



# *Mission Statement*

To ensure the efficient management of Jamaica's radio frequency spectrum in keeping with international best practices and in the interest of social, economic and technological development.

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# *Vision Statement*

To enable sustainable growth of wireless communications, through effective regulation and customer-oriented service, which fosters social and economic benefits to Jamaica.

# Acronyms

<b>5G</b>	Fifth Generation
<b>AOA</b>	Angle of Arrival
<b>AP</b>	Assembly of Parties
<b>BoD</b>	Board of Directors
<b>CITEL</b>	Inter-American Telecommunications Commission
<b>CTU</b>	Caribbean Telecommunications Union
<b>FY</b>	Fiscal Year
<b>GMDSS</b>	Global Maritime Distress and Safety System (Certificate of Competence in Radio Telephony)
<b>GOJ</b>	Government of Jamaica
<b>IAC</b>	ITSO Advisory Committee
<b>IoT</b>	Internet of Things
<b>ITSO</b>	International Telecommunications Satellite Organization
<b>ITU</b>	International Telecommunications Union
<b>JARA</b>	Jamaica Amateur Radio Association
<b>KPI</b>	Key Performance Indicator
<b>LTE</b>	Long Term Evolution
<b>MOF</b>	Ministry of Finance and the Public Service
<b>MSET</b>	Ministry of Science, Energy and Technology
<b>RF</b>	Radio Frequency
<b>RMDFS</b>	Radio Monitoring and Direction Finding System
<b>SMA</b>	Spectrum Management Authority
<b>TDOA</b>	Time Difference of Arrival
<b>The Authority</b>	Spectrum Management Authority
<b>UN</b>	United Nations
<b>USTTI</b>	United States Telecommunications Training Institute
<b>VSAT</b>	Very Small Aperture Terminals
<b>WRC</b>	World Radiocommunication Conference
<b>WTO</b>	World Trade Organization

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# Corporate Information

## Registered Office

**Spectrum Management Authority**  
13 - 19 Harbour Street  
Kingston

## Bankers

**First Global Bank Ltd.**  
28 Barbados Avenue  
Kingston 5

**National Commercial Bank Ja. Limited**  
1-7 Knutsford Boulevard  
Kingston 5

## Auditors

**KPMG**  
6 Duke Street  
Kingston

## Company Secretary

(Acting)  
Mrs. Pamella Goulbourne  
**Spectrum Management Authority**  
13 -19 Harbour Street  
Kingston



# Corporate Profile

The Spectrum Management Authority (“**SMA**” or “**the Authority**”) is mandated by virtue of the Telecommunications Act, 2000 as the regulatory body charged with the management of the Radio Frequency Spectrum in Jamaica, on behalf of the Government and people of Jamaica.

Consistent with its Mission Statement detailed herein, SMA’s management of the spectrum entails the following:

- Managing access to the radio frequency spectrum through band planning, frequency assignment and licensing;
- Monitoring compliance with licensing agreements to protect all authorized spectrum users;
- Identifying, investigating and facilitating the resolution of cases of interference;
- Identifying and eliminating unauthorized and illegal use of the spectrum;
- Fulfilling Jamaica’s international obligations with respect to spectrum management;
- Fulfilling its statutory obligation as the advisory body to the Minister with portfolio responsibility for telecommunications, currently the **Minister of Science, Energy and Technology**, on spectrum policy and related legal and regulatory matters.

The Authority, in accordance with the Companies Act of Jamaica, was incorporated as a limited liability company on 2000 February 1 and became operational in 2001 April. Since 2009 December 21, the registered office of the company is 13 - 19 Harbour Street, Kingston, Jamaica.

The statutory obligations and the operational principles of the Authority are in accordance with, and fulfil Jamaica’s international commitments to the World Trade Organization’s (WTO) telecommunication agreement, and the policy objectives enunciated by the Government of Jamaica (GOJ) with respect to the liberalization of the telecommunications sector.

The Authority is financed through a cost-recovery mechanism, whereby licensed spectrum users are required to pay Spectrum Regulatory fees. The fee mechanism was originally established in 2003 and amended in 2017 pursuant to **the Telecommunications (Spectrum Regulatory Fees) (Amendment) Regulations, 2017**, Jamaica Gazette Supplement No. 16. The SMA also collects Spectrum Licence fees that are remitted to the GOJ's Consolidated Fund by way of Tax Administration Jamaica since 2017 April, following a reclassification of Spectrum Licence fees as tax revenue.

As aforesated, in carrying out its mandate, the Authority operates within the legislative framework as established by **the Telecommunications Act, 2000** and the **Radio and Telegraph Control Act, 1973**. Internationally, SMA is also guided by the rules and regulations of the International Telecommunications Union (ITU). ITU is the leading United Nations agency for information and communication technologies. As the global focal point for governments and the private sector, ITU's role in helping the world to communicate spans three (3) core sectors: Radiocommunication, Standardization and Development.

#### *The various categories of radio systems that are licensed by the Authority are:*

- **Terrestrial (land-based) radio systems** - including fixed services (such as networks providing data transfer services) and mobile services (such as cellular services as well as 2-way radios);
- **Satellite systems** - for large earth stations and VSATs (very small aperture terminals);
- **Maritime radio systems** - this facilitates radio communication for ships, yachts, and boats; and,
- **Aeronautical radio systems** - which facilitate communication by airplanes and air-traffic controllers.

#### *The Authority also acts in a certifying capacity in respect of the following licences:*

- **Certificate of Competence in Radio Telephony/Global Maritime Distress and Safety System (GMDSS)** - This certification authorizes the holder to carry out the radiotelephone service of any Ship Station;



- **Amateur Radio License (Ham Radio)** – This is a license that allows the use of radio frequency spectrum for purposes of non-commercial exchange of messages by the users;
- **Radio Technician Licence** – This type of licence comprises two (2) classes: “Class A” and “Class B” Licences. A licence issued under “Class A” category authorizes the licensee to install and maintain radio transmitting apparatus; and a licence issued under “Class B” category authorizes the licensee to install and maintain radio transmitting apparatus with a radio frequency power not exceeding 1,000 watts;
- **Type Approval Certificate** – This certification is issued to manufacturers of radio communication equipment after the Authority ensures that it conforms to appropriate standards and principles of product safety and will not interfere with other equipment or networks.

The SMA represents Jamaica in several telecommunications-related international fora and participates at the committee level on selected bodies as indicated:

- International Telecommunications Satellite Organization (ITSO) - the Authority has been a member since 2001 representing the Caribbean region;
- Caribbean Telecommunications Union (CTU);
- Inter-American Telecommunications Commission (CITEL);
- International Telecommunications Union (ITU).



# MESSAGE FROM Honourable Daryl W. Vaz, M.P. Minister of Science, Energy and Technology



## Engineering Jamaica's Legacy in Technology

**S**cience, Energy and Technology are critical to engineering a technologically evolved society. Thus, ours is a Ministry that is central to Jamaica's efforts to bring the Vision 2030 National Development Plan to reality. Jamaica's goal as a country is to become a digital society by the end of this decade. This endeavour brings to light critical questions about digital privacy and security; universal access to the internet; digital inclusion; and eCommerce. With these considerations, the roadmap to our digital future consists of key developmental initiatives including a national broadband network; island-wide internet access; and readily accessible technological devices.

The Spectrum Management Authority (SMA) is one of our closest partners as we embark on the National Broadband Initiative. This initiative will have an immediate and long-term positive impact on the lives and livelihoods of Jamaicans by providing support for new businesses and optimizing the delivery of public services whilst achieving universal broadband access.

The electromagnetic spectrum is a limited and vital resource for Jamaica's largest technology innovators and public service agencies. This means the SMA plays a fundamental role in the safety and security of our people by ensuring continuous and secure lines of communication while we further equip, educate, protect and serve the citizens of Jamaica. In the fiscal year 2021/22, the SMA excelled in its support of our efforts by contributing to a number of strategic initiatives. Notedly, a third (3rd) operator was issued a mobile spectrum licence, the terms of which were unprecedented, in that the operator was given a specific mandate to rollout network services, in underserved and unserved communities with specific time-frame. This is all a part of the government's thrust to ensure universal access in Jamaica and to facilitate National Outcome #11 of the Vision 2030 Jamaica National Development Plan for a 'technology-enabled society'.

In addition, the SMA was integral in developing a comprehensive spectrum pricing policy for Jamaica, a first of its kind that resulted in amendments to pricing and licensing mechanism for different service offerings, making some more affordable and less onerous, this in response to the changing environment and advancement in technology. Further, the expansion of remote monitoring capabilities across the country has also enhanced the agency's ability to ensure stable and interference-free bandwidth to our most essential public service providers.

This level of diligence, excellence and innovation is a central ingredient in the enduring legacy in technology that the Ministry is focused on creating.

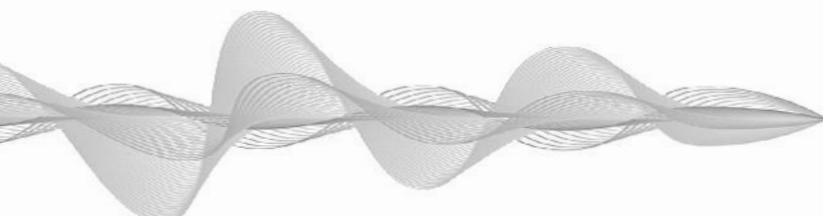
The SMA's continued efficient management of the spectrum will enable the implementation of new technologies, which will provide more productive and flexible ways to carry out tasks, thus streamlining business processes. Additionally, this supportive environment will guide, strengthen and improve the existing science, technology, innovation and business landscape for Jamaica.

Our nation has been through an unprecedented two years since the onset of the COVID-19 pandemic during which time we have seen the intensive use of technologies across all sectors, and the SMA has been the Government's arm of support throughout this period, facilitating wireless access. It is beyond doubt that wireless technologies have become the most common way to access the Internet around the world, using both licensed and unlicensed spectrum bands and through a variety of mobile devices. As such, in this connected world, collaboration with regional and international stakeholders is critical to achieving National objectives, and so, it's no surprise then that the SMA continues to be a leader in regional spectrum harmonization and maintains its representation on the ITSO (International Telecommunications Satellite Organization) Advisory Committee, (IAC).

Nevertheless, the landmark year of 2030 to which many of our growth objectives are tied, is fast approaching. This is the time when the support of forward-focused agencies like the SMA is crucial in ensuring the availability of "clean" spectrum and protecting frequencies used by critical services from harmful interference. For the foreseeable future, the SMA's mandate shall remain, the efficient management of the spectrum, in meeting the needs of its clients through continued collaboration and consultation with all its stakeholders. As Minister, I am committed to staying the course as Jamaica evolves into a fully digital society, where technology and innovation are found in the cultural definition of its people.



**Honourable Daryl W. Vaz, M.P.**  
Minister of Science, Energy and Technology.





## MESSAGE FROM THE Chairman

The Authority continues to demonstrate a strong sense of accountability and consistency to nurture an Organisational ethos premised on prudent fiscal management, focused stakeholder engagement, consumer-focused innovations, and adherence to world-class standards and best practice. As such for us, as a Board, it is important that the Authority has the built capacity to provide the level of technical advice and expertise to the Government to effectively manage the radio frequency spectrum for the expanding ICT Sector.

In another year of exceptional performance across all its core operational activities, the Spectrum Management Authority (SMA) delivered its unique range of technology-based services to clients, stakeholders in the interest and benefit of the nation at large.

In keeping with National Goal 3 - Jamaica's Economy is Prosperous, with National Outcome # 11 of the Vision 2030 Jamaica, National Development Plan for a 'technology-enabled society', and broad policy direction of the Ministry of Science, Energy and Technology (MSET), as Chairman, I am pleased to have led the SMA's Board, which proudly provided the strategic guidance and leadership required for the Authority to effectively contribute to national development. To the extent that the SMA was able to meet, and to exceed its set targets in several instances, for the 2021/22 reporting period.

In the past year, we witnessed rapid movements in the Jamaican ICT landscape, notwithstanding the vicissitudes of the COVID-19 pandemic. These developments and more, are proof positive that Jamaica is not sitting on its laurels in the race to actively embrace all aspects of a robust digital future.

In this regard, the SMA was able to facilitate the emergence of new technologies and innovations in eCommerce and Digital currencies and NextGen TV, meet the growing demand for island-wide wireless access and network upgrades, and sponsor laudable initiatives such as the empowerment of women and girls in ICTs.

The Spectrum Management Authority knows that it must be adept at playing its part in strengthening Jamaica's ICT backbone to meet the moment of these times of profound change in the world, marked by the technological innovations of the 4th Industrial Revolution.

The *Industrial Internet of Things, Digitization, the Cloud, Big Data Analytics and the Rise of Artificial Intelligence*, are compelling us to think differently about how we harness and deploy these technological marvels of our modern world to effectively serve our stakeholders.

Mindful that we must build key partnerships and global connections to operate at the cutting edge of the digital divide, we forged some unprecedented international collaborations last year, which enabled us to refine and submit new recommendations to Jamaica's Mobile Spectrum Holdings Policy that would improve distribution equity across Jamaica's telecommunications industry. Close consultations with the Office of Utilities Regulation (OUR), the Fair Trading Commission (FTC) and the International Telecommunications Union (ITU), were invaluable in the design and submission of this Policy to MSET.

We are also proud of the thought leadership we shared at several international meetings and discourses on AI, Robotics and NextGen TV, as well as our ongoing work with the Caribbean Telecommunications Union (CTU) to promote regional harmonisation of spectrum management principles and practices.

Our renewed vision: "To enable sustainable growth of wireless communications, through effective regulation and customer-oriented service, which fosters social and economic benefits to Jamaica.", speaks to a recognition of our understanding of the decisive leadership role we must play in achieving that all-encompassing goal of a functional, technology-enabled society.

The Board is grateful for the partnership and support of all its partners and stakeholders, and we commit to doing our best to live up to ideals of this vision in the coming year and beyond.



**Edward Gabbidon, MBA**  
**Chairman, Board of Directors**  
**Spectrum Management Authority**



## MESSAGE FROM THE Managing Director

**A**s we embark on this review of our 2021/22 Fiscal Year (FY), our team's mood is celebratory and appropriately hopeful. Inspired by consistently exceeding performance targets and a renewed dedication to the technological advancement of Jamaica, our team, its leadership and the Ministry of Science, Energy and Technology (MSET) deserve hearty congratulations.

In addition to a number of core developmental initiatives, we are pleased to report widespread retention of key stakeholder relationships, an upswing in the renewal of spectrum licenses, and prudent expenditures that fell below projected costs. We balanced all this with our continued participation in regional and international collaborations towards greater harmonisation in spectrum management - principles and band planning in particular - and larger technological development for Jamaica. The successes of this year can be attributed to practical leadership and clear vision outlined by the MSET, steadfast momentum of our team leaders with attention to the personal needs of the organisation, its stakeholders and the eventual end-users; the Jamaican people.

The result of this expertly tended combination of strategy and synergy has allowed us to outperform and raise the standard of the organisation's core operational activities; licensing - new and renewal - interference management and financial management have seen a significant growth compared to the previous period. In relation to new applications, the SMA experienced a performance of 88% for applications granted within the standard processing time, which was above the established KPI of 80%. The licensing secretariat granted three hundred and sixteen (316) licences for the FY.

This represents a total increase of 101 licences or 46.98% compared to last year's corresponding period. Additionally, the actual revenue booked by the SMA continues to surpass both the established KPI and the targeted amount with a total income of \$646.40 million, above the KPI of \$495.90 million and above the budget target of \$619.87 million.

### **Capacity Building**

Critical to the effective operations of the SMA as a regulator within the Information and Communication Technology (ICT) industry is human and physical capacity. As such, during the fiscal year, the SMA continued to use training, human resource management, participation in seminars and conferences and empowerment through education as the key strategies to build and enhance human capacity. This is to ensure that the organisation's relevant knowledge and skill sets satisfy our mandate's requirements. Further, many health and wellness activities emphasising physical fitness, creativity, team spirit and camaraderie were provided to staff. The stellar performance of our core operational teams is reflected in our overall success, which is a product of our attention to team spirit and cohesion. From our leadership perspective, the formula is simple. A happy and healthy team is a successful team, and we recommit to increasing our efforts in the new fiscal year.

Additionally, in relation to our physical capacity, the remote monitoring systems were expanded and upgraded across the country, enabling greater efficiencies to offer a "clean", uninterrupted, and secure spectrum to our stakeholders, which plays a fundamental role in the provision of public services for individuals, communities and organisations across Jamaica. The Authority's work in developing a fully digitised e-Licensing system has also progressed. This will streamline all internal workflows, ensuring faster processing times and better management of renewals and collections.

### ***Pioneers of a Digital Legacy***

We are the stewards of a highly valued resource that is both critical to our nation's safety and security and of tremendous business-generating capacity for some of Jamaica's largest ICT industry leaders. Now, while the global community prepares for a new era of enhanced wireless communication and digitisation of public services, a reliable electromagnetic spectrum is more necessary to our country's development than ever. This is why the SMA is not only critical to Jamaica's Vision 2030 Agenda but perfectly poised for continued success and innovation as we amplify our contribution to the nation's digital future.

As we ready ourselves for the forthcoming opportunities of this decade, the Spectrum Management Authority is guided by a forward-focused Ministry. We are inspired by our driven and intrepid team, supported by the purposeful leadership of our Board of Directors and empowered by the potential of the investments we've made in Jamaica's future technological legacy.



**Dr Maria Myers-Hamilton, EdD**  
**Managing Director**  
**Spectrum Management Authority**

# Board of Directors



**From left to right:** Dr. Marcia Forbes; Mr. Robert Richards; Mrs. Camille Facey; (Vice Chairman); Dr. Louis-Ray Harris; Mrs. Kaydian Smith Newton;



Mr. Rakesh Goswami; Mr. Edward Gabbidon (Chairman); Mr. Stephen Steele; Mr. Heidi Hanna; Mr. Delroy Thompson; Mrs. Marsha Haughton; Mr. Merrick Marshall.

Figure 1 – Mobile Monitoring Site



## ROLE OF THE BOARD OF DIRECTORS

In accordance with the Public Bodies Management & Accountability (PBMA) Act, 2001, the Board of Directors (BOD) is collectively responsible for providing oversight and strategic management, while serving as the focal point for Corporate Governance and being accountable to the responsible Minister and Shareholder, the Accountant General's Department. Additionally, the BOD is responsible for ensuring that the organization is appropriately stewarding the resources entrusted to it and following all legal and ethical standards. The SMA's BOD began the fiscal year with a total of twelve (12) directors including its chairman, Mr. Edward Gabbidon. During the period under review, in an effort to achieve business success and to maintain good corporate governance, the BOD met regularly to review the significant developments affecting the SMA and make the relevant decision requiring Board approval.

