tTECH LIMITED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the members of
tTECH LIMITED

Report on the Audit of 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, 2023, the statement of profit or loss and other 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, 2023, 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.

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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 Note 2c (i) [d], 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 contract 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.

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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 (g), 7, and 25, 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. 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. 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 information

Management is responsible for the other information. The other information comprises information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate with the Board of Directors.

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
February 29,2024

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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.

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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 DECEMBER 31, 2023

	Note	2023	2022
		$'000	$'000
Current assets			
Inventories	5	**3,278**	5,680
Contract assets	6	**33,370**	20,695
Trade and other receivables	7	**109,310**	91,295
Investments	8	**30,409**	29,044
Government securities purchased under resale agreements	9	**85,951**	72,791
Cash and bank balances	10	**23,770**	30,823
		286,088	250,328
Current liabilities			
Accounts payable	11	**50,357**	41,335
Contract liabilities	12	**7,479**	2,493
Lease liability (current portion)	13	**2,796**	2,283
		60,632	46,111
Net current assets		**225,456**	204,217
Non-current assets			
Deferred tax asset	14	**4,621**	2,292
Property and equipment	15	**10,313**	12,742
Intangible asset	16	**346**	596
Right-of-use asset	13	**16,238**	19,226
Investments	8	**3,400**	3,649
		34,918	38,505
Non-current liability			
Long-term lease liability	13	**20,897**	23,764
Net non-current assets		**14,021**	14,741
Total net assets		**239,477**	218,958
Shareholder's equity			
Share capital	17	**51,727**	51,727
Retained earnings		**187,750**	167,231
Total equity		**239,477**	218,958

The financial statements on pages 7 to 43, were approved for issue by the Board of Directors on February 29, 2024 and signed on its behalf by:

Edward Alexander
Chairman

Norman Chen
Chief Executive Officer

tTECH LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
		$'000	$'000
Revenue from contracts with customers	**4**	**463,483**	374,221
Direct costs	**18**	**(259,557)**	(226,226)
Gross profit		**203,926**	147,995
Administrative expenses	**18**	**(160,066)**	(144,701)
Other operating expenses	**18**	**(29,224)**	(26,676)
Other gains / (losses)	**19**	**4,302**	(1,311)
Operating profit / (loss)		**18,938**	(24,693)
Finance income		**3,530**	2,690
Finance cost		**(1,905)**	(2,090)
Profit / (Loss) before taxation		**20,563**	(24,093)
Taxation (charge) / credit	**20**	**(44)**	1,224
Net profit / (loss), being total comprehensive income / (expense) for the year		**20,519**	(22,869)
Net profit / (loss), attributable to owners		**20,519**	(22,869)
		$	$
Earnings / (Loss) per share	**21**	**0.19**	(0.22)

The accompanying notes form an integral part of the financial statements

tTECH LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2023

	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at December 31, 2021	51,727	190,100	241,827
Net loss, being total comprehensive expense for the year	-	(22,869)	(22,869)
Balance at December 31, 2022	51,727	167,231	218,958
Net profit, being total comprehensive income for the year	-	20,519	20,519
Balance at December 31, 2023	**51,727**	**187,750**	**239,477**

