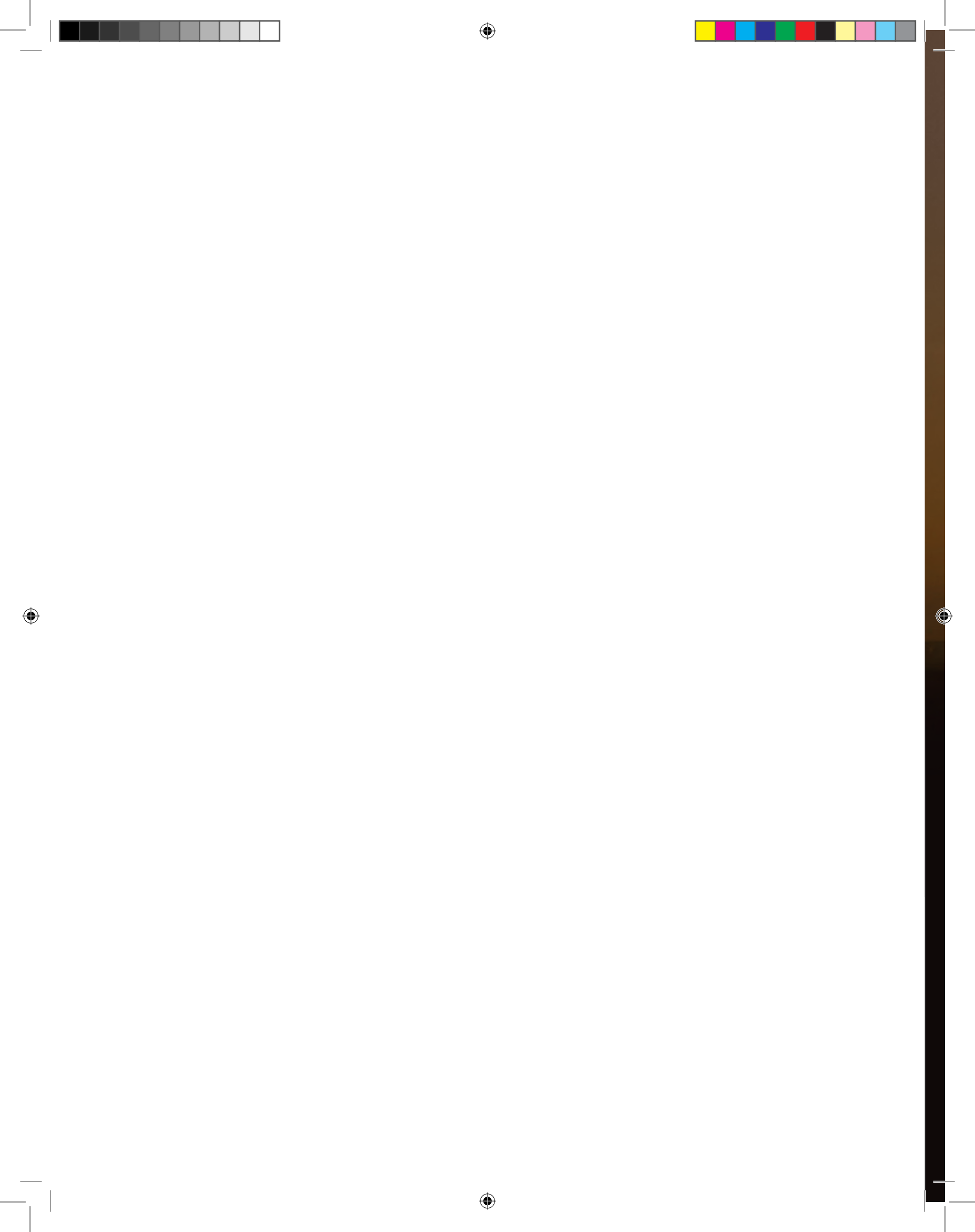




ANNUAL REPORT

2017-2018

A Statutory Organisation of the Ministry of Transport & Mining





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Report Overview

OVERVIEW

About this Report

The Jamaica Civil Aviation Authority's (JCAA's) 2017-18 Annual Report was prepared in satisfaction of the requirements of the Public Bodies Management and Accountability Act, the Civil Aviation (1996) Act and other relevant legislation, governing the operations of the JCAA and its reporting requirements.