***The members of the Board of Directors and an indication of their expertise are as follows:***

### **Board Chairman - Edward Gabbidon**

Mr. Edward Gabbidon is the Chairman of the Board of Directors of the Spectrum Management Authority and the HEART Trust/NTA. He is also the Chief Executive Officer of SynCon Technologies Limited, an IT consulting firm specializing in ICT infrastructure and development.



In addition to his strategic leadership of the HEART Trust/NTA, which was merged with the Jamaica Foundation for Lifelong Learning, National Youth Service and Apprenticeship Board, he sits as a member of the Board of Directors of The Port Authority of Jamaica. He also served as Board Member of the Jamaica Digiport International Limited from 2009 September to 2014 March and as Council Member of the Private Sector Organization of Jamaica from 2009 January to 2014 March.

In a career spanning the banking and communications services sectors, Mr. Gabbidon served in senior executive positions at LIME and RBTT Bank Jamaica Limited. A proud graduate of Kingston College, he holds a professional designation in Project Management Practices and Principles from the University of New Orleans and an MBA from the University of the West Indies, Mona. A multifaceted professional, Edward Gabbidon is a certified commercial pilot and a member of the United States Federal Aviation Administration.

### **Vice Chairman - Camille Facey**

In addition to her stint as Vice Chairman of the Board of Directors of the Spectrum Management Authority, Mrs. Camille Facey is the Managing Partner at the law firm FACEYLAW, where she specializes in company and commercial law, corporate governance, telecommunications, conveyancing, trusts and estates. Prior to FACEYLAW, Camille spent ten years at Cable & Wireless (C&W), initially as a Senior Vice President and later as Regional Vice President with responsibility for Legal, Regulatory & Public Policy in Jamaica and the Northern Caribbean. Before C&W she spent eighteen years in publicly traded companies in the financial sector, holding positions such as Senior Vice President, General Counsel and Corporate Secretary at the financial institution better known today as Sagicor Bank Jamaica. Camille currently chairs the Corporate Governance Committees of the Spectrum Management Authority and the National Solid Waste Management Authority (NSWMA) and serves as a Director on the boards of the Jamaica Chamber of Commerce and the Caribbean Corporate Governance Institute. She also chairs the Corporate Governance Committee of the PSOJ and is the lead facilitator for the Jamaica Stock Exchange e-Campus Director's Strategic Guide to Corporate Governance Executive Leadership course as well as being a member of the Commercial Law Committee of the Jamaica Bar Association.





### **Director - Delroy Thompson**

Mr. Delroy Thompson is an Electronics Engineering Technician, with over 44 years of experience in television and general electronics, which includes but is not limited to communications, television production, events technical direction and designing of live streaming audio-visual systems. Mr. Thompson was the Technical Director for Reggae Month 2019 (Gospel Concert, Dennis Brown Concert & Gold Awards), Jamaica Independence GALA Celebrations from 2012 to 2018. Mr. Thompson also headed the live streaming and videography of Camperdown's Classic Track Meet, In-Sports Primary School and Athletics Championship, Jamaica Senior Cup Cricket Finals in 2016 and 2017, the Pan American Federation CAC Hockey Finals, Boys and Girls Champs in 2013 and the Research and Development for Stream VU in North Carolina, USA.

Mr. Thompson is a member of the Boards of Directors of the Spectrum Management Authority, the African Caribbean Institute of Jamaica and the Cinematography Authority.



### **Director - Kaydian Smith Newton**

Kaydian A. Smith-Newton has been a practising Attorney-at-Law since 2004. A Thomas Buergenthal Scholar, she holds a Master's Degree in Intellectual Property Law.

In 2009, Mrs. Smith-Newton re-entered the public service as the first Legislative Counsel at the Houses of Parliament; a position she held for three (3) years. Presently, she is the Principal Director of Information and Communications Technology in the Ministry of Science, Energy and Technology.

## Director - **Marcia Forbes, C.D, Ph.D.**

Dr Marcia Forbes, a media veteran and author of two research-based media books, is a co-founder, co-owner and the Executive Chairperson of Phase Three Production Limited, a 38-year-old company that stands as one of the leading multi-media television production entities in the Anglophone Caribbean. Committed to giving back to Jamaica and the wider region, Forbes, a Fulbright Scholar, does this not only through her company which provides internships for university students but also in her capacity as an Adjunct Senior Lecturer at the University of the West Indies, Mona, where she mentors students and donates scholarships to facilitate their education.

Marcia Forbes spearheaded the creation of Television Jamaica (TVJ) out of the former Government-owned JBC TV and led TVJ's growth and development into Jamaica's number 1 television station. She served as Vice President of the Caribbean Broadcasting Union and on the Executive Committee of the Commonwealth Broadcasting Association. She was also Chairperson of the Communications Committee of UNESCO and Jamaica's representative to the International Programme for the Development of Communication (IPDC).

Dr Forbes was the first woman Chairperson of the United Way of Jamaica, a global volunteer organization she served for over twenty years. In 2017 the Government of Jamaica acknowledged her outstanding work in broadcasting and volunteerism when it awarded Dr Forbes an Order of Distinction, Commander Class. Marcia Forbes is a Justice of the Peace, a member of the US Embassy's Social Media Committee, the InterAmerican Development Bank, Jamaica's ConSoc, and the International Women's Forum. She currently serves on the Board of Directors of Nationwide News Network and the Spectrum Management Authority.

## Director - **Marsha Haughton**

Mrs. Marsha Haughton is a Director with responsibility for Financial Planning and Analysis - SC, at J. Wray & Nephew Limited. Her work includes budgeting, forecasting and analytical processes that support the company's financial health and business strategy. She performs in-depth analysis of both operational and financial data to help align business processes and strategies with financial goals, and to evaluate progress toward those goals.

A Chartered Certified Accountant armed with over 16 years of experience in auditing and manufacturing/distribution, Marsha excels at efficiency, leadership and team management after gaining experience as a Senior Manager in the Assurance department at PricewaterhouseCoopers, where she was able to work with clients' management teams to identify internal control weaknesses and provide recommendations on risk identification, mitigation and management.

Marsha's clients included a wide cross-section of top tier companies, such as companies listed on the Jamaica Stock Exchange, manufacturing/distribution entities, companies regulated by the Financial Services Commission, various government entities, affiliates of multinational corporations as well as small and medium-sized enterprises. She currently chairs the Finance and Procurement Committee of the Spectrum Management Authority and has been sitting on the board of the Hope Outreach Center since 2010 as an instrumental team member in the formation and initial funding of the August Town-based educational institute which provides CSEC examination and GSAT (now PEP) preparation.





## Director - Dr. Louis-Ray Harris

Dr. Louis-Ray O. Harris is a lecturer in the Department of Physics in the Faculty of Science and Technology at the University of the West Indies (UWI), Mona. Dr. Harris' general areas of academic specialization include wireless communications, electromagnetic compatibility, health effects of wireless devices, satellite communication, electronics and the Internet of Things (IoT). Prior to his role as a lecturer at the University of the West Indies, Dr. Harris served as a lecturer in the School of Engineering at The University of Technology, Jamaica from 2002 to 2004, and again from 2010 to 2014, and as a Postdoctoral Researcher at the Institut d'Électronique et de Télécommunications de Rennes (IETR), France from 2009 to 2010.

Professionally, Dr. Harris has served on different academic and non-academic committees in varying capacities. He is a Senior Member of the Institute of Electrical and Electronics Engineers (IEEE) and has developed and reviewed training modules for the International Telecommunication Union (ITU). He has authored and co-authored many research and scholarly papers which have been published in journals, conference proceedings, and by the ITU. He has also made special presentations that pertain to issues impacting the field of wireless communications. In 2015, Dr. Harris received the UWI Principal's New Initiative Grant to acquire equipment to model the health effects of wireless devices on humans in different environments.

In 2004, Dr. Harris was a recipient of the Government of Japan Monbukagakusho (MEXT) Scholarship for postgraduate study in Japan, where he received his PhD in wireless communications from Hokkaido University. Prior to that, he received a Master of Science in Space Communications Engineering with Distinction awarded at Lancaster University in England, and a Bachelor of Science in Electrical and Computer Engineering from The University of the West Indies, St. Augustine.

## Director - Merrick Marshall

Mr. Merrick Marshall is a Chartered Accountant serving as the Senior Commercial & Support Finance Analyst at Desnoes & Geddes Ltd (Red Stripe, a part of the HEINEKEN Company). Prior to Mr. Marshall's current position as the Senior Commercial & Support Finance Analyst, he previously held the positions of Senior Business Analyst of Performance Reporting from 2018 to 2019, Reporting Analyst at Desnoes & Geddes Ltd from 2016 to 2018 and the Senior Accounting Supervisor at Honey Bun (1982) Ltd in 2016. Mr. Marshall holds a Bachelor of Science in Management Studies (Accounting) from the University of the West Indies, Mona (2012) and is a certified Strategic Professional, awarded by the Association of Chartered Certified Accountants (ACCA). Mr. Marshall also holds a Certificate of Achievement in Forensic Accounting from the Institute of Chartered Accountants of Jamaica (ICAJ), White Belt Continuous Process Improvement Lean on the Web Training, Advanced Diploma in Accounting and Business from the Association of Chartered Certified Accountants (ACCA) and a Microsoft Excel Advanced Workshop Certificate from the HEART Trust/NTA.

Mr. Marshall's education and experience along with his achievements throughout the pursuit of this career path provided a well-rounded background and enabled the development of an analytical/logical approach toward tasks. Mr. Marshall boasts many skills in the fields of Communication, Performance Management, Project Management, Granular Discretionary Analysis, QuickBooks, Navision & SAP.

## Director - Rakesh Goswami

Mr. Goswami holds a Bachelor of Arts with Honours in Economics, First Division, from Delhi University in India, and holds the FCA designation from the Institute of Chartered Accountants in England and Wales (ICAEW). Mr. Rakesh Goswami is a corporate executive with over thirty years of leadership, strategic and financial management, and operational management experience and has a track record of developing effective leaders and teams. He has lived and worked in multiple countries including India, Jamaica, Trinidad & Tobago, the UK and USA. Mr. Goswami is currently an executive of the JN Group of Companies and also the Managing Director of the MCS Group. In that role, he has the responsibility to lead the five non-financial, non-regulated companies of the Jamaica National Group.

Prior to his current role, he was the Executive Vice President/General Manager of Strategic Alliances, Enterprise & Tobago Operations at Telecommunications Services of Trinidad & Tobago. He worked with Pannell Kerr Foster, London and also PricewaterhouseCoopers, Jamaica in Audit and Corporate Finance roles respectively. He has served as the Chief Financial Officer/General Manager of Finance for J. Wray & Nephew Limited as well as for Cable and Wireless (Jamaica) Limited. Mr. Goswami also served as the Chief Executive Officer of R&R Resorts in Atlanta, Georgia – a company that owned and managed health and wellness resorts across multiple countries including Costa Rica, Mexico and the USA.

Mr. Goswami currently sits on the boards of the Spectrum Management Authority where he is the Chair of the Audit Committee, The Creative Unit Limited, Total Credit Services Limited, J.N. Properties Limited, Jamaica Automobile Association Limited and MC Systems Limited. He was also a Vice President of the Trinidad & Tobago Chamber of Commerce and Industry for several years and has lectured in Financial Statements Analysis for MSc International Finance students at the Arthur Lok Jack Graduate School of Business, Trinidad.

## Director - Robert Richards

Mr. Robert Richards is a fully certified Netware Engineer and the CEO of LAN Integrators Limited, a computer equipment sales and service-based firm established in 1993. Prior to this, Mr. Richards was employed by various companies, fulfilling the roles of Senior Engineer before moving on to managerial positions, in which he was charged with the responsibilities of establishing engineering departments. Mr. Richard is known for his work with various Caribbean islands, namely, Grenada, Trinidad, Barbados and St. Vincent, where his focus was on customer satisfaction and respectable performance.

Some of Mr. Richards' most notable achievements include the structuring of the Engineering Department at Computer Business Systems Limited to be the leading IT Engineering Department in Jamaica from 1985-1994; being the first Jamaican IT engineer to publish multiple papers in LAN Times Magazine in California, USA, and implementing the first fully computerized retail system in the Eastern Caribbean.





## Director - Heidi Hanna

Ms. Heidi B. Hanna is an accomplished Human Resources Executive with over 25 years of proven experience in talent and leadership development, policy and procedure administration, retention approaches, carrier negotiations, benefit design, employee relations, Human Resource Information System (HRIS) implementation, operations management and shared service design and delivery.

Ms. Hanna is the HR Executive Director/Founder of HR 360 based in Kingston, Jamaica, providing HR consulting services to a variety of business sectors. Ms. Hanna also serves as an HR freelance consultant at Great People Solutions.

Ms. Hanna was the Director of Human Resource Services at the Jamaica Public Service Company from 2013 March to 2014 January. Prior to this, Ms. Hanna served as the Head of HR Shared Services at LIME from 2010 November to 2013 March. Ms. Hanna also served in various areas of leadership in Miami, Florida as the Director of Human Resource Business Partner at ADP Small Business Services from 2008 to 2010, the Director of Benefits Services, Client Acceptance at ADP TotalSource from 2005 to 2008 before which Ms. Hanna operated as the Manager of Benefits Services, Carrier Relations from 2002 to 2005. From 1998 to 2002, Ms. Hanna held several roles in the Canadian consulting firm Morneau Shepell (formerly Morneau Sobeco), in HR Administrative Solutions/Outsourcing.

Ms. Hanna holds a Bachelor of Arts Degree in Economics/Industrial Relations (Honours) from the University of Toronto, and a Master of Business Administration from the Nova Southeastern University in Miami, Florida. Ms. Hanna also holds a Professional Human Resource Certification from Florida International University along with various certifications in Coaching, Employee Benefits, Health Care Plan Designs and Fundamentals of Management. Ms. Hanna is professionally affiliated with the Society for Human Resource Management (SHRM), the International Foundation of Employee Benefits Plan (IFEBP) and the Sigma Beta Delta Business Honor Society. Ms. Hanna sits on the Board of the Spectrum Management Authority.



## Director - Stephen Steele

Mr. Stephen Steele is a Shareholder, Director & Chairman of National Outdoor Advertising Limited and iPrint Digital Limited where he provides leadership to the firms' officers and executives. Prior to Mr. Steele's current positions, he previously held the title of Owner and Managing Director of Marreal Traders from 1990 to 2000.

Mr. Steele studied at the University of the West Indies, Jamaica, where he graduated in 2008 with a major in Political Science and a minor in Criminology. Mr. Steele's education and experience along with his groundbreaking achievements entrepreneurship have provided a well-rounded background and enabled the development of a creative yet structured approach towards tasks. Mr. Steele has several years of experience in various work fields that compliments the partnerships he has forged locally and internationally.

Mr. Steele served as a board member for the Transport Centre in the early 2000's and as Vice President for Tennis Jamaica from 2010 to 2014. Presently, Mr. Steele sits on the Board of the Spectrum Management Authority.

# Board of Directors' Committees

2021 April 1 - 2022 March 31

## ROLE OF THE BOARD'S COMMITTEES

The composition of the Board ensures that no individual or small group can unduly dominate the decision-making process. The members of the Board are distributed across four (4) committees that are guided by their respective Charter of Operations. It is through these charters that the committees are able to monitor the Authority's internal controls, to ensure that best practices and procedures are maintained to safeguard the shareholder's interests and the SMA's assets. These committees have been carefully selected based on the skills, experience, independence and knowledge of the members in order to derive efficiency from the cadre of professionals on the Board. The responsibilities and roles of these four (4) committees of the Board along with an indication of the members who served in various respects during the fiscal year were as follows:

### Technical Operations Committee

2021 April 1 - 2022 March 31

The Technical Operations Committee provides oversight and support to the Management Team of the Spectrum Management Authority on the technical, regulatory and policy aspects of the Authority's operations. The committee also ensures that the technical operations of the Authority are in keeping with international best practices for spectrum management and satisfy the local demand for spectrum use. The members of the Committee are:

- **Robert Richards (Chairman)**
- **Edward Gabbidon**
- **Delroy Thompson**
- **Louis-Ray Harris**
- **Merrick Marshall**
- **Kaydian Smith Newton**

The Committee is a standing committee of the Board and as such meetings are usually held bi-monthly, on the second Wednesday of each month at the offices of the Spectrum Management Authority, located at 13 – 19 Harbour Street, Kingston. However, given the Orders established under the Disaster Risk Management Act ("DRMA") as a result of the Covid-19 Pandemic, meetings were held virtually. Following each meeting, the Committee submits a report to the Board on the Committee's activities, findings and related recommendations. The Committee met once during the period under review and the following were key highlights arising from that meeting:

#### ***National Broadband Initiative Project***

The Government was in the process of building out its own fibre optic network around the island with a microwave overlay, with the intent to improve connectivity across the Government and provide network redundancy for the Government's information technology infrastructure.

The fully integrated national microwave and fibre optic network infrastructure was being implemented under the Ministry of Science, Energy and Technology's (MSET) 100-Day Information and Communications Technology Action Plan which is designed to expand the GovNet Multi-Protocol Labour Switching backbone islandwide, and was being jointly implemented by the National Works Agency (NWA) and eGov Jamaica Limited (e-Gov).

The SMA made a contribution which would be used to buy equipment to sit on the network and the SMA's equipment would then be integrated with the main backbone and attached to the fibre network.

### ***SMA's Office Expansion: Montego Bay***

The SMA, in keeping with its mandate to monitor the use of licensed and unlicensed spectrum, has been working to enhance its presence in western Jamaica in a bid to increase its ability to detect and respond to reported spectrum interference and unauthorized use in a more effective manner. In order to effectively serve that region, an office was located in Montego Bay which:

- minimized the travel hours of the engineers
- ensured that the environment is properly managed given the increasing number of users in the radio frequency space coupled with the commercial importance of the western parishes of Jamaica, and
- ensured the timely response of the engineers to the spectrum management issues as they arose.

### ***Spectrum Screen Consultation***

The spectrum screen is an objective assessment of mobile applications, based on predetermined criteria with a view of treating with requests above 120 MHz aggregate spectrum holdings in prescribed bands. In collaboration with the Fair Trading Commission and the Office of Utilities Regulation, the SMA conducted consultations on a proposed Spectrum Screen ('Screen') during 2021 July 9 – September 7. The consultation was a continuation of the SMA's review process for the Aggregate Spectrum Cap Policy ('Cap') that was initiated based on the terms of the policy. The initial review of the Cap recommended the removal of the spectrum cap and to instead utilize a Screen.

Notice of the consultation was placed on the SMA's website, print media as well as via email to SMA's mobile customers. The review was conducted based on the need to attract new players to the ICT sector and the fair, efficient and effective management of the spectrum.