The accompanying notes form an integral part of the financial statements

tTECH LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	Note	2023 $'000	2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit / (Loss) after taxation		**20,519**	(22,869)
Adjustments for items not affecting cash resources:			
Allowance for expected credit losses	**18**	**14,632**	4,185
Depreciation - right-of-use asset	**13, 18**	**2,988**	3,009
Depreciation charge	**15, 18**	**6,320**	5,739
Amortization	**16, 18**	**467**	221
Dividend income	**19**	**(89)**	(87)
Foreign exchange (gain) / loss	**19**	**(2,219)**	2,448
Tax charge / (credit)	**20**	**44**	(1,224)
Depreciation in fair value of equity investments	**19**	**249**	987
Interest income		**(3,530)**	(2,690)
Interest expense - lease liability	**13**	**1,905**	2,090
Operating cash flows before movements in working capital		**41,286**	(8,191)
Decrease / (Increase) in operating assets:			
Inventories		**2,402**	(4,162)
Contract assets		**(12,675)**	5,642
Trade and other receivables		**(19,004)**	(8,736)
Increase / (Decrease) in operating liabilities:			
Accounts payable		**6,465**	1,201
Contract liabilities		**4,986**	(830)
Interest paid - lease liability		**(1,905)**	(2,090)
Cash used in operating activities		**21,555**	(17,166)
Taxation paid		**(306)**	(714)
Net cash provided by / (used in) operating activities		**21,249**	(17,880)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		**89**	87
Interest received		**3,318**	2,643
Additions to property and equipment	**15**	**(3,891)**	(5,534)
Additions to intangibles	**16**	**(217)**	(513)
Investments, net		**(14,276)**	6,699
Net cash (used in) / provided by investing activities		**(14,977)**	3,382
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability - principal portion	**13**	**(2,354)**	(1,852)
Net cash used in financing activities		**(2,354)**	(1,852)
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES		**3,918**	(16,350)
Effect of exchange rate on cash and cash equivalents		**2,189**	(2,457)
CASH AND BANK BALANCES - Beginning of the year		**103,614**	122,421
CASH AND BANK BALANCES - End of the year		**109,721**	103,614
REPRESENTED BY:			
Cash and bank balances	**10**	**23,770**	30,823
Short term investments	**9**	**85,951**	72,791
		109,721	103,614

The accompanying notes form an integral part of the 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

The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act (the "Act").

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, unless otherwise indicated.

The preparation of financial statements in conformity with IFRS and the Act requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(b) Changes in accounting standards and interpretations

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following interpretations and amendments are relevant to its operations:

- *IAS 1 'Presentation of Financial Statements - Amendment', issued February 2021*
  Effective for periods commencing on or after 1 January 2023
- *IAS 8 'Changes in Accounting Estimates and Errors - Amendment', issued February 2021*
  Effective for periods commencing on or after 1 January 2023
- *IAS 12 - 'Deferred Tax' - Amendment', issued May 2021*
  Effective for periods commencing on or after 1 January 2023
- *IFRS Practice Statement 2 'Making Materiality Judgements' - Amendment', issued February 2021*
  Effective for periods commencing on or after 1 January 2023

The following new standards, amendments and interpretations, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

- *IAS 1 ' Presentation of Financial Statements - Amendment', issued January 2022*
  Effective for periods commencing on or after 1 January 2024
- *IAS 21 'The Effects of Changes in Foreign Exchange Rates - Amendments', issued August 2023*
  Effective for periods commencing on or after 1 January 2025
- *IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information', issued June 2023*
  Effective for periods commencing on or after 1 January 2024

The Board of directors anticipate that the adoption of the standards, amendments and interpretations, which are relevant to the Company in future periods is unlikely to have any material impact on the financial statements.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with material uncertainty that have a significant effect on amounts in the financial statements or that have a significant risk of material adjustment in the next financial year are set out below:

For the purpose of these financial statements, prepared in accordance with IFRS, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the principles set out in IFRS.

(i) Critical accounting judgements in applying the Company's accounting policies

(a) Classification of financial assets:
The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

(b) Allowance for expected credit losses

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement.

(c) Depreciable assets

Estimates of the useful life and the residual value of property and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements (cont'd)

(i) Critical accounting judgements in applying the Company's accounting policies (cont'd)

(d) Revenue recognition under IFRS 15- Revenue from contracts with customers
The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligations in a bundled sale of equipment and installation services*

The Company determined that both the equipment and installation are combined and not sold separately except on rare occasions where a customer only requires either the equipment or installation services alone. The Company also determined that the promises to transfer the equipment and to provide installation are grouped within the context of the contract. The equipment and installation are inputs to a combined item in the contract.

The Company is providing a significant integration service because the presence of the equipment and installation together in this contract result in additional or combined functionality. In addition, the equipment and installation are highly interdependent or highly interrelated, because the Company would not be able to transfer the equipment if the customer declined installation.