As a statutory organisation of the Ministry of Transport & Mining, the Jamaica Civil Aviation Authority possesses a legal obligation to submit annual reports to Parliament, at the end of each financial year.

The 2017-18 Annual Report provides an overview of the JCAA's operations and performance, against goals identified in the Authority's Corporate Plan, for the year ending March 31, 2018.

The Report also contains financial information and statements for the 2017-2018 year and fulfils an important element of the JCAA's reporting responsibilities to the wider aviation community.

Outlined in the report are also the Authority's plans for meeting expected challenges in the year ahead.

The 2017-18 Annual Report and other corporate publications of the JCAA may be accessed electronically at www.jcaa.gov.jm.

Contact Details

For more information regarding the report, or to request printed copies, please contact:

The Corporate Communications &
Information Services Department
Jamaica Civil Aviation Authority
4 Winchester Road
Kingston 10, JAMAICA, W.I.
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Readers are invited to provide suggestions for improving the Report, via email at info@jcaa.gov.jm.

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Vision

To be recognised as a world-class civil aviation authority, integrally involved in the sustainable development of a safe and thriving global aviation community that supports and serves Jamaica.





Mission

To ensure that the public is provided with a safe, reliable, efficient and user-friendly Air Transport System, being cognizant of the standards and recommended practices developed by the International Civil Aviation Organization (ICAO).



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Guiding Principles

We will achieve our mission by:

- carrying out the mandate of the JCAA with honesty, openness, impartiality and reliability
- promoting and supporting adherence to applicable environmental standards at all times
- aiming for excellence in the services we deliver, and in our daily performance
- striving to exceed the expectations of our clients and customers at all times
- working cooperatively to achieve the JCAA's objectives, while respecting the views of each other
- pledging to lead and manage, using best industrial practices
- operating in a framework that fosters transparency, accountability and inclusiveness.





Core Values

Our employees are unified around a set of core values. These are integral to the way we conduct our activities, as we work cooperatively to achieve the mandate of the JCAA.

We put our values into action everyday, as we remain committed to:

the safe
and orderly
development
of civil aviation
in Jamaica
(acknowledging
the convention of
ICAO)

providing
efficient and
user-responsive
Air Navigation
Services to the
national and
international
communities

cooperating with
other agencies
in the facilitation,
provision and
regulation of
a reliable and
effective public Air
Transport System

providing an
appropriate
environment
for the growth,
development
and professional
enhancement of
staff



Corporate Data

REGISTERED OFFICE

Jamaica Civil Aviation Authority
4 Winchester Road,
Kingston 10, Jamaica, W.I.

CONTACT INFORMATION:

Phone: [876] 960-3948, 960-3965
Fax: [876] 920-0194
Email: info@jcaa.gov.jm.

BOARD OF DIRECTORS

| | |
|-------------------------|---------------------------------------|
| Mr. Phillip Henriques | - Chairman |
| Mr. Robert Evans | - Deputy Chairman |
| Mr. Dean-Roy Bernard | - Board Member |
| Capt. Geoffrey Campbell | - Board Member |
| Mr. Milton Daley | - Board Member |
| Dr. Janine Dawkins | - Board Member |
| Mr. Douglas Lindo | - Board Member |
| Mr. Marc Ramsay | - Board Member |
| Mrs. Susan Rosen | - Board Member |
| Mr. E. George HoSang | - Board Member |
| Mr. Nari Williams-Singh | - Director General, ex-officio Member |

LEADERSHIP TEAM

| | |
|-------------------------|--|
| Mr. Nari Williams-Singh | - Director General |
| Mrs. Nichole Morgan | - Deputy Director General, Corporate Services |
| Mr. Carl Gaynair | - Deputy Director General, Air Navigation Services |
| Mr. Rohan Campbell | - Deputy Director General, Regulatory Affairs |

AUDITORS

BDO Chartered Accountants
26 Beechwood Avenue
P.O. Box 351, Kingston 5
Tel. : 876-926-1616/7, 926-4421
Fax no. :876-926-7580