### ***e-Licensing Project***

A new e-Licensing software is replacing the current ASMS system used by the Authority. The objective of the project was to implement a licensing system that is designed based on international best practices for spectrum management regulators, is accessible online to the licensees/customers of the Authority and improves key performance indicators. Achievements as at the end of this fiscal year include:

- compliance with the requirements of the Public Investment Appraisal Branch (formerly the Public Investment Management Secretariat);
- completion of the procurement process;
- contract sign-off with selected vendor;
- project kick-off meeting with vendors, and
- commencement of system implementation/customization.

The implementation encompasses an agile project management approach, data clean-up, running system in parallel and a local implementation/support team.

### ***Radio Monitoring and Direction Finding Systems (RMDFS) Expansion Projects***

The RMDFS Expansion project is aimed at providing increased capabilities for spectrum interference analysis in the urban metropolitan areas of St. James, Trelawny, Hanover and Manchester. This will also allow for a wider coverage area for detecting modern signals and will instantaneously capture a higher range of spectrum bandwidth, detect weak signals in crowded radio frequency environments and provide precision signal geo-location. Achievements as at end of the 2021/22 FY include:

- completing the procurement process,
- purchasing equipment,
- signing contracts for Montego Bay, Trelawny and Portland sites,
- upgrading the Manchester site.

The Committee will continue to recommend strategies and best practices to the management team.



**Robert Richards**  
Chairman – Technical Operations Committee

# Corporate Governance & Human Resources Committee

2021 April 1 - 2022 March 31

The Corporate Governance and Human Resources Committee of the Spectrum Management Authority (the Authority) was established to provide a stronger focus on ensuring that the Board's composition, structure, policies and procedures are in keeping with the Public Bodies Management and Accountability Act (PBMA Act), the Financial Administration & Audit Act, the Authority's Memorandum and Articles of Association, the Corporate Governance Framework for Public Bodies and other applicable laws, regulations and government guidelines.

The Committee also makes recommendations for the establishment and subsequent review of appropriate human resources policies and procedures. The Committee, in achieving its human resources obligations, ensures that the Authority is able to attract and retain a professional, motivated and competent senior management team. In addition, the Committee has the responsibility to review and report to the board on the succession planning process for the Managing Director and other key senior officers. The members of the Committee are:

- **Camille Facey (Chairman)**
- **Kaydian Smith Newton**
- **Marcia Forbes**
- **Heidi Hanna**
- **Rakesh Goswami**

The Committee is a standing committee of the Board. As a consequence of the Covid-19 pandemic and the Orders established under the Disaster Risk Management Act, the meetings were held virtually and the Committee met three (3) times during the year under review. After each meeting, the Committee submitted a report to the Board on its activities, findings, and related recommendations. The Managing Director also provided a report to the Board at its monthly meetings. In compliance with the Corporate Governance Framework for Public Bodies, the Board of Directors has approved and put in place:

- A Board Charter, and
- Terms of Reference for all four board committees.

## Competency Profile & Board Diversity

In collaboration with the Ministry of Science, Energy and Technology (MSET), a more detailed Board Competency Profile was developed, and the current board appointments meet all the required competencies. Director profiles have been developed and placed on the company website together with the Competency Profile. Of the twelve (12) board members, five are female exceeding the stipulated requirement in the PBMA Regulations for there to be no less than 30 % of either sex. In addition to gender diversity, the Board composition also reflects professional, background and age diversity with the youngest member being under thirty in the year under review.



## ***Highlights of activities undertaken during the year are:***

### ***Corporate Governance Training***

- Director Camille Facey, on a pro bono basis, conducted Corporate Governance Training for the entire Board of Directors, the Managing Director, and the Company Secretary, where members' fiduciary duties, conflict of interest and other governance policies, guidelines and requirements were outlined.

Conflict of Interest Disclosure is a standing agenda item for Board meetings.

### ***Board Performance Evaluation Exercise***

- A board evaluation was completed in November 2019, however due to both Covid 19 and the passing of the external consultant who conducted the evaluation, the Board Performance Evaluation Report was not shared with the Board of Directors until 2021 April 16 (the reporting period). The Evaluation exercise conducted by the consultant, covered the performance of the individual directors, the Board as a whole, the Chairman, the Company Secretary and the four (4) board committees. Despite the lapse in time, the Board nonetheless took the decision to review the findings of the evaluation and found most of them to be relevant.

After discussion of the findings, a Board Performance Improvement Plan with specific actions and timelines was agreed on. These actions included *inter alia* ensuring that the annual report conforms to requirements in the Corporate Governance Framework, developing a Board training plan, reviewing the agenda and structure of board meetings, developing a succession plan for executive management, and reviewing SMA staff classifications and remuneration with the Portfolio Minister and Minister of Finance. Implementation of the recommendations is underway. The 2021/22 board evaluation exercise will be conducted in the new fiscal year.

### ***Corporate Strategic Planning Retreat***

- The Board and Management Team participated in a 2-day Corporate Strategic Planning Retreat over the period 2021 October 14 – 15, where the Authority's strategic plan and objectives were agreed upon. The Managing Director updates the Board monthly on the status of the achievement of the SMA's objectives.

### ***Annual Report***

- The Board through the Corporate Gov Committee provided guidance and oversight on the production of the Annual Report for the 2020/2021 period. The Report was enhanced to include profiles of the Board of Directors, how a conflict of interest is treated at the Board and Committee level and the competency profile outlining the various skillsets and diversity of the current Board. The Annual Report also contained an added feature, a QR Code which can be scanned to access the Authority's Animated Wall Mural. All annual reports over the years have been uploaded to the website.

## **Spectrum Management Authority (SMA) Corporate Governance Gap Analysis**

- The Board is responsible for setting the tone at the top and for inculcating the culture of the organization; this is in part driven by the policies which are put in place. The Chairman of the Corporate Governance and Human Resources Committee shared a Corporate Governance Gap Analysis which was developed and customized for the Authority, which outlined the requirements stipulated by legislation and the Corporate Governance Framework for Public Bodies and other best practice requirements. The document was reviewed by the Committee, the governance gaps were identified, and work is underway to develop all the required policies.

## **Whistleblower Policy**

- The Protected Disclosures Act requires government institutions to have a Whistleblower Policy. The Whistleblower Policy governs the reporting and investigation of suspected improper or illegal conduct and offers protection to persons who are entitled to lodge reports.
- The SMA's Whistleblower Policy has been approved by the Board of Directors and submitted to the Integrity Commission, which was appointed as the Designated Authority for the Protected Disclosures Act, 2011. The Designated Officers have been named and staff education around the policy will now commence ensuring effective implementation.

## **Board Induction and Orientation Policy**

- A Board Induction and Orientation Policy has been developed and is in the process of approval by the Board. Albeit not formally approved, directors appointed to the Authority's Board on 2020 November 16, were exposed to a formal induction and orientation process in 2021 in keeping with the existing draft policy. The induction process involved the following:
  - Introduction to members of staff;
  - Overview of the SMA's operations, strategic plan, budget and financial statements;
  - Presentation of the SMA's Handbook;
  - Demonstration of the use of the monitoring software and overview of site locations displayed on the monitoring screen;
  - Tour of the Planter's Hall monitoring site;
  - Demonstration of the daily monitoring activities using the mobile monitoring vehicle.

## **Risk Management Training**

- Recognizing the importance of risk management, members of the management team participated in an accredited risk management training exercise. A similar training exercise is now being arranged for the board, the Managing Director, the Internal Auditor and the Company Secretary.

## **Sexual Harassment Policy**

- The management team engaged the services of a consultant to review the SMA's draft Sexual Harassment (Protection and Prevention) Policy to ensure its compliance with the law and best practices. The consultant conducted training on sexual harassment protection and prevention and explained the policy to all employees as required by law.

*The session included:*

- (i) Context, definition, and the conduct and behaviour constituting sexual harassment;
- (ii) the main provisions of the Sexual Harassment (Protection and Prevention) Act, 2021, and
- (iii) SMA Sexual Harassment Policy: rights and responsibilities of management and employees.

The draft policy will be submitted to the Corporate Governance and Human Resources Committee for review and thereafter, approval by the full Board.

## **Way Forward**

The Committee has developed a 2022/23 work plan which includes the following:

- Development and implementation of the outstanding policies;
- Development of succession plan with two identified successors per critical position;
- Risk Management Training for Board members;
- Review of Board and Committee Charters;
- Development of an environmental, social and governance (ESG) policy and the appropriate training, and
- Board Performance Evaluation Exercise.



**Camille Facey**

Chairman - Corporate Governance and Human Resources Committee

# Finance & Procurement Committee

2021 April 1 – 2022 March 31

The Finance and Procurement Committee provides oversight by reviewing and resolving financial issues and ensuring that funds are properly accounted for. Additionally, this Committee has oversight of the procurement process to ensure compliance with the Public Procurement Act and its Regulation. The members of the Committee are:

- **Marsha Haughton (Chairman)**
- **Merrick Marshall**
- **Delroy Thompson**
- **Louis-Ray Harris**
- **Stephen Steele**

The Committee is a standing committee of the Board. As a consequence of the Covid-19 pandemic and the Orders established under the Disaster Risk Management Act, the meetings were held virtually, and the Committee met ten (10) times during the period under review. This included one (1) joint meeting of the Finance and Audit Committees which was to review the draft Audited Financial Statements for the year ended 2021 March 31. Following each meeting, the Committee submits a summary report to the Board on the Committee's activities, findings, and recommendations. During the period under review, the Committee undertook the following activities:

- Reviewed the SMA's draft Annual Budget for inclusion in its Corporate Plan;
- Reviewed and recommended for adoption, the SMA's management accounts to the Board;
- Ensured compliance with the financial planning and reporting requirements;
- Ensured investment activities are in keeping with the SMA's approved Investment Policy;
- Reviewed monthly procurement activities;
- Reviewed and recommended management submission for the annual incentive payment in keeping with the company's approved Performance Incentive Scheme;
- Recommended the amendment to the SMA's salary scale such that the number of salary points in each of the ten (10) grades in the scale is reduced from seven (7) to five (5);
- Reviewed and evaluated explanation of budget variances for both the recurrent operating expenditure as well as capital expenditure, and
- Reviewed the SMA's draft audited report for inclusion in its Annual Report.

Additionally, the Committee received confirmation that the SMA's:

- ✓ Statutory deductions and payments are fully compliant with the law;
- ✓ Collections of monthly processing fees and normal monthly licence and regulatory fees are effected on a timely basis;
- ✓ Monthly disbursement of funds for normal operating expenses and capital expenditures are done within budget;
- ✓ Monthly disbursements to the Tax Administration of Jamaica for normal spectrum licence fees are completed, and
- ✓ Quarterly contract award (QCA) reports to the Integrity Commission are submitted on time.

The Finance and Procurement Committee remains satisfied with the financial reporting of the SMA.



**Marsha Haughton**  
Chairman – Finance and Procurement Committee



**Figure 2** – SMA's Engineers conducting maintenance activities on the Mast Prado Monitoring Vehicle



**Figure 3** – An Aerial View of the SMA's Harbour Street Office Building (with Solar Panels)

# Audit and Risk Management Committee

2021 April 1 – 2022 March 31

The Audit and Risk Management Committee advises the Board on the adequacy, efficiency and effectiveness of the accounting and internal control structure and systems of the SMA. The committee provides oversight of the independence of the auditors auditing the Authority and *inter alia*:

- Reviews the audited financial statements and makes recommendations to the Board;
- Review the findings of the internal audits conducted on various processes of the Authority to ensure compliance with procedures, processes, laws and regulations that apply to the SMA, and
- Reviews the adequacy of risk management and advises on mechanisms for assessment and management of risk.

*The members of the Committee are:*

- **Rakesh Goswami (Chairman)**
- **Camille Facey**
- **Robert Richards**
- **Marcia Forbes**
- **Heidi Hanna**

The Committee is a standing committee of the Board. As a consequence of the Covid-19 pandemic and the Orders established under the Disaster Risk Management Act, the meetings were held virtually and the Committee met four (4) times during the year under review. This included one (1) joint meeting of the Finance and Audit Committees. After each meeting, the Committee submitted a report to the Board on its activities, findings, and related recommendations. The Committee completed the following activities:

## ***Recruitment Process for Internal Auditor***

The SMA did not have an Internal Auditor employed by the company since 2019 November despite several attempts having been made in the past to recruit same. In order to fill the post of Internal Auditor, it was agreed that the SMA would outsource the recruitment process to an external firm that provides executive selection services. As such, three quotes were obtained and based on the documents presented and research conducted by the Audit Committee members, a preferred bidder was unanimously selected in accordance with the Public Procurement Act and Regulations.

## **Internal Audit Processes & Procedures – Corporate Governance Review**

In the absence of an Internal Auditor, a Corporate Governance Review (CGR) of several different areas of the organization was conducted by an independent third party in 2020. After the appointment of the Internal Auditor in August 2021, the CGR documents were examined and it was the view of the Independent Auditor that there were either sufficient internal controls in place or that there were mitigating controls that provided adequate assurance for all areas of concern expressed in the documents.

### ***Management Letter from KPMG for year ended 2020 March 31***

SMA's External Auditor, KPMG, in their management letter, noted that Revenue Recognition was the sole area of concern. As such, suitable explanations were received regarding this matter and the management of SMA was commended for good internal controls.

### ***Review of Management Letters issued by KPMG for 2019, 2020 and 2021***

The Internal Auditor reviewed the management letter and management's responses to the issues raised to ensure that all pending actions were completed by management.

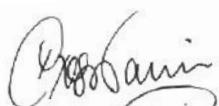
### ***Risk of Exposure***

To mitigate any risk of exposure, the Committee recommended that Management review its Joiners, Movers, and Leavers (JML) Policy, where persons leaving the organizations or consultants whose services ended would be automatically removed from the system. This will form the basis of an Internal Audit.

### ***Annual Audit Plan***

The Internal Auditor presented the audit plan for the Financial Year 2022/2023 to the Committee for its review and it was approved by the Committee. The plan summarizes the priority areas to be audited, the types of audits, scope and the relevant risks associated with each area. The plan also incorporated views and inputs of Senior Managers in the following areas;

- Maintenance Management (planned/unplanned);
- Capital Expenditure, Contracts for Works, Procurement;
- Revenue & Collections (Revenues collected, Billing, Receivables, Deferred Income);
- Human Resource Management (Recruitment, JML, Training, Succession Planning, Remuneration), and
- Governance/Risk Management.



**Rakesh Goswami**  
Chairman – Audit and Risk Management Committee



# Conflict of Interest

The Board and its committees are cognizant of the fact that conflicts of interest affect ethics by distorting decision-making and generating consequences that can undermine the credibility of the Board and its corporate governance systems. In keeping with international best practices, the Charter of Operations for the Board, as well as the charters for the four (4) board committees, outline the manner in which members of the Board and its Committees should handle conflicts of interest.

A director has a duty to avoid as far as possible, activities that could create conflicts of interest or the appearance of conflicts of interest, and must disclose to the Board, any matter that may result, or has already resulted, in a conflict of interest. Where a conflict of interest arises, directors have a responsibility to declare their interest and remove themselves from the relevant board or committee meetings without deliberating or voting on the proposal or transaction. The committee members understand their duty of care to the Authority and its stakeholders and continue to exercise their fiduciary responsibilities with transparency and integrity.

Commencing with this year's audit of the 2021-2022 accounting period, SMA's auditors, KPMG, now require that each Board member and each member of SMA's senior executive/key management complete and sign a related party disclosure form, which has been fully complied with. The names of all such personnel are stated per the compensation disclosure for all Board of Directors and Senior Executive/Key Management on page 54.



Figure 4 - Engineers testing monitoring equipment

# Records of Attendance

2021 APRIL 1 TO 2022 MARCH 31

For the 2021/22 fiscal year, the SMA scheduled eleven (11) meetings of the Board of Directors. Additionally, meetings with regards to four (4) Committees of the Board were also held. A summary of the attendance of Directors at meetings of the Board and its Committees for the FY is outlined in the table below:

Table 1 - Records of Attendance

	BOARD	AUDIT	FINANCE & PROCUREMENT	CORPORATE GOVERNANCE	TECHNICAL OPERATIONS	JOINT FINANCE AND AUDIT	TRAINING	STRATEGIC RETREAT
	11 <sup>1,2</sup> MEETINGS	3 MEETINGS	9 MEETINGS	3 MEETINGS	1 MEETING	1 MEETING	1 <sup>3</sup>	2 <sup>4</sup>
Camille Facey	10	1	-	3	-	1	1	2
Marcia Forbes	7	2	-	2	-	1	1	2
Edward Gabbidon	10	-	-	-	1	-	1	2
Rakesh Goswami	8	3	-	3	-	1	1	2
Heidi Hanna	6	2	-	3	-	1	1	-
Louis-Ray Harris	10	-	8	-	1	-	1	2
Marsha Haughton	9	-	9	-	-	1	1	1
Merrick Marshall	7	-	8	-	1		1	2
Maria Myers-Hamilton <sup>5</sup>	11	-	8	3	1	1	1	2
Robert Richards	9	3	-	-	1	1	1	2
Kaydian Smith Newton	9	-	-	3	1	-	1	1
Stephen Steele	8	-	9	-	-	-	1	-
Delroy Thompson	10	-	9	-	1	-	1	2

<sup>1</sup> An Extraordinary Board of Directors' meeting was held on 2021 July 20.

<sup>2</sup> A virtual Annual General Meeting was held on 2021 April 29, however, the entity experienced internet disruption at its head office resulting in said meeting being convened with only the sole Shareholder, Board Chairman, Managing Director and Company Secretary to approve the appointment of External Auditors.

<sup>3</sup> A Training in Corporate Governance for the Board of Directors was held on 2021 April 20.

<sup>4</sup> A 2-day Corporate Strategic Planning Retreat was held over the period 2021 October 14 – 2021 October 15.

<sup>5</sup> Maria Myers-Hamilton is not a member of the Board but attends Board and Committee Meetings in her capacity as Managing Director. Therefore, she is not compensated for attendance at these meetings, however she is required to attend and provide updates accordingly. She also signs the register as an invitee to the Board and relevant committee meetings.

