



**ANNUAL
REPORT**
2023-2024



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Our Vision

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

Our Mission

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.

Core Values



Recognition



Excellence



Service



Positivity



Ethics



Collaboration



Trust

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.

CORPORATE INFORMATION

Registered Office	Auditors
Spectrum Management Authority 13 - 19 Harbour Street Kingston	KPMG 6 Duke Street Kingston
Bankers	Company Secretary
First Global Bank Ltd. 28 Barbados Avenue Kingston 5 National Commercial Bank Ja. Limited 1-7 Knutsford Boulevard Kingston 5	Mrs. Pamella Goulbourne Spectrum Management Authority 13 -19 Harbour Street Kingston

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/Financial 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&PS	Ministry of Finance and the Public Service
MSETT	Ministry of Science, Energy, Telecommunications and Transport
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

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, Telecommunications and Transport (MSETT)**, 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 Telecommunication 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.

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

International Telecommunications Satellite Organization (ITSO) - the Authority has been a member since 2001 representing the Caribbean region;

Caribbean Telecommunications Union (CTU);

Inter-American Telecommunications Commission (CITEL);

International Telecommunications Union (ITU).

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 noncommercial exchange of messages by the users;

Radio Technician Licence – There are 2 classes for this category of 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.



Message From **Honourable Daryl Vaz, MP**

Minister of Science, Energy,
Telecommunications and
Transport

...the SMA has
enabled a wireless
ecosystem
that supports
our country's
infrastructure,
revolutionising the
way we live and work.

The Spectrum Management Authority (SMA) has made significant strides in advancing Jamaica's wireless communication landscape, reflecting the Government's goals of fostering technological innovation and enhancing connectivity. Notably, the SMA's proactive efforts in expanding its monitoring capabilities and implementing new technologies have greatly contributed to the stability and security of Jamaica's communication infrastructure. These achievements are integral to the Government's vision of a technology-enabled society, as outlined in the Vision 2030 Jamaica National Development Plan.

During the fiscal year 2023/2024, the SMA continued to play a pivotal role in fostering a robust and innovative wireless industry aligned with the objectives outlined in the Government of Jamaica's ICT Policy. Through diligent regulation and strategic spectrum allocation, the SMA has enabled a wireless ecosystem that supports our country's infrastructure, revolutionising the way we live and work. The related initiatives are aimed at supporting the economic growth to enhance the quality of life for all Jamaicans.

During the period, the SMA has also actively contributed to the safeguarding of mission critical services such as aeronautical, marine, security, and healthcare technologies, which heavily rely on wireless communication. By mitigating harmful interference, the SMA has facilitated reliable connectivity for these essential services. This proactive stance not only protects public safety but also maintains the reliability of vital operations.

As we look ahead, continued collaboration and stakeholder consultation remains essential to the efficient management of Jamaica's spectrum resource and achieving our national digital goals, including bridging the digital divide and supporting business growth.

I take this opportunity to extend my deepest gratitude to the Spectrum Management Authority for its unwavering dedication to advancing Jamaica's wireless industry. Their efforts are instrumental in driving our nation towards a prosperous, connected future. As the Minister with responsibility for Telecommunications, the SMA has my continued support in its efforts to facilitate innovation and to empower our people, ensuring that Jamaicans benefit from technological advancement.



Hon. Daryl Vaz, MP
Minister



Message from the **CHAIRMAN**

Edward Gabbidon, MBA
Chairman

“The efforts of this team, and the SMA as a whole, have not only served immediate stakeholders, but also contributed to national development.”

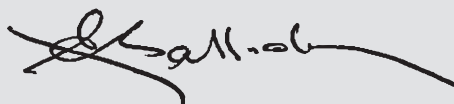
The Spectrum Management Authority (SMA) has demonstrated outstanding performance in the 2023/24 fiscal year, effectively managing the spectrum to benefit our clients, stakeholders, and the people of Jamaica. Under the strategic guidance of the Board of Directors, the SMA has been notably impactful, addressing critical needs and driving progress, particularly in policy recommendations for the allocation of scarce spectrum for essential services.

During the fiscal year, a small team represented Jamaica at the International Telecommunication Union's (ITU's) for a four-week World Radiocommunications Conference 2023 (WRC-23). Their dedication and resilience ensured that Jamaica's interests were protected and advanced in the global spectrum discussion. The efforts of this team, and the SMA as a whole, have not only served immediate stakeholders, but also contributed to national development, underscoring our commitment to our mandate.

With the Board's oversight, the SMA developed a Sexual Harassment (Protection and Prevention) Policy, a Code of Business Conduct and Ethics and a Protected Disclosure (Whistleblower) Policy, in accordance with Government of Jamaica requirements. These policies, set to be finalized in the upcoming fiscal year, highlight our dedication to compliance and regulatory excellence. The Board's strategic direction has been crucial in translating government goals, such as a technology-enabled society, into practical objectives that promote universal access and ensure clean spectrum for the growth of a wireless society.

Our focus on effective regulation was reaffirmed this fiscal year, leading to several initiatives aimed at improving spectrum management. These included the installation and upgrade of monitoring systems and enhanced automated systems, critical for maintaining the integrity and efficiency of essential services reliant on clean spectrum.

I am proud of the progress we have made toward achieving our vision and the commitment of our team to our mission of efficient spectrum management. I extend sincere gratitude to my fellow Board members, staff, and all stakeholders for their dedication and support. Together, we are building a wireless future that benefits all Jamaicans.



Edward Gabbidon
Chairman

Message from the **MANAGING DIRECTOR**

Dr. Maria Myers-Hamilton
Managing Director

“The SMA’s focus will remain on expanding our monitoring capabilities, fostering international collaborations, and exploring innovative solutions



It is beyond doubt that wireless technologies, and mobile connectivity in particular, remain pivotal in driving digital innovation for Jamaica. Wireless technologies empowers both people and enterprises with a wide variety of transformative technologies while also equipping the public sector to deliver much-needed services to citizens. During the 2023/24 fiscal year, the Spectrum Management Authority (SMA) has made significant strides in advancing Jamaica's telecommunications landscape. One of our most notable achievements is the introduction of a new e-Licensing system, designed to streamline the licensing process and enhance user experience. The system's features include, inter alia, the ability for SMA's customers to submit their licence application online, make payments for applications, and file complaints – all online. This reflects our commitment to improved service delivery and leveraging technology as a means to that end.

Reflecting on the 2023/2024 fiscal year, I am proud to announce that the SMA has successfully maintained its ISO9001:2015 certification. This achievement substantiates our efforts in delivering world-class service at globally accepted standards, to our local, regional, and global clients. As confirmed by our successful first Surveillance Audit in February 2024, through diligent efforts, the SMA has streamlined its business processes and enhanced operational efficiency especially with regards to the Licensing Secretariat. This has resulted in ensuring timely processing of both new and renewal applications and rigorous quality control measures. A risk-based thinking approach is employed to identify and manage risks in relation to the Radio Monitoring Direction Finding Systems (RMDFS) sites which has reduced the potential for costly disruptions.

In accordance with our mandate, the SMA remains in close collaboration with the Ministry of Science, Energy, Telecommunications, and Transport (MSETT), which was provided with extensive technical, legal, and regulatory advice. A highlight was SMA's role as part of Jamaica's delegation to the World Radiocommunications Conference 2023 (WRC-23), held in Dubai, United Arab Emirates (UAE), from 2023 November 20 to 2023

December 15. The SMA provided valuable technical and policy support to the MSETT as Jamaica provided its support to the work of the conference and in particular, the country's proposal to the conference for the designation of the 600 MHz band for International Mobile Telecommunication (IMT). This initiative represents the government's commitment to making additional low-band spectrum available to Mobile Network Operators, aimed at enhancing service quality and enabling universal coverage, particularly in unserved and underserved areas across Jamaica. The process is expected to conclude in the 2024/25 fiscal year, with the issuance of licenses in the band, marking a crucial advancement towards bridging the digital divide and supporting economic development nationwide.

Additionally, at the WRC-23, Jamaica improved its visibility by representing the ITU's Region 2 as Vice Chair of Committee 4 – a position held by myself. The ITU established seven (7) Committees at the WRC-23, with Committee 4, which incidentally is chaired by Japan, dealing with specified agenda topics/agenda items such as: Broadband applications in the Mobile Service, Aeronautical and maritime services, and Fixed, Mobile and Broadcasting Services. This responsibility provides our delegation, and by extension the SMA, with the opportunity to participate at higher levels in the ITU decision-making process.

Regarding our operational performance, a review of our Licensing core process shows that during the fiscal year, the SMA successfully approved approximately 205 new applications for the grant of licence, exceeding our established key performance indicator (KPI) of 160 licences. This accomplishment highlights our dedication to efficiency and agility in addressing the dynamic demands of the telecommunications industry. By facilitating increased access to spectrum through these licenses, the SMA supports the deployment of advanced telecommunications services across Jamaica, enhancing business opportunities, supporting urban and rural development, improving productivity, and attracting investments.

Central to the Authority's efforts in nurturing a robust wireless communications industry, is

the continued implementation of monitoring systems across Jamaica. During the fiscal year, a new Radio Monitoring and Direction-Finding System (RMDFS) was implemented to detect and mitigate illegal spectrum use, thereby fortifying the reliability of communication infrastructure. This initiative has significantly bolstered our capacity to manage interference and maintain a pristine spectrum environment. We anticipate that these RMDFS tools in the field will be useful in assisting our digital terrestrial television (DTTV) broadcasters in resolving issues with their networks as consumers begin to adopt the new Advanced Television Standards Committee (ATSC) 3.0 television broadcast standard.

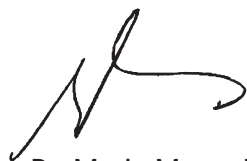
During the year, the SMA continued its contribution to the national digital switchover (DSO) initiative through its participation in the Regulatory & Technical Committee (RTC), providing technical support for the DSO's regulatory framework for digital television. The SMA remains committed to working with all stakeholders towards spectrum efficiency and implementing this revolutionary technology.

With the enactment of the Data Protection Act, 2020, the SMA has had to adapt to the complexities of privacy and data security to safeguard personal data. To meet this legislative requirement, the SMA enlisted the services of a consultant to begin building our privacy framework. This included data mapping, staff sensitization, privacy audits, the development of a draft Data Protection Policy and accompanying draft procedural documents to implement the SMA's privacy strategy.

The SMA, cognizant of its obligation to employ a Data Protection Officer, has retained the services of a qualified professional. Since then, the Data Protection Officer has incrementally introduced adjustments to the core processes of several departments to engrain the principle of data minimization. Additionally, with the introduction of automated templates for international transfers, data breaches and impact assessments, the SMA's efficiency and overall risk assessment protocols have been amplified. The SMA embraces privacy by default and design, aiming to be a changemaker in the privacy space.

Lastly, but by no means least, the SMA continues to play its part in building the capacity of Youth through its Corporate Social Responsibility programme. In April 2023, the SMA held its Girls in ICT Seminar on April 27, 2023, at the Hope Gardens under the theme "Digital Skills for Life - A Journey Through Tech". Approximately 200 students from various schools gathered to explore the vast opportunities within the field of Information and Communication Technology (ICT). The day was filled with engaging and insightful activities designed to inspire and educate young girls about the potential of a career in ICT. The event featured various motivational talks and panel discussions by several noted women in the field of ICT. The Honourable Minister Daryl Vaz and Mrs. Annmarie Vaz, MP also participated in the seminar.

The Authority's Management and Staff eagerly look ahead to the upcoming 2024/2025 fiscal year with high expectations. We will continue to build on our successes by introducing new technologies and systems to further streamline processes and enhance service delivery. The SMA's focus will remain on expanding our monitoring capabilities, fostering international collaborations, and exploring innovative solutions to meet the evolving needs of the telecommunications industry. We are dedicated to maintaining our leadership role in spectrum management within the Caribbean region, ensuring that Jamaica remains relevant in relation to global connectivity trends. This unwavering commitment will drive progress and innovation, securing a bright and connected future for all Jamaicans.



Dr. Maria Myers-Hamilton
Managing Director

“If everyone is
moving forward
together, then
success takes
care of itself.”

— Henry Ford



BOARD OF **DIRECTORS**





BOARD OF DIRECTORS

ROLE OF THE BOARD OF DIRECTORS

In these unprecedented times in the local mobile telecommunications markets, since the Covid-19 Pandemic, the country has seen growth in IP traffic, rising technological advancements and modernization in the field of network services. Amidst these development one key element of corporate success remains constant – a strong Board of Directors (BoD). The Board of Directors (BoD) is collectively responsible for providing foresight, oversight and strategic management in accordance with the Public Bodies Management & Accountability (the PBMA) (Amendment) Act, 2015. The PBMA (Amendment) Act, 2015 empowers the Board to steer the organization towards a sustainable future by adopting sound, ethical, and legal governance and financial management policies, as well as by making sure that it has adequate resources to advance its mission. The BoD also serves as the focal point for corporate governance and reports to the responsible Minister, The Honourable Daryl Vaz M.P., and Shareholder, the Accountant General's Department (AGD).