BANKERS

First Global Bank
121 Old Hope Road
Lane Plaza
Kingston 6
Tel: 876-960-8804





ANY REPLY OR SUBSEQUENT REFERENCE TO THIS COMMUNICATION SHOULD BE ADDRESSED TO THE DIRECTOR GENERAL OF CIVIL AVIATION AND NOT TO ANY OFFICER BY NAME AND THE FOLLOWING REFERENCE QUOTED—

JAMAICA CIVIL AVIATION AUTHORITY

4 WINCHESTER ROAD,
KINGSTON 10.
MAILING ADDRESS:
P.O. BOX 8998,
C.S.O., KINGSTON.

July 31, 2018

The Honourable Robert Montague, MP
Minister of Transport & Mining
138H Maxfield Avenue
Kingston 10
Jamaica, W.I.

Dear Minister:

On behalf of the Board of Directors and Executive Management team of the Jamaica Civil Aviation Authority (JCAA), it is my pleasure to present to you, the Annual Report of the Jamaica Civil Aviation Authority, for the reporting period April 1, 2017 – March 31, 2018.

The report has been prepared in accordance with the requirements of the *Public Bodies Management and Accountability Act*, the *Civil Aviation Act* and other relevant legislation. It seeks to provide an overview, as well as detailed accounts, of the operations and performance of the JCAA over the reporting year.

The current Annual Report also includes copies of the audited financial statements and explanatory notes.

The JCAA's Board, executive management team and staff members wish to thank you for your ongoing support of the JCAA's mandate and operations. This support continues to be critical, as the Authority supports efforts to achieve Jamaica's development goals, by ensuring the safe and orderly development of our nation's aviation industry.

Sincerely yours,

Phillip Henriques
Chairman

Tele: 876.960.3965

Fax: 876.920.0194

WEB PAGE: www.jcaa.gov.jm

EMAIL: jcivav@cwjamaica.com



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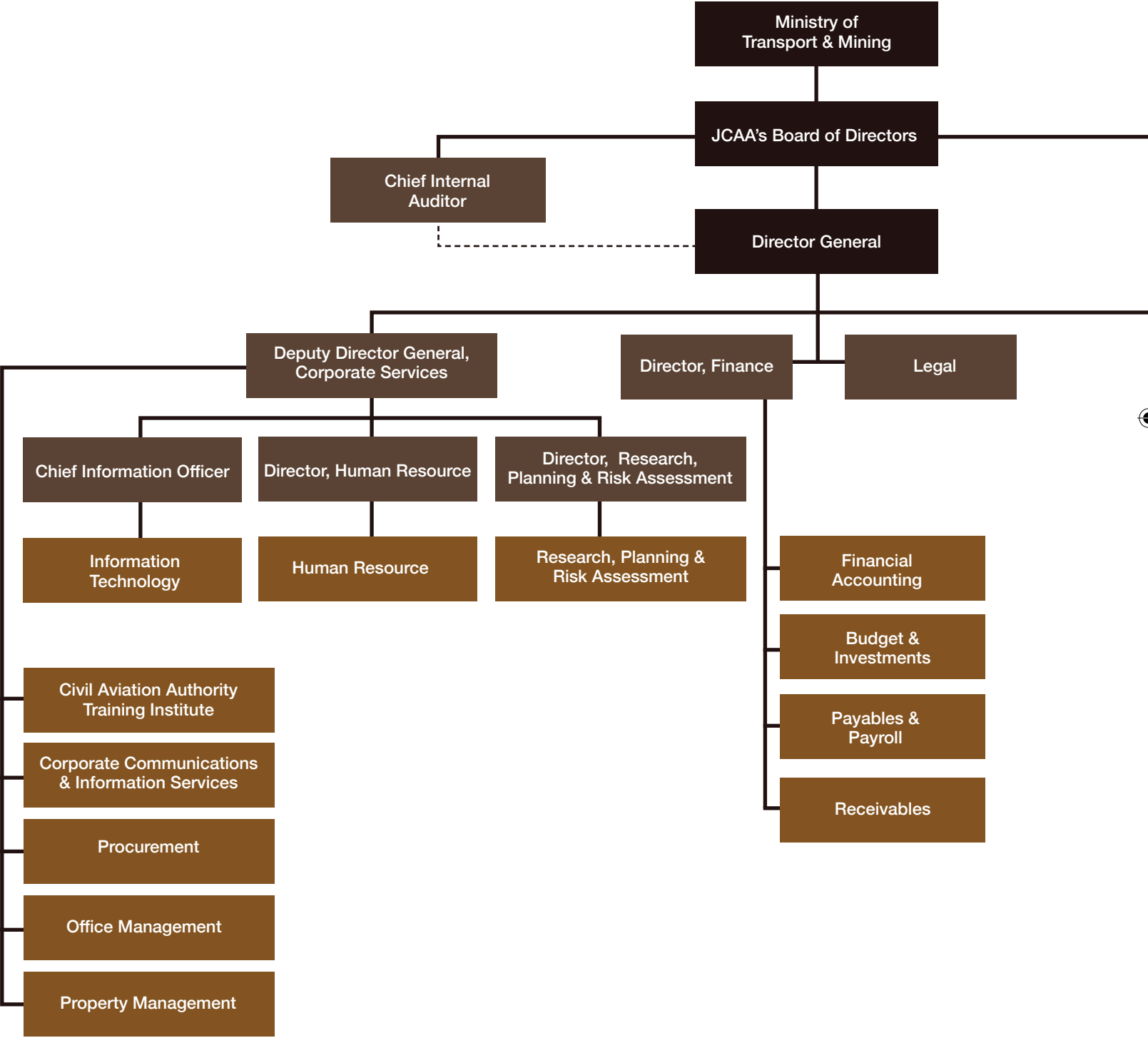
Main Divisions

