



 @ Spectrum Management Authority

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2022 - 2023
**ANNUAL
REPORT**



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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.



VISION STATEMENT

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

QUALITY POLICY STATEMENT

The Spectrum Management Authority is committed to providing quality service to all stakeholders in the regulation and management of the radio frequency spectrum in Jamaica. This is accomplished through the on-boarding of professionally trained staff, fit for purpose resources to include state of the art equipment and technology, and an effective management system that is continually improved and is responsive to the needs of government, customers, and the wider public. In its pursuit of service excellence, the SMA seeks to meet the requirements of stakeholders, statutory and regulatory bodies (local and international) and all relevant standards.



CORE VALUES

Recognition || Excellence || Service || Positivity || Ethics || Collaboration || Trust

ACRONYMS

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

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CORPORATE INFORMATION



REGISTERED OFFICE

13 - 19 Harbour Street
Kingston



AUDITORS

KPMG 6 Duke Street
Kingston



BANKERS

First Global Bank Limited
28 Barbados Avenue
Kingston 5

National Commercial
Bank Jamaica Limited
1-7 Knutsford Boulevard
Kingston 5



COMPANY SECRETARY

Mrs. Pamela Goulbourne
Spectrum Management Authority
13 -19 Harbour Street
Kingston

CORPORATE PROFILE

The Spectrum Management Authority ("SMA" or "the Authority") is established under the Telecommunications Act (2000) as the regulatory body responsible with managing Jamaica's radio frequency spectrum on behalf of the Jamaican government and its people.

In accordance with its Mission Statement, the SMA's spectrum management comprises 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; and
- Fulfilling its statutory obligation as the advisory body to the Minister with portfolio responsibility for telecommunications, currently the Minister of Science, Energy and Technology (MSET), 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 Authority's statutory obligations and operational principles are consistent with and fulfil Jamaica's international commitments to the World Trade Organization's (WTO) telecommunications agreement, as well as the policy objectives enunciated by the Government of Jamaica (GOJ) regarding telecommunications sector liberalisation.

The Authority is supported by a cost-recovery structure in which licenced spectrum users must pay spectrum regulation costs. The fee structure was created in 2003 and changed in 2017 by the Telecommunications (Spectrum Regulatory Fees) (Amendment) Regulations and the Jamaica Gazette Supplement No. 16. The SMA also collects Spectrum Licence fees, which are remitted to the GOJ's Consolidated Fund through Tax Administration Jamaica (TAJ) since April 2017, after the categorization of spectrum licence fees as tax revenue.

As previously indicated, the Authority acts under the legislative framework created by the Telecommunications Act (2000) and the Radio and Telegraph Regulation Act (1973) in carrying out its purpose. Globally, SMA is likewise governed by the International Telecommunications Union's (ITU) norms and regulations. The ITU is the primary United Nations (UN) organisation in charge of information and communication technology. ITU's function in assisting the world to communicate covers three (3) main areas as the global focal point for governments and the business sector: radiocommunication, standardisation, and development.

CORPORATE PROFILE



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; and

- 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.

Last, the SMA represents Jamaica in several telecommunications-related international forum 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); and
- International Telecommunications Union (ITU).

MINISTER'S MESSAGE



Hon. Daryl W. Vaz, M.P.

Minister of Science, Energy and Technology

As the Ministry of Science, Engineering and Technology (MSET) spearheads the National Broadband Initiative, the Spectrum Management Authority (SMA) is essential in achieving that goal. The initiative will have a significant positive impact on the lives and livelihoods of Jamaicans by facilitating the growth of new businesses, optimizing the delivery of public services, and providing universal broadband access.

The Spectrum Management Authority ensures that Jamaica's largest technology innovators and public service agencies can access a limited and vital resource: the electromagnetic spectrum. By providing continuous and secure lines of communication, the SMA helps ensure our citizens' safety and security while supporting efforts to educate, equip, protect, and serve the people of Jamaica.

In the fiscal year 2022/23, the SMA significantly contributed to strategic initiatives that furthered our national goals. The Ministry has been making tremendous efforts for people from all walks of life to be connected and meaningfully involved in the digital ecosystem. The Spectrum Management Authority is at the backbone of making this possible. One noteworthy achievement was issuing a mobile spectrum license to a third operator with a specific mandate to roll out network services in underserved and unserved communities within a designated timeframe.

This initiative is a crucial component of the government's commitment to achieving universal access to technology and facilitating National

Outcome #11 of the Vision 2030 Jamaica National Development Plan. We are proud to have played a role in advancing these critical objectives and remain committed to supporting the growth and development of Jamaica's technology-enabled society.

I commend the SMA team for their diligence and hard work in optimizing the delivery of public services and ensuring that interferences are at a minimum and are rectified when they do arise.



Hon. Daryl W. Vaz, M.P.

Minister of Science, Energy and Technology

CHAIRMAN'S MESSAGE



Edward Gabbidon, MBA

Chairman, Board of Directors
Spectrum Management Authority

A steadfast commitment to accountability and consistency is at the core of the Spectrum Management Authority's mission. This commitment is evident in our efforts to promote responsible fiscal management, actively engaging with stakeholders, developing innovative solutions that put consumers first, and consistently adhering to world-class standards and best practices.

As a Board, we understand the critical role that the Authority plays in providing the government with the necessary technical advice and expertise to manage the radio frequency spectrum effectively. Our unwavering dedication to this cause reflects our firm belief in the transformative power of technology to propel Jamaica's expanding ICT to new

heights, to the benefit of all sectors.

The past year has seen significant progress in Jamaica's ICT landscape. These advancements indicate that Jamaica is determined to embrace a rapidly evolving digital landscape and not become complacent. As such, it is imperative that all data, including that transmitted through radio frequencies, are adequately protected. Based on GoJ's legislation, the SMA has made it a priority to ensure that all users of radio frequencies are protected. Additionally, recognizing the importance of spectrum for emerging technologies, we have actively laid the foundation for enhanced connectivity,

improved data speeds, and the realization of a digitally inclusive society. This has been realized through effective spectrum allocation and planning, spectrum auctions and licensing and spectrum harmonization and standardization.

Furthermore, we have placed a strong emphasis on promoting the efficient use of spectrum through effective spectrum planning and utilization strategies. This has involved ongoing consultation with industry experts, service providers, and consumer groups to ensure that spectrum resources are allocated in a manner that optimizes their potential for economic and social development.

CHAIRMAN'S MESSAGE (Continued)



While we celebrate these achievements, we are keenly aware of the challenges that lie ahead. The rapid pace of technological advancements demands that we remain adaptable and responsive to emerging trends. As we continue to embrace digital transformation, we must also address the need for robust cybersecurity measures, spectrum-sharing frameworks, and spectrum harmonization initiatives to enable efficient cross-border communications.

In conclusion, I would like to extend my sincere gratitude to our stakeholders, including the government, telecommunications operators, industry associations, and the Jamaican public, for their unwavering support and collaboration throughout the fiscal period 2022/23. Our accomplishments would not have been possible without your trust and cooperation.

As we look forward to the future, the Spectrum Management Authority remains committed to serving as a catalyst for innovation, economic growth, and improved communication services in Jamaica. Together, let us continue to embrace the transformative power of spectrum management and build a brighter and more connected future for our nation.

Mr. Edward Gabbidon
Board Chairman



SMA Engineers - Omar Thomas, Matthew Green and Rupert Cruickshank conducting maintenance works at May Pen monitoring site

MANAGING DIRECTORS' MESSAGE



Dr. Maria Myers-Hamilton,
Managing Director
Spectrum Management Authority

As we review our 2022/23 fiscal year, the team is sanguine about the prospects for the demand of wireless connectivity, especially in rural communities where little to no connectivity exists. The SMA continues to strive on improving our mandate to manage the radio frequency spectrum further effectively, I commend the team for working assiduously to achieve our goals thus far.

We have achieved remarkable success through a skillfully executed strategy and elevated the organization's fundamental operations standards. In terms of new applications, the SMA exceeded expectations. The Licensing Secretariat received three hundred and sixty-nine (369) new applications for the period.

April 2022 – March 2023, three hundred and forty-seven (347) licences, including applications

brought forward from the previous fiscal year, were approved for the grant of a license. 88% of 347 or 306 applications granted met the standard processing time, above the Key Performance Indicators (KPI) of 80%.

We are elated to share that the team has successfully allocated all of Jamaica's radio frequency spectrum in compliance with our remit and alignment of harmonization guidelines. All cases of interference were investigated in the appropriate processing time and resolved. This accomplishment is a testament to our team's dedication and expertise in managing Jamaica's spectrum resources.

Enhancing Capacity and Celebrating Accomplishments

There has been an immense effort to ensure we can bring Jamaica into the digital era. To highlight a few:

- The SMA has successfully implemented the online spectrum licensing and management system, making obtaining spectrum licenses more efficient and transparent.
- The Authority is conducting spectrum monitoring exercises to ensure compliance with spectrum regulations and identify and mitigate any harmful interference.

MANAGING DIRECTOR'S MESSAGE (Continued)



- The SMA has ongoing collaborative efforts with local and international stakeholders to develop and implement a national spectrum plan that identifies spectrum requirements and allocation strategies for various sectors of the economy.
- The SMA has begun implementing measures to improve the quality of service provided by spectrum users, such as the implementation of quality-of-service metrics for mobile operators.
- The authority is developing policies and guidelines to facilitate the deployment of new technologies and services, such as the use of spectrum for 5G networks and the Internet of Things (IoT).
- During February 6-8, 2023, the SMA participated in the Caribbean Telecommunications Union's (CTU) scheduled meeting of the Caribbean Spectrum Management Task (CSMTF) at the Iberostar Hotel Rose Hall Beach, Montego Bay, Jamaica. The meeting was attended by 86 participants from 18 countries, with its main objectives being to formulate the Spectrum Management Task Force's (SMTF's) Action Plan for 2023 and consider plans and meetings for 2023 in the run-up to WRC-23. The Task Force continued its thrust to promote regional harmonization of spectrum management policies and practices and relevant capacity-building initiatives.

and digital public services, having a dependable electromagnetic spectrum is more important than ever for the country's development. The Spectrum Management Authority (SMA) plays a critical role in Jamaica's goal of island-wide digitization. Henceforth, Jamaica's Vision 2030: "Jamaica, the place of choice to live, work, raise families and do business."

As the authority prepares for the opportunities of the coming years, the SMA is driven by a forward-thinking Ministry, a dedicated team, a purposeful Board of Directors, and the potential of our investments in Jamaica's technological future.

The SMA stays true to our mission to efficiently manage Jamaica's electromagnetic spectrum for all stakeholders' benefit. We envision a country where the efficient use of spectrum drives technological innovation and economic growth, creating a better future for all Jamaicans.

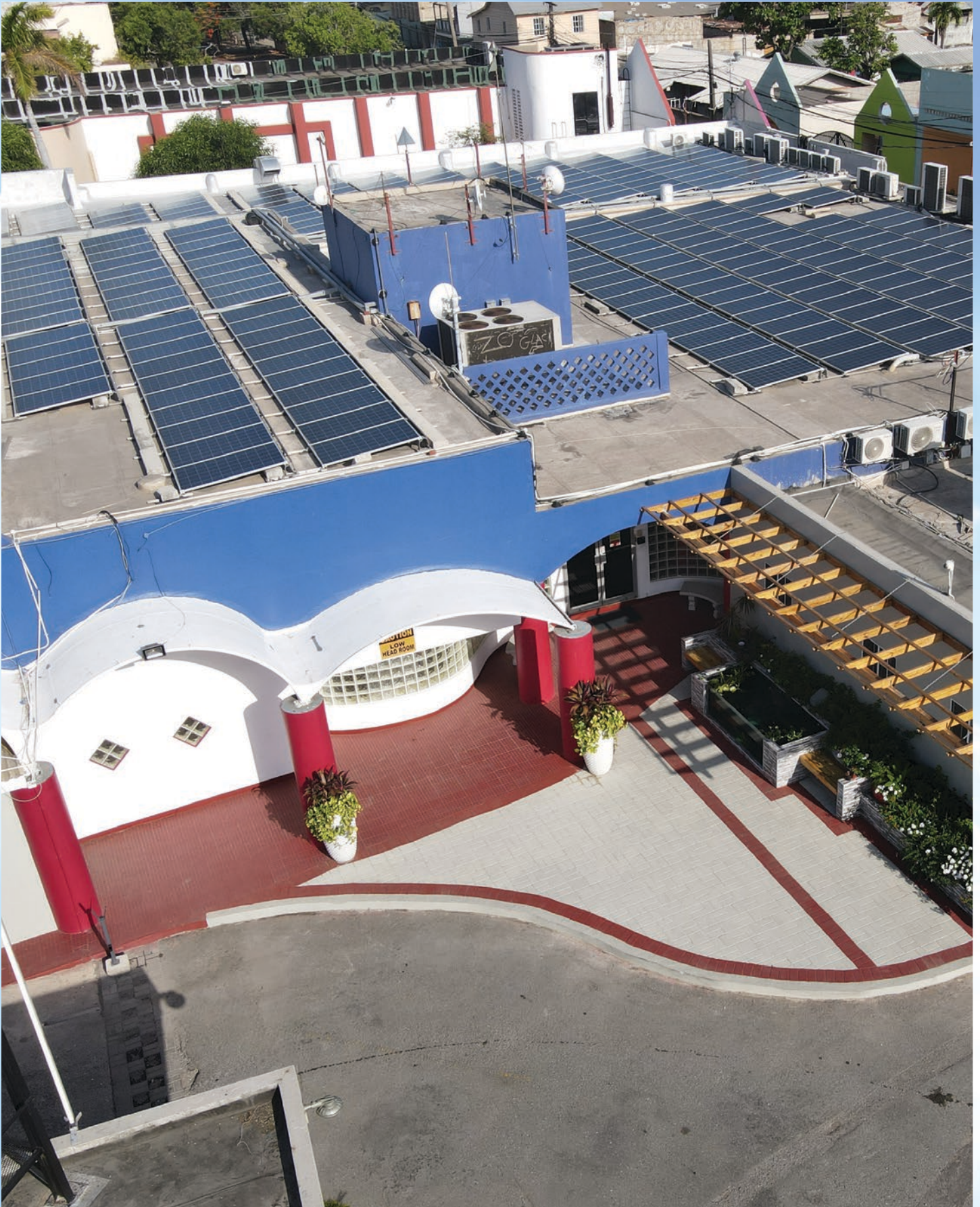
Dr. Maria Myers-Hamilton
Managing Director



Citizen Band (CB) radio used for short range communication

Trailblazers of the Digital Era

The SMA holds a valuable resource crucial for Jamaica's safety and business growth. With the global shift towards wireless communication



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

BOARD OF DIRECTORS



Edward Gabbidon

Chairman



Amb. Ricardo Allicock

Vice Chairman



Jerome Smalling

Director



Marion Brown

Director



Kelli-Dawn Hamilton

Director



Maj. Kayson Gunzell

Director

*Images are of Board of Directors as at March 31, 2023.