The SMA BoD maintained its full slate of twelve (12) directors, including its Chairman, Mr. Edward Gabbidon for the entire 2023/24 fiscal year. The BoD was routinely convened throughout the period under review, to assess the key developments impacting the SMA and make the necessary decisions requiring its approval. The members of the Board brings together a useful blend of expertise and knowledge, which enables them to actively contribute to the collective decision-making process

A summary of their experiences and interests are outlined below:



**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 Cable & Wireless Jamaica Limited, (FLOW) 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. Mr. Gabbidon has been serving on the SMA's Board since November 2018.



**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.

Ambassador Allicock 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. Ambassador Allicock has been serving on the SMA's Board since December 2022.



**DIRECTOR –
JEROME SMALLING**

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

Mr. 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. Mr. Smalling has been serving on the SMA's Board since December 2022.



DIRECTOR –
MARION BROWN

Ms. Marion Brown, an Attorney-at-Law who was called to the Jamaican Bar in 2011, is currently the Vice President and University Registrar at the University of Technology, Jamaica. Ms. 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 also served for several years as the Grievance Officer. Ms. Brown has served as Co-opted member on Corporate Governance Committees and 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. Ms. Brown has been serving on the SMA's Board since December 2022.

She holds a Bachelor of Laws (Hons.) degree from the University of London, Certificate in Legal Education from the Norman Manley Law School and a Bachelor of Arts (Hons) degree in History and International Relations from the University of the West Indies. Ms Brown also holds a Graduate Diploma in Strategic Management and Leadership from the London Institute of Business and Technology and a MBA from the Anglia Ruskin University in the UK. She also holds certification in Corporate Governance, Supervisory Management and Personnel Administration.



DIRECTOR –
HEIDI HANNA

Ms. Heidi B. Hanna is an accomplished human resources (HR) 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 currently the HR Executive Director/ Founder of HR 360 based in Kingston, Jamaica, providing HR consulting services to a variety of business sectors. She 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 has been serving on the SMA's Board since November 2020.



DIRECTOR –
**KELLI-DAWN
HAMILTON**

Ms. Kelli-Dawn Hamilton 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 (the Authority), Ms. Hamilton 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 member of the Board of Director at the Rural Agricultural Development Authority. Ms. Hamilton has developed, inter alia, national strategic developmental plans and strategies for both public and private sector entities that resulted in the attainment of organizational and national goals on a global level. Ms. Hamilton has been serving on the SMA's Board since December 2022.



DIRECTOR –
**– MAJOR KAYSON
GUNZELL**

Major (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 in military and a civilian capacity, Maj. Gunzell is adept in creating and implementing actionable strategies to realize short and long-term goals. He was recently appointed Acting Staff Officer for Cyber, Communications and Information Systems at the Jamaica Defence Force, Up Park Camp. Prior to that Maj. Gunzell served in various capacities including Staff Officer Headquarters (Intelligence); Acting Officer Commanding Headquarters Company 2JR; Infantry Battalion Intelligence Officer and Platoon Commander. Maj. Gunzell has been serving on the SMA's Board since December 2022.



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, and Reporting Analyst from 2016 to 2018 both at Desnoes & Geddes Ltd. Additionally, Mr. Marshall held the position of 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). He also holds Certificates of, Achievement in Forensic Accounting from the Institute of Chartered Accountants of Jamaica (ICAJ), White Belt Continuous Process Improvement Lean on the Web Training, Advanced Diploma in Accounting and Business from the ACCA and a Microsoft Excel Advanced Workshop Certificate from the HEART Trust/NTA. Mr. Marshall has been serving on the SMA's Board since November 2020.



DIRECTOR –
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 ITU. Dr. Harris 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. Dr. Harris has been serving on the SMA's Board since November 2020.



**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 in entrepreneurship have provided a well rounded background and enabled the development of a creative yet structured approach towards his tasks. Mr. Steele has several years of experience in various work fields that compliments the partnerships he has forged locally and internationally. Mr. Steele has been serving on the SMA's Board since February 2021.



**DIRECTOR –
DELROY THOMPSON**

Mr. Delroy Thompson is an Electronics Engineering Technician, with over 44 years of experience in television and general electronics, which includes but is not limited to communications, television production, events technical direction and designing of live streaming audio visual systems.

Mr. Thompson was the Technical Director for Reggae Month 2019 (Gospel Concert, Dennis Brown Concert & Gold Awards), Jamaica Independence GALA Celebrations from 2012 to 2018. He has also headed the live streaming and videography of Camperdown's Classic Track Meet, In-Sports Primary School and Athletics Championship, Jamaica Senior Cup Cricket Finals in 2016 and 2017, the Pan American Federation CAC Hockey Finals, Boys and Girls Champs in 2013 and the Research and Development for Stream VU in North Carolina, USA. Mr. Thompson has been serving on the SMA's Board since April 2016.



**DIRECTOR –
KAYDIAN SMITH
NEWTON**

Mrs. Kaydian A. Smith Newton, a Thomas Buerghenthal 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 Telecommunications in the Ministry of Science, Energy, Telecommunications and Transport. Mrs. Smith Newton has been serving on the SMA's Board since June 2014.

BOARD OF DIRECTORS'

COMMITTEES

2023 APRIL 1 – 2024 MARCH 31

Conflict of Interest

The Board and its Committees are cognizant of the fact that conflict of interests could constitute a significant issue in that they 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 shall 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.



LS telcom Spectrum
Monitoring UAS System
AMU-132 Drone

Role of the Board's Committees

The members of the Board are distributed across four (4) sub-committees that are guided by their respective Charter of Operations. It is based on these Charters that the different Committees aids the Board in providing guidance and oversight to the Authority's operations, to ensure, inter alia, that best practices and procedures are maintained to safeguard stakeholder's interest and effective regulation. These Committees have been carefully selected based on the skills, experience, independence and knowledge of the members in order to derive efficiency from the cadre of professionals on the Board. The four (4) sub-committees of the Board are: **Finance and Procurement Committee; Corporate Governance and Human Resources Committee; Technical Operations Committee; and the Audit and Risk Management Committee.** The responsibilities and roles of these committees along with an indication of the members who served during the fiscal year were as follows:

Finance and Procurement Committee 2023

The Finance and Procurement Committee provides oversight by ensuring that financial information is presented per International Financial Reporting Standards (IFRS) and other relevant regulatory frameworks and legislations, to secure the interest and financial health of the Spectrum Management Authority (the Authority).

In addition to the Authority's existing Procurement Committee, comprising of staff members, which operates in keeping with the Public Procurement Act, the Finance and Procurement Committee also has the responsibility of ensuring that goods and services required by the Authority are procured under the Government of Jamaica Public Procurement Act and Regulations. It is expected that with the Committee's procurement oversight, the Authority will continue to execute its procurement in full compliance with the law and to improve accountability and safeguard the public interest.

The members of the Committee during the period April 1, 2023 to March 31, 2024 were:

- Jerome Smalling (Chairman and Board Member)
- Ricardo Allicock (Board Member)
- Stephen Steele (Board Member)
- Louis-Ray Harris (Board Member)
- Delroy Thompson (Board Member)

The Committee remains a standing committee of the Board and as such, meetings are usually held monthly on the Wednesday of the week preceding the Board of Directors' meeting. 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 attendance at meetings is set out in the Board Attendance Chart. Invitees at the Finance and Procurement Committee meetings are the Managing Director, the Director, Finance and Accounts, the Chief Accountant, the Procurement Manager, and the Company Secretary.

Conflict of Interest

Conflict of Interest Declaration/Disclosure is a standing agenda item for all Committee meetings. One (1) probable conflict of interest arose during the period under review. The management sought guidance on the matter with the Ministry of Finance and the Public Service and the same was resolved at the Board level.

The Committee met seven (7) 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, and related recommendations. The Director, Finance and Accounts also provided a report to the Committee at its monthly meetings.

The following were the highlights of those meetings:

- Reviewed and recommended for adoption, of the SMA's management accounts to the Board.
- Ensured compliance with the financial planning and reporting requirements.
- Ensured investment activities are in keeping with the SMA's approved Investment Policy.
- Reviewed monthly procurement activities.
- Reviewed and recommended management submission for an annual incentive payment in keeping with the company's approved Performance Incentive Scheme received confirmation that:
 - fees and mileage claims payable to board members are reviewed annually to ensure correct categories in keeping with the Ministry of Finance's circular regarding payment of fees.
 - monthly statutory financial reporting complies with the law and payment requirements.
 - collections of monthly processing, normal

monthly licence and regulatory fees are effected timely.

- monthly disbursement of funds for normal operating expenses and capital expenditures are done within the budget.
- disbursement to the Government of Jamaica Consolidation Fund Account via Tax Administration of Jamaica for normal spectrum licence fees is done monthly following collection, or via the Bank of Jamaica for spectrum licence fees collected with respect to domestic mobile licences in the respective month(s) of collection.
- quarterly contract award (QCA) reports to the Integrity Commission are submitted on time.

Treasury Management Policy

An amended Treasury Management Policy was submitted to the Finance and Procurement Committee for review and recommendation to the Corporate Governance and Human Resources Committee before presenting it to the full board for approval. The Policy will be further amended for approval in the 2024/2025 financial year.

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

Jerome Smalling



Chairman
Finance and Procurement Committee

Corporate Governance & Human Resources Committee

The Corporate Governance and Human Resources Committee was established 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, particularly those outlined in the Public Bodies Management and Accountability Act (PBMA) and the Corporate Governance Framework for Public Bodies (CGFPB).

As the standard-bearers for compliance, corporate governance and policies, the Corporate Governance and Human Resources Committee remained active in undertaking its fiduciary responsibilities. The Committee assists the board in considering possible conflicts of interest and any related party transactions concerning the members; continuous board member training and development as needed; and monitors trends and corporate governance best practice standards.

The Committee, in executing its human resource 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 1, 2023 to March 31, 2024 were:

- Marion Brown (Chairman and Board Member)

- Kaydian Smith Newton (Board Member)
- Ricardo Allicock (Board Member)
- Heidi Hanna (Board Member)
- Kelli-Dawn Hamilton (Board Member)

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 attendance at meetings is set out in the Board Attendance Chart. Invitees at the Corporate Governance and Human Resources Committee meetings are the Managing Director, the Director, Legal Affairs, and the Company Secretary.

The Committee met four (4) 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, and related recommendations. The Managing Director also provided a report to the Board at its meetings.

Competency Profile & Board Diversity

The current Board of Directors met the competencies required for the Public Bodies. The varied disciplines and skill sets of the members enhanced the deliberations and the ability of the committee to adequately discharge its responsibilities. The Board's composition reflects both professional and background diversity.

Conflict of Interest

Conflict of Interest Declaration/Disclosure is a standing agenda item for all Committee meetings. No conflict of interest arose during the period under review.

The following were the highlights of those committee meetings.

Board and Committee Charters

The Board and Committee Charters which were due for periodic review, all underwent amendments. After deliberations, the Board approved the amended charters, which are now available on the Authority's website.

Policy Register

A Policy Register was developed to include all policies relating to the operations of the SMA indicating the dates of approval and the review periods.

Training

To ensure that all Directors have access to professional development programmes and information and material that may assist in the execution of their roles and responsibilities, a board training calendar for the period under review was developed and approved. Accordingly, sensitization sessions were held in Corporate Governance and on the Data Protection Act.

Data Protection

A Data Protection Officer commenced employment with the Authority on January 15, 2024.

In the past year, the Data Protection Officer (DPO) has focused on strengthening the organization's data protection posture through a variety of initiatives. These included conducting comprehensive data privacy risk assessments, implementing staff training and sensitisation programs to raise awareness of data protection obligations, and developing clear procedures for handling data subject

rights requests. The DPO also played a key role in reviewing and updating internal policies to ensure compliance with the Jamaican Data Protection Act, 2020. Additionally, the DPO investigated and responded to data security incidents, ensuring timely notification to the regulator and affected individuals where necessary. These activities have contributed to a more robust data protection framework within the organization.

Sexual Harassment (Protection and Prevention) Policy

A Policy Statement relating to the Sexual Harassment (Protection and Prevention) Policy was prepared and the Policy was drafted for approval in the next financial year.

Code of Business Conduct and Ethics

In accordance with the Corporate Governance Framework for Public Bodies, the Authority in ensuring that its Board of Directors and Managing Director have sufficient guidance as it concerns ethical and responsible decision-making, developed the Code of Business Conduct and Ethics (the Code) which applies to the Authority's Board (including ex officio members) and the Managing Director. The Code was approved by the Board.

Protected Disclosure Policy

Public Bodies were instructed by the Integrity Commission "the Commission" to develop their own Whistleblower Policy and submit it to the Commission for review and comments. The Authority drafted its Policy in 2022 which was approved by the then Board of Directors. The approved Policy was forwarded to the Commission where some suggested changes were recommended to ensure alignment with that of the Commission.

The Commission also recommended that the Whistleblower Policy be retitled the “Protected Disclosure Procedural Guidelines” .