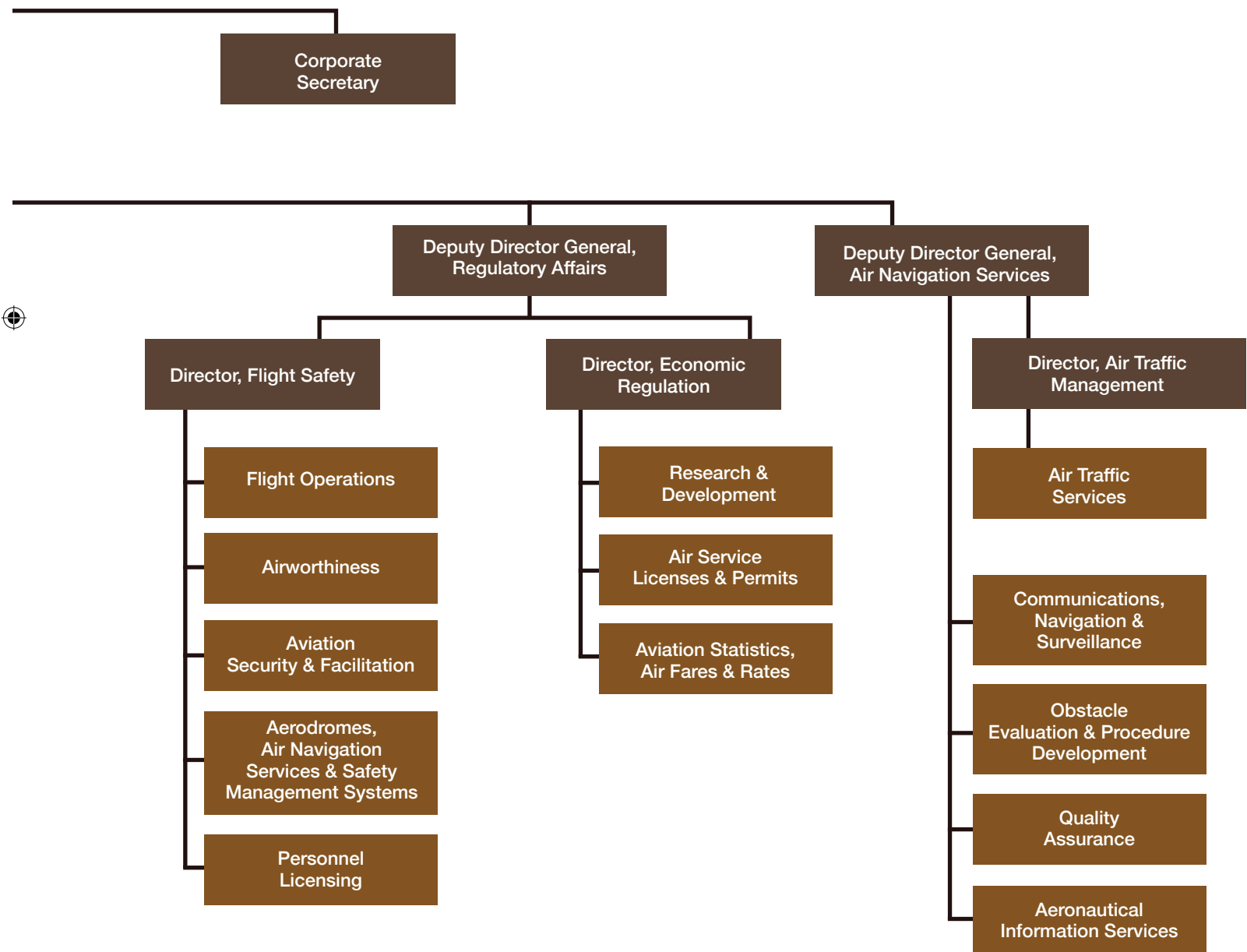


*Reports directly to the Audit & Risk Committee of the Board.



Organisational Chart







FOREWORD BY THE HON. ROBERT MONTAGUE, M.P.