- *Determining the timing of satisfaction of installation and maintaining equipment services*

The Company concluded that revenue for installation, maintaining the equipment and information technology system services is to be recognized 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 in real time as the service is being carried out. The Company determined that the input method is the best in measuring the 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 recognizes 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.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements (cont'd)

(i) Critical accounting judgements in applying the Company's accounting policies (cont'd)

(d) Revenue recognition under IFRS 15- Revenue from contracts with customers (cont'd)

- *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 transferred to customers. Therefore, the Company determined that it is the principal in these contracts.

(i) 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.

(ii) The Company has inventory risk before the specified equipment has been transferred to the customer.

(iii) The Company has discretion in establishing the price for the specified equipment or service.

(e) 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.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements (cont'd)

(ii) Key assumptions and other sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(a) Fair value estimation

The Company's investments and government securities purchased under resale agreement are measured at fair value in the financial statements.

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. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exist as it is the best evidence of the fair value of a financial instrument.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique are utilized.

IFRS requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

Transfer of items between levels are recognized in the period they occur.

The Company measures financial instruments (note 25) at fair value.

The fair values of financial instruments that are not traded in an active market are deemed to be determined as follows:

The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and bank balances, investments and payables.

3. MATERIAL ACCOUNTING POLICIES

(a) Property and equipment

All property and equipment held for use in the supply of services, or for administrative purposes are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Company and its cost can be reliably measured.

The cost of day-to-day servicing of property and equipment is recognized in the statement of comprehensive income as incurred.

Property and equipment are depreciated on the straight-line basis over the estimated useful lives of the assets.

The depreciation rates are as follows:

Furniture and equipment	10%
Computer equipment	33.33%

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and carried at cost less any accumulated amortization 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 amortized over their estimated useful lives (three to five years).

(c) 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 amortized cost.

The difference between the sale and repurchase considerations is recognized on an accrual basis over the period of the transaction and is included in interest income.

(d) Cash and bank balances

Cash and bank balances comprise cash and bank balances and are measured at cost.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Revenue recognition

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

- *Revenue from contracts with customers*

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.
The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2 (c) [i] (d). Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes.

- *Sale of equipment*

Revenue from sale of equipment is recognized 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 recognizes 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 recognized at a point in time, generally upon delivery of the equipment.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Revenue recognition (cont'd)

- *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 phone instruments 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.

(f) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Taxation is recognized in profit or loss, except to the extent that it relates to items recognized directly to equity, in which case it is recognized in other comprehensive income.

(i) Current income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates in effect for the reporting period, and any adjustments to income tax payable in respect of previous years.

(ii) Deferred income tax

Deferred income tax is provided for on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

Deferred tax asset amount is recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments

Financial instruments include transactions that give rise to both financial assets and financial liabilities.

Financial assets and liabilities are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss where such costs are recognized immediately in profit or loss), as appropriate, on initial recognition.

In these financial statements, financial assets comprise cash and bank balances, certificate of deposits, repurchase agreements, trade and other receivables. Financial liabilities comprise accounts payable, accruals and contract liabilities.

Financial assets

Initial recognition and measurement

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

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. 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 amortized 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.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cashflows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

Financial assets (cont'd)

Subsequent measurement

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

The Company's financial assets at amortized cost includes certificate of deposits, trade and other receivables, repurchase agreements and cash and bank balances.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) on the financial instruments measured at amortized cost. 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.

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

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

Financial liabilities

Initial recognition and subsequent measurement

The Company's financial liabilities, comprising accounts payable, accruals and contract liabilities, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

The Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(h) Foreign currencies

The financial statements are presented in 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 on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items, are included in profit or loss for the period.

(i) 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 recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(k) Related party identification

A party is related to the Company if:

(i) directly or indirectly the party:
- controls, is controlled by, or is under common control with the Company;
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company.

(ii) the party is an associate of the Company

(iii) the party is a joint venture in which the Company is a venturer;

(iv) the party is a member of the key management personnel of the Company

(v) the party is a close member of the family of an individual referred to in (i) or (iv) above

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v) above.

(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any company that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, parties, regardless of whether a price is charged.

(l) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset, or Company of operating assets, exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) This represents fees for technical services rendered and equipment sold.