The amended document is under review and will be approved by the current Board during the next financial year.

Board Performance Evaluation

A board performance evaluation for the 2023-2024 period is being conducted and should be completed during the first quarter of the next financial year.

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 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 approved annual reports have been uploaded to the Authority’s website.

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 2023. Evaluations were also conducted of the Corporate Secretary and the Internal Auditor which are the other two positions reporting directly to the Board.

Way Forward

- Risk Management Training for Board members, the Managing Director, the Risk Manager, the Internal Auditor and the Company Secretary.

- Training in Public Procurement for the Board of Directors.
- Development and implementation of the outstanding policies
- Development of a succession plan with two identified successors per critical position



Marion Brown
Chairman
Corporate Governance and
Human Resources Committee

Technical Operations Committee Report

The Technical Operations Committee assists the Board in fulfilling its oversight responsibilities on specific technical matters undertaken by the SMA and reviews and make recommendations on technical material in the interest of the Authority's business objectives. In addition, 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 as well as report to the Board of Directors on issues and matters of a technical nature as necessary for the function of the Board's mandate.

The members of the Committee during the period April 1, 2023, to March 31, 2024 were:

- 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 the 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 attendance at meetings is set out in the Board Attendance Chart. Invitees at the Technical Operations Committee meetings are the Managing Director, the Director, Spectrum Engineering, the Manager, Monitoring and Inspection, the Manager, Operating Systems and Special Projects and the Company Secretary.

The Committee met twice 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, and related recommendations.

Conflict of Interest

Conflict of Interest Declaration/Disclosure is a standing agenda item for all Committee meetings. No conflict of interest arose during the period under review.

The following activities that were brought to the Committee's attention are as follows:

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. The amended Charter was subsequently approved by the full Board.

National Broadband Initiative Project

The Authority continued to provide support/guidance towards the captioned initiative.

Cable Leakage

To address the issue of Cable Leakage, the following was implemented:

- Jamaica Public Service Company (JPSCo) Limited committed to revamping its Pole Attachment Agreement following consultations, to allow it to have unique labelling of all attachments on the poles. Consequently, all cable operators currently installed on the poles will be required to have their cables labelled, failing to do so may lead to the removal of unlabeled cable

attachments by JPS.

- JPSCO acquired a special mobile unit that can identify/map each connection installed on their poles. Mapping has commenced in the Kingston Metropolitan Region (KMR) and there are plans to expand to other regions.

The mentioned activities will greatly assist in resolving interference reports by allowing for the Authority to quickly identify and initiate the necessary communication with offenders.

The Way Forward

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



Louis-Ray Harris
Chairman – Technical Operations Committee

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Management Committee in keeping with its Charter and applicable regulations and guidelines, continued to fulfil its role of ensuring effective internal controls, strong risk management protocols, internal audit function and independent external auditors. It also monitors the overall risk management framework guiding the Spectrum Management Authority and ensuring the implementation of policies and best practices. The Committee considers the Authority's risk policy and plan, and risk tolerance and ensures that risk assessments are performed regularly.

The Audit and Risk Management Committee of the Authority also oversees the embedding of the enterprise risk management process across the Authority which helps to drive an internal culture of better risk management. The risk oversight role also includes ensuring that the Authority is being run in alignment with its risk appetite. The Committee relies on management who is responsible for the design, implementation and effectiveness of the risk management process.

The responsibilities of the Audit and Risk Management Committee are outlined in the approved Audit and Risk Management Committee Charter.

The members of the Committee during the period April 1, 2023 to March 31, 2024 were:

- 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 attendance at meetings is set out in the Board Attendance Chart. Invitees at the Audit and Risk Management Committee meetings are the Managing Director, the Internal Auditor, the Risk Manager and the Company Secretary.

The Committee met three (3) times during the year under review and all meetings were held virtually. After each meeting, the Committee submitted its report to the Board on activities, findings, and related recommendations.

Conflict of Interest

Conflict of Interest Declaration/Disclosure is a standing agenda item for all Committee meetings. No conflict of interest arose during the period under review.

The following were the highlights of those committee meetings:

Audit and Risk Committee Charter

The amended Audit and Risk Management Committee Charter was presented to the Committee, it was then reviewed by the Corporate Governance and Human Resources Committee and subsequently approved by the full Board of Directors.

Risk Management Report

A summary of the entity's risk profile and management controls and the status of implementation of risk management controls by the Divisions/Departments was presented.

During the certification process for the International Organization for Standardization (ISO) 9001, the quality management system and operational risks were tracked separately to assess the effectiveness of conformity.

The following were also considered:

- Data Protection Framework – A Data

Protection Framework was developed to ensure that the Authority satisfied the regulations of the Data Protection Act, which was passed in 2020 and took effect on December 1, 2023.

- Outdated Legislation – Representatives of the Ministry of Science, Energy, Telecommunications & Transport and the Authority held discussions to amend legislature considered obsolete.
- Succession Planning Framework - The Human Resources department will meet with HODs to discuss the framework and drafting of the document will commence in short order.
- Risk Assessment 2023/24 - Measures are in place to monitor risks that are deemed high and very high, and the Risk Register was developed to include risk controls each Risk Owner will be implementing to manage those risks.
- Enterprise Risk Management (ERM) Framework- The framework is in draft form and will be approved in the new financial year.

Revised Internal Audit Charter

The amended Internal Audit Charter was presented to the Committee, it was then reviewed by the Corporate Governance and Human Resources Committee and subsequently approved by the full Board of Directors.

Internal Audit Plan for 2023/24

Further to conducting a Risk Assessment of the SMA's operations, the Internal Auditor presented the 2023/24 Internal Audit Plan to the Audit and Risk Management Committee for approval. In the said plan, four audit areas were identified:

- Revenue and Collections
- Human Resource Management
- Expense Process Operating / Capital Expenses Disbursement / Procurement
- Information Technology (IT) Disaster Recovery Plan (DRP)

With specific reference to the Business Continuity Plan (BCP), which formed part of the IT Disaster Recovery Plan, it was confirmed that the BCP was approved by a previous Board. The BCP takes into consideration several layers including: Recovery Site at eGov Jamaica, Hot Site in Montego Bay, Safety Wardens' Committee and eLicensing Online Application platform. The Committee approved the Internal Audit Plan for 2023/24, subject to a few modifications.

Revenue Audit

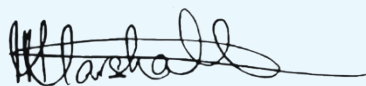
A Revenue Audit was conducted to ascertain the accuracy of the revenue of the Authority.

Funding Policy/Model

A Funding Policy/Model is being prepared to improve the SMA's financing of its operations.

Way Forward

The Audit and Risk Management Committee, in collaboration with the management team, is focused on fulfilling audit and risk requirements. Going forward, the Committee will continue to provide the required oversight and will also continue to review and monitor the provisions under the ERM Policy and Framework to align the risk management activities with the overall strategic objectives. As it relates to auditing, the Committee expects to see continued improvement in accountability and transparency in the operations of the Authority.



Merrick Marshall
Chairman – Audit and Risk Management Committee

RECORDS OF ATTENDANCE

For the 2023/24 fiscal year, the SMA scheduled six (6) meetings of the Board of Directors. Additionally, meeting with regards to the four (4) Committees of the Board were also held. A summary of the attendance of Directors at meetings of the Board and its Committees for the FY are outlined in the Table 1 below:

Table 1: Board Record of Attendance

	BOARD	AUDIT & RISK MANAGEMENT COMMITTEE/ INTERVIEW	FINANCE & PROCUREMENT COMMITTEE	CORPORATE GOVERNANCE & HUMAN RESOURCES COMMITTEE	TECHNICAL OPERATIONS COMMITTEE	SENSITIZATION SESSION ¹	CORPORATE GOVERNANCE TRAINING
	6 MEETINGS	4 ² MEETINGS	7 MEETINGS	4 MEETINGS	2 MEETINGS	2 SESSIONS	1 TRAINING
Ricardo Allicock	4	-	5	3	-	2	1
Marion Brown ³	6	3	1	4	-	-	1
Edward Gabbidon ⁴	6	-	1	-	-	1	1
Kayson Gunzell	6	3	-	-	2	1	1
Kelli-Dawn Hamilton ⁵	5	1	-	4	-	1	-
Heidi Hanna	4	1	-	2	-	1	-
Louis-Ray Harris	6	-	7	-	2	2	1
Merrick Marshall ⁶	5	3	-	-	-	1	1
Maria Myers-Hamilton ⁷	6	3	7	4	2	1	1
Jerome Smalling	5	-	6	-	-	1	1
Kaydian Smith Newton	5	-	-	4	2	1	1
Stephen Steele ⁸	5	-	7	-	-	1	-
Delroy Thompson	5	-	6	-	2	2	1

1. The Ministry of Finance conducted a sensitization session on the Database of Prospective Directors on December 7, 2023, and the Integrity Commission conducted a sensitization session on the Data Protection Act for Board of Directors on February 29, 2024.
2. Includes interview for the post of Internal Auditor on September 22, 2023.
3. Marion Brown was invited and attended a special meeting of the Finance and Procurement Committee on April 25, 2023.
4. Edward Gabbidon was invited and attended a special meeting of the Finance and Procurement Committee on April 25, 2023.
5. Kelli-Dawn Hamilton served on the interview panel for the post of Internal Auditor in keeping with the Audit and Risk Management Committee Charter on September 22, 2023.
6. Merrick Marshall served on the interview panel for the post of Internal Auditor in keeping with the Audit and Risk Management Committee Charter on September 22, 2023.
7. 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.
8. Stephen Steele chaired a meeting of the Finance and Procurement Committee in the absence of the Committee Chairman on June 22, 2023.

BOARD OF DIRECTORS' REPORT

In an increasingly digital environment, adequate access to spectrum is key to expanding the deployment and coverage of telecommunication networks and addressing the ever-increasing demand for data services. These networks support a variety of online applications, extending the impact of spectrum management to several sectors of the economy by transforming the way people access resources for health, transportation, education, agriculture, employment, government, and financial services. As a scarce resource, spectrum requires proper management from regulators, to ensure equitable access and an interference-free environment among different users and services, as well as to introduce new technologies. Accordingly, there is a need to strike the right balance between regulatory requirements that provide certainty and protect consumers, and the need to ensure flexibility for the development of new wireless technologies.

In light of the aforementioned, the Board of Directors (the Board) of the Spectrum Management Authority (the SMA), focused its effort, during the 2023/24 fiscal year (FY), towards guiding and providing oversight responsibilities for the SMA to regulate effectively. The Board took a targeted approach through its Committees, which are namely: Finance and Procurement, Technical Operations, Corporate Governance and Human Resource, and Audit and Risk Management.



Essentially, these committees provided the required support, in particular as it relates to policy and strategic directions, to aid the SMA in advancing closer to achieving its Strategic Objectives as outlined in the 2023/24 – 2026/27 Corporate Strategic and Operational Plan and Budget document.

Against this background the Board is pleased to present the performance of the SMA for the year under review, which was characterized by customer-oriented service, as the organization completed its first year after ISO 9001:2015 Quality Management certification in the 2022/23 FY. The SMA's achievements resulted in continued contribution to nation building, and by extension facilitating Jamaica's Vision 2030 Plan, particularly National Outcome #11 – A Technology-Enabled Society.

Highlights of the SMA's contribution include, inter alia, facilitating more reliable wireless access by more Jamaicans through the expansion of new radio monitoring direction finding system (RMDFS) sites in Negril, Westmoreland and Lucea, Hanover. With the site in Hanover 100% completed and the Westmoreland site 70% completed, this represents a major step in the SMA's thrust to expand its monitoring capacity across the island, to provide clean spectrum.

Additionally, with the enactment of the Data Protection Act, 2020 the SMA has had to adapt to the complexities of privacy and data security to safeguard personal data. In furtherance of this legislative requirement, the SMA employed a Data Protection Officer tasked with developing a privacy framework to guide the SMA in its operations. The SMA is moving towards a renewed vision wherein, our processes are employee-driven with both privacy by design, and privacy by default playing an essential role in our continued service to our stakeholders.

Further information in relation to the SMA's corporate performance is detailed below.

Corporate Performance

Continuous improvement of an organization depends on the organization's ability to measure and evaluate the performance of key processes of the organization. The SMA recognizes the importance of stable and consistent evaluation and therefore through the use of its balanced scorecard tool it is able to practically measure the effectiveness of its business activities against its strategic and operational plans.

The 2023/24 fiscal year proved to be a challenging year for the SMA, however the management and staff remained committed to the tasks at hand and proved to be resilient under the circumstances. The transitioning from the legacy system (ASMS) to the new online system had its learning curve, however the team maintained its focus and stick-to-itiveness, which resulted in commendable performances in most of the key areas of the entities operations. The core operational activities of the SMA are in relation to, licensing (new and renewal); interference management; and financial management. The table below summarizes the outcome of the SMA's efforts with respect to the core operational activities as measured against the key performance indicators (KPIs). Further details of the SMA's performance are outlined thereafter.

