensive income	28,680	18,071	18,649
Adjustments for:			
Bad debts provision	-	305	(48)
Depreciation	2,593	3,166	4,027
Loss on disposal of equipment	-	-	60
Interest income	(1,684)	(1,542)	(2,192)
Dividend income	(64)	(62)	(84)
Foreign exchange (gain)/loss	(5,511)	(197)	4,348
Appreciation in fair value of equity investments	(601)	(449)	(1,133)
<b>Operating cash flows before movements in working capital</b>	<b>23,413</b>	<b>19,292</b>	<b>23,627</b>
Accounts receivable	(16,170)	11,677	17,398
Other receivables	(8,016)	(1,782)	(11)
Accounts payable	26,970	1,659	(1,723)
<b>Cash provided by operating activities</b>	<b>26,197</b>	<b>30,846</b>	<b>39,291</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	(2,525)	(2,242)	(2,623)
Securities purchased	(10,699)	(1,675)	(12,378)
Investments	4,756	(38,683)	(22,841)
Dividend received	64	62	84
Interest received	1,600	1,447	2,072
<b>Cash provided/(used in) by investing activities</b>	<b>(6,803)</b>	<b>(41,091)</b>	<b>(35,686)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	-	(4,240)	(4,207)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>(4,240)</b>	<b>(4,207)</b>
Increase in cash and cash equivalents	19,393	(14,485)	(602)
Effect of exchange rate on cash and cash equivalents	5,511	1,028	(4,348)
Cash and cash equivalents at beginning of the year	99,507	104,457	104,457
<b>Net cash and cash equivalents at end of the period</b>	<b>124,411</b>	<b>91,000</b>	<b>99,507</b>
Comprised of:			
Cash and bank balances	46,230	21,627	30,579
Securities purchased	78,181	69,373	68,928
<b>Net cash and cash equivalents at end of the period</b>	<b>124,411</b>	<b>91,000</b>	<b>99,507</b>

**tTech Limited****NOTES TO THE FINANCIAL STATEMENTS****NINE MONTHS ENDED 30 SEPTEMBER 2018****(Unaudited)****1. GENERAL INFORMATION**

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

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

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

**2. ACCOUNTING POLICIES****(a) Statements of Compliance**

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

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

**(b) Tax Status**

The Company was listed on the Junior Market of the Jamaica Stock Exchange on 7 January 2016 and under the Income Tax Act (Jamaica Stock Exchange Junior Market) Remission Notice, 2010, 100% of income taxes will be remitted by the Minister of Finance during the first five years of listing on Junior Market (Phase one) of the Jamaica Stock Exchange and 50% of income taxes will be remitted by the Minister of Finance during the second five years of listing on the Junior Market (Phase two) of the Jamaica Stock Exchange.

**(c) Securities Purchased**

	<u>YTD Ended 30-Sep-18</u>	<u>YTD Ended 30-Sep-17</u>
Short term investments - with settlement dates of 90 days or less	78,181	69,373
Reverse repurchase agreements and other investments	<u>27,428</u>	<u>26,210</u>
Securities purchased	<u><u>105,609</u></u>	<u><u>95,583</u></u>

**(d) Earnings per Share**

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



**tTech Limited**

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

NINE MONTHS ENDED 30 SEPTEMBER 2018

(Unaudited)

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

## (a) Top 10 Shareholders

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

## (b) Shareholding of Directors and Connected Parties

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

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

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