(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 $251 million (2022: $220 million) were greater than 10 per cent of the Company's revenues accounting for 51% of revenue (2022: 58%)

(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 recognized from:

	2023 **$'000**	2022 $'000
Amounts included in contract liabilities at the beginning of the year	**2,493**	3,323
Performance obligations partially satisfied in previous years	**7,479**	3,930

5. INVENTORIES

	2023 $'000	2022 $'000
Equipment for resale	**3,278**	5,680

Inventory represents purchases of equipment for resale. During 2023, $41.18 million (2022: $36.65 million) was recognized as an expense in cost of sales related to inventory purchases.

6. CONTRACT ASSETS

	2023 $'000	2022 $'000
Contract assets	**35,299**	22,135
Less: Expected credit loss	**(1,929)**	(1,440)
	33,370	20,695

Contract assets represent purchases of equipment including related third-party charges and licenses based on contracts with customers, to be billed at a later date.

7. TRADE AND OTHER RECEIVABLES

	2023 $'000	2022 $'000
Trade receivables	**121,255**	92,017
Less: Allowance for expected credit losses (i)	**(27,553)**	(13,673)
Net trade receivables	**93,702**	78,344
Withholding tax	**4,710**	3,867
Prepayments	**6,114**	3,511
Other	**4,784**	5,573
	15,608	12,951
	109,310	91,295

Trade receivables are non-interest bearing and are generally on terms of 10 days. Included in receivables are debtors with the carrying amount of $50.15 million (2022: $36.18 million) which are past due but not impaired at the reporting date (Note (7) (iii).

7. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) Movement in provision for expected credit losses:

	2023 $'000	2022 $'000
Balance at the beginning of the year	**13,673**	10,778
Provision for expected credit losses	**13,880**	2,895
Balance at the end of the year	**27,553**	13,673

(ii) Ageing of impaired accounts receivable

	2023 $'000	2022 $'000
Over 365 days	**6,892**	5,051

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

	2023 $'000	2022 $'000
31-60 days	**6,309**	6,738
61-90 days	**7,737**	4,069
91-180 days	**14,278**	16,270
181-365 days	**21,830**	9,041
	50,154	36,118

8. INVESTMENTS

	2023 $'000	2022 $'000
Financial assets measured at amortized cost:		
Certificate of deposits	**30,442**	29,321
Allowance for expected credit losses	**(293)**	(320)
	30,149	29,001
Interest receivable	**260**	43
	30,409	29,044
Financial assets measured at fair value through profit and loss:		
Quoted equity securities	**3,400**	3,649

8. INVESTMENTS (CONT'D)

Movement in provision for expected credit losses:

	2023	2022
	$'000	$'000
Balance at the beginning of the year	**320**	274
Provision for expected credit losses recognized	**(27)**	46
Balance at the end of the year	**293**	320

9. GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS

	2023	2022
	$'000	$'000
Reverse repurchases agreements	**86,903**	73,520
Allowance for expected credit losses	**(952)**	(729)
	85,951	72,791

Included in the government securities purchased under resale agreements are foreign currency repurchase agreements of US$421,063 (2022: US$409,373) As at 31 December 2023, the maturity dates on reverse repurchase agreements range from 30 days to 90 days (2022: 30 days to 90 days) and interest rates range from 0.07% - 3.50% (2022: 0.07% - 3.50%).

Movement in provision for expected credit losses:

	2023	2022
	$'000	$'000
Balance at the beginning of the year	**729**	871
Provision for expected credit losses recognized	**223**	(142)
Balance at the end of the year	**952**	729

10. CASH AND BANK BALANCES

	2023	2022
	$'000	$'000
Current accounts (i)	**2,514**	2,037
Savings accounts (ii)	**18,494**	26,118
Cash in hand	**45**	20
	21,053	28,175
Restricted cash (iii)	**3,000**	3,000
Allowance for expected credit losses (iv)	**(283)**	(352)
	23,770	30,823

10. CASH AND BANK BALANCES (CONT'D)

(i) The current accounts are JMD accounts which carry an interest rate of 0.04% (2022: 0.04%) per annum.