Table 2: Summary of Achievements Against Core Operational Targets

	Key Performance Indicator (KPI)	Actual
Income	\$705.46M	\$719.30M
Expenditure	\$880.44M	\$1,058.33M
Spectrum Licence Fee Collected	\$1,515.19M	\$1,418.86M
Spectrum Licence Fee Remitted	\$1,893.99M	\$1,321.51M
Number of Licence to be Renewed	457 (85%)	457 (85%)
Renewal of Licences	90% within 5 days (411)	91% within 5 days
Processing of New Applications	80% as per time	94% (193)
Resolution of Interference Cases	90% within standard time	100%



1. Licensing

The radio frequency spectrum is a natural resource managed by the SMA for the benefit of all Jamaicans. The SMA issues spectrum licences and authorizations that permits the use of specific frequency(ies) within a defined geographic area(s) under defined terms and conditions. Once authorization is granted, licensees would be permitted to establish their radiocommunication networks, while adhering to the conditions of the spectrum licence/authorization. The licensing process of the SMA, which is fully administered through the new E-Licensing Platform (E-LIC) involves the input of several departments, particularly, Band Planning, Monitoring and Inspection and Legal Affairs, which includes the Licensing Secretariat. The various departments combine to ensure an efficient licensing process for new applications and for renewals

New Licensing

During the 2023/24 FY, the SMA received 236 new applications in addition to the 15 applications brought forward from the previous (2022/23) FY, resulting in 251 applications handled for approval. Of the 251 applications handled, 205 or 82% of applications were approved for the grant of a licence, whilst 3 licences were cancelled. The 205 licences granted represents a performance of 103% of the targeted 200 new licences and 128% of the 160 licences established for the KPI. Of the 205 applications granted, 193 or 94% were processed within their respective established processing times, which exceeded the targeted KPI of 80%. As shown in Table 3 below, the number of licences granted for the current fiscal year is below the total of 347 granted in the previous fiscal year (2022/23), but marginally above the estimated return to pre-pandemic levels of 200 licences, projected by the SMA, for the year under review.

Table 3: New Licence Applications Granted by Type for last four (4) FYs

LICENCE TYPE	GRANTED 2020/21	GRANTED 2021/22	GRANTED 2022/23	GRANTED 2023/24
Aeronautical	1	0	0	1
Alien Amateur	1	5	16	17
Amateur	3	10	1	2
Citizen Band	2	6	6	4
Domestic Mobile		0	0	1
GMDSS	4	8	11	3
Private Radio (Major)	3	1	7	5
Private Radio (Other)	17	23	23	24
Marine (Temporary)	76	121	100	35
Marine (Permanent)	103	127	169	96
Marine (Non MAJ)	0	0	6	15
Technician	0	0	4	1
VSAT	5	15	4	1
TOTAL	215	316	347	205

Renewal Licensing

For the fiscal year under review, the SMA renewed 457 licences, which represents a performance rate of 85%, which met the established KPI of 85%. The initial FY's target was 514 existing licences, however there were 77 additions and 53 cancellations, which essentially reduced the renewals to a working total of 538. As illustrated in Table 4 below, the number of licences renewed during the period under review, was only bettered in 2021/22, when compared to the previous three (3) fiscal years. This performance is extraordinary considering the issues associated with the implementation of a new system, which the SMA had to contend with, while carrying out its licensing function, a major core operational activity. Note that licences are only renewed after receipt of payment.

Table 4: Number of Licences Targeted and Approved for Renewal for last four (4) FYs

FISCAL YEAR	RENEWED	REVISED TARGET
2020/2021	449	506
2021/2022	462	536
2022/2023	449	522
2023/2024	457	538

As at 2024 March 31, of the 457 licences renewed, 414 were processed within the standard processing time of 5 business days after receipt of payment. This represents a performance rate of 91% which is above the KPI of 90% or 411 (90% of the 457) for this activity.



2. Type Approval

Type approval indicates that a product has been certified to fulfill certain requirements based on the type of product. The main purpose of Type Approval is to ensure that all devices capable of emitting radio frequency energy meet the established regulatory, technical and safety standards. These technical and regulatory standards are required in order to ensure that new devices entering the country for use, does not cause harmful interference to incumbent devices/networks/services.

Type approvals are conducted on radio-devices and these devices may be utilized in Jamaica's telecommunications broadcasting, maritime, aeronautical, agriculture, health, automobile and manufacturing industries.

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. For the 2023/24 FY, the SMA received a total of 335 new applications for Type Approval, in addition to twenty-three (23) applications brought forward from the previous FY (2022/23), which

were awaiting further information from the applicants. This amounted to a total of 358 type approval applications being handled for the 2023/24 period. Of the 358 applications handled, a total of 332 Type Approval Certificates were granted, with the remaining 26 withheld pending further information from the applicant.

Table 5: Type Approvals Received and Granted for last three (3) FYs

Year	Applications Handled in FY	Granted / Approved	Granted within KPI
2021/22	339	329	317 (96%)
2022/23	360	341	337 (99%)
2023/24	358	332	327 (98%)

Of the 332 type approved applications which were granted, 327 or 98% of them were granted within the standard processing time of 10 business days. This 100% exceeds the established KPI of 80%. Table 5 above shows the Authority's performance for the past 3 years.



3. Radio-Monitoring and Inspection

Interference Investigation

In managing the radio frequency spectrum, the SMA is particularly concerned about “Harmful Interference”, which is interference that endangers or deteriorates the regular functioning of radio services operating in accordance with the law. When legitimate radio services are impacted due to harmful interference then communication services and business activities are negatively affected.

Table 6 – Interference Reports for last three (3) FYs

Year	No of Cases Investigated	Cases Resolved	Resolved within KPI
2021/22	18	15	15
2022/23	23	23	23
2023/24	6	6	6

Table 6 above shows that for the reporting year (2023/24), the SMA investigated 6 cases of interference reports, all of which were resolved as of March 31, 2024. All 6 cases were resolved within their respective standard resolution times ranging from 15 to 60 days, depending on whether the interference is readily identifiable. This resulted in a 100% adherence rate, exceeding the established KPIs of 90%. Additionally, Table 6 also reflects the SMA's performance for the past two fiscal years.

Spectrum Audits

A radio frequency spectrum audit (spectrum audit) aims to gather clear information on how the radio frequency spectrum is being used in various areas of the island, vis-à-vis related spectrum licences/authorizations granted. A spectrum audit normally reveals if the spectrum being utilized in an area are by licenced operators and within the terms and conditions of their licence. Frequent spectrum audits are an integral part of the spectrum management process of a country as it serves among other things to: determine how spectrum can be used more efficiently; helps to identify harmful interference; helps to identify illegal users of the spectrum; assist with spectrum re-farming and help with the introduction of new services.

Throughout the fiscal year, the SMA's monitoring team conducted several spectrum audits to include, studio transmitter link (STL) audits, automatic violation detection (AVD) audits, FM (frequency modulation) audits, modulation audits and microwave audits all across the island. These audits are conducted, as noted before, in an effort to ensure compliance by licenced and authorized users of the spectrum, and to reduce occasions of illegal use of the spectrum, which often results in harmful interferences to legitimate users. Several cases of anomalies were identified, documented, and investigated with positive results during the year.



a. Financial Management

Income

At the heart of the SMA's existence and relevance is solid financial management. Proper financial management directly impacts various aspects of a business's operations. It helps to optimize resource allocation by identifying areas where costs can be lessened, or revenue can be maximized. Effective financial management also ensures businesses have enough liquidity to meet their short-term obligations and invest in long-term

growth opportunities. It is with these principles in mind that the SMA, as a self-funding organization operates, in an effort to sustain the efficient management of the spectrum and to regulate effectively.

For the period ended 2024 March 31, the SMA booked total income of **\$719.30M**, which was \$13.84M or 2.0% above the SMA's KPI of \$705.46M, (which is 80% of target - \$881.82M) and \$162.52M less than the \$881.82M budgeted. The table below (Table 7) compares the actual, budgeted and KPI performance levels.

Table 7: Income Performance

	Actual	KPI (Budget)	KPI (% of Budget)	Actual vs KPI Variance
	\$'M	\$'M	\$'M	\$'M
Processing Fees	16.32	16.49	13.19	3.13
Regulatory Fees	663.29	666.74	533.39	129.90
Interest Income	26.65	23.61	18.89	7.76
Other Income	13.04	174.98	139.99	(126.95)
TOTAL	719.30	881.82	705.46	13.84

Expenditure

Actual expenditure (including depreciation) incurred by the SMA during the 2023/24 FY amounted to \$1,058.33M for the 12 months ended 2024 March 31, which was above the budgeted amount of \$880.44M. The main factor contributing to this adverse variance was Salary & Related Cost. The variance was on account of approvals to salary increases and retro-active payments for more than 12 months, having been paid during this fiscal year, subsequent to the GoJ's Compensation Review Exercise in November 2023.

Collection of Spectrum Licence Fees

As mandated, 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 ending 2024 March 31, (excluding interest & FX changes) amounted to \$1,418.86M. This is \$475.13M and \$96.33M below the budgeted amount of \$1,893.99M and KPI \$1,515.19M respectively. The shortfall is due to anticipated licence fee amounts not being realized as expected during the fiscal year.

Total remittance to the TAJ for the fiscal year amounted to \$1,321.51M (including the amount of \$81.44M brought forward from the previous FY), which met the established KPI (Remit all fees collected up to Feb. 2024 and mobile fees collected in Mar. 2024) of \$1,321.51M, based on the total collection of \$1,418.86M, amount brought forward from the 2022/23 FY of \$81.44M and non-mobile fees collected for 2024 March of \$178.79M. It should be noted 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.



Philmore Trowers (M&I Manager) and Omar Thomas (Engineer) preparing the Drone for Monitoring.



Capital Development Initiatives

Post COVID 19, the nation's dependency on a reliable, robust, and secure wireless communications infrastructure is even more critical to the everyday lives of consumers and the effective operation of our economy. In fact, main stream information and communications technology (ICT) literature acknowledges that communication networks (and in particular broadband networks) are increasingly recognised as fundamental for economic and social development. Notwithstanding the challenges, it is with this view in mind that the SMA's staff had doubled its efforts to ensure the successful implementation of several capital initiatives and regulatory obligations during the 2023/24 FY. Noted among the achievements are: the implementation of a new monitoring site, attendance at the World Radio communication Conference, the designation of the 600 MHz Band for IMT and the SMA's Quality Management System recertification.

Capital Development Projects

RMDFS Sites Developments

The SMA successfully finalized the implementation of solar power systems at three of its Radio Monitoring and Direction Finding Systems (RMDFS) sites during the fiscal year. These RMDFS sites are located in New Hope, Manchester; Albion, St. James and Savannah-La-Mar, Westmoreland. By harnessing the power of solar energy, the SMA has not only contributed to reducing its carbon footprint, but also provided sustainable and reliable energy solutions to these sites. This initiative is in keeping with Goal 7 of Jamaica's National Energy Policy (2009-2030), which states that "Jamaica realizes its energy resource potential through the development of renewable energy sources and enhances its international competitiveness and energy security whilst reducing its carbon footprint".

Additionally, to bolster its capacity in resolving interferences and to monitor the use of the spectrum, the SMA in 2023 October, commissioned into use a new RMDFS site in Lucea, Hanover. The implementation of the Lucea RMDFS site has been a significant milestone for the SMA. It is a state-of-the-art site, and it will assist in streamlining the SMA's operations, enabling the management and tracking of critical data. The benefits to be derived by the SMA from the installation of this site will redound to the benefit of users of the spectrum as the SMA will be better equipped to provide "clean" spectrum and to better prevent illegal users of the spectrum.

Further, as at 2024 March 31, the SMA has progressed to achieving 70% completion in the implementation of the Negril RMDFS site project. This project aims to enhance our operational capabilities in the area of Negril as well as neighbouring communities within the parish of Westmoreland. Subsequent to its completion, this project will be of practical benefit to the local community, improving the communication environment and supporting mobile telecommunications transactions. Overall, at the end of the 2023/24 FY the SMA's RMDFS network has been expanded to two (2) mobile units and fifteen (15) fixed sites, spanning all the parishes of the island except for St. Thomas, St. Elizabeth and St. Mary. This results in an increase in the Authority's capabilities for spectrum interference analysis in the urban metropolitan areas of the island.



Legal, Policy and Regulatory Initiatives

Given the dynamic nature of the mobile telecommunication sector, it is important that spectrum regulators take the time to ensure that the existing policies and regulations are serving the best interest of the population. As new wireless technologies come on board, the industry increasingly needs flexible harmonized regulation that ensures clarity of direction. During the 2023/24 FY, the legal, policy and regulatory initiatives were designed to facilitate that outcome through stakeholder consultation, training, and research with a view of enhancing the resilience of the sector. By virtue of these initiatives, the Staff of the SMA continued to provide the relevant support services in advance of effective spectrum management.