SPECTRUM MANAGEMENT AUTHORITY BOARD COMPETENCY MATRIX

# Profile & Diversity Matrix

<b>SPECIFIC COMPETENCY:</b> Knowledge & Expertise/Attributes												
	EG	DT	CF	MF	MH	RG	KSN	RR	LRH	MM	HH	SS
Board Experience	X	X	X	X	X	X	X	X	X		X	X
Research & Development Strategy	X	X		X				X	X			X
Telecom Infrastructure Strategy Development	X	X					X	X	X			
Frequency Planning										X		
Electrical & Electronic Engineering		X							X	X		
Telecommunications/Technology Management	X	X	X				X	X	X			
Investment Banking	X			X	X	X						X
Project Management	X	X		X		X		X			X	X
Corporate Governance	X	X	X	X	X	X	X	X				X
Human Resource Management				X	X			X			X	X
Corporate Communications	X		X	X				X			X	X
Risk Management	X			X	X	X	X					X
Financial Literacy	X		X	X	X	X		X	X	X		X
Legal			X		X		X					
Government Operations	X	X	X	X		X	X	X				X
Organizational Knowledge	X	X	X	X		X	X	X				
<b>CHARACTERISTICS:</b>												
Women			X	X	X						X	
Youth (30 OR UNDER)										X		
<b>LEGEND:</b>												
EG - Edward Gabbidon												LRH - Louis-Ray Harris
DT - Delroy Thompson												MM - Merrick Marshall
CF - Camille Facey												HH - Heidi Hanna
MF - Marcia Forbes												SS - Stephen Steele

Table 2 - Profile & Diversity Matrix

# Board of Directors' Report

The Board of Directors (the Board) of the Spectrum Management Authority (“the SMA” or “the Authority”) proudly reports on the operations of the SMA for the 2021/22 Fiscal Year (FY). The 2021/22 FY was of significance to the SMA family as the Authority reached an important milestone, having completed 21 fiscal years in operation. The current Board is pleased to be a part of this milestone, having started its tenure on 2020 November 16. The SMA has been transformed over the years, from the organization it was in April of 2001, to the organization it is today. The Authority is now more equipped to meet the present and future challenges of the digital ecosystem, through the support of its parent ministry (the Ministry of Science, Energy, and Technology – MSET) and successive Boards over the years. This Board is honoured to have been a part of the journey, making our contribution to nation-building by providing strategic and policy guidance, as the SMA positively impacted the continued development of the wireless industry in Jamaica over the years.

In particular, for the 2021/22 FY, the Authority continued its focus to efficiently manage the radio frequency spectrum in alignment with best practices and the interest of the citizenry of Jamaica. Against the need for increased connectivity, during the fiscal year, the SMA remained vigilant and pragmatic and continued to adopt best practices in regulating the wireless space, particularly as it ventured into the new frontier, enhanced by the Covid-19 pandemic.

Figure 5 - A view of the VTDI Monitoring Site



During the fiscal year, in positioning itself to respond effectively to the needs of the sector, the SMA upgraded and expanded its physical capacity at 13 – 19 Harbour Street, allowing for the facility to accommodate more personnel and more comfortably so, in light of the Covid-19 pandemic's requirements for social distancing. The SMA over the year under review, also increased its use of available technology in its operations, to increase efficiency and effectiveness. In an effort to increase and upgrade its monitoring capacity, the SMA installed new sites at Portland and Trelawny, and upgraded Manchester and St. James. These achievements go a far way in aiding the SMA to better manage the radio frequency spectrum, and in a more efficient and effective manner, eventually reducing incidents of interference. Additionally, in support of its Information Technology (IT) system, the SMA upgraded its Network Attached System (NAS) in addition to the Network Operations Center (NOC). The works completed will enhance the SMA's cyber security measures and aid in better managing its equipment and systems.

The SMA's overall performance for the fiscal year was quite commendable, meeting and or exceeding the service level agreements (SLAs), as we saw to the needs of stakeholders, and advanced closer to the strategic goal of the organization. Against this background, it is with great pleasure that the Board presents the summary and detailed corporate performance of the Authority for the 2021/22 FY.

**Table 3 - Summary of Achievements Measured Against Core Operational Targets and KPI**

	Target	Key Performance Indicator (KPI)	Actual
Income	\$619.87M	\$495.90M	\$646.40M
Spectrum licence fees collected	\$1,476.96M	\$1,181.57M	\$2,785.06M
Spectrum licence fees remitted	\$1,476.96M	\$1,476.96M	\$2,879.62M
Expenditure	\$618.40M	\$618.40M	\$612.83M
No. of licences to be renewed	536	456	462
Timely renewal of licences	100%	90% within 5 days	99.6%
Timely processing of new applications	100%	80% as per time	88%
Timely resolution of interference cases	100%	90% within standard time	100%

# Corporate Performance

Despite the period being largely affected by the Novel Coronavirus (COVID-19) pandemic, the Authority maintained its resolve towards achieving the objectives and targets set out in its 2021/22-2024/25 Corporate Strategic and Operational Plan. Since the introduction of a performance management-based system through the use of Key Performance Indicators (KPIs) in the 2008/09 fiscal year (FY), the SMA has been able to assess its level of engagement and productivity. Each year the Authority examines these KPIs within the context of similar service level agreements

(SLAs) from other jurisdictions and seeks to improve on what is offered to its clients. Further, the KPIs guide the SMA in identifying areas in which it may move by implementing new technology systems, reallocating resources and increasing capacity so that clients benefit by way of more efficient services. For the 2021/22 FY, the SMA was able to exceed the KPIs established in relation to the core operational activities of licensing (new and renewal), interference management and financial management. Further details of the SMA's performance are outlined below.

## 1 Licensing

### *New Licensing*

During the 2021/22 FY, the SMA received 338 new applications in addition to the 11 applications brought forward from the 2020/21 FY which were still in process, resulting in a total of 349 applications handled for approval. Of the 349 handled, 316 or 90.5% of applications were approved for the grant of a licence, 6 are pending approval, 20 were placed on hold, whilst 7 were cancelled. Of the 316 applications approved, 279 or 88%, were processed within their respective established processing times, which exceeded the targeted KPI of 80%. In comparison with the previous fiscal year (2020/21), the SMA handled a total of 241 new applications with 215 (or 89%) of that amount being approved for the grant of a license. Processing times range from 1 business day to 22 business days, depending on the type of licence to be processed. Licences granted during the 2021/22 fiscal year were to facilitate amateur, alien amateur, maritime, VSAT and particularly mobile communication services, among others. Marine licences (Temporary and Permanent) processed under the SMA's MOU with the Maritime Authority of Jamaica (MAJ) represented the largest share of licences approved during the financial year (78%), which have quality of service targets of 1 day and 3 days for temporary and permanent licences respectively.

Table 4 - New Licence Applications Granted by Type for last three FYs

LICENCE TYPE	GRANTED - 2019/20	GRANTED - 2020/21	GRANTED - 2021/22
Aeronautical	1	1	0
Alien Amateur	6	1	5
Amateur	6	3	10
Citizen Band	1	2	6
GMDSS	4	4	8
Private Radio (Major)	0	3	1
Private Radio (Other)	35	17	23
Marine (Temporary)	81	76	121
Marine (Permanent)	126	103	127
Marine (Non MAJ)	0	0	0
VSAT	3	5	15
<b>TOTAL</b>	<b>263</b>	<b>215</b>	<b>316</b>

### *Renewal Licensing*

The SMA renewed 462 licences for the FY, which represents a performance rate of 86.2%. This performance is marginally above the KPI of 85%. The initial target for the FY's was 486 existing licences, however there were 32 cancellations, and 82 clients requested reinstatement of their licences. This had a plus 50 net effect on the initial target of 486 bringing it to 536. Note that licences are only renewed after receipt of payment.

Table 5 - Number of Licences Targeted and Approved for Renewal for last four FYs

FISCAL YEAR	RENEWED	REVISED TARGET
2017/2018	405	451
2018/2019	419	478
2019/2020	439	479
2020/2021	449	506
2021/2022	462	536

As at 2022 March 31, of the 462 licences renewed, 460 licences were processed and renewed within the standard processing time of 5 business days after receipt of payment. This represents a performance rate of 99.6%, which is above the KPI of 90% (or 416 of the 462) for this activity. As noted in the table above, for the last five fiscal years, the number of licences targeted and renewed have steadily increased, demonstrating the increasing demand for the radio frequency spectrum.

### Type Approval

For the 2021/22 FY, 11 applications were brought forward from the previous fiscal year, primarily awaiting additional information. The SMA received 328 new applications during the year, bringing the total number of type approval handled to 339. Of the 339 handled, a total of 329 type approval certifications were granted, four (4) were cancelled, and 6 were withheld, pending further information from the applicants. Of the 329 granted, 317 or 96% were processed within the standard processing time of 10 business days. This performance is above the targeted KPI which aims to process at least 80% of type approval applications within the standard time of 10 business days. Data for the last 5 fiscal years as reflected in the table, showed a gradual increase in the number of devices requiring type approval for the 2017/18 to 2019/20 FYs, reflecting the increasing demand for the use of wireless devices in Jamaica. There was a decrease however for the 2020/21 FY, which could be attributed to the worldwide reduction in commercial activity brought on by the onset of the COVID-19 pandemic. When compared to the last period, the increase in the number of devices handled may be viewed as a step towards industry recovery.

Table 6 - Type Approvals Received and Granted for last five FYs

YEAR	APPLICATIONS HANDLED IN FY	GRANTED/ APPROVED
2017/2018	275	247
2018/2019	331	295
2019/2020	382	356
2020/2021	295	286
2021/2022	339	329

## 2 Interference Investigation

During the 2021/22 FY, the Monitoring & Inspection (M&I) team continued its monitoring and inspection activities to assure that “clean” spectrum is available for SMA’s licensees and that they are operating within their defined parameters. The various activities conducted by the team include frequency audits, modulation tests, site inspections, site maintenance, frequency monitoring and interference resolution.

For the year under review, the SMA investigated 18 cases of interference reports, two (2) of which were brought forward from the 2020/21 financial year. Of the 18 cases investigated, 15 were resolved, and 3 were pending as at 2022 March 31. All of these 15 cases were resolved within their respective resolution times of 15 or 60 days depending on the classification of interference. Therefore, the 15 out of 15 cases resulted in a compliance rate of 100%, which surpasses the established KPI of 90%, or 14 cases.

### 3 Financial Management

#### *Income*

Financial Management is one of the most important aspects for organisations in this frequently changing technologically driven world, as it lays the right pathway to achieve business goals and objectives. Solid financial management provides the foundation for three pillars of sound fiscal governance: strategizing for the company to achieve its short and long-term goals; deciding on the best way to execute plans, and ensuring each department is contributing to the vision and operating within budget and in alignment with strategy.

For the year ended 2022 March 31, the SMA booked a total income of **\$646.40M**, which was \$26.53M better than the \$619.87M budgeted and \$150.50M above the KPI of \$495.90M being 80% of budget. The table below compares the actual, budgeted, and KPI performance levels.

*Table 7 - Comparison of Actual and Budgeted Revenue - 2021/22 FY*

	ACTUAL	BUDGET	KPI (80% OF TARGET)	ACTUAL vs KPI VARIANCE
	\$'M	\$'M	\$'M	\$'M
Processing Fees	17.86	13.77	11.02	6.84
Regulatory Fees	600.9	583.79	467.03	133.93
Interest Income	22.26	11.42	9.14	13.12
Other Income	5.32	10.89	8.71	(3.39)
<b>TOTAL</b>	<b>646.40</b>	<b>619.87</b>	<b>495.90</b>	<b>150.50</b>

#### *Expenditure*

Actual expenditure (including depreciation) incurred by the SMA during the 2021/22 FY amounted to \$612.83M, which was \$5.57M below the budgeted amount of \$618.40M. The main factors for the positive variance were primarily due to the cost savings in Salary & Related Cost but offset by the additional expenditure in Professional Fees, as consultancy services were contracted in light of the vacancies which existed within the organization, and impairment allowance (or bad debt provision) due to delays in collecting outstanding receivables. In relation to Salaries & Related Cost, the anticipated expenses relating to six (6) vacant positions, eighteen (18) proposed positions, were budgeted, in addition to further increase in salary anticipated from the reclassification exercise, did not materialised. However, the GOJ 4% salary increase was realised.

Additionally, the SMA always seeks ways to reduce costs, ensuring the best value for money, while minimizing and mitigating any fallout or negative impact this might have on the level and quality of services delivered to our customers.

The SMA will continue to exercise firm control over both fixed and variable expenses which is essential to maximizing cash flow and ensuring the sustainability of the business. Based on the targets agreed on in the Operational Plan for the upcoming 2022/23 FY, the SMA's management is committed to the continued and diligent tracking of expenses, investing in useful technology and monitoring industry conditions with a view to ensuring that high quality services are delivered to our customers.

### ***Collection of Spectrum Licence Fees***

Spectrum Licence fees are collected on behalf of the GOJ and are remitted to the Tax Administration of Jamaica. Actual collection of Spectrum Licence fees for the 12 months ended 2022 March 31, amounted to **\$2,785.06M**. This is \$1,308.10M above the budgeted amount of **\$1,476.96M**, and \$1,603.49M or 236% above the targeted KPI of **\$1,181.57M**.

Total remittance for the year amounted to \$2,879.62M (including amounts brought forward from the previous FY) and exceeded both the budgeted and the targeted KPI amounts by \$1,402.66M, or 195% of the targeted amount for remittance. ***Please note that Spectrum Licence fees collected on mobile licences are remitted in the month they are collected, whilst for all other categories of licence, they are remitted in the month after they are collected.***



Figure 6 – A View of the SMA's Office Building, 13-19 Harbour Street

## Capital Development and Major Activities

Given the rapidly changing technological environment, a vibrant capital development programme is critical to ensure that the entity is well placed to respond to both challenges and opportunities. During the year, the SMA suffered several setbacks due to continued supply disruptions resulting from the COVID-19 pandemic. Nevertheless, the staff redoubled its efforts to manage all capital projects and activities appropriately. Below are highlights of the capital development projects and major activities and initiatives, accomplished during the 2021/22 fiscal year.

### Capital Development Initiatives

#### *Montego Bay Office*

In consideration of several key industry players operating in Western Jamaica that are providing critical services which are impacted by the availability of interference-free spectrum, the SMA has sought to establish an office in Montego Bay as part of its strategy to treat with interference resolution; processing of documentation from Jamaica Customs and the proactive site maintenance and troubleshooting RMDFS sites. To that end, in 2021 June, the SMA solicited the services of a contractor to carry out the project at premises located at the Montego Bay Conference Centre. The scope of works for the project included - demolition works; installation of doors, windows and drywall partitioning; supply and installation of fixtures, joinery and plumbing fittings; installation of air conditioning units and installation of electrical supplies. The project was completed in 2021 November.

#### *Expansion of RMDFS System 2021-2022*

The SMA continues to implement strategies to carry out its mandate to regulate the radio frequency spectrum of Jamaica, through the expansion and upgrade of its Radio Monitoring and Direction-Finding Systems (RMDFS) network. An expanded and upgraded RMDFS network provides increased capabilities for spectrum interference analysis; remote monitoring; detecting illegal use and ensuring assignment of interference-free (clean) spectrum, which enhances the SMA's effectiveness in managing the radio frequency spectrum.

As at the end of the 2021/22 FY, the SMA completed the upgrade of the Manchester site by installing new processors. Additionally, new sites were established in St. James and Trelawny, utilizing improved processors which are able to resolve monitoring limitations with the SMA's Scorpio System.



### ***E-Licensing System***

The SMA's current licensing system was implemented 15 years and has not been able to keep pace with the sophistication and complexity of the requests for information from all stakeholders. Over time, it has become less suited to meet the business needs of the SMA's processes. Consequently, the SMA sought to acquire a system that better fits its current business needs, which would include *inter alia*, online submission of customers' licence applications and payments.

Towards the end of the previous 2020/21 FY, the SMA received several Bid submissions during the Procurement for the new E-Licensing System, and completed the evaluation of the bids were completed. As at the end of the 2021/22 FY the system was 98% complete, with system design, workflows, and licensing procedures satisfactorily tested. The system is expected to go live in the first quarter of 2022/23 FY and is slated to handle the following licence types: Maritime, Citizens Band, Amateur, Radio Technician Licence and Type Approval.

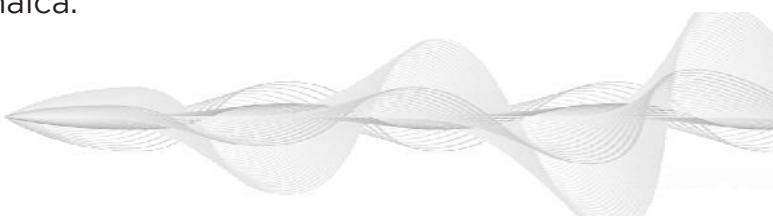
### ***Renewable Energy Systems***

During the FY, the SMA continued its efforts to implement initiatives set out in the Government of Jamaica's National Energy Policy (NEP) 2009 – 2030, which aims at energy efficiency improvement and energy diversification, and to reduce the country's dependence on high-cost imported oil. To that end, the SMA installed renewable energy systems at its VTDI, Portmore and Leas Flats fixed monitoring sites. A Hybrid Inverter was added to each site location enabling each solar power system to produce a minimum power of 54,000 watts.

In addition to the energy solutions installed at the monitoring sites, the solar energy solution at the SMA's office building was repaired. Some 125 defective inverters were replaced, and the solar panels were connected to three Fronius grids to increase efficiency.

### ***Main Office Building Improvements***

In keeping with the need to facilitate effective operations, the SMA carried out several areas of general office improvements to its main office building facilities during the fiscal year. The Bathroom Renovation Project, which includes an extension to the female bathroom and the construction of a storage room, was 76% complete as at 2022 March 31. Secondly, there was the renovation of the kitchen, and the Electrical Room, which is completed save for minor tiling and repainting works. Additionally, an Addressable Fire Detection System was installed in 2021 December which is National Fire Protection Association (NFPA) 72 compliant, and also meets the regulatory requirements of the Bureau of Standards Jamaica.



## Legal, Policy and Regulatory Initiatives

*During the 2021/22 FY, the SMA executed its mandate with respect to legal, policy and regulatory initiatives through, inter alia, the following activities:*

### ***Licensing of the 700 MHz Band 13***

Further to the receipt of no valid bid submissions on 2021 March 23 for the Request for Proposal (RFP) for licence in the 700 MHz Spectrum (Band 13), the SMA re-issued the RFP on 2021 April 9, for a new closing date of 2021 April 26. Subsequent to the evaluation process, on 2021 May 10, the SMA made recommendations to the Minister with responsibility for Telecommunications, the Hon. Daryl Vaz, for the grant of the Spectrum Licence to Rock Mobile at the bidding price of US\$15,260,000.00. In 2021 June Cabinet gave approval for the grant of a Domestic Mobile Spectrum Licence 2x10 MHz of the 700 MHz spectrum to Rock Mobile Limited for 15 years. The policy objectives of this RFP are to increase broadband access to unserved and/or underserved areas, promote competition, innovation and diversity in the telecommunications sector, and ensure the optimal return in the shortest possible time for the spectrum assigned.