(ii) These include foreign currency bank accounts of US$61,441 (2022:US$90,843. As at December 31, 2023, the interest rate on foreign currency bank accounts ranged from 0.01% - 0.03% (2022: 0.01% - 0.03%) per annum. Cash held in a restricted account bears an interest rate of 4.0% (2022 - 4.0%).

(iii) Cash available to be utilized by employees for the purpose of revolving loan.

(iv) Movement in provision for expected credit losses:

	2023	2022
	$'000	$'000
Balance at the beginning of the year	**352**	452
Provision for expected credit losses recognized	**(69)**	(100)
Balance at the end of the year	**283**	352

11. ACCOUNTS PAYABLE

	2023	2022
	$'000	$'000
Trade payables	**11,009**	9,020
Statutory liabilities	**7,125**	4,882
Accrued expenses	**13,276**	6,206
GCT payable	**3,342**	4,158
Credit card payable	**12,782**	14,762
Dividend payable	**205**	1,021
Other payables	**2,618**	1,286
	50,357	41,335

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 25 (a)(ii).

12. CONTRACT LIABILITIES

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

	2023	2022
	$'000	$'000
Customer advances	**7,479**	2,493

The movement in contract liabilities is shown below:

	2023	2022
	$'000	$'000
Balance at the beginning of the year	**2,493**	3,323
Additional customer advance payments	**7,559**	3,100
Amount recognized in the statement of profit or loss	**(2,573)**	(3,930)
Balance at the end of the year	**7,479**	2,493

13. RIGHT-OF-USE ASSET / LEASE LIABILITY

Right-of-use asset

	2023	2022
	$'000	$'000
At Cost:		
Balance as at 1 January and 31 December	**19,226**	22,235
Depreciation:		
Charge for the year	**2,988**	3,009
Net book value as at 31 December	**16,238**	19,226

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

Lease liability

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

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

	2023	2022
	$'000	$'000
As at 1 January	**26,047**	27,899
Interest charged for the year	**1,905**	2,090
Payments made during the year	**(4,259)**	(3,942)
As at 31 December	**23,693**	26,047
Current	**2,796**	2,283
Non-current	**20,897**	23,764
Net book value as at 31 December	**23,693**	26,047

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:

	Within 1 yr	**Within 2 yrs**	**Within 3 yrs**	**Within 4 yrs**	**Within 5 yrs**	**Within 6-10 yrs**	**Total**
31 December 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease payments	(4,749)	(5,105)	(5,488)	(5,615)	(6,036)	(2,377)	(29,370)
Interest expense	1,764	1,502	1,194	784	360	73	5,677
	(2,985)	(3,603)	(4,294)	(4,831)	(5,676)	(2,304)	(23,693)

13. RIGHT-OF-USE ASSET/LEASE LIABILITY (CONT'D)

31 December 2022	Within 1 yr $'000	Within 2 yrs $'000	Within 3 yrs $'000	Within 4 yrs $'000	Within 5 yrs $'000	Within 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)

The following are the amounts recognized in profit or loss:

	2023 **$'000**	2022 $'000
Depreciation expense of right-of-use assets	**2,988**	3,009
Interest expense on lease liabilities	**1,905**	2,090
	4,893	5,099

14. DEFERRED TAX ASSET

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

Analysis for financial reporting purposes:

	2023 **$'000**	2022 $'000
Deferred tax asset	**4,621**	2,292

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

	Accrued vacation **$'000**	**ECL provision** **$'000**	**Lease liability/ Right of use assets** **$'000**	**Property and equipment** **$'000**	**Interest receivable** **$'000**	**Unrealized foreign exchange gain** **$'000**	**Total** **$'000**
At 1 January 2023	313	1,884	376	(525)	(6)	250	2,292
(Charged)/ credited to income for the year	129	1,752	(2)	479	(27)	(2)	2,329
At 31 December 2023	**442**	**3,636**	**374**	**(46)**	**(33)**	**248**	**4,621**

tTECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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15. PROPERTY AND EQUIPMENT