Proposal for Designation of the 614-698 MHz for IMT

Further to the stakeholder consultation regarding the repurposing of the 600MHz band during the previous fiscal year (2022/23), Jamaica, through the SMA's team submitted a proposal at the 42nd PCCII Meeting in Canada to designate the 614-698 MHz band for the services of international mobile telecommunications (IMT). Further, the SMA provided necessary support, in accordance with the ITU's Article 9.21 "for any station of a service for which the requirement to seek the agreement of other administrations is included in a footnote to the Table of Frequency Allocations referring to this provision. (WRC-2000)" and in support of the MSETT's submission to Cabinet for the approval of the repurposing of the band. The submission was subsequently approved on March 18, 2024.

Digital Switch Over Committee Meetings

During the year, the SMA continued its contribution to the national Digital Switch Over (DSO) process through its participation on the Regulatory & Technical Committee (RTC). One of the main issues which was discussed by the RTC was Digital Rights Management (DRM) and how its features would be implemented in Jamaica. Additionally, there was discussion on a draft report from Henlin Gibson Henlin (HGH) which was aimed at looking at the regulatory framework for digital television.

In 2023 August, a team from the SMA led by the Managing Director also attended the National Digital Switchover (DSO) Steering Committee meeting that was held at the Banquet Hall, Jamaica House. The meeting was chaired by the Prime Minister, the Most Honourable Andrew Holness. The DSO's Technical & Regulatory Committee updated the meeting on the progress achieved with respect to the digital transition and sought to arrive at consensus regarding the way forward. The SMA Team provided an update on spectrum matters and gave clarifications regarding the type of frequency bands that was required to support the digital television networks.

Digital Economy Infrastructure Seminar

The SMA along with representatives from the OUR, MSET, NWA and USF participated in a seminar on Jamaica's Digital Economy Infrastructure Assessment, which was presented by the World Bank on 2023 April 27. The presentation shared the main findings on Jamaica's broadband value chain, regulatory framework, and institutional capacity.

Participants were asked to provide comments and suggestions regarding the identification of the main priority areas and also on the recommendations (short and medium term) that were proposed.

Initiatives for Implementation of Data Protection Act, 2023

In an effort to advance the Authority's skill set for the implementation of the Data Protection Act, a team of 22 members of staff (including the MD, Divisional Directors and Managers) attended PLMC Prioritizing Privacy Workshop, which was held on 2023 June 16, at the UWI Headquarters. The workshop provided valuable insights into current privacy regulations, emerging trends, and effective privacy management techniques. It also offered practical tools and resources to help maintain compliance and implement robust privacy measures across operations. The Data Protection Act came into effect on 2023 December 1, and the Authority's Data Protection Officer has been guiding the staff through the process.

National Services Policy Workshop

In 2024 March, a representative of the SMA participated in the Ministry of Industry, Investment & Commerce's (MIIC) National Services Policy and Implementation Plan Review Workshop, which was held at the Bureau of Standards Jamaica's Multi-purpose Facility. The focus of the workshop was to review Policy Area 6, which deals with "Digital Transformation and Digitally Delivered Services (DDS)". Given the policy objectives attached to this policy area, which includes - to encourage the use of digital technologies in service delivery, and expand the range of digitally delivered Services (DDS), the discussions were of interest to the SMA.

At the end of the exercise, amendments to this policy area were made and subsequently transferred to the MIIC's implementation plan.

SMA's Quality Management System (ISO 9001:2015)

The ISO 9001 is a globally recognized standard for quality management. It helps organizations of all sizes and sectors to improve their performance, meet customer expectations and demonstrate their commitment to quality. Its requirements define how to establish, implement, maintain, and continually improve a quality management system (QMS). The implementation of ISO 9001 for the SMA meant that the Authority has in place effective processes and trained staff to deliver quality products and/or services. Benefits to be derived from being ISO 9001 certified include, inter alia, customer confidence, effective complaint resolution, process improvement and ongoing optimization.

In January 2023, the SMA's "Licensing Process" was officially certified by the National Certification Body of Jamaica (NCBJ) as being ISO 9001:2015 compliant. In keeping with the terms of the certification process, the SMA's policies, procedure and business processes are to be reviewed annually to ensure that compliance to standards are maintained. Accordingly, in February 2024, the NCBJ visited the SMA and conducted the SMA's 1st Surveillance Audit. At the end of the audit, the SMA received two (2) minor non-conformities. These nonconformities were successfully addressed and the SMA was subsequently recommended for continued ISO 9001:2015 certification. The 2nd Surveillance Audit is scheduled for the 1st week of February 2025.





Information Technology Infrastructure

The SMA's information technology (IT) infrastructure enables the authority to configure and execute applications that underpin its business. Currently the infrastructure includes a mix of environments, that is, on-premise data centers and other computing devices all connected by enterprise networks. This flexibility requires a dynamic discipline that integrates innovation, automation and optimization. The SMA through its IT Department were able to accomplish the following during the 2023/24 fiscal year:

01

HelpDesk Integration

As of 2024 March 31, the Help Desk Integration project was 100% completed. SMA's HelpDesk is a digital platform that allows staff in need of technical assistance to create requests that is stored in a ticketing system. This allows transparency of tasks done within the IT Department. The HelpDesk system has proven to be a useful tool in processing requests and responding to the tasks. The integration of HelpDesk with the new E-Licensing Application system, enables external customers to be similarly assisted as do staff, realizing increased customer satisfaction, reduced wait time and greater transparency on issue resolution.

02

RMDFS Infrastructure Optimization

As of 2024 March 31, the RMDFS Infrastructure Optimization Project was 100% completed. The SMA's RMDFS sites are a core component in the successful operation of the organization. These sites assist in monitoring the use of radio frequency spectrum across the entire island, and thus provide the SMA with the ability to detect illegal users as well as resolve interference cases. Consequently, maintenance of these sites and equipment, is very important so that they can operate as efficiently and effectively as possible. To that end, during the fiscal year, efforts were made to ensure optimization of the sites and their infrastructure, thus making the sites more secure; as well as improved the reporting and alert capabilities.

Regional and Global Obligations

The radio-frequency spectrum is in the State's (or country's) public domain and as such, it is subject to the relevant national authority and must be managed to the benefit of the population. On the global scale, the telecommunication sector, including radiocommunications, is organized internationally within the framework of the ITU, which provides the basic framework for the global coordination and management of the radio-frequency spectrum. In addition to the ITU, there are other regional and international organizations that are integrally involved in the management of the spectrum, all with the goal of achieving harmonization and efficient use of the spectrum.

In pursuit of this goal, the SMA participates in regional and global fora to meet international obligations and foster collaborative efforts where possible. During the 2023/24 fiscal year, the Authority remained committed to honoring its regional and global obligations particularly, as it relates to the Caribbean Telecommunications Union (CTU), InterAmerican Telecommunications Commission (CITEL), International Telecommunications Satellite Organization (ITSO), and the ITU. Highlights of our main engagements are as follows:

World Radiocommunication Conference 2023

World Radiocommunication Conferences (WRC) are held every three to four years and hosted by the ITU. The main focus of each WRC is to review, and, if necessary, revise the Radio Regulations, the international treaty governing the use of the radio-frequency spectrum and the geostationary-satellite and non-geostationary-satellite orbits. Revisions are made on the basis of an agenda determined by the ITU Council, which takes into account recommendations made by previous world radiocommunication conferences. Importantly, all the work that takes place at the regional level, such as CITEL, eventually make its way to the WRC.

During the period November 20, 2023 – December 15, 2023, a seven (7) member delegation from Jamaica that featured representatives from the SMA, and from the MSETT, participated at the World Radiocommunication Conference 2023 (WRC-23), which was held in Dubai, United Arab Emirates. A record 3900 participants attended WRC-23, including delegates from approximately 163 of the 193 ITU Member States, including 88 ministerial-level participants. Jamaica's primary focus was on its proposal submitted to the conference, and on those agenda items for which Jamaica supported CITEL's Inter-American Proposal (IAP). Jamaica's proposal, which was approved, requested the modification of footnotes 5.293 and 5.308A of the radio regulations. Effectively, Jamaica deleted and added its name to footnotes 5.293 and 5.308A respectively.



Permanent Consultative Committee II (PCC II) Meeting

During the period under review, members of the SMA's Technical Staff attended two (2) meetings (41st and 42nd) of CITEL's Permanent Consultative Committee (PCC) II. These meetings were held during May and August of 2023, and were hosted in Mexico City, Mexico and Ottawa, Canada respectively. The PCC II meetings are primarily preparatory meetings for upcoming WRC meetings. In addition, these meetings are utilized to develop best practices, for the region, in managing the spectrum, as well as to harmonize frequency arrangements.

International Telecommunication Satellite Organization (ITSO)

ITSO Advisory Committee (IAC) Meetings

The International Telecommunications Satellite Organization (ITSO) is an intergovernmental organization based in Washington, DC, with 149 member nations. ITSO's role is to ensure that Intelsat, S.A. provides public telecommunications services, including voice, data and video, on a global and non-discriminatory basis and to protect the Parties Common Heritage. Previously known as "INTELSAT", the organization was established in 1973 and restructured in 2001, resulting in the creation of a private entity, Intelsat, Ltd (Now called Intelsat S.A.). The SMA in representing Jamaica at ITSO meetings, also represents Trinidad & Tobago, Barbados, and Bahamas in region A at the ITSO Advisory Committee (IAC) meetings.

During the period under review, the SMA participated in two (2) IAC meetings – the 24th and the 25th Advisory Committee meetings, which were both convened in Washington DC during 2023 June and 2024 March, respectively. The SMA participated in-person 2023 June and virtual 2024 March. The 24th and 25th IAC meetings were convened to discuss matters emanating from the 40th Assembly of Parties meeting (AP-40) and in preparation for AP-41.

Caribbean Spectrum Management Task Force

The Caribbean Spectrum Management Task Force (CSMTF) is the multi-stakeholder group convened by the Caribbean Telecommunication Union (CTU) to coordinate the technical work of harmonizing and enhancing the management of the radio-communication spectrum in the Caribbean. Membership of the CSMTF includes Caribbean policy-makers, regulators, operators, academics, technology developers, end users and other stakeholders. Jamaica serves as the Vice Chair of the CSMTF which is represented by the SMA's Managing Director, Dr. Maria Myers-Hamilton.

During the FY, members of the SMA's Technical Staff participated in two (2) CSMTF Meetings, which were both held virtually during May 2023 and July 2023. The May 2023 meeting was focused on reviewing the comments of the Spectrum Management Steering Committee (SMSC) regarding the 2023/24 Caribbean Spectrum Management Action Plan and

discussing the final report from the 2nd Conference Preparatory Meeting (CPM2) for the World Radiocommunication Conference 2023. Additionally, the July 2023 meeting was geared towards reviewing the Caribbean priority items for World Radiocommunication Conference (WRC-23) with a view to gathering consensus for a common Caribbean position on the agenda items. The meeting also discussed the overall status of CITEL's proposals on WRC-23 agenda items and highlighted matters which were of concern to industry stakeholders.

The SMA also participated in the 3rd International ICT Preparatory and Industry Watch Meeting, regarding regional and international meetings, which was hosted by the CTU on 2023 June 26, and pledges its continued support for the ongoing work of the CSMTF and the capacity building initiatives which are being coordinated regionally by the CTU.



Human Resources & Office Services

The SMA's Human Resource Department has primary responsibility for managing, assisting and dealing with all employee related matters including key functions such as recruitment process, training and development, performance management, benefits administration, in addition to overseeing public relations and corporate social responsibilities. As such during the 2023/24 FY, the focus was on these key areas in an effort to optimize productivity.

Recruitment and Staffing

During the year, the Authority welcomed on board five (5) new employees to the organisation as listed in Table 8 below. In addition, there were four (4) separations during the year, as detailed in Table 8 below. The SMA thanked all four persons for their contributions to the organization during their tenure. Special acknowledgement and commendation was extended to Mr. Henry Batson (Director, Spectrum Engineering) posthumously for his dedication and commitment to the mission and goals of the SMA since 2004 April 19. Mr. Batson passed away on 2023 June 28. His years of impeccable service was recognized by the SMA and other stakeholders who paid tributes at his Thanksgiving Service.

Table 8: Positions Vacated and Filled in the SMA's Establishment 2023-2024

	POSITION FILLED	POSITION VACATED
No.	Job Title	Job Title
1	Procurement Administrator	Director, Spectrum Engineering
2	Telecommunications Engineer, M&I	Manager, Band Planning
3	Director, Spectrum Engineering	Telecommunications Engineer
4	Data Protection Officer	Manager, Administration

In March 2024, the SMA received approval from the Ministry of Finance and the Public Service (MoFPS) to implement new staffing and organisational arrangements at the SMA. A Director, Corporate Services was established to head the new Corporate Services Division. This Division would provide strategic leadership, policy direction and guidance for the Departments of Human Resource, Public Procurement, and Administration to include the responsibility for Public Relations. Additionally, the posts of Executive Assistant and Administrative Assistant in the Legal Affairs Division were retitled and upgraded to Senior Technical Coordinator and Regulatory & Compliance Officer respectively. As at 2024 March 31, there were 40 members of staff, representing 80% of the approved establishment of 50 positions.