BOARD OF DIRECTORS (Continued)



Heidi Hanna

Director



Merrick Marshall

Director



Dr. Louis-Ray Harris

Director



Stephen Steele

Director



Delroy Thompson

Director



Kaydian Smith Newton

Director

*Images are of Board of Directors as at March 31, 2023.

BOARD OF DIRECTORS' COMMITTEES

**Table 1- Board members within the first three quarters of 2022/23 Financial Year
2022 April 1 – 2022 December 31**

Finance & Procurement	Technical Operations	Corporate Governance & Human Resources	Audit & Risk Management
Marsha Haughton*	Robert Richards*	Camille Facey*	Rakesh Goswami*
Stephen Steele	Edward Gabbidon	Heidi Hanna	Robert Richards
Delroy Thompson	Delroy Thompson	Dr. Marcia Forbes	Camille Facey
Dr. Louis-Ray Harris	Kaydian Smith Newton	Kaydian Smith Newton	Dr. Marcia Forbes
Merrick Marshall	Merrick Marshall	Rakesh Goswami	Heidi Hanna
	Dr. Louis-Ray Harris		

**Table 2- Board members served the fourth quarter of 2022/23 Financial Year
2023 January 1 – 2023 March 31**

Finance & Procurement	Technical Operations	Corporate Governance & Human Resources	Audit & Risk Management
Jerome Smalling*	Dr. Louis-Ray Harris*	Marion Brown*	Merrick Marshall*
Stephen Steele	Edward Gabbidon	Heidi Hanna	Maj. Kayson Gunzell
Delroy Thompson	Delroy Thompson	Amb. Ricardo Allicock	Kelli-Dawn Hamilton
Dr. Louis-Ray Harris	Kaydian Smith Newton	Kaydian Smith Newton	Marion Brown
Amb. Ricardo Allicock	Maj. Kayson Gunzell	Kelli-Dawn Hamilton	Heidi Hanna

NB: * - Indicates the committee members who served as Committee Chairs during the period.

ROLE OF THE BOARD OF DIRECTORS



The Board of Directors (BOD) is collectively responsible for providing oversight and strategic management in accordance with the Public Bodies Management & Accountability (Amendment) Act, 2015, which empowers the Board to make sure that the organization is properly managing the resources entrusted to it and abiding by all rules and regulations. The BOD also serves as the focal point for corporate governance and is answerable to the responsible Minister, The Honourable Daryl Vaz M.P., and Shareholder, the Accountant General's Department (AGD).

The SMA's BOD had a total of twelve (12) directors at the start of the 2022/23 fiscal year, including its Chairman, Mr. Edward Gabbidon. However, on November 15, 2022, the tenure of the Board expired and upon the recommendation of the Honorable Minister of the Ministry of Science, Energy and Technology, a new Board was appointed by Cabinet with effect from December 12, 2022. Essentially, this “new” Board resulted in a change of five (5) members within the 2023/24 fiscal year. The board members were namely: Camille Facey, Marcia Forbes, Marsha Haughton, Robert Richards and Rakesh Goswami. The BOD was routinely convened throughout the period under review to assess the key developments impacting the SMA and make the necessary decisions requiring Board approval. This was done to achieve business success and to preserve good corporate governance.

ROLE OF THE BOARD OF DIRECTORS (Continued)



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. He is also the Chief Executive Officer of SynCon Technologies Limited, an IT consulting firm specializing in ICT infrastructure and development. 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 – Ambassador Ricardo Allicock

- Ambassador Ricardo Allicock is a strategic and visionary global leader with thirty (30) years professional experience in successful change management, financial services management, publishing and diplomacy. He has proven ability to design and implement policy, foster organizational change and build relationships with business and governmental leaders in the enhancement of mutually beneficial business and public sector goals.

Ricardo served as a diplomat for more than two decades, including in the capacities of Consul General to the Southern United States and the Bahamas, and Ambassador to Japan, Korea, the Philippines and Indonesia, as well as High Commissioner to Australia, India, Malaysia and New Zealand.

Director - Jerome Smalling

- Jerome is a Director for JMMB Bank and has overall responsibility for JMMB's banking businesses in Trinidad and Tobago and The Dominican Republic. He is the immediate past President of the Jamaica Bankers' Association and sits on the board of the Ports Authority of

ROLE OF THE BOARD OF DIRECTORS (Continued)



Jamaica where he leads as Chairman of the Board Finance Sub Committee. He also serves on the Board of his Alma Mater, Munro College.

Jerome Smalling is a seasoned financial expert with an esteemed 26-year career in banking. His career includes tenures as Scotiabank Branch Manager; Vice President, Personal Banking at RBC Caribbean and Manager, Branch Sales Strategy Initiatives at the RBC Royal Bank's National Office in Toronto Canada.

Director - Marion Brown

- Marion Brown Attorney-at-Law is currently the Vice President and University Registrar at the University of Technology, Jamaica. Miss Brown served for two terms as President of the University of Technology, Jamaica Administrative Staff Association (UTASA) the Union with bargaining rights for over Three Hundred (300) administrative staff at the University. She served for several years as the Grievance Officer.

She has served as Co-opted member on the Corporate Governance Committee and or Human Resource Committees of several Public Bodies including the Heart Trust NSTA, Factories Corporation of Jamaica and the National Health Fund. She is currently a Commissioner on the Board of Commissioners of the National Water Commission and Chairs the Corporate Governance and Human Resource Committee of the Board.

Director – Kelli-Dawn Hamilton

- Kelli-Dawn has over a decade of experience in policy development, international trade, public relations and communication and business advocacy. Formerly, the Director, Investor Relations and Communications at the Jamaica Special Economic Zone Authority, Kelli-Dawn is currently the Interim Chief Executive Officer of the Authority. She has also worked with JAMPRO, Airports Authority of Jamaica and First Global Bank and served as a Board Director for the Rural Agricultural Development Authority.

She has developed, inter alia, national strategic developmental plans and strategies for both public and private sector entities which resulted in the attainment of national and organisational goals on a global level.

ROLE OF THE BOARD OF DIRECTORS (Continued)



Director - Maj. Kayson Gunzell

- Maj. Kayson Gunzell is an experienced Operational Leader with approximately twelve years proven experience in Military Strategy, Tactics and Intelligence. A highly respected team member with a history of guiding teams to top performance, Maj. Gunzell is adept in creating and implementing actionable strategies to realize short and long-term goals. Maj. Gunzell was recently appointed Acting Staff Officer for Cyber, Communications and Information Systems at the Jamaica Defence Force, Up Park Camp. Prior to that he served in various capacities including Staff Officer Headquarters (Intelligence); Acting Officer Commanding Headquarters Company 2JR; Infantry Battalion Intelligence Officer and Platoon Commander.

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 is professionally affiliated with the Society for Human Resource Management (SHRM), the International Foundation of Employee Ben-efits Plan (IFEBP) and the Sigma Beta Delta Business Honor Society. Ms. Hanna sits on the Board of the Spectrum Management Authority.

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

ROLE OF THE BOARD OF DIRECTORS (Continued)



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 ACCA and a Microsoft Excel Advanced Workshop Certificate from the HEART Trust/NTA.

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 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.

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 ground-breaking 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.

ROLE OF THE BOARD OF DIRECTORS (Continued)



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, Denis Brown Concert & Gold Awards), Jamaica Independence GALA Celebrations from 2012 to

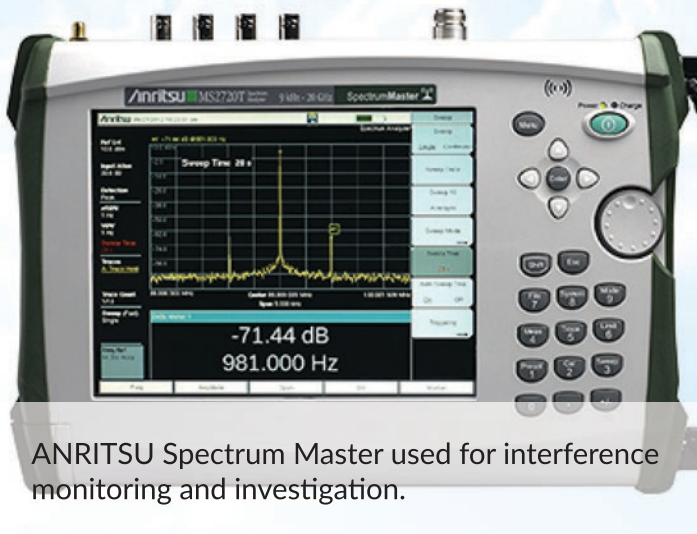
2018. Mr. Thompson also headed the live streaming and videography of Camper

down'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.

Director - Kaydian Smith Newton

➤ Kaydian A. Smith-Newton, A Thomas Buergethal Scholar, has been a practising Attorney-at-Law since 2004. 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.



ANRITSU Spectrum Master used for interference monitoring and investigation.



Engineers Omar Thomas and Dimitri Bernard conducting monitoring exercise

ROLE OF THE BOARD'S COMMITTEES

2022 April 1 – 2023 March 31

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. It must be noted that Conflict of Interest Disclosure is a standing agenda item for the Board as well as all Board Sub Committee meetings. 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:

Finance and Procurement Committee

The Finance and Procurement Committee provides oversight in reviewing and resolving financial issues to secure the interest and financial health of the Spectrum Management Authority (SMA). The Committee also provides oversight of the procurement affairs of the SMA in keeping with legislation, policies and standards and by so doing, ensures that funds are fully accounted for, and procurement of goods and services are done in compliance with the Law. The members of the Committee during the period April 2022 to October 2022 were:

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

Subsequent to the expiration of the tenure of the BOD, on November 15, 2022 and a new Board was appointed by Cabinet on the recommendation of the Honourable Minister of the Ministry of Science, Energy and Technology, with effect from December 12, 2022 to December 11, 2024. The Chairman of the Board appointed the following members to the Finance and Procurement Committee on January 31, 2023:

- Jerome Smalling (Chairman)
- Amb. Ricardo Allicock
- Stephen Steele
- Louis-Ray Harris
- Delroy Thompson



The Committee is a standing committee of the Board and as such, meetings are usually held monthly on the Wednesday of the week preceding that of the Board of Directors' meeting. Special meetings (unscheduled) of the Committee may be convened by the Chairman to address matters of immediate importance or urgency to the operations of the Authority. The Committee met seven (7) times during the financial year under review and all meetings were held virtually. After each meeting, the Committee submitted a report to the Board on its activities, findings, and related recommendations. The Director, Finance and Administration also provided a report to the Board at its monthly meetings. The following were the highlights of those meetings:

- 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
- Received confirmation that:
 - o fees and mileage claims payable to board members are reviewed annually to ensure correct categories in keeping with the MOFs circular regarding payment of Board and related fees
 - o the SMA's statutory deductions and payments comply with the law
 - o collections of monthly processing, normal monthly licence and regulatory fees are effected timely
 - o monthly disbursement of funds for normal operating expenses and capital expenditures are done within budget
 - o disbursement to the Tax Administration of Jamaica for all spectrum licence fees is done monthly
 - o quarterly contract award (QCA) reports to the Integrity Commission are submitted on time
- Reviewed and recommended management submission for an annual incentive payment in keeping with the company's approved Performance Incentive Scheme
- Reviewed the SMA's draft audited report for inclusion in its Annual Report
- Reviewed and recommended the Finance and Procurement Committee Charter to the Corporate Governance and Human Resources Committee for further review, before approval by the full Board.



The Finance and Procurement Committee remains satisfied with the financial reporting and procurement procedures undertaken by the SMA. The Committee can also report that the SMA remains compliant in all areas based on its compliance requirements.

Jerome Smalling
Chairman – Finance and Procurement Committee

Technical Operations Committee

The Technical Operations Committee provides support and recommendations to the Spectrum Management Authority's Board of Directors on strategic decisions, primarily concerning technology-related aspects of the Spectrum Management Authority's operations. The committee also ensures that the technical operations of the SMA are in keeping with international best practices for spectrum management and will satisfy the local demand for spectrum use. The members of the Committee during the period April 2022 to October 2022 were:

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

Subsequent to the expiration of the tenure of the BOD, on November 15, 2022 and a new Board was appointed by Cabinet on the recommendation of the Honourable Minister of the Ministry of Science, Energy and Technology, with effect from December 12, 2022 to December 11, 2024. The Chairman of the Board appointed the following members to the Technical Operations Committee on January 31, 2023:

- Dr. Louis-Ray Harris (**Chairman**)
- Edward Gabbidon
- Delroy Thompson
- Kaydian Smith Newton
- Major Kayson Gunzell

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. Special meetings (unscheduled) of the Committee may



be convened by the Chairman to address matters of immediate importance to the operations of the Authority. The Committee met two (2) times during the year under review and all meetings were held virtually. After each meeting, the Committee submitted a report to the Board on its activities, findings, and related recommendations.