	Computer Equipment $'000	Furniture and Equipment $'000	Total $'000
At Cost			
Balance at December 31, 2020	22,581	13,275	35,856
Additions	4,662	893	5,555
Balance at December 31, 2021	27,243	14,168	41,411
Additions	4,533	1,001	5,534
Balance at December 31, 2022	31,776	15,169	46,945
Additions	3,683	208	3,891
Balance at December 31, 2023	**35,459**	**15,377**	**50,836**
Accumulated Depreciation:			
Balance at December 31, 2020	15,633	7,325	22,958
Charge for year	3,961	1,545	5,506
Balance at December 31, 2021	19,594	8,870	28,464
Charge for year	4,003	1,736	5,739
Balance at December 31, 2022	23,597	10,606	34,203
Charge for the year	4,189	2,131	6,320
Balance at December 31, 2023	**27,786**	**12,737**	**40,523**
Net Book Value			
Balance at December 31, 2023	**7,673**	**2,640**	**10,313**
Balance at December 31, 2022	8,179	4,563	12,742
Balance at December 31, 2021	7,649	5,298	12,947

16. INTANGIBLE ASSET

	Computer Software $'000
At Cost	
1 January 2022	1,252
Addition	513
31 December 2022	1,765
Addition	217
31 December 2023	**1,982**
Amortization:	
1 January 2022	948
Charge for the year	221
31 December 2022	1,169
Charge for the year	467
31 December 2023	**1,636**
Net Book Value	
Balance at December 31, 2023	**346**
Balance at December 31, 2022	596

Intangible asset represents the cost of software which is amortized over 3 years.

17. SHARE CAPITAL

	2023 $'000	2022 $'000
Authorized share capital:		
106,000,000 ordinary shares at no par value		
Issued and fully paid:		
106,000,000 ordinary shares of no par value	**51,727**	51,727

18. EXPENSES BY NATURE

Total direct, administrative and other expenses:

	2023 $'000	2022 $'000
Direct costs:		
Technical fees, services and products	**166,533**	131,489
Technical staff costs (Note 22)	**93,024**	94,737
	259,557	226,226
Administrative expenses:		
Professional services	**6,467**	3,654
Property rental and utilities	**12,564**	10,925
Non-technical staff costs, inclusive of executive directors' emoluments (Note 22)	**61,667**	69,624
Statutory contributions (Note 22)	**15,894**	16,629
Directors' fees	**1,838**	1,153
Depreciation charge on property and equipment (Note 15)	**6,320**	5,739
Amortization of intangible asset (Note 16)	**467**	221
Insurance	**7,247**	7,237
Staff expenses	**4,508**	4,301
Corporate expenses	**5,188**	3,761
Repairs and maintenance	**982**	1,400
Allowance for expected credit losses	**14,632**	4,185
Depreciation right of use asset (Note 13)	**2,988**	3,009
Consultancy fees	**5,042**	6,728
Other	**14,262**	6,135
	160,066	144,701
Other operating expenses:		
Advertising and promotion	**10,131**	9,242
Training and subscription	**9,341**	9,612
Computer and communications	**7,990**	6,123
Subsistence and staff expenses	**1,762**	1,699
	29,224	26,676
Total expense	**448,847**	397,603

19. OTHER GAINS / (LOSSES)

	2023 **$'000**	2022 $'000
Commission	**363**	479
Dividend income	**89**	87
Depreciation in value of investments quoted equity securities at FVTPL) (Note 8)	**(249)**	(987)
Foreign exchange gain / (loss)	**2,219**	(2,448)
Other	**1,880**	1,558
	4,302	(1,311)

20. TAXATION CHARGE / (CREDIT)

(a) Income tax is computed at 25% (2022: 25%) of the pre-tax profit for the year, as adjusted for taxation purposes. Deferred taxation is computed at 25% for the financial year (2022: 25%) based on the applicable income tax rate for unregulated companies with effective date from January 2016.