### ***Mobile Spectrum Screen Policy Consultation***

In continuance of the Mobile Spectrum Holdings Policy review, during the 2021/22 FY, the SMA conducted a consultation exercise on the implementation of a Spectrum Screen Policy, involving the telecommunications services operators and a wide pool of stakeholders. The Spectrum Screen ('the screen') shall act as a benchmark to determine reasonable levels of spectrum holdings. The screen considers the total spectrum suitable and available for commercial mobile services and establishes a trigger point at which the SMA will conduct a more detailed analysis for the assignment of additional spectrum above this level.

The development of the policy and operational issues document for consultation, and the eventual consultation, was a collaborative effort between the SMA, the Office of Utilities Regulation (the OUR) and the Fair Trading Commission (the FTC). The team, led by the SMA was able to conduct a transparent process resulting in the publication of a "Notice of Recommendations", advising of the details of the proposed framework for the implementation of the "Mobile Spectrum Screen", and the submission of said recommendations to the MSET.

### ***Amendments to the RTCA Regulations***

In an effort to ensure that sections of the Radio and Telegraph Control Act ('RTCA') relating to the operations of the SMA are relevant to the environment and clear regarding certain regulatory processes and procedures with respect to spectrum management, during the fiscal year, the SMA provided support to the MSET in its effort to update the Act. At year-end, the Regulations attendant to the Radio and Telegraph and Control Act were passed through the Lower House and were being examined in the Upper House.

### ***Amateur Radio Operators Examination***

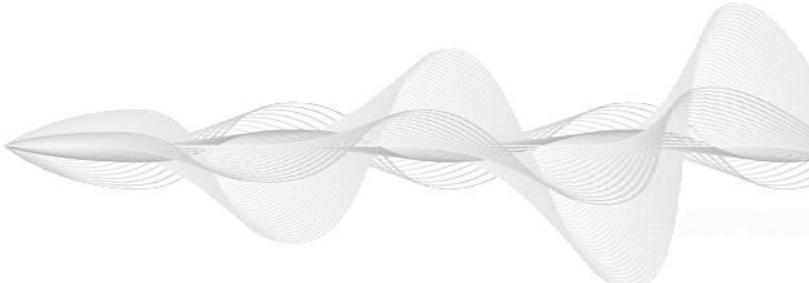
The SMA and the Post and Telecommunications Department, a division within the MSET in collaboration with the Jamaica Amateur Radio Association (JARA), the authorized body to administer the required examination leading to the grant of an Amateur Radio Operators Certificate, embarked upon the second staging of the Amateur Radio Operator's Examinations on 2021 July 2 & 9. The examinations were held at the Jamaica Conference Centre with a total of fourteen (14) candidates for the sitting, eleven (11) of which were successful.

In keeping with the Memorandum of Understanding dated 2019 May 1, between the SMA, Postmaster General and Jamaica Amateur Radio Association, the SMA recommended the successful candidates for the grant of an Amateur Radio Operator's Certificate on 2021 July 22, pursuant to the Radio and Telegraph Control (Amateur Radio Service) Regulations, 1974 and the Radio and Telegraph Control (Amateur Radio Service) (Amendment) Regulations, 2017. The Postmaster General returned the duly signed Certificates on 2021 July 29, which were subsequently issued to the successful candidates.

### ***ISO 9001:2015 Certification***

During the period under review, the SMA continued work towards its ISO 9001:2015 Certification through the ISO Quality Systems Division of the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF). Further to the 2021 May training of the SMA's Internal Audit Team, an official audit of the core processes across the organization was conducted during November and December 2021, with post audit activities being finalized in 2022 January.

On 2022 January 27-28, relevant staff members participated in the Stage 1 Audit Assessment for the ISO 9001:2015 Certification process which was conducted by the National Certification Bureau of Jamaica (NCBJ). This stage of the certification process was to ensure that all the documentation as required by the ISO 9001 Standard was developed. The SMA was successful in the process and now looks towards embarking on Stage 2 of the Audit Assessment, which is the final stage of the ISO 9001:2015 certification process.



### ***Digital Switchover (DSO)***

The SMA, during the 2021/22 FY continued to support the Government of Jamaica's DSO initiatives being spearheaded by the Broadcasting Commission, by participating on the established Steering Committee and the Regulatory & Technical Committee. During the FY a team from the SMA, as part of the DSO Regulatory & Technical Committee, participated in monthly meetings and met with various stakeholders of the Broadcasting Industry. The SMA's engineers also conducted occupancy scans, field strength mapping and spectrogram analysis in preparation for the assignment of the frequencies designated for DSO. Subsequently, during 2021 October and November, the SMA in response to a request from two Broadcasters identified frequencies to conduct network design and planning of their Digital Terrestrial Television Broadcasting (DTTB) networks. This enabled Television Jamaica (TVJ) to switch on its first digital transmitter utilising the ATSC 3.0 broadcast standard on 2022 January 31.

## **Information Technology Infrastructure**

The Information Technology (IT) Department provided required support to all staff and Board Members, who were assisted with devices and/or software access to enable connectivity with the SMA's platforms. The Department was challenged by supply chain disruptions due to the effects of Covid-19 and the unavailability of particular goods and services. Nevertheless, during the fiscal year the following projects were executed:

### ***Network Operations Center***

On 2022 November 24, the SMA completed the installation and commissioning of a Network Operations Center (NOC), which now enables the team to exercise better monitoring and control of the SMA's network. Since 2006, the SMA established a state-of-the-art Radio Monitoring & Direction Finding System (RMDFS) network to detect activities of the radio frequency spectrum and to assist with its frequency assignments. The RMDFS is being expanded annually with the installation of new fixed monitoring sites in additional parishes across Jamaica. The NOC will be the focal point for network troubleshooting, software distribution and updating, router and domain name management, performance monitoring, and coordination with all the remote sites across the island.

### **Network-Attached Storage (NAS)**

On 2022 February 11, the SMA implemented a network-attached storage (NAS) system to support the current closed-circuit television (CCTV) system. This now provides an increased level of security to the CCTV system with extended recording storage capabilities that will operate all cameras on its independent network. It is intended for the system to be expanded in the future. As the SMA rolls out more monitoring sites, we would be able to facilitate additional cameras through the installation of an expansion unit.

## **Regional and Global Obligations**

Although the radio spectrum is a national resource, radio waves and the services which use them do not stop at national borders. Therefore, working in collaboration with our regional and other international partners has enabled us to develop, coordinated regulatory practices, the ability to avoid international interference and maximize the important benefits (e.g., harmonisation) to adopting agreed international approaches. During the 2021/22 FY, the Authority participated in several regional and global activities particularly, those held by the Caribbean Telecommunications Union (CTU), InterAmerican Telecommunications Commission (CITEL), and the International Telecommunications Union (ITU). Highlights of our main engagements are as follows:

### **Permanent Consultative Committee II (PCC II) Meetings**

During the FY, members of the SMA's Technical Staff virtually attended two (2) meetings (37th and 38th) of the Permanent Consultative Committee (PCC) II of the Inter-American Telecommunication Commission (CITEL). The PCC II meeting agenda was facilitated through the different working groups that included the Working Group on World Radiocommunications Conference 2023 (WRC-23) Agenda Items; Working Group on Terrestrial Services; Working Group on Spectrum Management; Working Group on Satellite Systems and Science Services; and Working Group on Radio Broadcasting. The meetings primarily focused on WRC-23 agenda items, implementing WRC-19 decisions in a harmonise fashion, and determining solutions for modern spectrum management issues.

*Figure 7 - Engineers preparing to monitor microwave frequencies.*



## **Spectrum Management Task Force**

The Caribbean Spectrum Management Task Force (CSMTF) is the multi-stakeholder group convened by the Caribbean Telecommunication Union (CTU) to coordinate the technical work of harmonising and enhancing the management of the radio-communication spectrum in the Caribbean. Membership of the CSMTF includes Caribbean policy-makers, regulators, operators, academics, technology developers, end users and other stakeholders.

During the FY, members of the SMA's Technical Team virtually attended two (2) CSMTF meetings. The meetings were held during the periods 2021 November 16-18 and 2022 February 24-25. The main objectives of the 2021 November meeting, which was open to all representatives of the CSMTF, Steering Committee and support resources, were to review progress and re-assess approaches for achievement of activities in the 2021 Action Plan and also to provide an opportunity for the Task Force to engage with industry stakeholder groups with interests for spectrum resources. The 2022 February meeting was focused on finalizing the Action Plan of the Spectrum Management Task Force for 2022. Further to this meeting, the Draft 2022 Action Plan was circulated by the CTU secretariat to the member states for approval.

## **ITU-R Working Party 6A Rapporteur Group**

Members of SMA's Technical Team participated at the International Telecommunication Union Radiocommunication Sector (ITU-R) Working Party 6A Rapporteur Group meeting, during the FY. Altogether the team attended six (6) sessions which were held during February and March of 2022, so that positions could be finalized for CITEL's 39<sup>th</sup> Permanent Consultative Committee II Meeting, which was scheduled for 2022 April 25 to 29. The meetings focused on the required advanced network planning and transmission methods for enhancements of digital terrestrial television broadcasting. The team was introduced to the current activities and document revisions within the purview of the Group including protection of terrestrial broadcasting services, development of next-generation television, sound and multimedia broadcasting systems, emergency broadcasting, electronic news gathering (ENG), and contributions to Green ICT.

# **Human Resource & Office Services**

It is widely expressed that employees are the most valuable and are the foundation of every successful business, and the SMA is no exception. Accordingly, the SMA continued throughout the fiscal year towards improving the efficiency of the management of human resources and promoting the fulfilment of staff's ability, through the development of positive organisational culture and improving employee engagement to enhance productivity. During the year, the SMA exercised its major responsibilities of improving performance management, recruitment and onboarding, training and development, and health and wellness activities.

### ***The MyHR+ Project***

The MyHR+ platform is aimed at improving performance management for the SMA. It is an integrated human resource and payroll system that serves everyone working in the public sector. The system has a step-by-step implementation process with various features being made available over a period of time. Further to the complete transfer of payroll functions to the MyHR+ system in 2019 and all the preparatory work conducted in the last FY (2020/21) to facilitate the implementation of the new system, several features were rolled out to SMA staff in the first quarter of 2021/22 FY. Features such as leave applications, claims requests, travelling allowances, meal/supper allowance requests and others were officially introduced to staff and were made active on the platform. Staff members from several departments participated in the system test in 2021 April. This was subsequently followed by information sessions for the staff and the official launch of the system's new features at the SMA took place on 2021 May 3.

### ***Recruitment and Staffing***

As at 2022 March 31, there were 39 members of staff, representing approximately 85% of the approved establishment of 46 positions. During the year, the Authority welcomed on board three new members of staff, namely: Charmane Brown - Internal Auditor; Oshan Sinclair - Information Technology Officer, and Shamere Reid - Telecommunications Engineer. There were also four (4) separations at the following posts:

- Public Procurement Officer, Procurement Unit;
- Telecommunications Engineer, Band Planning Department;
- Senior Public Procurement Officer, Procurement Unit; and
- Telecommunications Engineer, Monitoring & Inspection Department.

The SMA truly appreciates their dedication, talents and efforts demonstrated during their tenure, which have helped the organization's success. The SMA takes the opportunity to wish them the best in their new endeavours.

### ***Training and Development***

Capacity building through training and participation in seminars and conferences remains a key strategy of human resource management (HRM) to ensure that the SMA's capacity continues to be built and the relevant knowledge and skillsets within the organisation remain in alignment with requirements. As at 2022 March 31, approximately 121% of the local budget was used for training courses and related development activities. Although challenges continued in accessing the relevant courses, efforts to meet the development needs of staff were maintained. Additionally, actual meeting and conference spending was eighty-eight percent (88%), indicating twelve percent (12%) below budget. Below is a listing of the major courses and seminars in which members of staff participated during the period under review:

*Below is a listing of the major courses and seminars in which members of staff participated during the period under review:*

*Table 8 – List of Training Opportunities Attended by Staff for the 2021/22 FY*

Title of Course	No. of Participants
ICAJ Taxation Webinar	8
Certified NIST Cybersecurity Framework Lead Implementer Training	8
Government Accounting Module 1 Level 1 - MIND	2
KPMG Annual International Financial Reporting Standards Seminar	4
QoS Technologies & Regulation for Fixed and Mobile Networks - ITU	4
NFPA 70E: “Electrical Safety in the Workplace”	3
HRMAJ Masterclass HR & Leadership Conference	2
Future Mobile and Wireless Broadband Training (ITU)	6
Professional Certificate in International Regulatory Affairs	4
Introduction to Human Resource Management	1
Incident Report & Investigation Training	14
Certified Information Privacy Manager	2
ICAJ Payroll and Payroll Taxes Webinar	3
ISO 3001 Certified Risk Analyst	4
Data Protection Foundation Workshop	6
Digital Rapid Assessment Workshop	11
ISO 9001 Internal Audit Training	3
Wireless Access Technologies to Internet Network	7
Sexual Harassment Workshop	6
Anti-Sexual Harassment Webinar	4
ATDI Satellite Communication Training	12
Internal Customer Service Training	8
Addressing Risks and Opportunities in Quality Management Systems	8

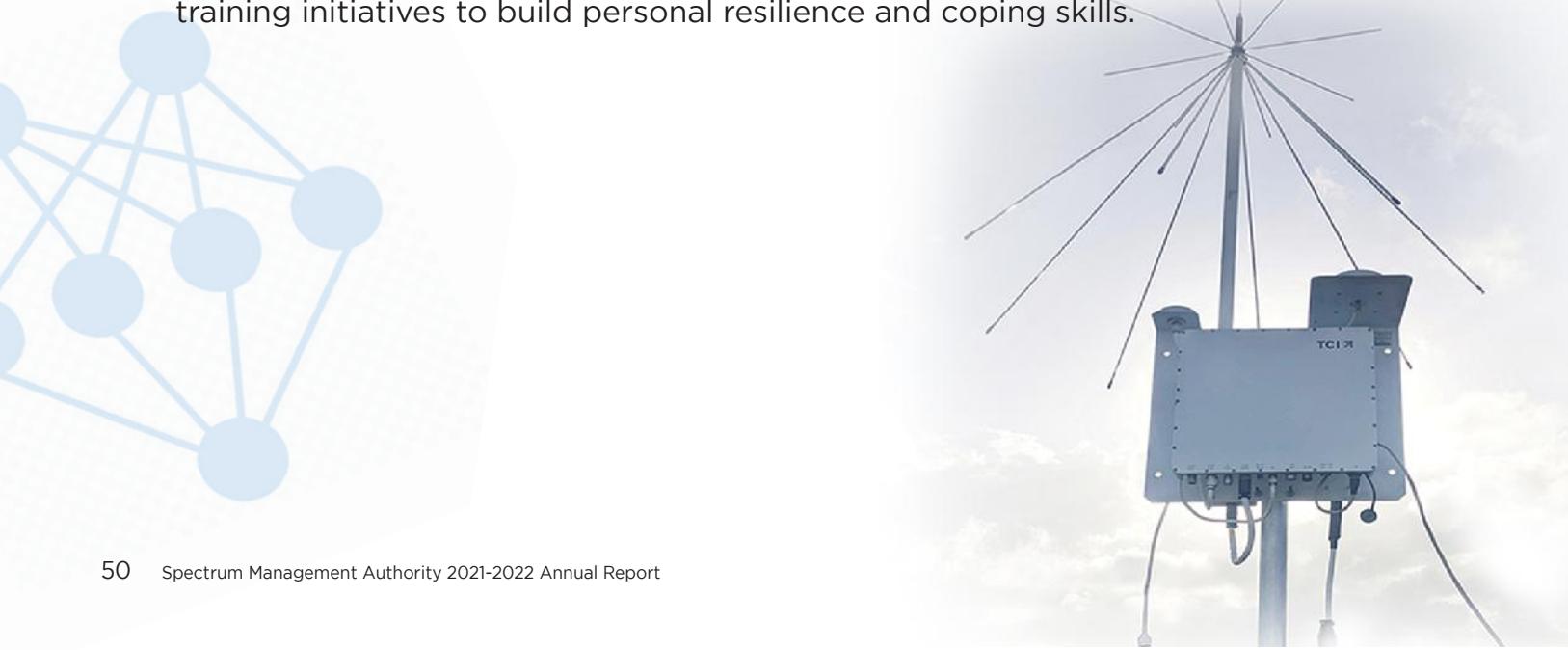
### ***Health and Wellness Activities***

In alignment with the Ministry of Health & Wellness' renewed “Jamaica Moves” programme which is aimed at promoting healthy lifestyles within the workplace, during the FY the SMA played its part in sharing information regarding non-communicable diseases (NCDs) and strengthening healthy lifestyle practices among the general staff. It is hoped that these efforts will lead to positive changes in employee health behaviours, a reduction in stress and a decrease in elevated health risks.

***The main activities which were accomplished in this regard are as follows:***

- ***“Just Move It”*** – As a means to continue the promotion of active lifestyles and wellness amongst staff, the SMA’s Health & Wellness Committee has been encouraging employees, including persons who work from home to participate in a “Just Move It” exercise challenge.
- ***Blue Mountain Hike*** – A Team Building activity in the form of an overnight trek to the Blue Mountain peak took place on 2021 July 30-31, with 24 employees participating. The core idea behind the activity was to empower individuals in working towards a common goal by acknowledging strengths and weaknesses, motivating, and encouraging each other along the way. This was a very successful event and great object lessons were gleaned regarding the SMA, its employees and the necessity of working as a team.
- ***Wellness Day 2021*** – In 2021 December, the Authority hosted a Wellness Day for all employees. The day’s events included spa services, chiropractor checks, health checks such as ECG, body mass index (BMI), blood sugar, vision as well as the provision of healthy meals. There was full participation from all staff members and initial reports highlight that individuals were pleased with the activities.
- ***SMA Staff Run*** – On 2021 March 31, the wellness team engaged the employees in a Staff Run. This fitness activity was in preparation for our team-building Sports Day activity which was schedule for 2022 mid-April. On the evening of the Staff Run, members gathered at the Breezy Castle Playing Fields to run, jog, and walk, as well as discuss team strategies for the upcoming Sports Day.

It is beyond doubt that given the specialization of the services that the SMA offers, the organization’s success and sustenance are dependent on its workforce. In the upcoming 2022/23 FY the HR Department will seek to evolve our approach to performance management based on regular feedback from our leaders and employees. Additionally, through the various office committees, the SMA will deliver a range of health, safety and wellness initiatives to employees across the Authority, and implement a range of training initiatives to build personal resilience and coping skills.