Technical Operations Committee Charter

- In keeping with the review period stated in the captioned Charter, the Committee reviewed its Charter and forwarded its recommendations for further review by the Corporate Governance and Human Resources Committee.

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 area. This will also allow for a wider coverage area for detecting modern signals and will capture an instantaneous and higher range of spectrum band width, detect weak signals in crowded radio frequency environments and provide precision signal geo-location.
- During the period, the team was able to establish three (3) new RMDFS sites, Greenside (Falmouth), Leaders Avenue (Montego Bay) and Port Antonio Hospital (Portland). These three sites were commissioned during the period under review and are fully operational and used by the Monitoring and Inspection Unit. The Manchester site was temporarily upgraded. The procurement process has commenced for both the Lucea and Negril sites, the Lucea procurement is currently at the Procurement Committee stage while the Negril procurement will be advertised in early FY 23/24.

National Broadband Initiative Project

- A fully integrated national microwave and fibre optic network infrastructure is in the process of being implemented by the Government of Jamaica under the Ministry of Science, Energy and Technology's National Broadband Initiative which is designed to expand the GovNet Multi-Protocol Layer Switching backbone islandwide and was being jointly implemented by the National Works Agency and eGov Jamaica Limited.

The SMA's contribution towards the captioned initiative was fully paid over to the Government of Jamaica in October 2022 by way of a Special Financial Distribution from Retained Earnings to the Consolidated Fund as per instructions from the Ministry of Finance and the Public Service.



Testing Lab

- The overall objective of the project is to promote effective spectrum management at the national and regional levels by providing cost-effective services that ensure compliance with regional regulatory standards, support the efficient, economical and rational use of the spectrum in light of the rapid evolution of wireless technologies and services, and foster local and regional research, innovation and development. The target beneficiaries of the project are the Government of Jamaica, the SMA, the University of the West Indies, National and Regional Small and Medium Enterprises, Researchers, and Innovators as well as Regional Spectrum Regulatory Bodies.

There is currently no “in-country” testing and no existing national or regional (Caribbean) testing facility to verify that electronic equipment and devices entering the Jamaican market meet local regulatory requirements. The project will therefore enable the SMA to carry out its functions more effectively, supported by a more comprehensive and data-driven evidence based on which to make decisions. The established project will be a fully functional, FCC-recognized ISO/IEC 17025 accredited testing laboratory operating in the Caribbean region.

Repurposing of the 614-698 MHz Band

- To make more spectrum available for International Mobile Telecommunications services, the SMA, based on the policy objectives and directives of the Government of Jamaica, embarked on a Consultation exercise with regard to the Repurposing of the 600 MHz band (614-698 MHz), which is currently allocated for Broadcasting services.

Based on discussions at a stakeholders’ forum, the current allocation and assignment of spectrum for mobile broadband services are unable to support the outcomes as defined in the Vision 2030 Jamaica, National Development Plan on expanding the broadband (wired and wireless) network island-wide, as well as to increase affordable access to internet connectivity to help bridge Jamaica’s digital divide.

The Board of Directors therefore supported the recommendation to repurpose the 600 MHz band between 614 MHz and 698 MHz from Broadcasting to Mobile and Fixed. The Board also supported the recommendation to utilize the first come first serve methodology as the means of engaging the operators and a spectrum screen as the means of controlling the distribution of spectrum between operators.



e-Licensing Project

- An e-Licensing project replaced the current ASMS system used by the SMA. The objective of the project was to implement a licensing system that is designed based on best practices for spectrum management regulators, is accessible online to the licensees/customers of the SMA and enables improved KPIs performance.

The team completed the launch of the SMA's New E-licensing platform consisting of all thirteen (13) licence types, which now allow customers to apply and make payment at their convenience. The thirteen licensing types are: Aeronautical; Alien Amateur; Amateur; Citizens Band; Domestic Mobile; GMDSS; Private Radio (Major); Private Radio (Other); Maritime (Temporary); Maritime (Permanent); Maritime (Non MAJ); Technician; and VSAT. The design phase, testing phase and data migration has been completed. The team has also performed training with internal stakeholders and major external stakeholders. The Committee will continue to recommend strategies and best practices to the management team.

Dr. Louis-Ray Harris

Chairman – Technical Operations Committee

Corporate Governance and Human Resources Committee

The Board of the Spectrum Management Authority (SMA) established the Corporate Governance and Human Resources Committee to provide a stronger focus on ensuring that the Board's composition, structure, policies, and procedures are in keeping with applicable laws, regulations and government guidelines. The Committee also reviews, analyses and make recommendations to the Board for improvements that will increase efficiency in the following areas: Human Resource (HR) policies and procedures, staff manuals, and effectiveness of compliance with HR-related projections and targets.

The Committee, in achieving its human resources obligations, also ensures that the SMA can 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 during the period April 2022 to October 2022 were:

- | | |
|----------------------------|------------------|
| ➤ Camille Facey (Chairman) | ➤ Heidi Hanna |
| ➤ Kaydian Smith | ➤ Rakesh Goswami |
| ➤ Dr. Marcia Forbes | |



Subsequent to the expiration of the tenure of the BOD, on November 15, 2022 and a new Board was appointed by Cabinet on the recommendation of the Honourable Minister of Ministry of Science, Energy and Technology, with effect from December 12, 2022 to December 11, 2024. The Chairman of the Board appointed the following members to the Corporate Governance and Human Resources Committee on January 31, 2023:

- Marion Brown (**Chairman**)
- Kaydian Smith Newton
- Amb. Ricardo Allicock
- Heidi Hanna
- Kelli-Dawn Hamilton

The Committee is a standing committee of the Board and as such, meetings are usually held bi-monthly on the third Tuesday of each month. Special meetings (unscheduled) of the Committee may be convened by the Chairman to address matters of immediate importance to the operations of the SMA. The Committee met five (5) times during the year under review and all meetings were held virtually. 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.

Competency Profile & Board Diversity

Following the appointment of five (5) new members to the Board, the Board Competency Profile was updated; the current board appointments meet all the required competencies. Director profiles have also been developed and placed on the company's website together with the Competency Profile. The Board's composition reflects professional and background diversity.

Board Performance Evaluation

- A board performance evaluation was conducted in August 2022 and completed in September 2022 by an External Consultant who presented the findings and Improvement Plan to the full Board on October 7, 2022. The exercise covered the performance of the individual directors, the Board as a whole, the Chairman, the Company Secretary and the four (4) board committees. The Consultant's recommendation was reviewed in detail by the Committee and decisions were made as to which of the recommendations were relevant to the SMA. Implementation of the recommendations is underway.



Annual Report

- The Board through the Committee continued its guidance and oversight of the production of the Annual Report for the 2022/2023 period. The Report included updated profiles of the Board of Directors, how a conflict of interest is treated at the Board and Committee level, as well as a competency profile outlining the various skillsets and diversity of the current Board. All annual reports have been uploaded to the website.

Spectrum Management Authority (SMA) Corporate Governance Gap Analysis

- Work is underway to develop all the required policies identified in the Corporate Governance Gap Analysis which was customized for the SMA. This Analysis outlined the policies stipulated by legislation and the Corporate Governance Framework for Public Bodies as well as other best practice requirements.

Board Induction and Orientation

- A Board Induction and Orientation Policy was developed and approved by the Board of Directors on November 10, 2022. A formal induction and orientation process in keeping with the approved policy was conducted on January 19, 2023, for the newly appointed members. To bring awareness to the board members regarding the operations of the Authority, including its vision, achievements and directives, the department heads related the functions and duties of their respective units to the full board on January 31, 2023. The newly appointed members were provided with electronic access via a USB Drive to the relevant policies, governance, strategic and fiscal responsibility documents required for their successful orientation. The induction process involved the following:
 - Introduction to members of staff
 - Tour of the entity's head office
 - Overview of the SMA's operations, strategic plan, budget and financial statements.
 - Demonstration of the use of the monitoring software and overview of site locations displayed on the monitoring screen

Board and Committee Charters

- The respective Charters were amended. The Committee commenced revision of the same in March 2023 and will continue into the new financial year prior to approval by the full board.



Performance Evaluation Appraisal

- The Board has a fiduciary responsibility to review and monitor the Managing Director's performance, in the discharge of this responsibility, the Board Chairman and the Chair of the respective Committees conducted a performance evaluation of the Managing Director in July 2022. Evaluations were also conducted of the Corporate Secretary and the Internal Auditor which are the other two positions reporting directly to the Board.

Review and Report on Organisational Structure and Redesign

- The preliminary review of the SMA's eighteen-year-old structure was conducted by the committee and full board which reverted to the Managing Director for further clarification on aspects of the redesign. This will be further explored during the 2023/2024 fiscal year.

Appointment of Corporate Secretary

- Principle 5(2) of the Corporate Governance Framework for Public Bodies which states that "Boards should give consideration to the separation of the positions of Corporate Secretary and Legal Counsel based on the guidelines developed by the Ministry of Finance and Planning", the Board of Directors appointed a Corporate Secretary in November 2022. The Ministries of Science, Energy & Technology and Finance and Public Service offered their "no objection" and the position was added to the organisational structure effective February 2023.

The Way Forward

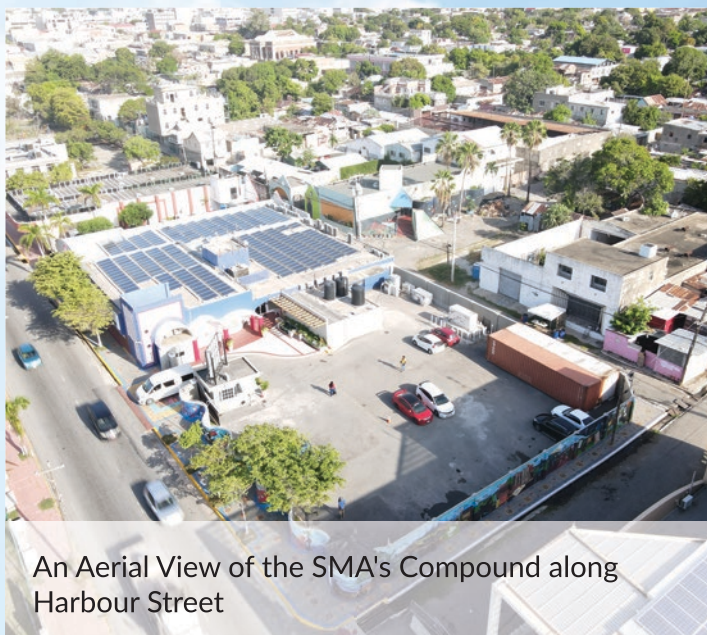
The Committee anticipates an active 2023/24 fiscal year and will organize itself for the conduct of the following tasks and activities:

- Corporate Governance training for Board of Directors and the management team
- Risk Management Training for Board members, the Managing Director, the Risk Manager, the Internal Auditor and the Company Secretary.
- Training in Data Protection for the Board of Directors and the management team.
- Development and implementation of the outstanding policies
- Development of a succession plan with two identified successors per critical position
- Review of Board and Committee Charters

Marion Brown,
Chairman – Corporate Governance and Human Resources Committee



Audit and Risk Management Committee



An Aerial View of the SMA's Compound along Harbour Street

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 public body and provide oversight of the independence of the auditors auditing the public body. The Committee acts to ensure that the SMA adheres to its Corporate Governance mandate in the specific areas of enterprise risk management, accounting policies, internal controls, compliance systems and procedures as well as financial reporting practices. It also considers the adequacy of risk management and advises on mechanisms for the assessment and management of risk. The members of the Committee during the period April 2022 to October 2022 were:

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

Subsequent to the expiration of the tenure of the BOD, on November 15, 2022 and a new Board was appointed by Cabinet on the recommendation of the Honorable Minister of the Ministry of Science, Energy and Technology, with effect from December 12, 2022 to December 11, 2024. The Chairman of the Board appointed the following members to the Audit and Risk Management Committee on January 31, 2023:

- Merrick Marshall (**Chairman**)
- Major Kayson Gunzell
- Kelli-Dawn Hamilton
- Marion Brown
- Heidi Hanna

The Committee is a standing committee of the Board and as such, meetings are usually held quarterly on the first Wednesday. Special meetings (unscheduled) of the Committee may be convened by the Chairman



to address matters of immediate importance to the operations of the SMA. The Committee met two (2) times during the year under review and all meetings were held virtually. After each meeting, the Committee submitted a report to the Board on its activities, findings, and related recommendations. By way of invitation, the Internal Auditor as well as the Risk Manager attended all meetings of the Committee. The following were the highlights of those meetings:

Recruitment Process Enterprise Risk Manager

- The recruitment status of the Risk Manager was brought to the attention of the Committee in July 2022; at that time applications for the position were received, however the shortlisting for the interview was not yet completed. Subsequently, interviews and psychometric evaluation were conducted, and a Risk Manager appointed in August 2022.

Annual Audit Plan

- The Audit Plan for the Financial Year 2022/2023 was presented to the Committee for its review and approval. The Plan summarized the priority areas to be audited, the types of audits, scope and the relevant risks associated with each area. The main areas were:
 - Maintenance Management (Scheduled/unplanned).
 - Capital Expenditure, Contracts for Works, Procurement
 - Revenue & Collections (Revenues collected, Billing, Receivables, Deferred Income)
 - Human Resource Management (Recruitment, Joiners, Movers and Leavers, Training, Succession Planning, Remuneration)
 - Governance/Risk Management

Senior Managers were consulted for their views and input in the risk assessment and planning process. The Audit Committee members also made their suggestions to the plan and their input was noted.