Compensation Review

Resulting from the Government of Jamaica Compensation Review Project undertaken by the MoFPS, and the subsequent compensation restructure exercise, a revision of the salary scale applicable to employees at the SMA for the three-year period April 2022 – March 2025 was approved in November 2023. The new restructured basic salary was computed based on the MoFPS directive, which absorbed uniform allowance, lunch allowance and grossed-up travelling allowance into basic salary. The retroactive payments of the salary adjustments covering the period 2022 April 1 to 2023 October 31, as well as the revised salary have been paid to staff.

Training and Development

The SMA is committed to a program of staff development with the goal of encouraging an environment filled with opportunities for employee growth, which will benefit both the staff and the organization. Below, Table 9 shows a list of the training completed during the financial year as well as the number of participants.



Former Director of Spectrum Engineering Division, Mr. Henry Batson

Table 9: Trainings, Workshops and Participants – FY 2023/24

COURSE NAME	INSTITUTION	NO. OF PARTICIPANTS
Certification in Security Supervision & Management	IBE Forum	1
Corporate Secretary Workshop	Corporate Governance	1
INPRI Level 1-Essential Elements of Public Sector Procurement	INPRI	5
Satellite Communication Training	USTTI	2
INPRI Level 2 - Intermediate Public Procurement	INPRI	5
Caribbean Broadcasting Union and ATSC Webinar	Caribbean Broadcasting Union & Advanced Television Systems Committee (ATSC)	9
JAMBAR Continuing Legal Education Mid Year Conference	JAMBAR	1
Government Accounting, Level 1 Module 3	MIND	1
INPRI- Level 3 Advanced Pulic Procurement	INPRI	5
USTTI Interference Investigation Resources & Radio Frequency Radiation Safety Assessment	USTTI	1
USTTI Training Sequence on Radio Frequency Spectrum Management	USTTI	1
Mastery in Project Management	PMGI	3
Public Procurement Summer Training Series 2023	MOFS Office of Public Procurement Policy	1
Prioritizing Privacy -Data Protection Workshop	Privacy and Legal Management Consultants Ltd	19
ITU Wireless Access Technologies to Internet Networking	ITU	1
INPRI Training	INPRI	5
Microoft Excel Training Level 1	Real World Technologies	11
Public Procurement Summer Training Series	MOFS Office of Public Procurement Policy	1
Radio Frequency Interference & Mitigation (RFIM)	Radio Sie/Tom Brinkoetter	8
Microsoft Excel Training Level 2	Real World Technologies	11
Microsoft Excel Training Level 3	Real World Technologies	11
International Financial Reporting Standards Update Webinar	KPMG	3
Competition Law in Telecom Sector	Cullen International	5
Spectrum Monitoring UAS System Training	LS Telecom	6
Management Master Class 12 Week Training Programme	Action Coach Business	3
Fundamental Principles of Writing Policies and Procedures Training	UWI MONA	1
PMP Exam Preparation	Project Management Global Institute	1
Finance for Non-Finance Managers	International Business & Economic Forum (IBE Forum)	1
JAMBAR Legal Education Conference	JAMBAR Legal Education	2
Data Protection Act Sensitization Session	Internal Data Protection Officer	40
ISO Quality Manual System Sensitization Session	HB Consultants	40
Certification in Facilities Management	Caribbean Polytechnic Institute	1

Health and Wellness Activities

To promote employee wellness, the SMA, on 2023 December 22, again had its annual Wellness Day for all employees. The event, again for another year, was well supported and appreciated by the members of staff.

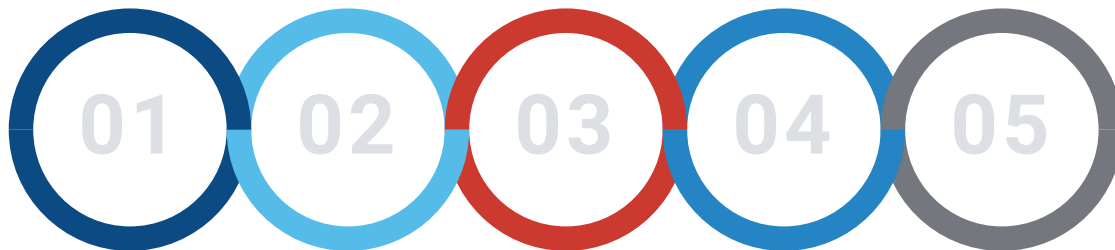
Corporate Social Responsibility

As part of its convention of integrating social and educational development goals into operations, the SMA endorsed and supported several charitable programmes by corporate Jamaica, during the 2023/2024 fiscal year. The SMA offered sponsorship and donations (monetary and in-kind) to certain organizations, which included the following:

Jamaica Chamber of Commerce (JCC) Annual Awards Banquet –
Sponsorship offered to JCC Annual Awards Banquet.

St. John's United Church -
The SMA offered financial assistance to St. John's United Church in sending children within the Hannah Town community to summer camp.

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 2023 Christmas packages sent to members.

Gold Street Police Station –
Donation to Gold Street Police Station in aid of their Christmas Children Treat held on Friday, December 22, 2023.

Forecast and Key Financial and Operating Measures for 2024/25

For the upcoming 2024/25 fiscal year, as the SMA moves forward with the Vision Statement in mind, the BoD pledges its continued commitment and responsiveness to guiding and providing oversight responsibility towards the organization fulfilling its mandate and mission. By implementing the strategies outlined in the 2024/25 – 2027/28 Corporate Strategic & Operational Plan, the BoD is confident that the SMA will advance closer to achieving its strategic objectives.

For the financial year 2024/2025, the SMA's approved budget of **\$1,538.53M**, is as follows:

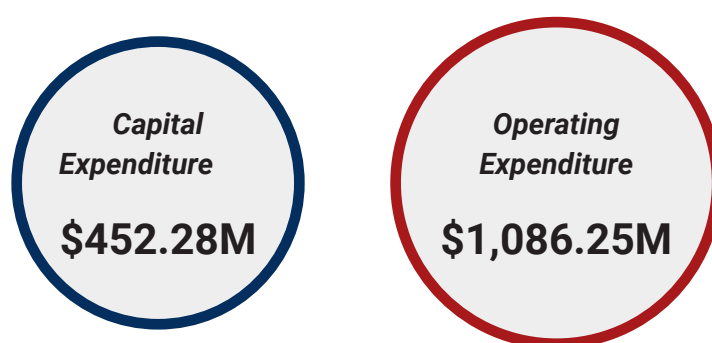
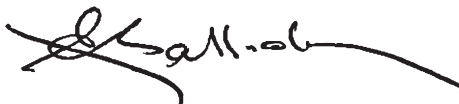


Table 10: Projected Targets and Key Performance Indicators

	Target	Key Performance Indicator (KPI)
Income	\$1,154.75M	80% of Target
Spectrum licence fees Collected	\$581.45M	80% of Target
Spectrum licence fees Remitted	\$581.45M	Remit all fees collected up to Feb. 2025 and Mobile Fees collected in Mar. 2025
Expenditure	\$1,086.25M	Within Target
No. of licences to be Renewed	481	85% of Target
Number of Interference Cases resolved	All Reported Cases	90% of Target

Closing Remarks

In closing, the Board takes this opportunity to express our gratitude to the management and staff of the SMA team, whose work has been valuable to the success and achievements of the Authority over the fiscal year. Special thanks to the team at our parent Ministry for its support, collaboration and guidance throughout the year, and so it is with great pleasure that we look forward to working with the MSETT for the 2024/25 FY. The Board, the management and the staff also thank our valued customers for making the spectrum their preferred means of communication. Your satisfaction is our top priority and we want to express our heartfelt gratitude for your continued support and cooperation during the fiscal year, and we look forward to a continued mutually beneficial relationship for the 2024/25 FY.



Mr. Edward Gabbidon
Board Chairman



Dr. Maria Myers-Hamilton
Managing Director



SMA's Managing Director (MD) And Staff, Girls ICT Day



Minister Vaz and wife At Girls ICT Day



Students At Girls In ICT Day



SMA's Team at WRC23



SMA's MD along with the Chairs and Vice Chairs, WRC23



SMA's day at Parliament - May, 2023



SMA's MD and the Network of Woman, WRC23

BOARD OF DIRECTORS' COMPENSATION

Position of Director	Board		Committees		Fees	Travelling Allowance or Value of Assigned Motor Vehicle	Honoraria	Compensation including Non-Cash Benefits as applicable	Total
	Chairman	Member	Chairman	Member					
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Edward Gabbidon	355,800	-	-	72,000	427,800	6,426	-	-	434,226
Ambassador Ricardo Allcock	-	140,000	-	198,000	338,000	756	-	-	338,756
Kaydian Smith-Newton	-	175,000	-	144,000	319,000	1,991	-	-	320,991
Jerome Smalling	-	175,000	153,500	54,000	382,500	668	-	-	383,168
Merrick Marshall	-	175,000	92,100	54,000	321,100	5,531	-	-	326,631
Marion Brown	-	210,000	122,800	90,000	422,800	4,007	-	-	426,807
Louis-Ray Harris	-	210,000	61,400	180,000	451,400	2,621	-	-	454,021
Delroy Thompson	-	175,000	-	198,000	373,000	932	-	-	373,932
Stephen Steele	-	175,000	30,700	126,000	331,700	-	-	-	331,700
Keli Dawn Hamilton	-	175,000	-	126,000	301,000	1,877	-	-	302,877
Heidi Hanna	-	140,000	-	72,000	212,000	-	-	-	212,000
Major Kayson Gunzell	-	210,000	-	144,000	354,000	1,361	-	-	355,361
Total	355,800	1,960,000	460,500	1,458,000	4,234,300	26,170	-	-	4,260,470

SENIOR EXECUTIVES/ KEY MANAGEMENT COMPENSATION

Position of Senior Executive/ Key Management	Salary	Gratuity or Performance Incentive	Travelling Allowance or Value of Assigned Motor Vehicle**	Pension or Other Retirement Benefits	Other Allowances**	Total Remuneration	Non-Cash Benefits	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Maria Myers-Hamilton, Managing Director	24,495,554	5,020,300	(1,697,148)	-	306,761	28,125,467	-	28,125,467
Henry Batson, Director, Spectrum Engineering	10,348,199	2,174,741	(1,697,148)	-	433,972	11,259,764	-	11,259,764
Kwan Wilson* Director - Spectrum Engineering	5,610,630	-	-	-	-	5,610,630	-	5,610,630
Patrick Brown, Director, Finance & Administration	19,221,529	3,708,678	(1,697,148)	-	607,064	21,840,123	-	21,840,123
Kadianne Wood, Director, Legal Affairs	18,019,951	5,177,567	(1,697,148)	-	581,538	22,081,908	-	22,081,908
George Malcolm, Director, Policy & Strategic Management	19,221,529	5,504,406	(1,697,148)	-	306,459	23,335,246	-	23,335,246
Dawn Staple, Manager, Human Resources	10,681,244	268,713	(894,924)	-	(16,746)	10,038,287	-	10,038,287
Total	107,598,636	21,854,405	(9,380,664)	-	2,219,048	122,291,425	-	122,291,425

Note: *Compensation for Mr. Henry Batson was up to 2023 June 28, the date that he became deceased. Kwan Wilson was appointed to the post effective 2023 November 1.

Note: **The negative amounts shown in the table above represent recoveries of previous amounts paid to staff following the implementation of the Government of Jamaica's compensation review exercise.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS 31 MARCH 2024

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- 5 Statement of Financial Position
- 6 Separate Statement of Changes in Equity
- 7 Statement of Cash Flows
- 8-41 Notes to the 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 38, which comprise the statement of financial position as at March 31, 2024, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material 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, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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 (CONT'D)

To the Members of
SPECTRUM MANAGEMENT AUTHORITY LIMITED

Report on the Audit of the Financial Statements (Cont'd)

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 Accounting 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 (CONT'D)

To the Members of
SPECTRUM MANAGEMENT AUTHORITY LIMITED

Report on the Audit of the Financial Statements (Cont'd)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on additional matters as required by the Jamaican Companies Act

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

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

A handwritten signature of the KPMG firm in blue ink, appearing as 'KPMG' in a stylized, cursive-like font.

Chartered Accountants
Kingston, Jamaica

October 18, 2024

SPECTRUM MANAGEMENT AUTHORITY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u> <u>₹</u>	<u>2023</u> <u>₹</u>
Revenue	5(a)	679,612,988	669,088,711
Operating expenses	6(a)	(1,049,724,043)	(673,223,170)
Impairment loss	11	(8,609,440)	(10,845,856)
Operating loss		(378,720,495)	(14,980,315)
Other income, net	5(b)	<u>39,691,266</u>	<u>32,207,803</u>
(Loss)/profit, being total comprehensive (loss)/income for the year	7	(<u>339,029,229</u>)	<u>17,227,488</u>

The notes on pages 8 to 38 are an integral part of these financial statements.