# Corporate Social Responsibility

As part of the Authority's convention of integrating social and educational development goals into its business operations, several programmes by Corporate Jamaica were endorsed and supported by the SMA. With the continued impact of COVID-19 during the 2021/2022 fiscal year, the SMA offered sponsorship and donations (monetary and in-kind) to a few organizations, which includes the following:

- Sagicor Foundation, Sigma Corporate Run;
- Combined Disabilities Association Ltd.;
- Caribbean School of Media and Communication;
- Governor General's Programme for Excellence 30th Anniversary Celebration;
- Caribbean Girls Hack/She Leads IT Initiative, and
- L.E.A.P (Learn, Engage, Advance, Progress) Online Seminar - Rotaract Club of Kingston.

## 2022 Best Decorated Building Competition

In February 2022, the SMA took the top spot in the 2022 Best Decorated Building Competition, which was organised by the Ministry of Education and Youth (MOEY). The competition was part of the MOEY's Jamaica Day (February 25) activities, under the theme 'Celebrating Jamaica (Building Character: Hearts through the Arts)'. Ministries and agencies were encouraged to decorate their buildings in true Jamaican style. The SMA combined various wireless communication's elements of the past and present, to create a unique design. This initiative provided the ideal avenue to showcase the works and talents of the SMA community.



Figure 8 - Snapshot of Staff in front of the 2022 Best Decorated Building won by the SMA

Beyond the barriers of the core duties, the SMA, as a Corporate Citizen, recognizes its corporate responsibilities and remains supportive of capacity building and youth development within its surrounding community. The SMA continues to strive to promote values and behaviours that constitute an environment conducive to success.

## Budgetary Proposal for Financial Year 2022/23

For the financial year 2022/2023, the SMA's approved budget of **\$1,343.76M**, is as follows:

- Capital Expenditure **\$564.84M**
- Operating Expenditure **\$778.92M**

*Table 9 - Summary of Principal Performance Targets for 2022/23*

	TARGET	KEY PERFORMANCE INDICATOR (KPI)
Total Income booked	<b>\$779.98M</b>	<b>80% of Target</b>
Spectrum licence fees collected	<b>\$1,844.74M</b>	<b>80% of Target</b>
Spectrum licence fees remitted	<b>\$2,230.02M</b>	<b>Remit all fees collected up to Feb. 2023 and Mobile Fees collected in Mar. 2023</b>
Expenditure	<b>\$778.92M</b>	<b>Within Target</b>
Number of licences to be renewed	<b>492</b>	<b>85% of Target</b>
Number of interference cases resolved	<b>All Recovered Cases</b>	<b>90% of Target</b>

# Closing Remarks

During the 2021/22 reporting year, the Authority endeavoured to meet the demands of its stakeholders both on the operational front and through development projects to advance its goal of Effective Regulation in the face of the challenges posed by technological convergence. While the SMA did not realize one hundred percent (100%) success, we are satisfied that during the 2021/22 FY, we were able make significant progress. The achievements of the SMA for the 2021/22 FY will no doubt facilitate increased and improved connectivity for a wide cross-section of Jamaicans fostering a technology-enabled society.

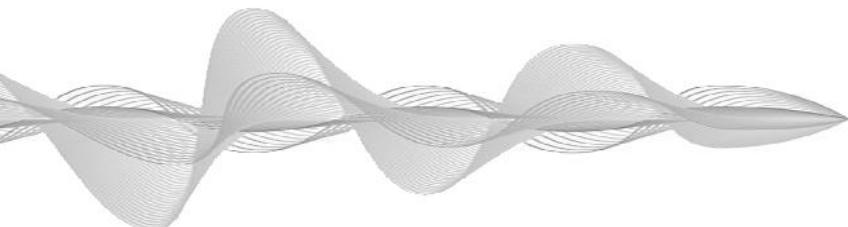
As we move into the new fiscal year, the SMA reaffirms its commitment to facilitating a conducive wireless communications environment for the optimal development of the ICT sector. The SMA will continue to seek effective regulation, through its partnerships with public and private sector bodies, and collaborations with other local and international regulatory bodies. The Board takes this opportunity to express its sincere gratitude to the Minister and the vibrant team at the Ministry (MSET) without whose support these achievements would not have been attained. Further, the Board acknowledges the dedicated service and commitment of Management and the Staff of the Authority for their invaluable contribution and enthusiasm in supporting the achievement of our mandate. We look forward to a more successful and transformative forthcoming 2022/23 FY.



**Mr. Edward Gabbidon**  
Board Chairman



**Dr. Maria Myers-Hamilton**  
Managing Director



# Board of Directors' Compensation

SPECTRUM MANAGEMENT AUTHORITY								
BOARD OF DIRECTORS' COMPENSATION								
Position of Director	Board		Committees		Travelling Allowance or Value of Assigned Motor Vehicle	Honoria	Compensation including Non-Cash Benefits as applicable	Total
	Chairman	Member	Chairman	Member				
Edward Gabbidon	\$ 191,700	** \$ 12,000		\$ 26,000	\$ 229,700	\$ 14,918		\$ 244,618
Camille Facey	* \$ 42,600	\$ 96,000	\$ 32,100	\$ 32,500	\$ 203,200			\$ 203,200
Delroy Thompson		\$ 120,000		\$ 91,000	\$ 211,000	\$ 19,316		\$ 230,316
Marsha Haughton		\$ 108,000	\$ 96,300	\$ 19,500	\$ 223,800			\$ 223,800
Marcia Forbes		\$ 84,000		\$ 45,500	\$ 129,500			\$ 129,500
Kaydian Smith Newton		\$ 108,000		\$ 39,000	\$ 147,000			\$ 147,000
Robert Richards		\$ 108,000	\$ 10,700	\$ 52,000	\$ 170,700	\$ 11,554		\$ 182,254
Rakesh Goswami		\$ 96,000	\$ 42,800	\$ 39,000	\$ 177,800	\$ 11,655		\$ 189,455
Louis-Ray Harris		\$ 120,000		\$ 78,000	\$ 198,000	\$ 11,945		\$ 209,945
Merick Marshall		\$ 84,000		\$ 78,000	\$ 162,000	\$ 11,252		\$ 173,252
Heidi Hanna		\$ 72,000		\$ 45,500	\$ 117,500			\$ 117,500
Stephen Steele		\$ 96,000		\$ 78,000	\$ 174,000			\$ 174,000
<b>Total</b>	<b>\$ 234,300</b>	<b>\$ 1,104,000</b>	<b>\$ 181,900</b>	<b>\$ 624,000</b>	<b>\$ 2,144,200</b>	<b>\$ 80,640</b>	<b>-</b>	<b>\$ 2,224,840</b>

Table 10 – Board of Directors' Compensation

\* The \$42,600.00 payable to Director Facey was as a result of her chairing two (2) Board Meetings; the fee payable to the Chairman is \$21,300.00 per occasion.

\*\* Chairman Director Gabbidon attended a Board Meeting held in November 2021 that was Chaired by the Deputy Chairman.

# Senior Executives/Key Management Compensation

## SPECTRUM MANAGEMENT AUTHORITY SENIOR EXECUTIVES/KEY MANAGEMENT COMPENSATION

Position of Senior Executive/ Key Management	Salary	Gratuity or Performance Incentive	Travelling Allowance or Value of Assigned Motor Vehicle	Pension or Other Retirement Benefits	Other Allowances	Total Remuneration	Non-Cash Benefits	Total
Maria Myers-Hamilton, Managing Director	\$ 8,529,397	\$ 2,523,540	\$ 1,697,148	\$ -	\$ 774,606	\$ 13,524,691	\$ -	\$ 13,524,691
Henry Batson, Director, Spectrum Engineering	\$ 6,848,065	\$ 329,234	\$ 1,697,148	\$ -	\$ 1,733,139	\$ 10,607,586	\$ -	\$ 10,607,586
Patrick Brown, Director, Finance & Administration	\$ 5,440,407	\$ 1,603,044	\$ 1,697,148	\$ -	\$ 1,422,023	\$ 10,162,622	\$ -	\$ 10,162,622
Kadianne Wood, Director, Legal Affairs	\$ 5,440,407	\$ 1,612,941	\$ 1,697,148	\$ -	\$ 637,536	\$ 9,388,032	\$ -	\$ 9,388,032
George Malcolm, Director, Policy & Strategic Planning	\$ 5,440,407	\$ 1,599,863	\$ 1,697,148	\$ -	\$ 946,062	\$ 9,683,480	\$ -	\$ 9,683,480
Dawn Staple, Manager, Human Resources	\$ 3,205,276	\$ 154,100	\$ 894,924	\$ -	\$ 385,190	\$ 4,639,490	\$ -	\$ 4,639,490
<b>Total</b>	<b>\$ 34,903,959</b>	<b>\$ 7,822,722</b>	<b>\$ 9,380,664</b>	<b>\$ -</b>	<b>\$ 5,898,556</b>	<b>\$ 58,005,901</b>	<b>\$ -</b>	<b>\$ 58,005,901</b>

Table 17 - Senior Executives/Key Management Compensation



## Memoir of the SMA's Journey







SPECTRUM MANAGEMENT AUTHORITY LIMITED

# Financial Statements

2021-2022

Managing Director





**SPECTRUM MANAGEMENT AUTHORITY LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2022**

**SPECTRUM MANAGEMENT AUTHORITY LIMITED**

**FINANCIAL STATEMENTS**

**31 MARCH 2022**

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## INDEPENDENT AUDITORS' REPORT

To the Members of  
SPECTRUM MANAGEMENT AUTHORITY LIMITED

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Spectrum Management Authority Limited ("the company"), set out on pages 4 to 41, which comprise the statement of financial position as at March 31, 2022, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

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

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of  
SPECTRUM MANAGEMENT AUTHORITY LIMITED

### **Report on the Audit of the Financial Statements (Continued)**

#### *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 Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

#### *Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

#### INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of  
SPECTRUM MANAGEMENT AUTHORITY LIMITED

#### **Report on the Audit of the Financial Statements (Continued)**

*Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)*

- 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 auditors' 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 auditors' 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 those charged with governance 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.

#### **Report on additional matters as required by the Jamaican Companies Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.



Chartered Accountants  
Kingston, Jamaica

July 7, 2022

**SPECTRUM MANAGEMENT AUTHORITY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2022**

	<u>Note</u>	<u>2022</u> £	<u>2021</u> £
Revenue	5(a)	618,818,745	543,837,435
Operating expenses	6(a)	(570,313,381)	(515,967,385)
Impairment loss	11	( <u>42,519,047</u> )	( <u>10,845,856</u> )
Operating profit		5,986,317	17,024,194
Other income, net	5(b)	<u>27,580,236</u>	<u>25,102,465</u>
Profit, being total comprehensive income for the year	7	<u>33,566,553</u>	<u>42,126,659</u>

The notes on pages 8 to 41 are an integral part of these financial statements.

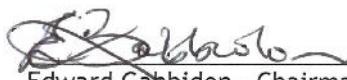
## SPECTRUM MANAGEMENT AUTHORITY LIMITED

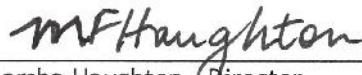
## STATEMENT OF FINANCIAL POSITION

31 MARCH 2022

	<u>Note</u>	<u>2022</u> \$	<u>2021</u> \$
<b>ASSETS</b>			
Non-current assets:			
Property, plant and equipment	8	629,168,806	540,691,072
Intangible assets	9	49,821,436	8,182,077
Right-of-use assets	10(i)	<u>56,092,305</u>	<u>39,978,591</u>
<b>Total non-current assets</b>		<u>735,082,547</u>	<u>588,851,740</u>
Current assets:			
Receivables	11	21,539,312	56,302,107
Taxation recoverable	12	18,237,045	18,220,781
Resale agreements	13	880,977,094	688,636,057
Cash and cash equivalents	14	<u>78,672,558</u>	<u>392,382,003</u>
<b>Total current assets</b>		<u>999,426,009</u>	<u>1,155,540,948</u>
<b>Total assets</b>		<u>1,734,508,556</u>	<u>1,744,392,688</u>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves:			
Share capital	15	20	20
Contributed capital	16	144,700,366	144,700,366
Retained earnings		<u>761,732,132</u>	<u>728,165,579</u>
<b>Total capital and reserves</b>		<u>906,432,518</u>	<u>872,865,965</u>
Non-current liabilities:			
Lease liabilities	10(ii)	56,384,748	39,706,503
Deferred capital grant	17	<u>325,000,000</u>	<u>325,000,000</u>
<b>Total non-current liabilities</b>		<u>381,384,748</u>	<u>364,706,503</u>
Current liabilities:			
Payables	18	196,117,968	290,425,024
Deferred income	19	237,196,486	206,964,105
Lease liabilities	10(ii)	<u>13,376,836</u>	<u>9,431,091</u>
<b>Total current liabilities</b>		<u>446,691,290</u>	<u>506,820,220</u>
<b>Total equity and liabilities</b>		<u>1,734,508,556</u>	<u>1,744,392,688</u>

The financial statements on pages 4 to 41 were approved for issue by the Board of Directors on July 7, 2022 and signed on its behalf by:

  
Edward Gabidon - Chairman

  
Marsha Haughton - Director

The notes on pages 8 to 41 are an integral part of these financial statements.

**SPECTRUM MANAGEMENT AUTHORITY LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 31 MARCH 2022**

	<u>Share Capital</u> \$ (Note 15)	<u>Contributed Capital</u> \$ (Note 16)	<u>Retained Earnings</u> \$	<u>Total</u> \$
Balances at 31 March 2020	20	144,700,366	686,038,920	830,739,306
Total comprehensive income for the year	-	-	<u>42,126,659</u>	<u>42,126,659</u>
Balances at 31 March 2021	20	144,700,366	728,165,579	872,865,965
Total comprehensive income for the year	-	-	<u>33,566,553</u>	<u>33,566,553</u>
Balances at 31 March 2022	<u>20</u>	<u>144,700,366</u>	<u>761,732,132</u>	<u>906,432,518</u>

The notes on pages 8 to 41 are an integral part of these financial statements.

**SPECTRUM MANAGEMENT AUTHORITY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 MARCH 2022**

	<u>Note</u>	<u>2022</u> \$	<u>2021</u> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net profit for the year		33,566,553	42,126,659
Adjustments for:			
Depreciation and amortisation	6(a)	99,946,398	90,593,663
Impairment loss allowance	11	42,519,047	10,845,856
Interest income	5(b)	( 22,263,252)	( 16,722,707)
Interest expense implicit in leases	10(iii)	5,668,750	4,069,001
Translation loss on lease liabilities	10(iii)	<u>211,567</u>	<u>31,052</u>
Operating cash flows before movements in working capital		159,649,063	130,943,524
Change in operating assets and liabilities:			
Receivables		( 7,756,252)	7,790,293
Taxation recoverable	12	( 16,264)	( 1,037,629)
Deferred income		30,232,381	36,189,942
Payables (excluding spectrum licence fees)		<u>247,605</u>	<u>10,968,383</u>
		182,356,533	184,854,513
Interest received		22,049,032	16,753,273
Spectrum licence fees received	18	2,785,060,895	1,485,550,251
Spectrum licence fees paid	18	( 2,879,615,556)	( 1,484,421,784)
Net cash provided by operating activities		<u>109,850,904</u>	<u>202,736,253</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net decrease/(increase) in resale agreements		( 192,126,817)	60,428,995
Acquisition of property, plant and equipment	8	( 176,098,601)	( 116,899,568)
Acquisition of intangible assets	9	( 44,780,714)	( 3,652,704)
Net cash used in investing activities		<u>( 413,006,132)</u>	<u>( 60,123,277)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payment of lease liabilities	10(iv)	( 10,554,217)	( 6,067,108)
Net cash used in financing activities		<u>( 10,554,217)</u>	<u>( 6,067,108)</u>
Net increase/(decrease) in cash and cash equivalents		( 313,709,445)	136,545,868
Cash and cash equivalents at beginning of year		<u>392,382,003</u>	<u>255,836,135</u>
Cash and cash equivalents at end of year	14	<u>78,672,558</u>	<u>392,382,003</u>

The notes on pages 8 to 41 are an integral part of these financial statements.

## **SPECTRUM MANAGEMENT AUTHORITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 MARCH 2022**

#### **1. IDENTIFICATION AND PRINCIPAL ACTIVITIES**

Spectrum Management Authority Limited (the company) is a limited liability company incorporated and domiciled in Jamaica. It is wholly owned by the Government of Jamaica and is an agency within the Information and Communication Technology (ICT) Portfolio of the Ministry of Science, Energy and Technology. The registered office of the company is located at 13-19 Harbour Street, Kingston.

The principal activity of the company is the efficient management of Jamaica's electromagnetic spectrum in the interest of national, technological, economic and social development.

Tax Administration Jamaica by letter dated February 15, 2018, confirmed that the company is exempt from paying income tax under section 12(b) of the Income Tax Act.

#### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

##### **(a) Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the relevant provision of the Jamaican Companies Act.

##### **New and amended standards that became effective during the year:**

Certain new and amended standards came into effect during the current financial year. The company has assessed them and has adopted those which are relevant to its financial statements; none of which resulted in any change to the amounts recognised or disclosed in the financial statements.

##### **Amended standards issued but not yet effective:**

Certain amended standards and interpretations have been issued which are not yet effective for the current year and which the company has not early-adopted. The company has assessed the relevance of all such amendments and interpretations with respect to the company's operations and has determined that the following may have an effect on the financial statements.

- (i) Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

(a) Statement of compliance (cont'd)

##### Amended standards issued but not yet effective (cont'd):

(i) Amendments to IAS 1 Presentation of Financial Statements, (continued)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the entity complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

With the amendments, convertible instruments may become current. In light of this, the amendments clarify how an entity classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the entity's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that an entity can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

(ii) Amendments to IAS 37 *Provision, Contingent Liabilities and Contingent Assets*, is effective for annual reporting periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs - e.g. direct labour and materials; and an allocation of other direct costs - e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

- (a) Statement of compliance (cont'd)

##### **Amended standards issued but not yet effective (cont'd):**

- (iii) Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to certain standards and are effective for annual periods beginning on or after January 1, 2022.
  - (a) IFRS 9 *Financial Instruments*, amendment clarifies that - for the purpose of performing the '10 per cent test' for derecognition of financial liabilities - in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
  - (b) IFRS 16 *Leases*, amendment removes the illustration of payment from the lessor relating to leasehold improvements.
- (iv) Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual reporting periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:

- (a) requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
- (b) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- (c) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are consistent with the refined definition of material:

*"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".*

- (v) Amendments to IFRS 16 *Leases* are effective for annual reporting periods beginning on or after April 1, 2021, early adoption is permitted. The amendments extend the practical expedient by 12 months - i.e. allowing lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

(a) Statement of compliance (cont'd)

##### Amended standards issued but not yet effective (cont'd):

The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f) of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* do not apply on initial application.