Risk Management Report

- A summary of the entity's risk profile for the period ending December 31, 2022, and the status of implementation of risk management controls by the Divisions/Departments was presented.

Capital Expenditure Audit

- An audit of the entity's Capital Expenditure process was conducted. The period covered October 2021 – August 2022. The key objectives were to determine that:



- Capital expenditure had conformed to budgetary approval.
- Procurement guidelines were satisfactorily met and in line with Government of Jamaica regulations.
- There was adherence to applicable contractual terms and agreement.
- Expenditure was in alignment to the goals of the SMA.
- Value for money was achieved as specific projects were carried out economically, efficiently, and effectively.

Based on the results of internal audit's review, the controls provide reasonable assurance that the entity's capital expenditure process is operating effectively and in accordance with the agency's policies and procedures and Government of Jamaica Procurement guidelines.

Merrick Marshall
Chairman – Audit and Risk Management Committee



CONFLICT OF INTEREST



A View of the SMA's Office Entrance (with Planter Box and Fish Tank)

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 2022-2023 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 54-55

RECORD OF ATTENDANCE

For the 2022/23 fiscal year, the SMA scheduled seven (7) meetings of the Board of Directors. Additionally, meetings with regards to five (5) committees of the Board were also held. A summary of the attendance of directors at all the meetings for the FY are outlined in the table below:

**Table 3-Illustration of Board Members Attendance within the
2022/23 Financial Year**

	BOARD	AUDIT & RISK MAN- AGEMENT COMMITTEE	FINANCE & PROCURE- MENT COM- MITTEE	CORPORATE GOVERN- ANCE & HUMAN RESOURCES COMMITTEE	TECHNICAL OPERATIONS COMMITTEE	JOINT FI- NANCE AND AUDIT COM- MITTEES	ANNUAL GENERAL MEETING
	7 MEETINGS	2 MEETINGS	7 MEETINGS	5 MEETINGS	2 MEETINGS	1 MEETINGS	2
Ricardo Allicock ¹	2	-	2	1	-	-	1
Marion Brown ²	2	1	-	1	-	-	1
Camille Facey ³	5	1	-	4	-	-	1
Marcia Forbes ⁴	2	-	-	2	-	1	1
Edward Gabbidon ⁵	7	-	-	1	2	-	2
Kayson Gunzell ⁶	2	1	-	-		-	1
Rakesh Goswami ⁷	5	1	-	4	-	1	1
Kelli-Dawn Hamilton ⁸	2	-	-	1	-	-	1

- 1 Ricardo Allicock was appointed to the Board on December 12, 2022 and to the Finance & Procurement and Corporate Governance & Human Resources Committees on January 31, 2023.
- 2 Marion Brown was appointed to the Board on December 12, 2022 and to the Audit & Risk Management and Corporate Governance & Human Resources Committees on January 31, 2023.
- 3 Camille Facey was not reappointed to the Board for the period December 12, 2022 to December 11, 2024.
- 4 Marcia Forbes was not reappointed to the Board for the period December 12, 2022 to December 11, 2024.
- 5 Edward Gabbidon was invited and attended a meeting of the Corporate Governance and Human Resources Committee.
- 6 Kayson Gunzell was appointed to the Board on December 12, 2022 and to the Technical Operations and Audit & Risk Management Committees on January 31, 2023.
- 7 Rakesh Goswami declined the offer of appointment to the Board for the period December 12, 2022 to December 11, 2024.
- 8 Kelli-Dawn Hamilton was appointed to the Board on December 12, 2022 and to the Audit & Risk Management and Corporate Governance & Human Resources Committees on January 31, 2023.

RECORD OF ATTENDANCE (Continued)



**Table 3-Illustration of Board Members Attendance within the
2022/23 Financial Year (Continued)**

	BOARD	AUDIT & RISK MAN- AGEMENT COMMITTEE	FINANCE & PROCURE- MENT COM- MITTEE	CORPORATE GOVERN- ANCE & HUMAN RESOURCES COMMITTEE	TECHNICAL OPERATIONS COMMITTEE	JOINT FI- NANCE AND AUDIT COM- MITTEES	ANNUAL GENERAL MEETING
	7 MEETINGS	2 MEETINGS	7 MEETINGS	5 MEETINGS	2 MEETINGS	1 MEETINGS	2
Heidi Hanna	6	1	-	5	-	1	2
Louis-Ray Harris	7	-	5	-	2	1	2
Marsha Haughton ⁹	4	-	4	-	-	1	1
Merrick Marshall	5	1	4	-		1	2
Maria Myers- Hamilton ¹⁰	7	1	6	4	2	1	1
Robert Richards ¹¹	4	1	-	-	2	1	1
Jerome Smalling ¹²	2	-	2	-	-	-	1
Kaydian Smith Newton	6	-	-	5	2	-	2 , , ,
Stephen Steele ¹³	5	-	7	-	-	-	-
Delroy Thompson	5	-	5	-	2	1	2

⁹ Marsha Haughton was not reappointed to the Board for the period December 12, 2022 to December 11, 2024.

¹⁰ 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.

¹¹ Robert Richards was not reappointed to the Board for the period December 12, 2022 to December 11, 2024.

¹² Jerome Smalling was appointed to the Board on December 12, 2022 and to the Finance & Procurement Committee on January 31, 2023.

¹³ Stephen Steele chaired a meeting of the Finance and Procurement Committee in the absence of the Committee Chairman.

PROFILE & DIVERSITY MATRIX

Table 4-Illustration of Board Members Diversity Matrix within the 2022/23 Financial Year

SPECTRUM MANAGEMENT AUTHORITY BOARD COMPETENCY MATRIX												
PROFILE & DIVERSITY MATRIX												
SPECIFIC COMPETENCY: KNOWLEDGE & EXPERTISE/ATTRIBUTE												
	EG	DT	RA	JS	KG	KSN	MB	LRH	MM	HH	SS	KDH
Board Experience	X	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				
Frequency Planning								X				
Electrical and Electronic Engineering		X						X				
Telecommunications / Technology Management	X	X			X	X		X				
Investment Banking	X			X							X	
Project Management	X	X	X	X	X					X	X	X
Corporate Governance	X	X	X	X	X	X	X				X	
Human Resource Management			X	X	X	X	X			X	X	
Corporate Communications	X		X	X	X		X			X	X	X
Risk Management	X			X	X	X	X				X	
Financial Literacy	X			X				X	X		X	
Legal						X	X					
Government Operations	X	X	X		X	X	X				X	X

PROFILE & DIVERSITY MATRIX (Continued)



Table 4-Illustration of Board Members Diversity Matrix within the
2022/23 Financial Year (Continued)

SPECTRUM MANAGEMENT AUTHORITY BOARD COMPETENCY MATRIX												
PROFILE & DIVERSITY MATRIX												
SPECIFIC COMPETENCY: KNOWLEDGE & EXPERTISE/ATTRIBUTE												
	EG	DT	RA	JS	KG	KSN	MB	LRH	MM	HH	SS	KDH
Organizational Knowledge	X	X	X		X	X						
CHARACTERISTICS												
Women						X	X			X		X
Youth (30 OR UNDER)												

LEGEND:

EG - Edward Gabbidon

DT - Delroy Thompson

RA - Ricardo Allicock

JS - Jerome Smalling

KG - Kayson Gunzell

KSN - Kaydian Smith Newton

MB - Marion Brown

LRH - Louis-Ray Harris

MM - Merrick Marshall

HH - Heidi Hanna

SS - Stephen Steele

KDH - Kelli-Dawn Hamilton

BOARD OF DIRECTORS' REPORT



Engineer, Peter Bartley Conducting an Analysis using the Two-Way Radio System

The Board of Directors (“the Board”) is pleased to present the Annual Report of the Spectrum Management Authority (“the SMA” or “the Authority”) for the 2022-2023 fiscal year (FY). It was another challenging year for the Authority, with spectrum demand continually growing, competition for frequency bands by varying services becoming even greater, and limited resources. In light of this the Authority, for the FY sought to maintain the goal of Effective Regulation, in order to keep up with the evolving demand and use of spectrum, required for proper management.

For its part, the Board was responsible for providing oversight during the FY, and it remained committed to the effective implementation of the SMA’s mandate and accordingly provided policy and strategic direction to the organization. This was notwithstanding that the tenure of the Board that started the fiscal year, expired on 2022 November 15 and a new Board appointed on 2022 December 12, which resulted in separations as well as new appointments. This however did not derail the resolve of the group as the team did not waiver in its efforts to provide the requisite support to the

management and staff. ISO 9001:2015 Certification Important to note, for the 2022/23 fiscal year, the Authority sought to improve customer engagement and continue automating its business processes. In light of this, the SMA successfully sought and obtained ISO 9001:2015 certification on January 24, 2023. ISO 9001 is the most recognised Quality Management Standard in the world. It strives to assist organisations in successfully meeting the demands of their consumers and other stakeholders. This will further enhance the SMA’s effort in providing world class service, and aid facilitating the fulfilment of its goal to effectively regulate the industry, on behalf of the government, for the people of Jamaica.

Against this background, the Board is proud to report on the performance of the SMA as the Authority continued its contribution to nation building and advancing closer to achieving its strategic objectives. The Board is particularly pleased that the SMA has again met and or exceeded its key performance indicators (KPIs), which are benchmarked internationally. Details of the corporate performances are presented in the next section.

BOARD OF DIRECTORS' REPORT (Continued)



Corporate Performance

During the 2022/23 financial year, the SMA continued to facilitate the growth of Jamaica's digital Society through effective management of the spectrum, thereby advancing the development of various industries and sector interest. The Authority remained focused on achieving its objectives and the related targets and key performance indicators (KPI), which were set out in its 2022/23 - 2025/2026 Corporate/Strategic and the 2022/2023 Operational Plans. By establishing these measures, (targets and KPIs), the Board and Management of the SMA, were able to monitor and analyze the organization's performance throughout the year. It is against the predetermined KPIs that the SMA's performances are being reported, with particular emphasis on the core operational activities.

The core operational activities of the SMA are in relation to, inter alia, licensing (new and renewal); interference management; and financial management. The table below summarizes the achievements of the core operational activities versus the KPIs. Further details of the SMA's performances are outlined thereafter.

Table 5 – Summary of Achievement Against Core Operational

	Key Performance Indicator (KPI)	Actual
Income	\$623.98M	\$701.30M
Expenditure	\$778.92M	\$654.07M
Spectrum Licence Fee collected	\$1,784.02M	\$2,163.70M
Spectrum Licence Fee remitted	\$1,784.02M	\$2,236.64M
No. of Licence to be renewed	444 (85%)	449
Timely Renewal of Licences	90% within 5 days (404)	99.8%
Timely processing of New Applications	80% as per time	88% (306)
Timely resolution of Interference Cases	90% within standard time	100%

Licensing

New Licensing

Licences granted during the fiscal year were to facilitate maritime, aeronautical, amateur and particularly mobile communication services, among others. Marine licences (Temporary and Permanent) processed

BOARD OF DIRECTORS' REPORT (Continued)



under the SMA's MOU with the Maritime Authority of Jamaica (MAJ) represented the largest share of licences approved during the financial year, which have quality service targets of 1 day and 3 days for temporary and permanent licences respectively. For the year under review, the SMA received 369 new applications in addition to the 18 applications brought forward from the 2021/22 FY, resulting in 387 applications handled for processing. Of the 387 handled, 347 or approximately 90% of applications were approved for the grant of a licence, whilst 1 was cancelled. Of the 347 applications approved, 306 or approximately 88%, were processed within their respective established processing times, which exceeded the targeted KPI of 80%. Processing times range from 1 business day, as noted above, up to 25 business days, depending on the type of licence to be processed.

Table 6 below shows that for the last three fiscal years there has been a steady increase in the number of new applications that were granted. Over the last three fiscal years, there were 47 and 10 percent increases in new applications granted. This underscores the growing trend in demand for the spectrum, as well as the resilience of the SMA team to continue to meet the demands of stakeholders in a timely manner.