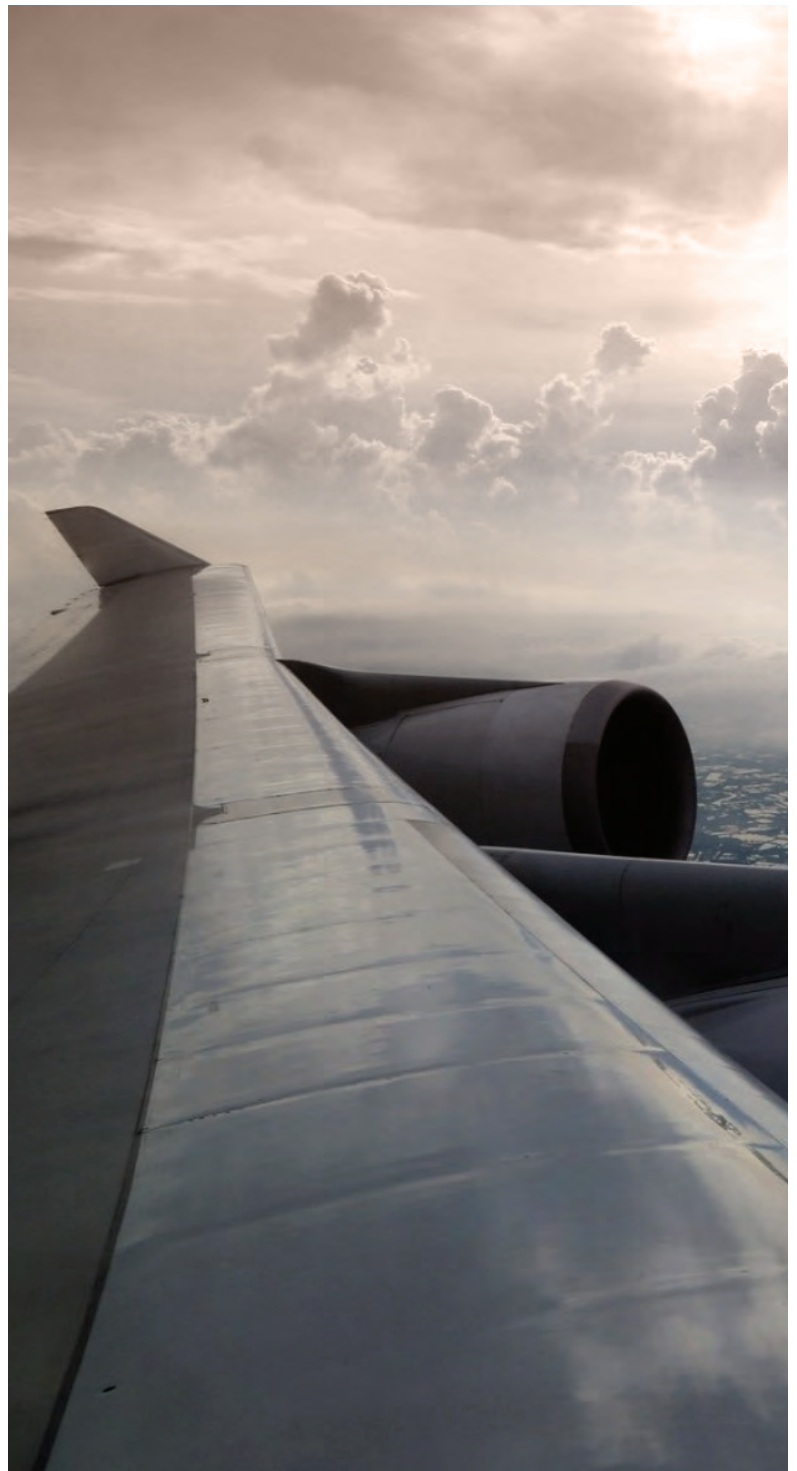
Minister of Transport & Mining



In an interconnected world, where economic and social opportunities are increasingly dependent on the mobility of people, goods and information, it is an honour to lead the Government of Jamaica's (GOJ's) ministerial portfolio in the critical area of transport, as the axle driving Jamaica's social, economic and infrastructural development.

Air transport continues to play a preeminent role as the literal high point of our nation's multi-modal transportation environment. Indeed, as the local aviation industry develops and grows, it has become an indispensable facilitator of economic growth, a driver of trade and tourism, and a network for more advantageous human, political and economic relations, at the local and international levels.

Similar to other areas in which Jamaica has achieved international acclaim in a manner disproportionate to its size, it is redoubtable that our nation possesses the infrastructure, systems and opportunity to position itself as a leading nation within the global aviation industry. This opportunity must be seized with efficiency and alacrity, and is achievable given the favourability and competitive advantages which the local aviation industry enjoys.



These advantages include, but are not limited to, our local industry's status as the primary access corridor to our world-renowned destination, Jamaica's high-performance and maturing aviation sector, our advanced technological infrastructure, ongoing modernisation programmes, a customer-centric quest to enhance service excellence and efficiency, and continuous efforts to improve our above-world average implementation of the standards and recommended practices of the International Civil Aviation Organization (ICAO).

Given aviation's niche as a trailblazer for groundbreaking accomplishments, the sustainability and development of our local industry will continue to demand ardency, innovation and regeneration. In this context, the JCAA must redouble its efforts to engage all industry stakeholders, as we refine and enforce essential safety procedures and