SPECTRUM MANAGEMENT AUTHORITY LIMITED
STATEMENT OF FINANCIAL POSITION
31 MARCH 2024

	<u>Note</u>	<u>2024</u> \$	<u>2023</u> \$
ASSETS			
Non-current assets:			
Property, plant and equipment	8	745,240,806	685,038,144
Intangible assets	9	83,245,257	93,034,153
Right-of-use assets	10(i)	63,560,020	52,158,912
Total non-current assets		<u>892,046,083</u>	<u>830,231,209</u>
Current assets:			
Receivables	11	106,669,786	44,040,683
Taxation recoverable	12	18,284,967	18,256,851
Resale agreements	13	95,705,127	575,809,270
Cash and cash equivalents	14	323,564,037	201,736,566
Total current assets		<u>544,223,917</u>	<u>839,843,370</u>
Total assets		<u>1,436,270,000</u>	<u>1,670,074,579</u>
EQUITY AND LIABILITIES			
Capital and reserves:			
Share capital	15	20	20
Contributed capital	16	144,700,366	144,700,366
Retained earnings		375,444,896	714,474,125
Total capital and reserves		<u>520,145,282</u>	<u>859,174,511</u>
Non-current liabilities:			
Lease liabilities	10(ii)	62,269,646	54,275,364
Deferred capital grant	17	325,000,000	325,000,000
Total non-current liabilities		<u>387,269,646</u>	<u>379,275,364</u>
Current liabilities:			
Payables	18	322,924,505	161,173,364
Deferred income	19	191,160,848	257,410,752
Lease liabilities	10(ii)	14,769,719	13,040,588
Total current liabilities		<u>528,855,072</u>	<u>431,624,704</u>
Total equity and liabilities		<u>1,436,270,000</u>	<u>1,670,074,579</u>

The financial statements on pages 4 to 38 were approved for issue by the Board of Directors on October 18, 2024 and signed on its behalf by:


Edward Gabbidon - Chairman


Jerome Smalling - Director

The notes on pages 8 to 38 are an integral part of these financial statements.

SPECTRUM MANAGEMENT AUTHORITY LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2024

	<u>Share Capital</u> ₹ (Note 15)	<u>Contributed Capital</u> ₹ (Note 16)	<u>Retained Earnings</u> ₹	<u>Total</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 profit for the year	<u>-</u>	<u>-</u>	<u>17,227,488</u>	<u>17,227,488</u>
Balances at 31 March 2023	20	144,700,366	714,474,125	859,174,511
Total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(339,029,229)</u>	<u>(339,029,229)</u>
Balances at 31 March 2024	<u>20</u>	<u>144,700,366</u>	<u>375,444,896</u>	<u>520,145,282</u>

The notes on pages 8 to 38 are an integral part of these financial statements.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u> <u>₹</u>	<u>2023</u> <u>₹</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss)/profit for the year		(339,029,229)	17,227,488
Adjustments for:			
Depreciation and amortisation	6(a)	145,435,566	121,901,441
Profit on disposal of property, plant and equipment	5(b)	(2,068,650)	-
Gain on disposal of right-of-use assets	5(b)	(3,196,184)	-
Impairment loss allowance	11	8,609,440	10,845,856
Interest income	5(b)	(26,652,338)	(35,977,638)
Interest expense implicit in leases	10(iii)	5,980,614	5,355,778
Translation loss on lease liabilities	10(iii)	<u>248,316</u>	<u>248,256</u>
Operating cash flows before movements in working capital		(210,674,465)	119,601,181
Change in operating assets and liabilities:			
Receivables		(71,238,543)	(33,347,227)
Taxation recoverable	12	(28,116)	(19,806)
Deferred income		(66,249,904)	20,214,266
Payables (excluding spectrum licence fees)		<u>64,400,018</u>	<u>37,993,758</u>
		(283,791,010)	144,442,172
Interest received		27,927,033	35,401,617
Spectrum licence fees received	18	1,418,864,299	2,163,698,122
Spectrum licence fees paid	18	<u>(1,321,513,175)</u>	<u>(2,236,636,484)</u>
Net cash (used)/provided by operating activities		<u>(158,512,853)</u>	<u>106,905,427</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from resale agreements		6,530,272,483	9,251,384,073
Acquisition of resale agreements		(6,051,443,035)	(8,945,640,228)
Acquisition of property, plant and equipment	8	(175,408,837)	(159,846,827)
Acquisition of intangible assets	9	<u>(7,798,138)</u>	<u>(50,396,903)</u>
Net cash provided by investing activities		<u>297,691,123</u>	<u>95,500,115</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Special financial distribution		-	(64,485,495)
Payment of lease liabilities	10(iv)	<u>(17,350,799)</u>	<u>(14,856,039)</u>
Net cash used in financing activities		<u>(17,350,799)</u>	<u>(79,341,534)</u>
Net increase in cash and cash equivalents		121,827,471	123,064,008
Cash and cash equivalents at beginning of year		<u>201,736,566</u>	<u>78,672,558</u>
Cash and cash equivalents at end of year	14	<u><u>323,564,037</u></u>	<u><u>201,736,566</u></u>

The notes on pages 8 to 38 are an integral part of these financial statements.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

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, Telecommunications and Transport. 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 IFRS Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards) and comply with the relevant provision of the Jamaican Companies Act.

(i) Newly effective standards

The company adopted the following amended standards during the year:

- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2)* adopted from April 1, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

In keeping with the amendments, management updated the financial statements to include material accounting policies (2023: significant accounting policies), otherwise the amendments had no other impact on the financial statements.

- *Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* and were adopted April 1, 2023. The adoption of these amendments did not have any impact on the financial statements.

(ii) Forthcoming standards

At the date of authorisation of the financial statements, certain new and amended 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 2024

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.

- IFRS 18 *Presentation and Disclosure in Financial Statements*, is effective for annual reporting periods beginning on or after January 1, 2027.

Under current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. IFRS 18 promotes a more structured income statement. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (Operating, Investing and Financing) based on a company's main business activities.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

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

(a) Statement of compliance (cont'd)

(ii) Forthcoming standards (cont'd):

- *IFRS 18 Presentation and Disclosure in Financial Statements (cont'd)*

All companies are required to report the newly defined 'operating profit' subtotal - an important measure for investors' understanding of a company's operating results - i.e. investing and financing activities are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category.

IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement - either by nature, by function or using a mixed presentation. Under the new standard, this presentation provides a 'useful structured summary' of those expenses. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

IFRS 18 requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for management performance measures (MPMs), requiring them to be a subtotal of income and expenses, used in public communications outside the financial statements and reflective of management's view of financial performance. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

The company will adopt the new standard effective April 1, 2027, with changes expected to the presentation of the financial statements.

(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.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

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

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

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 judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

(i) Key sources of estimation uncertainty:

Allowance for impairment losses on receivables

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

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

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

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

(ii) Accounting judgements in applying accounting policies:

a) Classification of financial assets:

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

b) Impairment of financial assets:

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

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

3. MATERIAL ACCOUNTING POLICIES

(a) Foreign currency translation

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

(b) Financial instruments

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

Recognition and initial measurement

Receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; FVOCI - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

Financial assets (cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

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

Due to their short-term nature, the company initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

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

Financial assets and financial liabilities - subsequent measurement and gains and losses:

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment on financial assets are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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

SPECTRUM MANAGEMENT AUTHORITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2024****3. MATERIAL ACCOUNTING POLICIES (CONT'D)****(b) Financial instruments (cont'd)***Derecognition**Financial assets*

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

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 profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the assets and settle the liabilities simultaneously.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment

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 estimated 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% - 33 $\frac{1}{3}$ %
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 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Impairment of financial assets

Financial assets

The company recognises a loss allowance for expected credit losses on financial assets measured at amortised cost.

The company measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward looking information.

The company assumes that the credit risk on financial assets has increased significantly if it is more than 30 days past due.

The company consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to action such as realising security if any is held; or
- the financial asset is more than 90 days past due.

The company use these definitions in line with its historical loss experience.

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expect to receive).

ECLs are discounted at the effective interest rate of the financial asset.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

3. MATERIAL 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. 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;
- 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.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is 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 the case when the company determines that the debtor does not have assets or sources of income that could generate 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 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Impairment of non-financial assets (cont'd)

Non-financial assets

The carrying amount of the company's non-financial assets is 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 at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount, if the carrying amount is greater than its estimated recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(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. Resale agreements are accounted for as short-term collateralised lending and are classified and 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. 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 2024****3. MATERIAL 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 2024

3. MATERIAL 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 2024

3. MATERIAL 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 and the related revenue recognition policies are as follows:

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition (cont'd)

Performance obligations and revenue recognition (cont'd):

<i>Type of revenue</i>	<i>Nature and timing of satisfaction of performance obligations.</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. 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 6 months duration.	Revenue is recognised over time in conformity with the validity period of licences.
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 2024

4. FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Overview

The company has exposure to the following risks from its use of financial instruments in the ordinary course of 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>2024</u> £	<u>2023</u> £
Cash and cash equivalents (see note 14)	323,564,037	201,736,566
Resale agreements (see note 13)	95,705,127	575,809,270
Receivables (see note 11)	<u>75,839,729</u>	<u>15,920,355</u>
	<u>495,108,893</u>	<u>793,466,191</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

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>	2024			
	<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)	-	39,122,910	-	No
31-60 days past due	-	1,468,526	-	No
61-90 days past due	-	87,947	-	No
Over 90 days past due	53.8	69,365,503	37,367,008	Yes
		<u>110,044,886</u>	<u>37,368,008</u>	

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

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>	<u>2023</u>			
	<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>	

The movement in the allowance for impairment in respect of trade receivables during the year was \$8,609,440 (2023: \$10,845,856).

Resale agreements

Resale agreements are low-risk and are held with Government of Jamaica (GOJ) approved financial institutions with the holding not exceeding 33% of the company's 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 2024

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 financial instruments. 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 interest 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	
	2024	2023
	₤	₤
Change in basis points (bpts):		
25 (2023: 100) reduction in bpts	(239,263)	(5,758,093)
25 (2023: 50) increase in bpts	<u>239,263</u>	<u>2,879,046</u>

The analysis assumes that all other variables in particular currency rates, remains constant. The analysis is done on the same basis as 2023.

The company does not account for any financial instrument at fair value, therefore a change in interest rates at the reporting date would not affect the carrying value of the company's financial instruments.

(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 2024

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:

	2024		2023	
	<u>J\$</u>	<u>US\$</u>	<u>J\$</u>	<u>US\$</u>
Financial assets				
Cash and cash equivalents	14,920,188	97,436	54,304,580	362,117
Resale agreements	<u>95,705,127</u>	<u>625,004</u>	<u>208,477,252</u>	<u>1,390,180</u>
	<u>110,625,315</u>	<u>722,440</u>	<u>262,781,832</u>	<u>1,752,297</u>

The exchange rate used to translate assets denominated in United States dollars at the reporting date was 153.13 (2023: 149.96) Jamaica dollars to 1 United States dollar. The company has no financial liabilities denominated in foreign currency.

Currency sensitivity analysis

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

	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Effect on profit or loss:		
4% (2023: 4%) - devaluation of the Jamaican dollar	<u>4,425,013</u>	<u>10,511,273</u>
1% (2023: 1%) - revaluation of the Jamaican dollar	<u>(1,106,253)</u>	<u>(2,627,818)</u>

The analysis assumes that all other variables in particular interest rates, remains constant. The analysis is done on the same basis as 2023.

(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 2024

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, 2024			
	Carrying amount	Contractual cash flows	1 year or less	Over 1 year
	\$	\$	\$	\$
Accounts payable [Note 18]	284,065,950	284,065,950	284,065,950	-
Lease liabilities [Note 10(ii)]	<u>77,039,365</u>	<u>130,443,179</u>	<u>14,597,670</u>	<u>115,845,509</u>
	<u>361,105,315</u>	<u>414,509,129</u>	<u>298,663,620</u>	<u>115,845,509</u>

	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>90,128,220</u>	<u>12,064,888</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>

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 management

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 2024

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.

The fair value of cash and cash equivalents, receivables, resale agreements, and payables, is assumed to approximate their carrying values due to their relatively short tenure. The carrying amount of lease liabilities approximates the fair value as the lease obligation is carried at amortised cost reflecting its contracted obligation and the interest rates are reflective of market rates for similar instruments.