Table 6 – New Licence Applications Granted by Type for last three FYs

Licence Type	2020/21	2021/22	2022/23
Aeronautical	1	0	0
Alien Amateur	1	5	16
Amateur	3	10	1
Citizens Band	2	6	6
Domestic Mobile	0	0	0
GMDSS	4	8	11
Private Radio (Major)	3	1	7
Private Radio (Other)	17	23	23
Marine (Temporary)	76	121	100
Marine (Permanent)	103	127	169
Marine (Non-MAJ)	0	0	6
Technician	0	0	4
VSAT	5	15	4
TOTAL	215	316	347

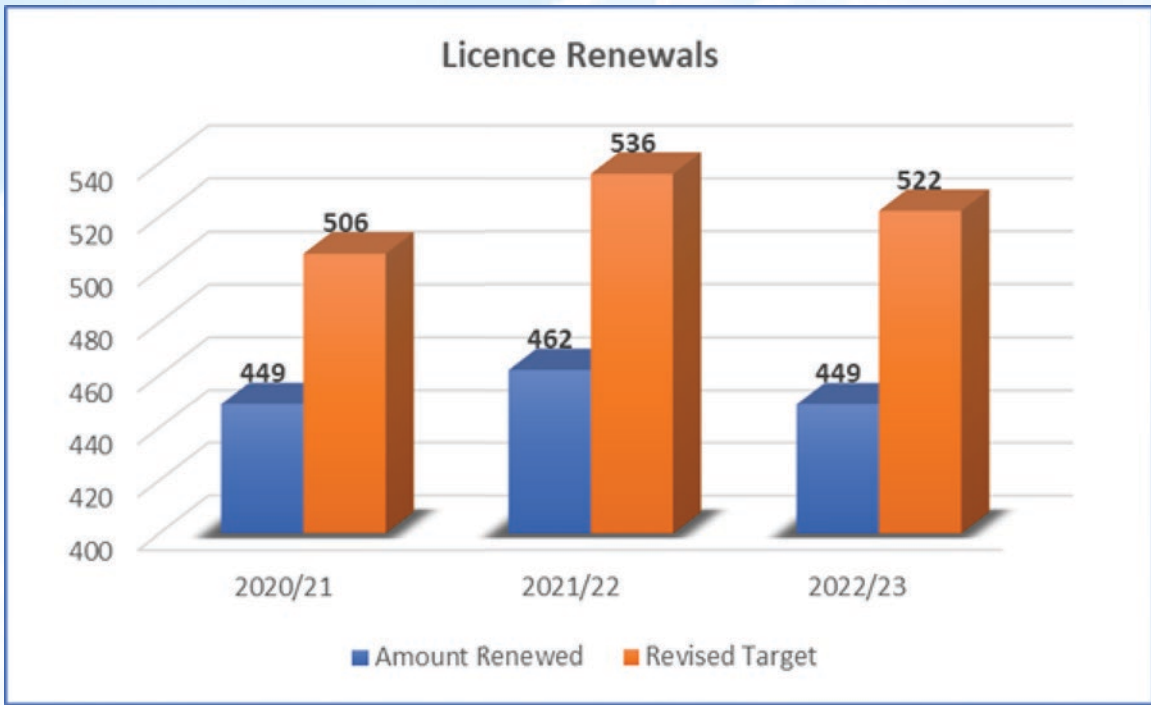
BOARD OF DIRECTORS' REPORT (Continued)



Renewal Licensing

A total of 449 licenses were renewed by the SMA for the FY, which reflects a performance rate of 86%. This result is just above the 85% KPI benchmark established prior to the start of the FY. The SMA had targeted 493 active licenses to be renewed; however, as the year progressed, there were 31 cancellations and 60 clients requested reinstatement of their licences. This had a plus 29 net effects on the initial target of 493 bringing it to 522. It is important to note that these licenses may only be renewed after receiving required payments from the clients. As at 2023 March 31, of the 449 licences renewed, 448 were processed within the standard processing time of 5 business days. This represents a performance rate of 99.8%, which is above the KPI of 90% (or 404 of the 449) for this activity. The table below shows number of licences renewed versus targeted for the past 4 FYs.

Figure 1 – Number of Licences Targeted vs Approved for Renewal for three (3) FYs



Type Approval

The SMA conducts Type Approval for Importers or manufacturers of wireless radio communication equipment and devices that are intended for use on Jamaica’s public radio and communications networks. The main purpose of Type Approval is to ensure that all devices capable of emitting radio frequency energy meet minimum regulatory, technical and safety standards These technical and regulatory

BOARD OF DIRECTORS' REPORT (Continued)



standards are required in order to ensure that new devices entering the country for use, does not cause harmful interference to other devices or networks.

For the 2022/23 FY, the SMA received a total of 360 new applications for Type Approval, in addition to six (6) applications brought forward from the previous FY, which were awaiting further information from the applicants. This amounted to a total of 366 type approval applications being handled for the 2022/23 period. Of the 366 applications handled, a total of 341 Type Approval Certificates were granted, with the remaining 15 withheld pending further information from the applicant. Of the 341 cases approved, 337 or approximately 99% were processed within the standard processing time of 10 business days.

Radio Monitoring & Inspection

Radio frequency monitoring (or radio monitoring) is one of the most important spectrum management tool employed to ensure the orderly performance (as licensed) of spectrum usage nationally, and the protection of legal spectrum assignments against interferences resulting from illegal users.

During fiscal year, the M&I Team conducted several monitoring and inspection activities to ensure that licensees are able to access “clean” spectrum and are operating within defined parameters. Various activities performed by the Team included spectrum audits, and interference management.

Spectrum Audits

A spectrum audit (or radio frequency audit) aims to have a clear picture of how the radio spectrum is used in each location and determine which companies hold licenses for assigned spectrum, and for what purpose. This activity is an integral part of the M&I duties as it helps the SMA to determine occupancy levels; how spectrum can be used more efficiently and avoid incompatible usage with license conditions and technical standards.

For the 2022/23 FY a total of 71 frequency audits were conducted across all of Jamaica's fourteen (14) parishes. These were done to monitor radio frequency environment to determine compliance with applicable standards, identify illegal use of spectrum, and verify compliance with license terms. The SMA took the appropriate action where the illegal users were identified and in other cases several licensed frequency users were required to repair faulty equipment or make adjustment to transmission parameters so as not to negatively impact on other users of the spectrum.

BOARD OF DIRECTORS' REPORT (Continued)



Interference Management

For the reporting year, the SMA investigated 23 cases of interference reports, three (3) of which were early cases in the 2021/22 financial year. Of the 23 cases investigated, all have been resolved as of March 31, 2023. All 23 cases were resolved within the resolution periods of 15 or 60 days, depending on whether the interference is readily identifiable. This resulted in a 100% adherence rate, exceeding the established KPIs of 90% (or 21 cases).

Financial Management

Prudent management of the SMA's financial resources and accountability for all its assets is critical to its continued operations, as a self-funding organization. As such, over the years it was important to create a financial management environment that ensures effective management of funding for operational & capital development expenses of the SMA. Additionally, and throughout the 2022/23 FY, the SMA ensured compliance with the GoJ's laws and regulations, submitting timely accurate financial and performance information. Highlights of the financial accomplishments for the FY are outlined below.

Income

For the year ended 2023 March 31, the SMA booked a total income of \$701.30M, which was \$77.7M less than the \$779.98M budgeted but \$78.3M above the KPI of \$623.98M being 80% of budget. The table below compares the actual, budgeted, and KPI performance levels.

Table 7 - Comparison of Actual and KPI Revenue for 2022/23 FY

Revenues	Actual (\$'M)	Budget (\$'M)	KPI (\$'M)	Actual v KPI Variance (\$'M)
Regulatory Fee	652.39	627.07	501.66	150.73
Interest Income	35.98	8.54	6.83	29.15
Processing Fee	16.70	14.98	11.98	4.72
Other Income	(3.77)	129.39	103.51	(107.28)
Total	701.30	779.98	623.98	77.32

BOARD OF DIRECTORS' REPORT (Continued)



Expenditure

Actual expenditure (including depreciation) incurred by the SMA during the 2022/23 FY amounted to \$684.07M, which was \$94.85M below the KPI and budgeted amount of \$778.92M. The table below compares the actual, budgeted, and KPI performance levels.

Table 8- Show expenditure's Actual and Budgeted for 2022/23 FY

Expenses	Actual (\$'M)	KPI & Budget (\$'M)	Actual v KPI Variance (\$'M)
Salaries & Related Staff Cost	260.15	402.36	(142.21)
Other Operational Cost	28.77	38.68	(9.91)
Administration Cost	257.05	202.35	54.7
Non-Operational Cost	138.10	135.53	2.57
Total	684.07	778.92	(94.85)

Collection of Spectrum Licence Fees

Spectrum Licence fees are collected on behalf of the GOJ and are remitted to the Tax Administration of Jamaica (TAJ). Actual collection of Spectrum Licence fees for the 12 months ended 2023 March 31, amounted to \$2,163.70M. This is \$66.32M below the budgeted amount of \$2,230.02M, and \$379.68M or 21% above the targeted KPI of \$1,784.02M. 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.

Total remittance for the year amounted to \$2,236.64M (including amounts brought forward from the previous FY) and exceeded the budgeted amount of 2,230.02 by \$6.62M. The remittance amount also exceeded the KPI (remit 100% of amount collected up to the prior month – February 2023), which amounted to \$1,017.09M.

Capital Development Activities

The Americas region, whereby Jamaica is situated, has within recent years seen the emergence of several new technological trends such as: 5G Networks, Internet of Things (IoT), and Smarter Wireless Devices to name a few. These new technologies have increased the demand on spectrum, which is a resource, and

BOARD OF DIRECTORS' REPORT (Continued)



as such, the SMA continued throughout the 2022/23 FY to better position itself to fulfil its mandate. The SMA sought to upgrade its equipment and systems to adopt to the changing environment and to better meet the needs of customers. Below are the results of certain efforts in relation to capital development of the organization.

New e-Licensing Platform

The SMA is proud to have commissioned into use its e-licensing system during the FY. This is a commercial off-the-shelf (COTS) spectrum management system, created by Spectrum Center. The system is 100% completed and comprises of a web-based application that allows customers to apply for thirteen licence types. These are namely: Maritime, Type Approval, Amateur, Radio Technician, Aeronautical, Domestic Mobile/Fixed Wireless, VSAT, Citizens Band Radio, Broadcasting (TV/FM), GMDSS, Community FM Radio, Fixed Link, Private Mobile Radio as well as to log interference complaints at any time and from any location. This is another step by the SMA as it seeks to provide customer-oriented services. Additionally, internal SMA users will also benefit, as they will be able to do application processing, licence processing, financial processing, and engineering analysis using the system.

Install and Upgraded RMDFS Equipment

Wireless communication has become an indispensable commodity for the Jamaican society, resulting in increased societal dependence on wireless communications. It has become a precondition for economic growth in Jamaica, with strong positive external influence on the economy and also on social life. The introduction of new wireless applications and services, and the demand for higher data speeds, and increasing data volumes have resulted in the use and management of spectrum becoming more complex and vital to the growth of Jamaica's economy. The overall Advancement in technology and resultant increase in complexity of Spectrum Management creates the need for sustained investment in the necessary tools and technology to meet the needs of the industry.

As such, during the FY, the SMA continued efforts to increase its monitoring capacity by installing and upgrading RMDFS equipment in St. James, Hanover, Manchester, Portland and Trelawny. The project is 95% completed. This widening of the scope of monitoring to uncovered areas and employing improved monitoring technologies to areas already being monitored, will create opportunities for new users, as well as ensuring efficient use of the spectrum by incumbent users. This will aid the SMA in fulfilling its mandate in providing "clean" (interference-free) spectrum for its users, particularly mission-critical users, at world class standards.

BOARD OF DIRECTORS' REPORT (Continued)



Document Management System (DMS)

Phase 2: The SMA is pleased to announce that the installation of software and hardware for phase 2 of the DMS is near completion. The project is 100% completed as at 2023 March 31. The DMS will store, manage, and track electronic documents and electronic images of paper-based information captured through the use of a document scanner. This will promote more efficient version control and organization of documents, as the system is an easy-to-use, centralized repository, whereby employees can easily access shared files, which will support the SMA's efforts in ensuring increased regulatory compliance.

Network Operations Center (NOC), Upgraded

The project is 100% completed as at 2023 March 31. 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 site across the island when completed.

Further, the NOC will strengthen the state-of-the-art Remote Monitoring and Direction-Finding System (RMDFS) network to detect activities of the Radio Frequency Spectrum and to assist with its frequency assignments. With this, the SMA's monitoring efforts through the RMDFS sites shall be better supported, while being used to detect illegal users of the system, and in the assignment of frequencies.

Biometric Access Control System

The management of the SMA embarked on an initiative to secure the building and particular office spaces in a more convenient and efficient manner by way on the installation of Biometric Access Control System. The aim of this system is to increase security levels at the premises by creating a layer of verification. Installation and configuration of access control servers were completed and programmed key cards have been handed over to staff. As at 2023 March, the project was fully completed and functional.

Purchase Workflow (PW-Web)

The focus of the Purchase Workflow project was to create an easy-to-use requisition interface that generates documents controlled through the workflow process. The new Purchasing Workflow which has replaced the manual requisition system enables the SMA to control and manage purchasing and procurement more efficiently through the SAGE 300 Platform. As at the end of the 2022/23 FY, all targeted activities were completed.

BOARD OF DIRECTORS' REPORT (Continued)



Legal, Policy and Regulatory

During the 2022/23 FY, the SMA executed its mandate with respect to legal, policy and regulatory initiatives through, inter alia, the following activities:

Spectrum Pricing Policy Regulations

With the continued support of the SMA to the MSET, the amendments to the attendant regulations to the Radio & Telegraph Control Act (RTCA) were approved by the upper and lower houses of parliament, early in the FY. These amendments were primarily in relation to fees and fines in respect to the use of the radio frequency spectrum. The amendments reflected the changes in the environment and will also allow for more flexibility for the SMA to better adopt to the dynamic nature of the industry. These regulations will facilitate the SMA in managing the spectrum more efficiently.

Digital Switchover (DSO)

During the FY, the SMA resumed its participation on the Digital Switchover (DSO) Regulatory & Technical Committees, which continued its meetings of several streams towards realizing Digital Television transition. The committee's work has been spread across three (3) work streams, namely: Policy & Licensing Administration; Network & ASO Planning and Communication & Public Education. The SMA contributes to the activities of the first two (2) work streams.

Re-purposing of the 600 MHz Band

In an effort to make more spectrum available for International Mobile Telecommunications-Advanced (IMT-Advanced), the SMA through the assistance of a consultant, embarked on a Consultation exercise with regards to the Repurposing of the 600 MHz band (614-698 MHz). Repurposing of the 600 MHz band would make available valuable spectrum for the operators whereby they would be able benefit from a more efficient rollout plan, due to the characteristics of low band spectrum. The consultation, however, was aimed at soliciting the views of stakeholders to determine the feasibility of this effort. The Outcome Report from the consultation was forwarded to the MSET.