The taxation charge /(credit) is computed as follows:

	2023 **$'000**	2022 $'000
Income tax charge for the year	**2,373**	-
Deferred tax credit	**(2,329)**	(1,224)
Origination and reversal of temporary differences	**44**	(1,224)

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

	2023 **$'000**	**%**	2022 $'000	%
Profit / (Loss) before taxation	**20,563**		(24,093)	
Computed tax charge / (credit)	**5,141**	25%	(6,023)	25%
Taxation differences between profit for financial statements and tax reporting purposes on:				
Expenses not deducted for tax purposes	**201**	1%	193	-1%
Relief given under Junior Stock Exchange Regulation	**(2,050)**	-10%	-	0%
Net effect of other charges and allowances	**(3,248)**	-16%	4,606	-19%
Actual tax charge	**44**	0%	(1,224)	5%

Remission of income tax:

On January 7, 2016, the Company's shares were listed on the Jamaica Stock Exchange Junior Market. Consequently, the Company is entitled to full remission of income tax for the first five (5) years and fifty percent (50%) remission for the following 5 years, providing that the Company remains listed on the Jamaica Stock Exchange Junior Market during this period in order to benefit from the tax exemptions. The financial statements have been prepared on the basis that the Company will have the full benefit of the tax remissions. Subject to agreement with the Ministry of Finance and Planning, the income tax payable for which the 50% remission will be sought is $2.05 million (2022: nil).

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

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

	2023	2022
	$'000	$'000
Net profit / (loss) attributable to stockholders ($'000)	**20,519**	(22,869)
Weighted average number of ordinary stock units	**106,000,000**	106,000,000
Basic earnings / (loss) per stock unit ($)	**0.19**	(0.22)

22. STAFF COSTS

	2023	2022
	$'000	$'000
Salaries and other employee benefits:		
Non-technical staff, inclusive of directors' emoluments	**61,667**	69,624
Technical staff costs	**93,024**	94,737
Statutory contributions	**15,894**	16,629
	170,585	180,990

23. DISCLOSURE OF EXPENSES

	2023	2022
	$'000	$'000
Profit before taxation is stated after charging:		
Directors' emoluments (included in staff costs)	**17,839**	25,259
Directors' fees	**1,838**	1,153
Depreciation charge on property and equipment (Note 15)	**6,320**	5,739
Amortization of intangible asset (Note 16)	**467**	221
Depreciation right of use asset (Note 13)	**2,988**	3,009
Auditor's remuneration	**2,050**	1,864
Staff costs (Note 22)	**170,585**	180,990

24. 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:

Related party transactions:	**2023** **$'000**	2022 $'000
Key management compensation and directors' emoluments	**17,839**	25,259
Directors' fees	**1,838**	1,153
	19,677	26,412

As at 31 December 2023 and 2022, there are no related party receivable or payable. balances.

25. FINANCIAL INSTRUMENTS

(a) Financial risk management:

The Company has exposure to the following risks from its use of financial instruments:
(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

The Board of Directors, together with senior management, has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze 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 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.

	2023 **$'000**	2022 $'000
Financial assets:		
Contract assets (Note 6)	**33,370**	20,695
Trade and other receivables (Note 7)	**98,486**	83,917
Short-term investments (Note 8, 9)	**116,360**	101,835
Long-term investments (Note 8)	**3,400**	3,649
Cash and bank balances (Note 10)	**23,770**	30,823
	275,386	240,919

25. FINANCIAL INSTRUMENTS

(a) Financial risk management:

(i) Credit risk (cont'd):

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.

Trade 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 2023, amounts receivable from four (2022: four) customers that individually accounted for greater than 5% of the trade receivable balance represented 37.22%, 10.28%, 6.02%, 5.77% (2022: 49.15%, 5.55%, 5.19%, 5.03%). 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.

25. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management (cont'd):

(i) Credit risk (cont'd):

	Trade receivables Days past due						
	0-30 days Current	31-60 days	61-90 days	91-180 days	Over 181-365 days	Over 365 days	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2023							
Expected credit loss rate	2.53%	3.22%	8.28%	39.45%	57.61%	100%	
Estimated total gross carrying amount at default	63,633	6,309	7,737	14,277	21,830	6,892	120,678
Expected credit loss	1,608	203	640	5,633	12,577	6,892	27,553

	Trade receivables Days past due						
	0-30 days Current	31-60 days	61-90 days	91-180 days	Over 181-365 days	Over 365 days	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2022							
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

25. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management (cont'd):

(i) Credit risk (cont'd):

12 month Expected credit loss	**2023** Average Expected credit loss rate	**2023** Expected credit loss	2022 Average Expected credit loss rate	2022 Expected credit loss
		$'000		$'000
Financial Assets				
Cash and bank balances	1.18%	**283**	1.10%	352
Government securities purchased under resale agreements	1.10%	**952**	1.10%	729
Investments	0.96%	**293**	1.10%	320

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

Contract assets had a gross carrying amount of $36.58 million (2022: $22.14 million) with an impairment provision of $1.93 million (2022: $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.

25. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (cont'd):

(ii) Liquidity risk (cont'd):

	Average Effective Interest rate	Less than 1 Year	1-5 Years	Over 5 Years	Total
2023		**$'000**	**$'000**		**$'000**
Financial liabilities:					
Non-interesting bearing	0.00%	24,831	-	-	24,831
Interest bearing liability	7.50%	8,797	15,711	8,053	32,561

	Average Effective Interest rate	Less than 1 Year	1-5 Years	Over 5 Years	Total
2022		**$'000**	**$'000**		**$'000**
Financial liabilities:					
Non-interesting bearing	0.00%	20,059	-	-	20,059
Interest bearing liability	7.95%	17,210	18,005	7,214	42,429

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates and foreign exchange rates and will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The nature of the Company's exposures to market risks and it objectives, policies and processes for managing these risks have not changed significantly over the prior year. For each of the major components of market risks the Company has policies and procedures in place which detail how each risk is managed and monitored. The management of each of these major components of market risks and the exposure of the Company at the reporting date to each major risk are addressed below.

Currency risk

Foreign currency risk is the risk of loss arising from adverse movements in foreign exchange rates. The Company undertakes certain investment transactions denominated in currencies other than the Jamaican dollar. Exchange rate exposures are managed within approved policy parameters and maintaining a manageable balance in the types of investments. The Company's investment portfolio is exposed to foreign exchange risk primarily with respect to the United States dollar.

Derivative financial instruments are not presently used to reduce exposure to fluctuations in foreign exchange rates.

25. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management (cont'd):

(iii) Market risk (cont'd):

Credit risk (continued)

Concentration of currency risk

The table below summaries the Company's exposure to foreign exchange rate risk as at 31 December

	2023 **$'000**	2022 $'000
Bank of Jamaica foreign exchange buying rates (JM$ to US$)	**154.31**	152.05
Financial assets:		
Cash resources (Note 10)	**9,570**	13,831
Short term investments (Note 8, 9)	**64,913**	78,867
Total financial assets	**74,483**	92,698

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 with a 4% decrease (2022: 1% increase, and a 4% 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 (2022: 1% increase or 4% decrease) in the Jamaican dollar against the United States dollar exposure would result in a change of $0.74 million (2022: $0.92 million) or $2.97 million (2022: $3.70 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.

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 at current market rates. Short and long-term deposits are at fixed rates and are carried at amortized cost.

25. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management (cont’d):

(iii) Market risk (cont'd):

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 3% decrease (2022: 6% increase or 6% decrease) represents management’s best estimate of the possible change in equity prices.

If bid prices had been 6% higher and 3% lower (2022: 6% higher/lower) and all other variables were held constant, they would result in an increase/decrease in net profit as detailed below:

	2023	2022
	$'000	$'000
	6% increase/ 3% decrease	6% increase/ decrease
Quoted shares	**204/ (102)**	219/ (219)

The change in sensitivity is due to the decrease in the fair value of quoted shares an 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.

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair value of financial instruments (cont'd)

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 a 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.

	2023			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Equity securities	3,400	-	-	3,400

	2022			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Equity securities	3,649	-	-	3,649

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

(c) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders. The directors of the Company seek to maintain a strong capital base so as to maintain shareholder and creditor confidence. The Company defines capital as total shareholders' equity. There were no changes in the Company's approach to capital management during the year.