(vi) Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- (a) selecting a measurement technique (estimation or valuation technique) - e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and
- (b) choosing the inputs to be used when applying the chosen measurement technique - e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(vii) Amendments IAS 16, *Property, Plant and Equipment*, effective for accounting period beginning on or after 1 January 2022. The amendment changes the accounting for proceeds from sale of items produced before property, plant and equipment is available for use. Previously, IAS 16 requires the proceeds from selling items before intended use to be offset against the cost of property, plant and equipment. Under the amendments these proceeds are to be included in the statement of profit or loss and should not be deducted from the cost of the property, plant and equipment.

The company is assessing the impact that the amendments will have on its future financial statements.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

(b) Basis of preparation

The financial statements are prepared under the historical cost basis.

(c) Functional and presentation currency

The financial statements are presented in Jamaica dollars, which is the company's functional currency.

(d) Use of estimates, assumptions and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Although these estimates are based on management's best knowledge of current events and actions, actual amounts could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

(i) Key sources of estimation uncertainty:

Allowance for impairment losses on receivables

Allowances for doubtful accounts are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") on trade accounts receivable.

Under the ECL model, the company analyses its accounts receivable in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience and analysis of future delinquency, that is applied to the balance of the accounts receivable.

Expected useful life and residual value of property, plant and equipment

The expected useful life and residual value of an asset are reviewed, at least, at each reporting date. Useful life of an asset is defined in terms of the asset's expected utility to the company.

(ii) Critical accounting judgements in applying accounting policies:

a) Classification of financial assets:

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

##### (d) Use of estimates, assumptions and judgements (cont'd)

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.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

##### (iii) Key sources of estimation uncertainty:

###### Allowance for impairment losses on receivables

Allowances for doubtful accounts are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") on trade accounts receivable.

Under the ECL model, the company analyses its accounts receivable in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience and analysis of future delinquency, that is applied to the balance of the accounts receivable.

###### Expected useful life and residual value of property, plant and equipment

The expected useful life and residual value of an asset are reviewed, at least, at each reporting date. Useful life of an asset is defined in terms of the asset's expected utility to the company.

##### (iv) Critical accounting judgements in applying 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) Impairment of financial assets:

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 measurement of expected credit losses (ECL) and the selection and approval of models used to measure ECL requires significant judgement.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Foreign currency translation

Transactions in foreign currencies are converted at the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currency are translated using the exchange rates ruling at that date. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

##### (b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, receivables and resale agreements. Financial liabilities include payables.

##### Financial assets

###### Initial recognition, classification and measurement

Financial assets are classified as “Held to collect” and measured at amortised cost if they meet both of the following conditions: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost represents the net present value (“NPV”) of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Receivables
- Resale agreements

The company initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

###### Business model assessment

The business model reflects how the company manages the 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 cash flows 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 fair value through profit and loss (FVTPL).

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (b) Financial instruments (cont'd)

###### Business model assessment (cont'd)

###### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in the particular recognition methods disclosed in their individual policy statements associated with each item.

###### Derecognition

A financial asset is primarily derecognised 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.

###### Financial liabilities

###### Initial recognition and measurement

All financial liabilities are recognised initially at fair value. The company's financial liabilities, which include payables, are recognised initially at fair value.

###### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in their individual policy statements associated with each item.

###### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognised in the profit or loss.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (b) Financial instruments (cont'd)

###### Financial liabilities (cont'd)

###### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

##### (c) Property, plant and equipment

All property, plant and equipment are stated at historical cost, less accumulated depreciation and impairment losses, if any.

Depreciation is recognised in profit or loss on the straight-line basis at annual rates to write down the assets to their estimated residual values at the end of their expected useful lives, as follows:

Building	2.5%
Leasehold improvements	10%
Monitoring and office equipment	5% - 33½%
Furniture and fixtures	10%
Motor vehicles	20%
Other assets	10%

Land and Capital Work- in - Progress (CWIP) are not depreciated.

Depreciation method, residual values and useful lives of the assets are reassessed at each reporting date and adjustments made if appropriate.

Repairs and maintenance expenditures are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits are in excess of the originally assessed standard of performance of the existing asset that will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant 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.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (d) Intangible assets

Costs that are directly associated with acquiring identifiable and unique software products that are expected to generate economic benefits exceeding cost, beyond one year, are recognised as intangible assets. These assets are measured at cost, less accumulated amortisation and impairment losses, if any.

Amortisation is recognised in profit or loss on the straight-line basis over the estimated useful lives of the intangible assets, from the date that they are made available for use. The estimated useful life ranges from a minimum of 3 years to a maximum of 15 years.

##### (e) Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses (ECL).

##### Forward looking information

The company applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Macroeconomic factors and forward looking information are incorporated into the measurement of ECL. Measurement of ECL at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

For receivables, the company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information.

##### Reversal of impairment

An impairment in respect of a receivable is reversed, if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed, if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

## **SPECTRUM MANAGEMENT AUTHORITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 MARCH 2022**

#### **3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **(e) Impairment of financial assets (cont'd)**

###### **Credit-impaired financial assets**

At each reporting date, the company assesses whether financial assets carried at amortised costs are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

###### **Write-off**

Receivables are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the company determines that the debtor does not have sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

**SPECTRUM MANAGEMENT AUTHORITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 MARCH 2022**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(f) Impairment of non-financial assets**

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

**(g) Pension obligations**

The company participates in a defined-contribution pension plan, the assets of which are held separately from those of the company. Contributions to the plan, made on the basis provided for in the rules, are charged to profit or loss when due.

**(h) Resale agreements**

Securities purchased under agreements to resell are recorded as collateralized financing transactions and are classified as loans and receivables. Resale agreements are accounted for as short-term collateralised lending and are measured at amortised cost, less impairment. The difference between the purchase and resale consideration is treated as interest income and is recognised in profit or loss over the life of the agreement using the effective interest rate.

**(i) Cash and cash equivalents**

Cash and cash equivalents are measured at amortised cost. For the purpose of the statement of cash flow, cash and cash equivalents comprise cash at bank and in hand, deposits and short-term highly liquid investments where original maturities do not exceed three months, are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term commitments rather than for investments purposes.

**SPECTRUM MANAGEMENT AUTHORITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 MARCH 2022**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(j) **Receivables**

Receivables are measured at amortised cost less impairment losses.

(k) **Payables**

Payables are measured at amortised cost.

(l) **Deferred income**

The unearned portion of regulatory fees that are billed during the financial year and represents the entire, or the proportionate number of months, of the validity period of applicable licences which fall outside the financial year are recognized as deferred income.

(m) **Share capital**

Ordinary shares are classified as equity.

(n) **Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to anyone item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (o) Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses the definition of a lease in IFRS 16.

##### The company as a lessee

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The company classifies arrangements with a term of greater than 12 months where substantially all risks and rewards incidental to ownership are retained by the third-party lessors as leases.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the present value of future lease payments, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement date, generally discounted using the company's incremental borrowing rate.

The company determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (o) Leases (cont'd)

###### The company as a lessee (cont'd)

- amounts expected to be payable under any residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Subsequent to initial recognition the lease liability is measured at amortised cost using the effective interest rate method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

###### Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases of 12 months or less. The company recognises the lease payments associated with these leases as an expense on the straight-line basis over the term.

##### (p) Revenue recognition

###### Performance obligations and revenue recognition:

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control of the goods or services to a customer and the customer accepts the goods or services.

A contract with a customer that results in a recognised financial instrument in the company's financial statements may be partially in the scope of IFRS 9 and be partially in the scope of IFRS 15. If this is the case, then the company first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (p) Revenue recognition (cont'd)

Performance obligations and revenue recognition (cont'd):

<i>Type of revenue</i>	<i>Nature and timing of satisfaction of performance obligations, including significant payment terms.</i>	<i>Revenue recognition under IFRS 15</i>
Regulatory Fee	<p>The company charges regulatory fees in order to cover its reasonable operating costs in relation to spectrum licences pursuant to the Telecommunications Act, 2000 and the Telecommunications (Spectrum Regulatory Fees) (Amendment) Regulations, 2017. Payment is required in full on or before the date a new licence is issued or before the next validity period for existing licences that are being renewed.</p> <p>The validity period represents the period over which the economic benefits of each licence will flow to the company so that the revenue can be reliably measured.</p> <p>The validity period is the time that each licensee is authorised to use the spectrum which is usually twelve months duration starting from a date in the current year to the day before the corresponding date in the subsequent year, save and except for temporary licences which are valid for a minimum of 3 months duration.</p>	Revenue is recognised over time in conformity with the validity period of licences.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows (cont'd):

<i>Type of revenue</i>	<i>Nature and timing of satisfaction of performance obligations, including significant payment terms.</i>	<i>Revenue recognition under IFRS 15</i>
Processing Fee	The company charges a fee to other entities to process each application submitted for spectrum licences, certificates or related services.	Processing fee is recognised at a point in time based on an agreed fee.

## **SPECTRUM MANAGEMENT AUTHORITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 MARCH 2022**

#### **3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **(q) Related parties**

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”, in this case, the company).

- (a) A person or a close member of that person’s family is related to the company, if that person:
  - i) has control or joint control over the company;
  - ii) has significant influence over the company; or
  - iii) is a member of the key management personnel of the company or of a parent of the company.
- (b) An entity is related to the company if any of the following conditions applies:
  - i) The entity and the reporting entity 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).
  - viii) The entity, or any member of a group of which it is a part provides key management personnel services to the company or to the parent of the company.

## **SPECTRUM MANAGEMENT AUTHORITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 MARCH 2022**

#### **4. FINANCIAL AND CAPITAL RISK MANAGEMENT**

##### **(a) Overview**

The company has exposure to the following risks from its use of financial instruments and its operations:

- Credit risk
- Market risk
- Liquidity risk
- Operational risk

Information about the company's exposure to each of these risks, the company's objectives, policies and processes for measuring and managing risk is detailed below.

##### **Risk Management Framework**

The Board has overall responsibility for the determination of the company's risk management objectives and policies. Whilst retaining ultimate responsibility, it has delegated the authority for designing the operating processes to, and ensuring that the Board receives reports from, the Managing Director, through whom it reviews the effectiveness of the processes implemented and the appropriateness of the objectives and policies it establishes.

The overall objective of the Board is to set policies that seek to reduce risk, as far as possible, without unduly affecting the company's regulatory activities.

##### **(b) Credit risk**

Credit risk is the risk of financial loss to the company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations. At the reporting date, the company's significant concentration of credit risk is limited to receivables, resale agreements and cash and cash equivalents.

The maximum exposure to credit risk at the reporting date was:

	<u>2022</u> \$	<u>2021</u> \$
Cash and cash equivalents (see note 14)	78,672,558	392,382,003
Resale agreements (see note 13)	880,977,094	688,636,057
Receivables (see note 11)	<u>9,243,939</u>	<u>44,797,591</u>
	<u>968,893,591</u>	<u>1,125,815,651</u>

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

##### (b) Credit risk (cont'd)

###### Cash and cash equivalents

The company maintains cash resources with reputable financial institutions that are appropriately licensed and regulated, therefore credit risk is considered to be low. No allowance for impairment is deemed necessary.

###### Trade receivables

The company has policies in place to ensure that it provides its services to customers with an acceptable credit history, who will pay the applicable licence fees and regulatory fees for the use of the spectrum. The company has no significant concentration of credit risk attached to receivables as the company has a diverse customer base, with no significant balances arising from any single economic or business sector, or single entity or customer. The company, therefore, manages credit risk by continually screening its customers, and pursuing its receivables rigorously.

###### Expected credit loss assessment

The company uses a provision matrix to measure the Expected Credit Loss (ECLs) on trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off, current conditions and the economic conditions over the expected lives of the receivables.

The following table provides information about the ECL for trade receivables as at the reporting date:

<u>Age categories</u>	2022			
	<u>Weighted average loss rate</u> %	<u>Gross carrying amount</u> \$	<u>Impairment loss allowance</u> \$	<u>Credit impaired</u>
0-30 days (not past due)	-	580,999	-	No
31-60 days past due	-	18,170	-	No
61-90 days past due	99.6	6,038,521	6,016,416	Yes
Over 90 days past due	<u>70.2</u>	<u>16,937,924</u>	<u>11,895,296</u>	<u>Yes</u>
		<u>23,575,614</u>	<u>17,911,712</u>	

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

##### (b) Credit risk (cont'd)

###### Expected credit loss assessment (cont'd)

The following table provides information about the ECL for trade receivables as at the reporting date (cont'd)

<u>Age categories</u>	2021			
	<u>Weighted average loss rate</u> %	<u>Gross carrying amount</u> \$	<u>Impairment loss allowance</u> \$	<u>Credit impaired</u>
0-30 days (not past due)	-	5,919,138	-	No
31-60 days past due	99	6,058,508	6,016,416	Yes
61-90 days past due	-	17,689	-	No
Over 90 days past due	86	<u>5,609,739</u>	<u>4,829,440</u>	Yes
		<u>17,605,074</u>	<u>10,845,856</u>	

The movement in the allowance for impairment in respect of trade receivables during the year was \$42,519,047 (2021: \$10,845,856)

###### Resale agreements

Resale agreements are low-risk and are held with Government of Jamaica (GOJ) approved financial institutions with the holding not exceeding 33½% of its portfolio in any one institution. Additionally, during the tenure of the resale agreements, financial institutions are required to transfer the minimum of the nominal value of securities representing the net maturity value of resale agreements to the company's designated account with the Bank of Jamaica (BOJ) operated JamClear-CSD.

Allowance for impairment losses under IFRS 9 for resale agreements was immaterial for recognition in the financial statements.

###### Concentration by geography

The issuers of the majority of the company's assets are located in Jamaica.

There has been no change to the company's exposure to credit risk or the manner in which it measures and manages this risk during the year.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

##### (c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk arises mainly from changes in interest rate and foreign exchange rate and may 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 optimising return. Market risk exposures are measured using sensitivity analysis.

##### (i) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

The company's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of investments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities.

The company's interest rate risk arises from short-term resale agreements that are backed by GOJ/BOJ securities (see note 13). The company has no instrument bearing financial liabilities.

Interest rate sensitivity analysis:

The following tables indicate the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on profit or loss.

	Effect on <u>profit or loss</u>	Effect on <u>profit or loss</u>
	2022	2021
	\$	\$
Change in basis points:		
-50 (2021: -100)	( 4,404,885)	(6,886,361)
300 (2021: 100)	<u>26,429,313</u>	<u>6,886,361</u>

The analysis assumes that all other variables in particular currency rates, remains constant. The analysis is done on the same basis as 2021.

##### (ii) Currency risk

Currency risk is the risk that the value on cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company is exposed to foreign currency risk on transactions that it undertakes in foreign currencies that give rise to the net currency gains and losses recognised

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

(c) Market risk (cont'd)

(ii) Currency risk (cont'd)

during the year. Such exposures comprise the assets and liabilities of the company that are not denominated in its functional currency.

The company ensures that the risk is kept to an acceptable level by monitoring its value at risk.

The main currency giving rise to this risk is the United States dollar. The table below summarises the Jamaican dollar equivalent of the United States dollar financial assets and the total exposure to foreign currency risk:

	2022		2021	
	<u>J\$</u>	<u>US\$</u>	<u>J\$</u>	<u>US\$</u>
Financial assets				
Cash and cash equivalents	45,036,607	294,681	6,649,206	46,442
Resale agreements	<u>141,517,638</u>	<u>925,981</u>	<u>102,282,862</u>	<u>714,400</u>
	<u>186,554,245</u>	<u>1,220,662</u>	<u>108,932,068</u>	<u>760,842</u>

The exchange rate used to translate assets denominated in United States dollars at the reporting date was 152.83 (2021: 143.17) Jamaica dollars to 1 United States dollar. The company has no financial liabilities denominated in foreign currency.

#### Currency sensitivity analysis

The following table indicates the effect on profit or loss arising from changes in the United States dollar exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusting for their translations at the reporting date for a change in foreign currency rates.

	<u>2022</u>	<u>2021</u>
	\$	\$
Effect on profit:		
Devaluation - 8% (2021: 6%)	<u>14,926,952</u>	<u>6,535,924</u>
Revaluation - 2% (2021: 2%)	<u>(3,731,738)</u>	<u>(2,178,641)</u>

The analysis assumes that all other variables in particular currency rates, remains constant. The analysis is done on the same basis as 2021.

(d) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial liabilities. The company manages the risk by monitoring future cash flows and liquidity on a daily basis and maintaining a portfolio of short-term investments that are collateralized by Government of Jamaica securities.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

##### (d) Liquidity risk (cont'd)

The following table presents the undiscounted contractual cash flows and the expected timing of the settlement of financial liabilities.

	March 31, 2022			
	Carrying amount	Contractual cash flows	1 year or less	Over 1 year
	\$	\$	\$	\$
Accounts payable [Note 18]	192,963,467	192,963,467	192,963,467	-
Lease liabilities [Note 10(ii)]	<u>69,761,584</u>	<u>97,379,350</u>	<u>14,708,322</u>	<u>82,671,028</u>
	<u>262,725,051</u>	<u>290,342,817</u>	<u>207,671,789</u>	<u>82,671,028</u>

	March 31, 2021			
	Carrying amount	Contractual cash flows	1 year or less	Over 1 year
	\$	\$	\$	\$
Accounts payable [Note 18]	282,019,142	282,019,142	282,019,142	-
Lease liabilities [Note 10(ii)]	<u>49,137,594</u>	<u>70,954,761</u>	<u>13,009,714</u>	<u>57,945,047</u>
	<u>331,156,736</u>	<u>352,973,903</u>	<u>295,028,856</u>	<u>57,945,047</u>

There was no change in the nature of exposure to liquidity risk to which the company is subjected or its approach to measuring and managing the risk during the year.

##### (e) Capital risk

The company is not subject to any externally imposed capital requirements.

The company's objectives, when managing capital, are to safeguard the company's ability to continue as a going concern and to maintain a strong capital base to support the development of its business. The company's capital is defined as share capital, contributed capital and retained earnings. Capital is managed through a formal budgetary process which is closely monitored by management to maintain profitability and control expenditure.

There is no change to how the company manages and measures capital during the year.

##### (f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the company's processes, personnel, technology and external factors, other than financial risks, such as generally accepted standards of corporate behaviour and natural disasters. As a public body, the company manages operational risk with specific reference to guidelines provided in relevant Acts and Government circulars, so as to avoid financial loss and damage to its reputation.

## **SPECTRUM MANAGEMENT AUTHORITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 MARCH 2022**

#### **4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)**

##### **(f) Operational risk (cont'd)**

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with government regulatory and other legal requirements.
- Risk mitigation including insurance.

##### **(g) Fair value**

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 exists as it is the best evidence of the fair value of a financial instrument. The fair value of a liability reflects its non-performance risk.