Initiatives for Implementation of the Data Protection Act

In March 2023, the SMA began preparing for the Data Protection Act, 2020 (DPA) which will come into effect 2023 on December 1. The Act, which was passed by the Senate on 2020 June 12, after being previously approved by the Lower House on 2020 May 19, seeks to protect Jamaicans' privacy and personal information. The Act applies to both public and private sector organizations and identifiable

BOARD OF DIRECTORS' REPORT (Continued)



natural persons and individuals who have been deceased for less than 30 years. Accordingly, the Authority embarked on the initiative of sensitizing staff members towards compliance. An Internal Gap Analysis with respect to the standards and requirements of the DPA was currently in progress to enable the management team to take an informed approach to the implementation of the PDA in all Divisions/Departments of the SMA.

ATSC Jamaica Bootcamp and Seminar

Several SMA's technical team members attended the Advanced Television Systems Committee (ATSC) 3.0 Jamaica Bootcamp and Seminar, which took place in Montego Bay, during July 2022. This seminar focused on the ATSC's new ATSC 3.0 NextGen digital television transmission system. It was aimed at sensitizing broadcasters, broadcast consultants, equipment manufacturers (commercial, consumer, & test), translator/LPTV operators, regulatory engineers, and wireless operators.

Broadband Mapping Seminar

During September 2022, a team from the SMA attended a Seminar on Broadband Mapping, Infrastructure Sharing and Mitigation of Communications Vulnerabilities. This seminar was held in Montego Bay and was hosted by the Commercial Law Development Program (CLDP) of the US Department of Commerce. The seminar focused on the FCC's recent efforts in collecting broadband data, the US Broadband Mapping and Survey Data and how the US encourages sharing wireless infrastructure to lower the cost of providing communications service to consumers.



Members of the Engineering Division inspecting a Remote Monitoring Diagnostics Finding System (RMDFS)

Regional and Global Obligations

During the 2022/23 FY, the Authority continued its support to the MSET and its participation in several regional and global Information and Communication Technology (ICT) activities, with particular emphasis on spectrum management. The SMA represented Jamaica particularly, at the Caribbean Telecommunications Union (CTU), InterAmerican Telecommunications Commission (CITEL), and the International Telecommunications Union (ITU). Highlights of our main engagements are as follows:

BOARD OF DIRECTORS' REPORT (Continued)



Permanent Consultative Committee II (PCC II) Meetings

During the FY, members of the SMA's Technical Staff attended two (2) meetings (39th and 40th) of CITEL's Permanent Consultative Committee (PCC) II. These meetings were held during April and October of 2022, and were hosted in Mexico City and Port of Spain respectively. The primary focus of the meetings were on WRC-23 agenda items.

Caribbean Spectrum Management Task Force Meeting

Jamaica serves as Vice Chair of the Caribbean Spectrum Management Task Force (CSMTF) which is represented by the SMA's Managing Director. The group coordinates the technical work relating to the management of the radio-communication spectrum in the Caribbean.

During the FY, members of the SMA's Technical Staff participated in two (2) CSMTF meetings, which were held during July 2022, and February 2023. The July 2022 meeting was staged virtually, while the February 2023 meeting was held at the Iberostar Hotel Rose Hall Beach, Montego Bay, Jamaica.

International Telecommunications Satellite Organization (ITSO)

The International Telecommunications Satellite Organization (ITSO) held its 40th Meeting of the Assembly of Parties (AP) at the American University's Washington College of Law in Washington DC in June 2022. Representatives from 86 Member States of ITSO attended the Assembly

of Parties, to include Jamaica's representative from the MSET, virtually, and the SMA face to face. The Assembly took some key decisions most importantly that the ITSO Agreement shall continue in effect and that ITSO shall continue to fulfill all of its responsibilities and obligations as set forth in the Agreement

Human Resources & Office Services

The SMA has recognized over the years that its most valuable assets are its staff. As such during the 2022/23 FY, the Authority continued to engage staff through the following, in an effort to optimize retention and productivity.

Recruitment and Staffing

As at 2023 March 31, there were 40 members of staff, representing approximately 82% of the approved establishment of 49 positions. Initially, the number of approved posts stood at 46; however, during the FY, approval was received from the Ministry of Finance & the Public Service (MoFPS) for three (3) new posts, increasing the staff complement from 46 to 49. The three (3) new posts are two (2) Telecom Engineers and one (1) Network Engineer, which are positions which will be of service to the new Montego Bay Office.

During the year the Authority welcomed on board seven (7) new employees to the organisation as listed in Table 9 below. In addition there were a number of separations during the year, as detailed in Table 10 below.

BOARD OF DIRECTORS' REPORT (Continued)



Table 9 – Illustrating Positions filled in 2022/23 FY

Office Attendant
Public Procurement Administrator
Risk Manager
Telecommunications Engineer
Telecommunications Engineer
Administrative Assistant
Manager. Strategic Planning

The SMA thanked all six persons for their contribution to the organization during their tenure. Special acknowledgement for Mr. Richard Greenwood (Driver/Bearer) who was dedicated and committed to the mission and goals of the SMA since its inception, who passed away in March 2023. His years of impeccable service was recognized by the SMA and other stakeholders who paid tributes at his Thanksgiving Service.

Training and Development

Table 10 – Illustrating Positions vacated in 2022/23 FY

Accounts Receivables
Procurement Administrator
Administrative Assistant
Manager, Strategic Planning
Telecommunications Engineer
Driver/Bearer
Manager. Strategic Planning

Training and development continued to be a crucial strategy in ensuring that SMA's cadre of professionals' competence continues to be improved in alignment with the needs of the organization in a dynamic environment. Notwithstanding the challenges in accessing certain training opportunities, below is a list of the courses and seminars attended by employees during the FY.

Table 11 – Trainings, Conferences and Participants

	Course Name	Institution	No of Participants
1	2022 IFRS Seminar	KPMG	3
2	Annual Corporate Secretary Workshop	Jamaica Stock Exchange	1
3	ATSC Seminar and Boot Camp	ATSC	7
4	Balance Scorecard Strategies Planning Course	Strategy Plus Consulting	17
5	Broadband Internet, Cloud Computing	ITU	3
6	Certified ISO/IEC 38500 IT Corporate Governance Manager	IBE Forum	1
7	Continuing Legal Education (JAMBAR) Conference	JAMBAR	1
8	Effective Report Writing	MIND	1
9	Fundamentals of 5G NR	University of California	7
10	Government Accounting Level 1 Module 2	MIND	2

BOARD OF DIRECTORS' REPORT (Continued)



Table 11 – Trainings, Conferences and Participants (Continued)

	Course Name	Institution	No of Participants
11	Government Accounting Level 1 Module 3	MIND	1
12	Grennell's Defensive Driving	Grennell's	7
13	HR Metrics & Analytics	IBE Forum	1
14	ICAJ GCT WEBINAR	ICAJ	3
15	IFRS Virtual Workshop	ICAJ	1
16	INPRI Procurement Training	INPRI	1
17	INPRI Procurement Training	INPRI	1
18	INPRI Procurement Training	INPRI	1
19	INPRI Procurement Training	INPRI	1
20	Internal Auditors Global Annual International Conference 2022	Institute of Internal Auditors	1
21	Internal Customer Service Training	Zinergy International	18
22	John Maxwell Leadership "Clear Success Series"	KT Training Solutions	17
23	Lean Six Sigma Black Belt	Simplilearn Americas	1
24	Masterclass on Certified Information security Manager	IBE Forum	3
25	PMP Certification Training	PMGI	1
26	PMP Training Certified	Simplilearn Americas	1
27	RF & Microwave Interference Analysis	Anritsu	3
28	Security and QoS in Internet Network	ITU	4
29	Sharepoint Training (MS-100T)	Inova JMD	2
30	Signals & Systems Course	University of California	3
31	Spectrum Analyser Training	ANRITSU	6
32	Spectrum Monitoring Training Course (Fundamentals of ITU Compliant Spectrum Monitoring)	Rhode & Schwarz	10
33	Strategic Fleet Management	Arthur Lok Jack Global School of Business	1
34	Taxation Webinar	ICAJ	4
35	Understanding Modern Spectrum Management	Policy Tracker/LS Telecom	2

Health and Wellness Activities

To promote employee wellness, SMA contributed to strengthening healthy lifestyle habits of its general workforce during the financial year, through the following initiatives:

BOARD OF DIRECTORS' REPORT (Continued)



- Fitness Instructors – As a means to enhancing our gym, the Health & Wellness Committee se-cured instructors in physical fitness, dance, yoga and nutrition to empower staff with wellness routines for their wholistic development;
- Team Building Event - On April 14, 2022, the SMA employees participated in a sports wellness day event, at Thatch River Park, St. Ann. The event facilitated increased comradery between employees, in a fun filled environment; and,



Sports Day House Competition



Sports Day House Competition

- Wellness Day 2022 - In 2022 December, the Authority hosted a Wellness Day for all employees. The day's events focused on various medical or health checks and was largely supported and appreciated by staff.

Corporate Social Responsibility

As part of the Authority's convention of integrating social and educational development goals into its business operations, several charitable programmes by corporate Jamaica were endorsed and supported by the SMA. During the 2022/2023 fiscal year, the SMA offered sponsorship and donations (monetary and in-kind) to a few organizations, which includes the following:

- SMA's Summer Employment Programme – This venture included 47 secondary and tertiary students who were employed and placed in various Ministries, Department and Agencies of the GoJ over a seven (7) week period.
- St. John's United Church - The SMA donated sporting goods and equipment to the St. John's United Church which is located in downtown Kingston. These items were used by young people in the community for recreation and as a means of building camaraderie.
- Phoenix All Stars Football Academy - Donation made to Phoenix All Stars Football Academy towards sports and youth development.
- Olivet Seventh Day Church - Donation made to Olivet Seventh Day Church for support towards

BOARD OF DIRECTORS' REPORT (Continued)



- their annual Vacation Bible School Camp for children.
- CARIMAC, UWI - Sponsorship to Caribbean School of Media and Communication (CARIMAC) Annual Student Awards Ceremony.
- Combined Disabilities Association – Donation to Combined Disabilities Association Limited in support of their 2022 Christmas packages sent to members.

Going Forward

For the 2023/24 FY, the SMA remains committed to meeting and or exceeding the key performance targets associated with its core operational activities (Licensing – new and renewal – interference management, band planning and financial management) while providing support to the MSET with regards to policy and regulatory matters. Additionally, the SMA will continue to expand its human and physical capacity, through recruitment and training, as well as, inter alia, the installation and upgrade of RMDFS sites. The SMA will also continue to increase automation of business processes and reduce dependence on non-renewable energy, which will be accomplished through the development and launch of e-courses, and the installation of solar power.

Based on the Operational Plan, the SMA’s total budgeted expenditure for the 2023/24 FY was approved at \$1,105.40M. This included approved capital and recurrent budget expenditures as follows:

- Capital Expenditure \$224.95M
- Operating Expenditure \$880.45M

The following table shows a breakdown of the SMA’s projected revenue plan to finance the recurrent budget expenditures, for FY 2023/24:

Table 12 - SMA's Projected Revenue Plan for 2023/24

Revenue Categories	J\$M
Regulatory Fees	666.74
Processing Fees	16.49
Interest Income	23.61
Other Income	174.98
Total Income	881.82

The capital expenditure budget will primarily be funded from reserves. These reserves are cumulative and were obtained primarily from windfall income earned over several FYs from the issue of additional mobile spectrum, such as, proceeds from the sale of the 700 MHz spectrum. This has been the SMA’s

BOARD OF DIRECTORS' REPORT (Continued)



strategy in funding development expenditures over the years, however this is not sustainable, and a mechanism needs to be established in law.

Table 13 - Summary of Principal Performance Targets

	Target	Key Performance Indicator (KPI)
Income	\$881.82M	80% of target
Spectrum licence fees Collected	\$1,893.99M	80% of target
Spectrum licence fees Remitted	\$1,893.99M	Remit all fees collected up to Feb. 2023 and mobile fees collected in Mar. 2023
Expenditure	\$880.45M	Within Target
No. of licences to be Renewed	514	85% of target
Number of Interference Cases resolved	All Reported Cases	90% of Target

Closing Remarks

The Board takes this opportunity to thank the team at our parent Ministry for its support and guidance throughout the year and we look forward to working with them for 2023/24. High praises to the management and staff for their commitment and dedication throughout the year, even under trying circumstances. To our clients we thank you for your continued support and cooperation during the FY and we look forward to a continued mutually beneficial relationship for the 2023/24 FY.

Mr. Edward Gabbidon
Board Chairman

Dr. Maria Myers-Hamilton
Managing Director

BOARD OF DIRECTORS' COMPENSATION

Table 14 - Illustrating Board of Director's Compensation within 2022/23 FY

SPECTRUM MANAGEMENT AUTHORITY									
	Board		Committees			Travelling Allowance or Value of Assigned Motor Vehicle			
Position of Director	Chairman	Member	Chairman	Member	Total Fees		Honoraria	Compensation including Non-Cash Benefits as applicable	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Edward Gabbidon	191,700	-	-	19,500	211,200	6,476	-	-	217,676
Camille Facey ^a	-	72,000	42,800	6,500	121,300	895	-	-	122,195
Delroy Thompson	-	84,000	-	52,000	136,000	5,834	-	-	141,834
Marsha Haughton ^a	-	60,000	42,800	6,500	109,300	-	-	-	109,300
Marcia Forbes ^a	-	36,000	-	19,500	55,500	-	-	-	55,500
Kaydian Smith Newton	-	96,000	-	45,500	141,500	2,344	-	-	143,844
Robert Richards ^a	-	60,000	32,100	6,500	98,600	1,273	-	-	99,873
Rakesh Goswani ^a	-	72,000	10,700	32,500	115,200	781	-	-	115,981
Louis-Ray Harris	-	108,000	-	52,000	160,000	2,533	-	-	162,533
Merrick Marshall	-	84,000	10,700	32,500	127,200	1,940	-	-	129,140
Heidi Hanna	-	96,000	-	45,500	141,500	2,394	-	-	143,894
Stephen Steele	-	60,000	10,700	39,000	109,700	1,399	-	-	111,099
Jerome Smalling ^b	-	36,000	21,400	-	57,400	1,084	-	-	58,484
Kelli-Dawn Hamilton ^b	-	36,000	-	6,500	42,500	592	-	-	43,092
Major Kayson Gunzell ^b	-	36,000	-	6,500	42,500	265	-	-	42,765
Marion Brown ^b	-	36,000	10,700	6,500	53,200	2,109	-	-	55,309
Ambassador Ricardo Allcock ^b	-	36,000	-	19,500	55,500	882	-	-	56,382
Total	191,700	1,008,000	181,900	396,500	1,778,100	30,801	-	-	1,808,901

^a Represents board members who were not reappointed to the board for the period from December 12, 2022, to December 11, 2024.