5. REVENUE AND OTHER INCOME

	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
(a) Revenue:		
Regulatory fees (Note 19)	663,293,212	652,392,160
Processing fees	<u>16,319,776</u>	<u>16,696,551</u>
	<u>679,612,988</u>	<u>669,088,711</u>
(a) Other income, net:		
Interest income calculated using effective interest rate method	26,652,338	35,977,638
Exchange gain/(loss)	5,088,137	(4,216,083)
Profit on disposal of property, plant and equipment	2,068,650	-
Gain on disposal of right-of-use assets	3,196,184	-
Other	<u>2,685,957</u>	<u>446,248</u>
	<u>39,691,266</u>	<u>32,207,803</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

6. EXPENSES BY NATURE

(a) Operating expenses

	<u>2024</u>	<u>2023</u>
	<u>₹</u>	<u>₹</u>
Advertisement	4,702,151	2,623,035
Audit fees - current year	6,600,000	2,887,500
- prior year	2,000,000	-
Bank charges	1,070,997	793,844
Board/ Committee meeting	1,026,780	2,433,745
Depreciation and amortization	145,435,566	121,901,441
Directors fees [Note 20(a)]	4,234,300	1,778,100
Insurance	13,535,957	7,952,114
Interest expense implicit in leases [Note 10(iii)]	5,980,614	5,355,778
Irrecoverable GCT	23,581,926	24,341,480
Lease and rental	5,864,044	494,795
Legal and professional fees	50,472,710	33,127,028
Motor vehicle	8,568,583	9,355,248
Office expenses	47,034,851	48,221,772
Property tax	153,100	153,100
Public relations and education	3,486,560	17,442,670
Repairs and maintenance	47,090,999	28,235,788
Salaries and other related costs [Note 6(b)]	578,711,830	283,840,877
Security	10,023,864	6,672,972
Subscription and donation	15,269,189	7,889,739
Travel and subsistence	25,013,684	18,388,172
Utilities	49,866,338	49,333,972
	<u>1,049,724,043</u>	<u>673,223,170</u>

(b) Salaries and other related costs

	<u>2024</u>	<u>2023</u>
	<u>₹</u>	<u>₹</u>
Salaries and wages	497,605,070	201,876,335
Statutory contributions	34,007,386	14,364,058
Group life and health insurance	15,089,265	12,186,149
Uniform	1,292,990	1,062,413
Contract/temporary workers	8,673,823	29,321,251
	<u>556,668,534</u>	<u>258,810,206</u>
Pension contributions	2,236,027	1,344,453
Staff training and welfare	15,260,171	19,839,702
Subsistence and accommodation	4,547,098	3,846,516
	<u>578,711,830</u>	<u>283,840,877</u>

7. PROFIT

Profit is stated after charging:

	<u>2024</u>	<u>2023</u>
	<u>₹</u>	<u>₹</u>
Auditors' remuneration - current year [Note 6(a)]	6,600,000	2,887,500
- prior year [Note 6(a)]	2,000,000	-
Staff costs [Note 6(b)]	578,711,830	283,840,877
Depreciation and amortisation [Note 6(a)]	145,435,566	121,901,441

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

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 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
CWIP Transfers	<u>18,136,438</u>	<u>27,412,129</u>	<u>21,030,639</u>	-	<u>535,000</u>	-	<u>(67,114,206)</u>	-
31 March 2023	223,601,329	64,955,054	885,093,930	27,107,578	66,198,326	820,347	102,643,383	1,370,419,947
Additions	-	-	14,689,526	5,148,623	-	-	155,570,688	175,408,837
Transfers	<u>5,073,472</u>	<u>15,901,183</u>	<u>140,957,250</u>	<u>978,050</u>	<u>479,648</u>	-	<u>(163,389,603)</u>	-
31 March 2024	<u>228,674,801</u>	<u>80,856,237</u>	<u>1,040,740,706</u>	<u>33,234,251</u>	<u>66,677,974</u>	<u>820,347</u>	<u>94,824,468</u>	<u>1,545,828,784</u>
Depreciation:								
31 March 2022	25,809,842	19,420,416	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>103,977,489</u>
31 March 2023	31,007,130	23,511,500	562,417,979	16,842,453	51,244,486	358,255	-	685,381,803
Charge for the year	<u>5,559,247</u>	<u>6,415,535</u>	<u>95,499,625</u>	<u>2,310,440</u>	<u>5,346,109</u>	<u>75,219</u>	-	<u>115,206,175</u>
31 March 2024	<u>36,566,377</u>	<u>29,927,035</u>	<u>657,917,604</u>	<u>19,152,893</u>	<u>56,590,595</u>	<u>433,474</u>	-	<u>800,587,978</u>
Net book values:								
31 March 2024	<u>192,108,424</u>	<u>50,929,202</u>	<u>382,823,102</u>	<u>14,081,358</u>	<u>10,087,379</u>	<u>386,873</u>	<u>94,824,468</u>	<u>745,240,806</u>
31 March 2023	<u>192,594,199</u>	<u>41,443,554</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>

9. INTANGIBLE ASSETS

	Software and licences \$	Capital work-in- progress \$	Total \$
At cost:			
31 March 2022	53,847,057	39,689,147	93,536,204
Additions	18,350,418	32,046,485	50,396,903
CWIP Transfers	<u>64,414,137</u>	<u>(64,414,137)</u>	-
31 March 2023	136,611,612	7,321,495	143,933,107
Additions	948,971	6,849,167	7,798,138
CWIP Transfers	<u>6,830,339</u>	<u>(6,830,339)</u>	-
31 March 2024	<u>144,390,922</u>	<u>7,340,323</u>	<u>151,731,245</u>
Depreciation:			
31 March 2022	43,714,768	-	43,714,768
Charge for the year	<u>7,184,186</u>	-	<u>7,184,186</u>
31 March 2023	50,898,954	-	50,898,954
Charge for the year	<u>17,587,034</u>	-	<u>17,587,034</u>
31 March 2024	<u>68,485,988</u>	-	<u>68,485,988</u>
Net book values			
31 March 2024	<u>75,904,934</u>	<u>7,340,323</u>	<u>83,245,257</u>
31 March 2023	<u>85,712,658</u>	<u>7,321,495</u>	<u>93,034,153</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

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>2024</u> \$	<u>2023</u> \$
Balance at the beginning of year	52,158,912	56,092,305
Additions to right-of-use assets	31,123,683	6,806,373
Disposal net book value of right-of-use assets	(7,080,218)	-
Amortisation charge for the year	<u>(12,642,357)</u>	<u>(10,739,766)</u>
Balance at the end of year	<u>63,560,020</u>	<u>52,158,912</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>2024</u> \$	<u>2023</u> \$
Year ending 31 March		
2024	-	12,064,888
2025	14,597,670	12,296,838
2026	15,833,517	11,819,860
2027	13,219,798	9,356,451
2028	9,242,607	7,903,209
2029	7,905,733	-
Thereafter	<u>69,643,854</u>	<u>36,686,974</u>
Total payments on an undiscounted basis	130,443,179	90,128,220
Less: Present value discount	<u>(53,403,814)</u>	<u>(22,812,268)</u>
Present value of lease liabilities	77,039,365	69,315,952
Current portion	<u>(14,769,719)</u>	<u>(13,040,588)</u>
Non-current portion	<u>62,269,646</u>	<u>54,275,364</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

10. LEASES (CONT'D)

(iii) Amount recognised in profit or loss

	<u>2024</u> \$	<u>2023</u> \$
Included in operating expenses:		
Amortisation of right-of-use assets	12,642,357	10,739,766
Interest expense implicit in leases [Note 6(a)]	5,980,614	5,355,778
Translation loss on lease liabilities	<u>246,316</u>	<u>248,256</u>
Total lease expenses	<u>18,869,287</u>	<u>16,343,800</u>

(iv) Amounts recognised in statement of cash flows

	<u>2024</u> \$	<u>2023</u> \$
Total cash outflows from leases	<u>17,350,799</u>	<u>14,856,039</u>

11. RECEIVABLES

	<u>2024</u> \$	<u>2023</u> \$
Trade receivables - Regulatory fees	110,044,886	39,989,437
Other receivables (i)	<u>38,615,042</u>	<u>40,141,677</u>
	148,659,928	80,131,114
Less: Impairment loss allowance (ii)	<u>(72,820,199)</u>	<u>(64,210,759)</u>
	75,839,729	15,920,355
Prepayments	<u>30,830,057</u>	<u>28,120,328</u>
	<u>106,669,786</u>	<u>44,040,683</u>
Movement in impairment loss allowance:		
	<u>2024</u> \$	<u>2023</u> \$
Balance at the beginning of year	64,210,759	53,364,903
Charge for the year	<u>8,609,440</u>	<u>10,845,856</u>
Balance at the end of year	<u>72,820,199</u>	<u>64,210,759</u>

(i) Other receivables include \$35,453,191 (2023: \$35,453,191) due from the Government of Jamaica [see Note 20(b)(i)], which has been fully provided for.

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

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>2024</u> J\$	<u>2023</u> J\$
Balance at the beginning of year	18,256,851	18,237,045
Taxes withheld at source during the year	<u>28,116</u>	<u>19,806</u>
Balance at the end of year	<u>18,284,967</u>	<u>18,256,851</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 \$163,245 (2023: \$1,437,940) and have an average maturity period of 32 days (2023: 32 days).

	<u>2024</u> J\$	<u>2023</u> J\$
Resale agreements		
- J\$ equivalent of US\$	95,705,127	208,477,252
- J\$ currency	<u>-</u>	<u>367,332,018</u>
	<u>95,705,127</u>	<u>575,809,270</u>

The fair values of underlying securities used to collateralise resale agreements amounted to \$100,505,609 (2023: \$597,726,544).

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

	<u>2024</u> %	<u>2023</u> %
US\$	3.98	3.81
J\$	<u>-</u>	<u>6.74</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

14. CASH AND CASH EQUIVALENTS

	<u>2024</u> \$	<u>2023</u> \$
Cash in hand - J\$ Currency	75,000	75,000
Bank balances - J\$ Currency	<u>308,568,849</u>	<u>147,356,986</u>
	308,643,849	147,431,986
Bank balances - J\$ equivalent of US\$	<u>14,920,188</u>	<u>54,304,580</u>
	<u>323,564,037</u>	<u>201,736,566</u>

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

	<u>2024</u> %	<u>2023</u> %
Cash at bank - US\$	0.04	0.03
- J\$	<u>0.23</u>	<u>0.30</u>

15. SHARE CAPITAL

	<u>2024</u> \$	<u>2023</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>

Holders of the ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

16. CONTRIBUTED CAPITAL

	<u>2024</u> \$	<u>2023</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 2024

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>2024</u> \$	<u>2023</u> \$
Tax Administration Jamaica:		
Spectrum licence fees	178,789,527	81,438,403
Accruals	<u>105,276,423</u>	<u>44,404,544</u>
	284,065,950	125,842,947
Customers' deposits	<u>38,858,555</u>	<u>35,330,417</u>
	<u>322,924,505</u>	<u>161,173,364</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>2024</u> \$	<u>2023</u> \$
Balance payable at beginning of year	81,438,403	154,376,765
Spectrum licence fees received	1,418,864,299	2,163,698,122
Spectrum licence fees paid	<u>(1,321,513,175)</u>	<u>(2,236,636,484)</u>
Balance payable at end of year	<u>178,789,527</u>	<u>81,438,403</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

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>2024</u> ₤	<u>2023</u> ₤
Balance at the beginning of year	257,410,752	237,196,486
Add: Amounts invoiced during year	597,043,308	672,606,426
Less: Transfers to revenue [Note 5(a)]	<u>(663,293,212)</u>	<u>(652,392,160)</u>
Balance at the end of year	<u>191,160,848</u>	<u>257,410,752</u>

20. RELATED PARTY TRANSACTIONS AND BALANCES

The following transactions were carried out with related parties:

(a) Compensation of key management personnel

	<u>2024</u> ₤	<u>2023</u> ₤
Key management personnel compensation:		
Salaries and other related costs [Included in salaries and other related costs at note 6(b)]	<u>122,291,425</u>	<u>62,806,272</u>
Directors’ fees:		
Board Chairman	355,800	191,700
Committee Chairman	460,500	181,900
Board members	1,960,000	1,008,000
Committee members	<u>1,458,000</u>	<u>396,500</u>
	<u>4,234,300</u>	<u>1,778,100</u>

SPECTRUM MANAGEMENT AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

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

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

(b) Related party balances:

	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
(i) Included in other receivables:		
Government of Jamaica (note 11)	<u>35,453,191</u>	<u>35,453,191</u>
(ii) Included in payables:		
Tax Administration Jamaica (note 18)	<u>178,789,527</u>	<u>81,438,403</u>

21. CAPITAL COMMITMENTS

As at the reporting date, the company had capital commitments totaling \$21,814,779 (2023: \$50,540,362) made up as follows:

- (i) \$2,592,845 has been committed towards the “purchase of outdoor estel telecom cabinets”. As at the reporting date no expenditures were made.
- (ii) \$1,130,000 has been committed towards the “architectural drawings for the car park renovation”, of which \$530,000 was spent, leaving an outstanding balance of \$600,000.
- (iii) \$18,400,236 has been committed towards the “replacement of one mobile monitoring site”. As at reporting date no expenditures were made.
- (iv) \$443,396 has been committed towards the “purchase of personal body monitors”, of which \$221,698 was spent, leaving an outstanding balance of \$221,698.

22. SPECIAL FINANCIAL DISTRIBUTION

In the prior year, 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 paid into the Consolidated Fund on June 6, 2022 and October 20, 2022 respectively.

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



CREDITS

Concept & Creative Direction:

Policy and Strategic Planning Division
Spectrum Management Authority

Design & Layout

Dzinology
Dzinology.com