##### **Determination of fair value and fair value hierarchy**

IFRS specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Discounted cash flow technique using a discount rate from observable market data, i.e. average of several brokers/dealers market indicative yields in active markets for identical assets or liabilities.
- Level 3 - Valuation techniques using significant unobservable inputs.

The fair values of the financial instruments of the company that include cash and cash equivalents, receivables, resale agreements, and payables, approximate to their carrying values due to their relatively short tenure. These financial instruments would fall under level 2 of the fair value hierarchy.

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 5. REVENUE AND OTHER INCOME

		2022	2021
		\$	\$
(a)	Revenue:		
	Regulatory fees (Note 19)	600,954,554	528,293,686
	Processing fees	<u>17,864,191</u>	<u>15,543,749</u>
		<u>618,818,745</u>	<u>543,837,435</u>
(a)	Other Income, net:		
	Interest income calculated using effective interest rate method	22,263,252	16,722,707
	Exchange gain	4,761,297	7,868,694
	Other	<u>555,687</u>	<u>511,064</u>
		<u>27,580,236</u>	<u>25,102,465</u>

#### 6. EXPENSES BY NATURE

##### (a) Operating expenses

		2022	2021
		\$	\$
	Advertisement	4,784,562	5,157,605
	Audit fees	2,750,000	2,750,000
	Bank charges	701,140	478,749
	Board/ Committee meeting	672,930	2,077,951
	Depreciation and amortization	99,946,398	90,593,663
	Directors fees [Note 20(a)]	2,144,200	1,872,200
	Insurance	9,647,693	7,465,538
	Interest expense implicit in leases [Note 10(iii)]	5,668,750	4,069,001
	Irrecoverable GCT	19,953,494	15,447,605
	Lease and rental	6,517,972	1,441,664
	Legal and professional fees	32,321,974	43,132,444
	Motor vehicle	6,560,301	3,571,964
	Office expenses	32,729,907	28,514,316
	Property tax	153,100	153,100
	Public relations and education	7,690,459	1,017,437
	Repairs and maintenance	24,701,229	55,812,895
	Salaries and other related costs [Note 6(b)]	259,106,618	213,778,617
	Security	6,146,009	6,229,725
	Subscription and donation	5,086,404	3,404,744
	Travel and subsistence	10,192,621	3,698,083
	Utilities	<u>32,837,620</u>	<u>25,300,084</u>
		<u>570,313,381</u>	<u>515,967,385</u>

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 6. EXPENSES BY NATURE (CONT'D)

## (b) Salaries and other related costs

	<u>2022</u> \$	<u>2021</u> \$
Salaries and wages	193,426,019	167,320,560
Statutory contributions	13,147,252	10,263,292
Group life and health insurance	11,665,876	10,154,747
Uniform	998,384	1,300,744
Contract/temporary workers	<u>16,643,819</u>	<u>10,036,581</u>
	235,881,350	199,075,924
Pension contributions	1,280,994	1,254,963
Staff training and welfare	18,598,249	11,668,779
Subsistence and accommodation	<u>3,346,025</u>	<u>1,778,951</u>
	<u>259,106,618</u>	<u>213,778,617</u>

## 7. PROFIT

Profit is stated after charging:

	<u>2022</u> \$	<u>2021</u> \$
Auditors' remuneration [Note 6(a)]	2,750,000	2,750,000
Staff costs [Note 6(b)]	259,106,618	213,778,617
Depreciation and amortisation [Note 6(a)]	<u>99,946,398</u>	<u>90,593,663</u>

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 8. PROPERTY, PLANT AND EQUIPMENT

	Land and building \$	Leasehold improvement \$	Monitoring & office equipment \$	Furniture, and fixtures \$	Motor vehicles \$	Other assets \$	Capital Work-in- progress \$	Total \$
<b>At cost:</b>								
31 March 2020	80,897,123	37,542,925	652,479,439	17,644,606	39,467,779	820,347	88,722,732	917,574,951
Additions	-	-	5,249,217	1,288,389	-	-	110,361,962	116,899,568
CWIP Transfers	<u>83,668,817</u>	<u>-</u>	<u>62,710,240</u>	<u>613,190</u>	<u>16,284,004</u>	<u>-</u>	<u>(163,276,251)</u>	<u>-</u>
31 March 2021	164,565,940	37,542,925	720,438,896	19,546,185	55,751,783	820,347	35,808,443	1,034,474,519
Additions	77,209	-	15,615,267	1,800,808	-	-	158,605,317	176,098,601
CWIP Transfers	<u>40,821,742</u>	<u>-</u>	<u>83,639,996</u>	<u>3,744,472</u>	<u>9,911,543</u>	<u>-</u>	<u>(138,117,753)</u>	<u>-</u>
31 March 2022	<u>205,464,891</u>	<u>37,542,925</u>	<u>819,694,159</u>	<u>25,091,465</u>	<u>65,663,326</u>	<u>820,347</u>	<u>56,296,007</u>	<u>1,210,573,120</u>
<b>Depreciation:</b>								
31 March 2020	19,359,862	12,380,612	335,384,809	12,961,984	32,210,527	129,190	-	412,426,984
Charge for the year	<u>2,266,319</u>	<u>3,519,902</u>	<u>66,944,732</u>	<u>1,089,688</u>	<u>7,457,195</u>	<u>63,696</u>	<u>-</u>	<u>81,356,463</u>
31 March 2021	21,626,181	15,900,515	402,329,541	14,051,672	39,667,722	207,817	-	493,783,447
Charge for the year	<u>4,183,661</u>	<u>3,519,902</u>	<u>73,322,595</u>	<u>991,622</u>	<u>5,527,868</u>	<u>75,219</u>	<u>-</u>	<u>87,620,867</u>
31 March 2022	<u>25,809,842</u>	<u>19,420,416</u>	<u>475,652,136</u>	<u>15,043,294</u>	<u>45,195,590</u>	<u>283,036</u>	<u>-</u>	<u>581,404,314</u>
<b>Net book values:</b>								
31 March 2022	<u>179,655,049</u>	<u>18,122,509</u>	<u>344,042,023</u>	<u>10,048,171</u>	<u>20,467,736</u>	<u>537,311</u>	<u>56,296,007</u>	<u>629,168,806</u>
31 March 2021	<u>142,939,759</u>	<u>21,642,411</u>	<u>318,109,355</u>	<u>5,494,513</u>	<u>16,084,061</u>	<u>691,157</u>	<u>35,808,443</u>	<u>540,691,072</u>

## 9. INTANGIBLE ASSETS

	Software and licences \$	Capital work-in- progress \$	Total \$
<b>At cost:</b>			
31 March 2020	42,889,330	2,213,456	45,102,786
Additions	<u>1,450,808</u>	<u>2,201,896</u>	<u>3,652,704</u>
31 March 2021	44,340,138	4,415,352	48,755,490
Additions	<u>230,435</u>	<u>44,550,279</u>	<u>44,780,714</u>
CWIP Transfers	<u>9,276,484</u>	<u>(9,276,484)</u>	<u>-</u>
31 March 2022	<u>53,847,057</u>	<u>39,689,147</u>	<u>93,536,204</u>
<b>Depreciation:</b>			
31 March 2020	37,297,744	-	37,297,744
Charge for the year	<u>3,275,669</u>	<u>-</u>	<u>3,275,669</u>
31 March 2021	40,573,413	-	40,573,413
Charge for the year	<u>3,141,355</u>	<u>-</u>	<u>3,141,355</u>
31 March 2022	<u>43,714,768</u>	<u>-</u>	<u>43,714,168</u>
<b>Net book values</b>			
31 March 2022	<u>10,132,289</u>	<u>39,689,147</u>	<u>49,821,436</u>
31 March 2021	<u>3,766,725</u>	<u>4,415,352</u>	<u>8,182,077</u>

# SPECTRUM MANAGEMENT AUTHORITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

### 10. LEASES

The company's leases primarily consist of agreements to secure right-of-use to spaces upon which the company erects telecommunication facilities including but not limited to monitoring stations. It is expected that in the normal course of business, leases that expire generally will be renewed or replaced by similar leases.

(i) Right-of-use assets

	2022 \$	2021 \$
Balance at the beginning of year	39,978,591	45,940,122
Additions to right-of-use assets	25,297,890	-
Amortisation charge for the year	( 9,184,176)	( 5,961,531)
Balance at the end of year	<u>56,092,305</u>	<u>39,978,591</u>
Weighted-average remaining lease term (in years)	10 yrs	10 yrs
Discount rate	10 %	10 %

(ii) Lease liabilities

Maturities of lease liabilities on an undiscounted basis as of year end are presented below along with the current and non-current lease liabilities on a discounted basis.

	2022 \$	2021 \$
Year ending 31 March		
2022	-	13,009,714
2023	14,708,322	8,424,049
2024	10,436,424	6,445,114
2025	10,552,658	6,386,625
2026	10,217,073	5,863,215
2027	8,036,451	-
Thereafter	<u>43,428,422</u>	<u>30,826,044</u>
Total payments on an undiscounted basis	97,379,350	70,954,761
Less: Present value discount	(27,617,766)	(21,817,167)
Present value of lease liabilities	69,761,584	49,137,594
Current portion	<u>(13,376,836)</u>	<u>( 9,431,091)</u>
Non-current portion	<u>56,384,748</u>	<u>39,706,503</u>

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 10. LEASES (CONT'D)

## (iii) Amount recognised in profit or loss

	2022 \$	2021 \$
Included in operating expenses:		
Amortisation of right-of-use assets	9,184,176	5,961,531
Interest expense implicit in leases [Note 6(a)]	5,668,750	4,069,001

## Included in other income, net:

Translation loss on lease liabilities	<u>211,567</u>	<u>31,052</u>
Total lease expenses	<u>15,064,493</u>	<u>10,061,584</u>

## (iv) Amounts recognised in statement of cash flows

	2022 \$	2021 \$
Total cash outflows from leases	<u>10,554,217</u>	<u>6,067,108</u>

## 11. RECEIVABLES

	2022 \$	2021 \$
Trade receivables - Regulatory fees	23,575,614	17,605,074
Other receivables (I)	<u>39,033,228</u>	<u>38,038,373</u>
	62,608,842	55,643,447
Less: Impairment loss allowance	<u>(53,364,903)</u>	<u>(10,845,856)</u>
Prepayments	9,243,939	44,797,591
	<u>12,295,373</u>	<u>11,504,516</u>
	<u>21,539,312</u>	<u>56,302,107</u>

## Movement in impairment loss allowance:

	2022 \$	2021 \$
Balance at the beginning of year	10,845,856	-
Charge for the year	<u>42,519,047</u>	<u>10,845,856</u>
Balance at the end of year	<u>53,364,903</u>	<u>10,845,856</u>

(I) Other receivables include \$35,453,191 (2021: \$34,671,949) due from the Government of Jamaica [see Note 20(b)(i)].

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 11. RECEIVABLES (CONT'D)

Movement in impairment loss allowance (cont'd)

(i) In determining the recoverability of a receivable, the company considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date.

#### 12. TAXATION RECOVERABLE

Taxation recoverable represents taxes withheld at source on interest received on resale agreements and cash and cash equivalents, and amount paid as quarterly taxation installments prior to the company receiving confirmation of its Tax Exempt status.

Movement in taxation recoverable:

	<u>2022</u> \$	<u>2021</u> \$
Balance at the beginning of year	18,220,781	17,183,152
Taxes withheld at source during the year	<u>16,264</u>	<u>1,037,629</u>
Balance at the end of year	<u>18,237,045</u>	<u>18,220,781</u>

#### 13. RESALE AGREEMENTS

The company enters into resale agreements collateralised by Government of Jamaica and/or Bank of Jamaica Securities.

These resale agreements include interest accrued of \$861,919 (2021: \$647,699) and have an average maturity period of 30 days (2021: 31 days).

		<u>2022</u> \$	<u>2021</u> \$
Resale agreements	- J\$ equivalent of US\$	141,517,638	102,282,862
	- J\$ currency	<u>739,459,456</u>	<u>586,353,195</u>
		<u>880,977,094</u>	<u>688,636,057</u>

The fair values of underlying securities used to collateralise resale agreements amounted to \$927,036,476 (2021: \$717,521,341).

The weighted average effective interest rates at the reporting date were, as follows:

	<u>2022</u> %	<u>2021</u> %
US\$	2.44	2.08
J\$	<u>3.31</u>	<u>2.19</u>

**SPECTRUM MANAGEMENT AUTHORITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 MARCH 2022**

**14. CASH AND CASH EQUIVALENTS**

	<u>2022</u> \$	<u>2021</u> \$
Cash in hand - J\$ Currency	75,000	75,000
Bank balances - J\$ Currency	<u>33,560,951</u>	<u>385,657,797</u>
	33,635,951	385,732,797
Bank balances - J\$ equivalent of US\$	<u>45,036,607</u>	<u>6,649,206</u>
	78,672,558	392,382,003

The weighted average effective interest rates at the year-end were as follows:

	<u>2022</u> %	<u>2021</u> %
Cash at bank - US\$	0.03	0.06
- J\$	<u>0.53</u>	<u>0.27</u>

**15. SHARE CAPITAL**

	<u>2022</u> \$	<u>2021</u> \$
Authorized - 100 ordinary shares of no par value		
Issued and fully paid - 2 ordinary shares of no par value	<u>20</u>	<u>20</u>

**16. CONTRIBUTED CAPITAL**

	<u>2022</u> \$	<u>2021</u> \$
(i)      Government of Jamaica	79,999,980	79,999,980
(ii)     Government of Jamaica	<u>64,700,386</u>	<u>64,700,386</u>
	<u>144,700,366</u>	<u>144,700,366</u>

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 16. CONTRIBUTED CAPITAL (CONT'D)

- (i) This represents funds advanced to Spectrum Management Authority Limited through Cable & Wireless Jamaica Limited in lieu of licence and spectrum fees as per heads of agreement Clause 7.4.4 and 7.5 between the Government of Jamaica and Cable & Wireless Jamaica Limited in 1999. These funds were used to finance the start-up operations of the company.
- (ii) This represents funds received from the Government of Jamaica to finance the company's capital programme which formed a part of the first phase of the company's two year business plan which commenced in the financial year 2004/2005.

#### 17. DEFERRED CAPITAL GRANT

This represents the proceeds of funds paid to Spectrum Management Authority Limited by the Government of Jamaica, arising from a retention from the gross spectrum licence fees for a domestic mobile spectrum licence issued in March 2014. These funds are to be used to carry out capital expenditure geared towards improving the technical capacity of the company to monitor the use of the spectrum and to ensure that licensees have unencumbered access to the spectrum. Amounts are transferred from deferred capital grant and recognized in profit or loss in each and succeeding years based on the incremental increase in depreciation resulting from new capital expenditure on spectrum monitoring equipment from these funds. As of the reporting date, these funds have not yet been utilized to carry out capital expenditure.

#### 18. PAYABLES

	<u>2022</u>	<u>2021</u>
	\$	\$
Tax Administration Jamaica:		
Spectrum licence fees	154,376,765	248,931,426
Accruals	<u>38,586,702</u>	<u>33,087,716</u>
Customers' deposits	192,963,467	282,019,142
	<u>3,154,501</u>	<u>8,405,882</u>
	<u>196,117,968</u>	<u>290,425,024</u>

Customers' deposits represent regulatory fees received in the month(s) prior to when the validity periods of the respective renewal licence(s) will begin.

Movement in spectrum licence fees:

	<u>2022</u>	<u>2021</u>
	\$	\$
Balance payable at beginning of year	248,931,426	247,802,959
Spectrum licence fees received	2,785,060,895	1,485,550,251
Spectrum licence fees paid	<u>(2,879,615,556)</u>	<u>(1,484,421,784)</u>
Balance payable at end of year	<u>154,376,765</u>	<u>248,931,426</u>

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 18. PAYABLES (CONT'D)

Spectrum licence fees payable represents amounts due to the Government of Jamaica (GOJ) recognised at the time they are received from customers, and are reflected as a "pass through" in the company's accounts. Normally, fees collected in any month are remitted to the Consolidated Fund in the subsequent month except for domestic mobile licences. All funds collected for the domestic mobile licences are remitted immediately in the month of collection to the GOJ Consolidated Fund.

#### 19. DEFERRED INCOME

This is the unearned portion of regulatory fees that are billed during the financial year and represents the entire, or the proportionate number of months, of the validity period of applicable licences which fall outside the financial year.

Movement in deferred income:

	<u>2022</u>	<u>2021</u>
	\$	\$
Balance at the beginning of year	206,964,105	170,774,163
Add: Amounts invoiced during year	631,186,935	564,483,628
Less: Transfers to revenue [Note 5(a)]	<u>(600,954,554)</u>	<u>(528,293,686)</u>
Balance at the end of year	<u>237,196,486</u>	<u>206,964,105</u>

#### 20. RELATED PARTY TRANSACTIONS AND BALANCES

The following transactions were carried out with related parties:

(a) Compensation of key management personnel

	<u>2022</u>	<u>2021</u>
	\$	\$
Key management personnel compensation:		
Salaries and other related costs	<u>58,005,901</u>	<u>55,813,891</u>
Directors' fees:		
Board Chairman	234,300	188,900
Committee Chairman	181,900	149,800
Board members	1,104,000	1,072,000
Committee members	<u>624,000</u>	<u>461,500</u>
	<u>2,144,200</u>	<u>1,872,200</u>

## SPECTRUM MANAGEMENT AUTHORITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

#### 20. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

The following transactions were carried out with related parties (cont'd)

(b) Related party balances:

(i) Included in other receivables are:

	<u>2022</u>	<u>2021</u>
	\$	\$
Due from related party:		
Due from Government of Jamaica	<u>35,453,191</u>	<u>34,671,949</u>

(ii) Included in payables is an amount of \$154,376,765 (2021: \$248,931,426) payable to Tax Administration Jamaica.

#### 21. CAPITAL COMMITMENTS

As at the reporting date, the company had capital commitments totaling \$55,553,037 (2021: \$13,902,056) made up as follows:

- (i) \$13,438,392 has been committed towards the "Renovation of 13-19 Harbour Street bathroom expansion" project, of which \$6,689,294 was spent, leaving an outstanding balance of \$6,749,098.
- (ii) \$23,114,557 has been committed towards the purchase of "Instruments and Monitoring" equipment. As at reporting date no expenditures were made.
- (iii) \$57,897,613 has been committed towards the "Development of the new E-Licensing System" project, of which \$32,208,231 was spent, leaving an outstanding balance of \$25,689,382.

#### 22. CONTINGENCIES

In the ordinary course of business, the company is involved in litigation proceedings. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to a specific case is necessary or sufficient. Accordingly, significant management judgement relating to provisions and contingent liabilities is required since the outcome of litigation is difficult to predict. The company does not expect the ultimate resolution of the actions to which it is a party to have a significant adverse impact on the financial position of the company.