^b Represents board members who were appointed to the board for the period December 12, 2022 to December 11, 2024.

SENIOR EXECUTIVES/KEY MANAGEMENT COMPENSATION

Table15 - Illustrating Senior Management's Compensation for the 2022/23 FY

SPECTRUM MANAGEMENT AUTHORITY								
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	3,354,165	1,866,863	-	1,221,933	14,972,358	-	14,972,358
Henry Batson, Director, Spectrum Engineering	6,848,065	418,080	1,866,863	-	1,454,752	10,587,760	-	10,587,760
Patrick Brown, Director, Finance & Administration	5,440,407	2,328,254	1,866,863	-	2,563,039	12,198,563	-	12,198,563
Kadianne Wood, Director, Legal Affairs	5,440,407	1,788,389	1,866,863	-	620,204	9,715,863	-	9,715,863
George Malcolm, Director, Policy & Strategic Planning	5,440,407	1,893,899	1,866,863	-	1,221,415	10,422,584	-	10,422,584
Dawn Staple, Manager, Human Resources	3,205,276	168,543	984,415	-	550,910	4,909,144	-	4,909,144
Total	34,903,959	9,951,330	10,318,730	-	7,632,253	62,806,272	-	62,806,272



Rep Your School Day- Henry Batson Best Schoolers Male



Rep Your School Day- Abean Cooper and the Andrews Girls



Rep Your School Day- Dawn Staple Best Schoolers Female



ICT Lecture & Workshop, May 2022- Peter Bartley, Engineer discussing features of the drone to members of the Fire Department





ICT Lecture & Workshop, May 2022-Dr. Maria Myers-Hamilton in a discussion with patrons



Students of the Summer Employment Programme 2022



Boo at the Zoo-Managing Director and SMA Staff



ICT Lecture & Workshop-Dimitri Bernard, Engineer, displaying drone to Students



ICT Lecture & Workshop, May 2022 Souvenirs on display



ICT Lecture & Workshop, May 2022-Lyndel McDonald, Manager Telecommunication Systems (centre) participating in a panel discussion

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SPECTRUM MANAGEMENT AUTHORITY LIMITED

FINANCIAL STATEMENTS

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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, 2023, 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, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) 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.



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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 Standards 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.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SPECTRUM MANAGEMENT AUTHORITY LIMITED

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

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

A handwritten signature of the KPMG firm, written in blue ink. The letters 'KPMG' are stylized and slanted to the right.

Chartered Accountants
Kingston, Jamaica

July 28, 2023

SPECTRUM MANAGEMENT AUTHORITY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2023

	<u>Note</u>	<u>2023</u> <u>\$</u>	<u>2022</u> <u>\$</u>
Revenue	5(a)	669,088,711	618,818,745
Operating expenses	6(a)	(673,223,170)	(570,313,381)
Impairment loss	11	(10,845,856)	(42,519,047)
Operating (loss)/profit		(14,980,315)	5,986,317
Other income, net	5(b)	<u>32,207,803</u>	<u>27,580,236</u>
Profit, being total comprehensive income for the year	7	<u>17,227,488</u>	<u>33,566,553</u>

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

SPECTRUM MANAGEMENT AUTHORITY LIMITED

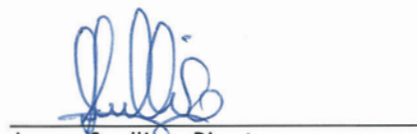
STATEMENT OF FINANCIAL POSITION

31 MARCH 2023

	<u>Note</u>	<u>2023</u> <u>\$</u>	<u>2022</u> <u>\$</u>
ASSETS			
Non-current assets:			
Property, plant and equipment	8	685,038,144	629,168,806
Intangible assets	9	93,034,153	49,821,436
Right-of-use assets	10(i)	<u>52,158,912</u>	<u>56,092,305</u>
Total non-current assets		<u>830,231,209</u>	<u>735,082,547</u>
Current assets:			
Receivables	11	44,040,683	21,539,312
Taxation recoverable	12	18,256,851	18,237,045
Resale agreements	13	575,809,270	880,977,094
Cash and cash equivalents	14	<u>201,736,566</u>	<u>78,672,558</u>
Total current assets		<u>839,843,370</u>	<u>999,426,009</u>
Total assets		<u>1,670,074,579</u>	<u>1,734,508,556</u>
EQUITY AND LIABILITIES			
Capital and reserves:			
Share capital	15	20	20
Contributed capital	16	144,700,366	144,700,366
Retained earnings		<u>714,474,125</u>	<u>761,732,132</u>
Total capital and reserves		<u>859,174,511</u>	<u>906,432,518</u>
Non-current liabilities:			
Lease liabilities	10(ii)	54,275,364	56,384,748
Deferred capital grant	17	<u>325,000,000</u>	<u>325,000,000</u>
Total non-current liabilities		<u>379,275,364</u>	<u>381,384,748</u>
Current liabilities:			
Payables	18	161,173,364	196,117,968
Deferred income	19	257,410,752	237,196,486
Lease liabilities	10(ii)	<u>13,040,588</u>	<u>13,376,836</u>
Total current liabilities		<u>431,624,704</u>	<u>446,691,290</u>
Total equity and liabilities		<u>1,670,074,579</u>	<u>1,734,508,556</u>

The financial statements on pages 4 to 41 were approved for issue by the Board of Directors on July 26, 2023 and signed on its behalf by:


Edward Gabbidon - Chairman


Jerome Smalling - 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 2023

	Share Capital \$ (Note 15)	Contributed Capital \$ (Note 16)	Retained Earnings \$	Total \$
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	20	144,700,366	761,732,132	906,432,518
Special financial distribution (note 22)	-	-	(64,485,495)	(64,485,495)
Total comprehensive income for the year	-	-	<u>17,227,488</u>	<u>17,227,488</u>
Balances at 31 March 2023	<u>20</u>	<u>144,700,366</u>	<u>714,474,125</u>	<u>859,174,511</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 2023

	<u>Note</u>	<u>2023</u> <u>\$</u>	<u>Restated*</u> <u>2022</u> <u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit for the year		17,227,488	33,566,553
Adjustments for:			
Depreciation and amortisation	6(a)	121,901,441	99,946,398
Impairment loss allowance	11	10,845,856	42,519,047
Interest income	5(b)	(35,977,638)	(22,263,252)
Interest expense implicit in leases	10(iii)	5,355,778	5,668,750
Translation loss on lease liabilities	10(iii)	<u>248,256</u>	<u>211,567</u>
Operating cash flows before movements in working capital		119,601,181	159,649,063
Change in operating assets and liabilities:			
Receivables		(33,347,227)	(7,756,252)
Taxation recoverable	12	(19,806)	(16,264)
Deferred income		20,214,266	30,232,381
Payables (excluding spectrum licence fees)		<u>37,993,758</u>	<u>247,605</u>
		144,442,172	182,356,533
Interest received		35,401,617	22,049,032
Spectrum licence fees received	18	2,163,698,122	2,785,060,895
Spectrum licence fees paid	18	<u>(2,236,636,484)</u>	<u>(2,879,615,556)</u>
Net cash provided by operating activities		<u>106,905,427</u>	<u>109,850,904</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from resale agreements		9,251,384,073	10,378,549,699
Acquisition of resale agreements		(8,945,640,228)	(10,570,676,516)
Acquisition of property, plant and equipment	8	(159,846,827)	(176,098,601)
Acquisition of intangible assets	9	<u>(50,396,903)</u>	<u>(44,780,714)</u>
Net cash provided by/(used in) investing activities		<u>95,500,115</u>	<u>(413,006,132)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Special financial distribution	22	(64,485,495)	-
Payment of lease liabilities	10(iv)	<u>(14,856,039)</u>	<u>(10,554,217)</u>
Net cash used in financing activities		<u>(79,341,534)</u>	<u>(10,554,217)</u>
Net increase/(decrease) in cash and cash equivalents		123,064,008	(313,709,445)
Cash and cash equivalents at beginning of year		<u>78,672,558</u>	<u>392,382,003</u>
Cash and cash equivalents at end of year	14	<u><u>201,736,566</u></u>	<u><u>78,672,558</u></u>

*See note 23

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 2023

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.

(i) Newly effective standards

The following new and amended standards did not have any impact on the company's financial statements:

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 9 Financial Instruments and IFRS 16 Leases and were effective January 1, 2022.
- Amendments to IAS 37 Provision, Contingent Liabilities and Contingent Assets clarify those costs that comprise the costs of fulfilling the contract and were effective January 1, 2022.

(ii) Forthcoming standards

At the date of authorisation of the financial statements, certain new standards and amendments to existing standards have been issued which are not yet effective at the reporting date and which the company has not early-adopted.

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. 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 2023

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

(a) Statement of compliance (cont'd)

(ii) Forthcoming standards (cont'd):

- 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. A company 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 company 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 a company 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 company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

The company will apply the amended standard for the reporting period starting April 1, 2024, with no significant changes expected.

- 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.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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

(a) Statement of compliance (cont'd)

(ii) Forthcoming standards (cont'd):

- Amendments to IAS 1 *Presentation of Financial Statements* (cont'd)

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”.

The company will apply the amended standard for the reporting period starting April 1, 2023, with changes in disclosures in accounting policies expected.

- 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.

The company will apply the amended standard for the reporting period starting April 1, 2023. The amended standard is not expected to have a significant impact on the company’s financial statements.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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

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

(ii) 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.

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:

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.

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.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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).

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.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments (cont'd)

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.

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.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(

(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% - 33⅓%
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.

(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.

SPECTRUM MANAGEMENT AUTHORITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2023****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(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 2023

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 2023

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 2023

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 2023

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 2023

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 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition (cont'd)

Performance obligations and revenue recognition (cont'd):

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>
Regulatory Fee	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.	Revenue is recognised over time in conformity with the validity period of licences.
	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.	
	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.	
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 2023

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 2023

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>2023</u> £	<u>2022</u> £
Cash and cash equivalents (see note 14)	201,736,566	78,672,558
Resale agreements (see note 13)	575,809,270	880,977,094
Receivables (see note 11)	<u>15,920,355</u>	<u>9,243,939</u>
	<u>793,466,191</u>	<u>968,893,591</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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>	2023			
	<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)	-	8,428,999	-	No
31-60 days past due	-	471,000	-	No
61-90 days past due	80.2	7,504,005	6,016,416	Yes
Over 90 days past due	<u>96.4</u>	<u>23,585,433</u>	<u>22,741,152</u>	Yes
		<u>39,989,437</u>	<u>28,757,568</u>	

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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>	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>	Yes
		<u>23,575,614</u>	<u>17,911,712</u>	

The movement in the allowance for impairment in respect of trade receivables during the year was \$10,845,856 (2022: \$42,519,047)

Resale agreements

Resale agreements are low-risk and are held with Government of Jamaica (GOJ) approved financial institutions with the holding not exceeding 33⅓% 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 2023

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 profit or loss 2023 ₹	Effect on profit or loss 2022 ₹
Change in basis points:		
-100 (2022: -50)	(5,758,093)	(4,404,885)
50 (2022: 300)	<u>2,879,046</u>	<u>26,429,313</u>

The analysis assumes that all other variables in particular currency rates, remains constant. The analysis is done on the same basis as 2022.

(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 during the year.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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

(c) Market risk (cont'd)

(ii) Currency risk (cont'd)

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:

	2023		2022	
	J\$	US\$	J\$	US\$
Financial assets				
Cash and cash equivalents	54,304,580	362,117	45,036,607	294,681
Resale agreements	<u>208,477,252</u>	<u>1,390,180</u>	<u>141,517,638</u>	<u>925,981</u>
	<u>262,781,832</u>	<u>1,752,297</u>	<u>186,554,245</u>	<u>1,220,662</u>

The exchange rate used to translate assets denominated in United States dollars at the reporting date was 149.96 (2022: 152.83) 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.

	2023	2022
	\$	\$
Effect on profit:		
Devaluation - 4% (2022: 8%)	<u>10,511,273</u>	<u>14,926,952</u>
Revaluation - 1% (2022: 2%)	<u>(2,627,818)</u>	<u>(3,731,738)</u>

The analysis assumes that all other variables in particular currency rates, remains constant. The analysis is done on the same basis as 2022.

(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 2023

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, 2023			
	Carrying amount \$	Contractual cash flows \$	1 year or less \$	Over 1 year \$
Accounts payable [Note 18]	125,842,947	125,842,947	125,842,947	-
Lease liabilities [Note 10(ii)]	<u>67,315,952</u>	<u>90,376,476</u>	<u>12,313,144</u>	<u>78,063,332</u>
	<u>193,158,899</u>	<u>216,219,423</u>	<u>138,156,091</u>	<u>78,063,332</u>

	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>

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 2023

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 2023

5. REVENUE AND OTHER INCOME

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
(a) Revenue:		
Regulatory fees (Note 19)	652,392,160	600,954,554
Processing fees	<u>16,696,551</u>	<u>17,864,191</u>
	<u>669,088,711</u>	<u>618,818,745</u>
(b) Other income, net:		
Interest income calculated using effective interest rate method	35,977,638	22,263,252
Exchange (loss)/gain	(4,216,083)	4,761,297
Other	<u>446,248</u>	<u>555,687</u>
	<u>32,207,803</u>	<u>27,580,236</u>

6. EXPENSES BY NATURE

(a) Operating expenses		
	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
Advertisement	2,623,035	4,784,562
Audit fees	2,887,500	2,750,000
Bank charges	793,844	701,140
Board/ Committee meeting	2,433,745	672,930
Depreciation and amortization	121,901,441	99,946,398
Directors fees [Note 20(a)]	1,778,100	2,144,200
Insurance	7,952,114	9,647,693
Interest expense implicit in leases [Note 10(iii)]	5,355,778	5,668,750
Irrecoverable GCT	24,341,480	19,953,494
Lease and rental	494,795	6,517,972
Legal and professional fees	33,127,028	32,321,974
Motor vehicle	9,355,248	6,560,301
Office expenses	48,221,772	32,729,907
Property tax	153,100	153,100
Public relations and education	17,442,670	7,690,459
Repairs and maintenance	28,235,788	24,701,229
Salaries and other related costs [Note 6(b)]	283,840,877	259,106,618
Security	6,672,972	6,146,009
Subscription and donation	7,889,739	5,086,404
Travel and subsistence	18,388,172	10,192,621
Utilities	<u>49,333,972</u>	<u>32,837,620</u>
	<u>673,223,170</u>	<u>570,313,381</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

6. EXPENSES BY NATURE (CONT'D)

(b) Salaries and other related costs

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
Salaries and wages	201,876,335	193,426,019
Statutory contributions	14,364,058	13,147,252
Group life and health insurance	12,186,149	11,665,876
Uniform	1,062,413	998,384
Contract/temporary workers	<u>29,321,251</u>	<u>16,643,819</u>
	258,810,206	235,881,350
Pension contributions	1,344,453	1,280,994
Staff training and welfare	19,839,702	18,598,249
Subsistence and accommodation	<u>3,846,516</u>	<u>3,346,025</u>
	<u>283,840,877</u>	<u>259,106,618</u>

7. PROFIT

Profit is stated after charging:

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
Auditors' remuneration [Note 6(a)]	2,887,500	2,750,000
Staff costs [Note 6(b)]	283,840,877	259,106,618
Depreciation and amortisation [Note 6(a)]	<u>121,901,441</u>	<u>99,946,398</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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 \$
At cost:								
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	205,464,891	37,542,925	819,694,159	25,091,465	65,663,326	820,347	56,296,007	1,210,573,120
Additions	-	-	44,369,132	2,016,113	-	-	113,461,582	159,846,827
Transfers	<u>18,136,438</u>	<u>27,412,129</u>	<u>21,030,639</u>	<u>-</u>	<u>535,000</u>	<u>-</u>	<u>(67,114,206)</u>	<u>-</u>
31 March 2023	<u>223,601,329</u>	<u>64,955,054</u>	<u>885,093,930</u>	<u>27,107,578</u>	<u>66,198,326</u>	<u>820,347</u>	<u>102,643,383</u>	<u>1,370,419,947</u>
Depreciation:								
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	25,809,842	19,420,417	475,652,136	15,043,294	45,195,590	283,036	-	581,404,314
Charge for the year	<u>5,197,288</u>	<u>4,091,084</u>	<u>86,765,843</u>	<u>1,799,159</u>	<u>6,048,896</u>	<u>75,219</u>	<u>-</u>	<u>103,977,489</u>
31 March 2023	<u>31,007,130</u>	<u>23,511,501</u>	<u>562,417,979</u>	<u>16,842,453</u>	<u>51,244,486</u>	<u>358,255</u>	<u>-</u>	<u>685,381,803</u>
Net book values:								
31 March 2023	<u>192,594,199</u>	<u>41,443,553</u>	<u>322,675,951</u>	<u>10,265,125</u>	<u>14,953,840</u>	<u>462,092</u>	<u>102,643,383</u>	<u>685,038,144</u>
31 March 2022	<u>179,655,049</u>	<u>18,122,508</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>

9. INTANGIBLE ASSETS

	Software and licences \$	Capital work-in- progress \$	Total \$
At cost:			
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	53,847,057	39,689,147	93,536,204
Additions	<u>18,350,418</u>	<u>32,046,485</u>	<u>50,396,903</u>
CWIP Transfers	<u>64,414,137</u>	<u>(64,414,137)</u>	<u>-</u>
31 March 2023	<u>136,611,612</u>	<u>7,321,495</u>	<u>143,933,107</u>
Depreciation:			
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	43,714,768	-	43,714,168
Charge for the year	<u>7,184,186</u>	<u>-</u>	<u>7,184,186</u>
31 March 2023	<u>50,898,954</u>	<u>-</u>	<u>50,898,954</u>
Net book values			
31 March 2023	<u>85,712,658</u>	<u>7,321,495</u>	<u>93,034,153</u>
31 March 2022	<u>10,132,289</u>	<u>39,689,147</u>	<u>49,821,436</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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

	<u>2023</u> \$	<u>2022</u> \$
Balance at the beginning of year	56,092,305	39,978,591
Additions to right-of-use assets	6,806,373	25,297,890
Amortisation charge for the year	(10,739,766)	(9,184,176)
Balance at the end of year	<u>52,158,912</u>	<u>56,092,305</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.

	<u>2023</u> \$	<u>2022</u> \$
Year ending 31 March		
2023	-	14,708,322
2024	12,064,888	10,436,424
2025	12,296,838	10,552,658
2026	11,819,860	10,217,073
2027	9,356,451	8,036,451
2028	7,903,209	-
Thereafter	<u>36,686,974</u>	<u>43,428,422</u>
Total payments on an undiscounted basis	90,128,220	97,379,350
Less: Present value discount	(22,812,268)	(27,617,766)
Present value of lease liabilities	67,315,952	69,761,584
Current portion	(13,040,588)	(13,376,836)
Non-current portion	<u>54,275,364</u>	<u>56,384,748</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

10. LEASES (CONT'D)

(iii) Amount recognised in profit or loss

	<u>2023</u> \$	<u>2022</u> \$
Included in operating expenses:		
Amortisation of right-of-use assets	10,739,766	9,184,176
Interest expense implicit in leases [Note 6(a)]	5,355,778	5,668,750
Included in other income, net:		
Translation loss on lease liabilities	<u>248,256</u>	<u>211,567</u>
Total lease expenses	<u>16,343,800</u>	<u>15,064,493</u>

(iv) Amounts recognised in statement of cash flows

	<u>2023</u> \$	<u>2022</u> \$
Total cash outflows from leases	<u>14,856,039</u>	<u>10,554,217</u>

11. RECEIVABLES

	<u>2023</u> \$	<u>2022</u> \$
Trade receivables - Regulatory fees	39,989,437	23,575,614
Other receivables (i)	<u>40,141,677</u>	<u>39,033,228</u>
	80,131,114	62,608,842
Less: Impairment loss allowance (ii)	<u>(64,210,759)</u>	<u>(53,364,903)</u>
	15,920,355	9,243,939
Prepayments	<u>28,120,328</u>	<u>12,295,373</u>
	<u>44,040,683</u>	<u>21,539,312</u>
Movement in impairment loss allowance:		
	<u>2023</u> \$	<u>2022</u> \$
Balance at the beginning of year	53,364,903	10,845,856
Charge for the year	<u>10,845,856</u>	<u>42,519,047</u>
Balance at the end of year	<u>64,210,759</u>	<u>53,364,903</u>

(i) Other receivables include \$35,453,191 (2022: \$35,453,191) due from the Government of Jamaica [see Note 20(b)(i)].

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

11. RECEIVABLES (CONT'D)

Movement in impairment loss allowance (cont'd)

- (ii) 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>2023</u> \$	<u>2022</u> \$
Balance at the beginning of year	18,237,045	18,220,781
Taxes withheld at source during the year	<u>19,806</u>	<u>16,264</u>
Balance at the end of year	<u>18,256,851</u>	<u>18,237,045</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 \$1,437,940 (2022: \$861,919) and have an average maturity period of 32 days (2022: 30 days).

	<u>2023</u> \$	<u>2022</u> \$
Resale agreements - J\$ equivalent of US\$	208,477,252	141,517,638
- J\$ currency	<u>367,332,018</u>	<u>739,459,456</u>
	<u>575,809,270</u>	<u>880,977,094</u>

The fair values of underlying securities used to collateralise resale agreements amounted to \$597,726,544 (2022: \$927,036,476).

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

	<u>2023</u> %	<u>2022</u> %
US\$	3.81	2.44
J\$	<u>6.74</u>	<u>3.31</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

14. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
Cash in hand - J\$ Currency	75,000	75,000
Bank balances - J\$ Currency	<u>147,356,986</u>	<u>33,560,951</u>
	147,431,986	33,635,951
Bank balances - J\$ equivalent of US\$	<u>54,304,580</u>	<u>45,036,607</u>
	<u>201,736,566</u>	<u>78,672,558</u>

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

	<u>2023</u>	<u>2022</u>
	<u>%</u>	<u>%</u>
Cash at bank - US\$	0.03	0.03
- J\$	<u>0.30</u>	<u>0.53</u>

15. SHARE CAPITAL

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</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>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</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 2023

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>2023</u> \$	<u>2022</u> \$
Tax Administration Jamaica:		
Spectrum licence fees	81,438,403	154,376,765
Accruals	<u>44,404,544</u>	<u>38,586,702</u>
	125,842,947	192,963,467
Customers' deposits	<u>35,330,417</u>	<u>3,154,501</u>
	<u>161,173,364</u>	<u>196,117,968</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>2023</u> \$	<u>2022</u> \$
Balance payable at beginning of year	154,376,765	248,931,426
Spectrum licence fees received	2,163,698,122	2,785,060,895
Spectrum licence fees paid	<u>(2,236,636,484)</u>	<u>(2,879,615,556)</u>
Balance payable at end of year	<u>81,438,403</u>	<u>154,376,765</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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>2023</u> \$	<u>2022</u> \$
Balance at the beginning of year	237,196,486	206,964,105
Add: Amounts invoiced during year	672,606,426	631,186,935
Less: Transfers to revenue [Note 5(a)]	(652,392,160)	(600,954,554)
Balance at the end of year	<u>257,410,752</u>	<u>237,196,486</u>

20. RELATED PARTY TRANSACTIONS AND BALANCES

The following transactions were carried out with related parties:

(a) Compensation of key management personnel

	<u>2023</u> \$	<u>2022</u> \$
Key management personnel compensation:		
Salaries and other related costs [Included in salaries and other related costs at note 6(b)]	<u>62,806,272</u>	<u>58,005,901</u>
Directors' fees:		
Board Chairman	191,700	234,300
Committee Chairman	181,900	181,900
Board members	1,008,000	1,104,000
Committee members	<u>396,500</u>	<u>624,000</u>
	<u>1,778,100</u>	<u>2,144,200</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
Due from related party:		
Due from Government of Jamaica (note 11)	<u>35,453,191</u>	<u>35,453,191</u>

(ii) Included in payables is an amount of \$81,438,403 (2022: \$154,376,765) payable to Tax Administration Jamaica (note 18).

21. CAPITAL COMMITMENTS

As at the reporting date, the company had capital commitments totaling \$50,540,362 (2022: \$55,553,037) made up as follows:

- (i) \$9,849,139 has been committed towards the "purchase of laptops", of which \$4,457,318 was spent, leaving an outstanding balance of \$5,391,821.
- (ii) \$34,682,586 has been committed towards the purchase of "spectrum monitoring system and dongles" equipment, of which \$8,020,964 was spent, leaving an outstanding balance of \$26,661,622.
- (iii) \$17,356,919 has been committed towards the "purchase of additional network devices to improve and enhance the business continuity process". As at reporting date no expenditures were made.
- (iv) \$1,130,000 has been committed towards the "architectural drawings for the car park renovation". As at reporting date no expenditures were made.

22. SPECIAL FINANCIAL DISTRIBUTION

The Board of Directors approved a Special Financial Distribution of \$58,160,284 at its meeting held on May 31, 2022 and an additional Special Financial Distribution of \$6,325,211 at its meeting held on August 5, 2022. The amounts were subsequently paid into the Consolidated Fund on June 6, 2022 and October 20, 2022 respectively.

The Special Financial Distribution totaling \$64,485,495 is in support of the Government of Jamaica's National Broadband Initiative project being executed by eGOV Jamaica Limited.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

23. RESTATEMENT

During the year, the company realized it had been incorrectly presenting cash flows from acquisition and sale of resale agreements (investments) net in the statement of cash flows under cash flows from investment activities although the netting criteria in IAS 7 *Statement of Cash Flows* were not met.

The impact on the 2022 statement of cash flows is as follows:

	As previously reported	Adjustments	As restated
	\$	\$	\$
Resale agreements, net	(192,126,817)	192,126,817	-
Purchase of resale agreements	-	10,378,549,699	10,378,549,699
Proceeds from resale agreements	-	(10,570,676,516)	(10,570,676,516)
	<u>(192,126,817)</u>	<u>-</u>	<u>(192,126,817)</u>

There was no impact on the statements of financial position, and profit or loss and other comprehensive income.

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