standards, as well as the efficiency improvements that are vital to our industry's survivability. The latter will continue to be important as we respond to the need for increased aviation capacity, add value and faithfully serve the diverse public, and the global network of states whose prosperity and development depend on a safe, efficiently operated and constantly improving industry.

As I congratulate the JCAA on the performance of its mandate and the successes which it will outline for the 2017-18 financial year, I encourage even greater focus on a number of critical processes. These include risk-based and risk-proportionate regulation, the empowerment of consumers, infrastructure optimisation, and service excellence through improved processes and technological innovation.

While much has been achieved, progress in aviation is an unending journey. We can never regress to the mode of complacency, but must continuously explore, exploit and position ourselves to conquer the endless sky of opportunities, which awaits Jamaica and the JCAA.

In unison, we will deliver on our promise of continuously ensuring a safe and efficient sector. With singularity of purpose, we will also achieve the vision of being "recognised as a world-class civil aviation authority, that is integrally involved in the sustainable development of a safe and thriving global aviation community that supports and serves Jamaica."



CHAIRMAN'S STATEMENT & BOARD OF DIRECTORS' REPORT

for the 2017-2018 Year



Mr. Phillip Henriques
Board Chairman

A TRANSFORMATIVE YEAR OF POSITIVE RESULTS, AMIDST CHALLENGES

The 2017-18 year was a busy, eventful and successful one, characterised by challenges, but also significant and remarkable achievements. Over the year under review, the Jamaica Civil Aviation Authority enhanced its focus on performing the legislated mandate of regulatory stewardship to ensure a safe, efficient and sustainable sector, while generally delivering efficient, modernised and safe air navigation services.

The Authority's commitment to continuous improvements in its service delivery was demonstrated by a slew of diverse operational efficiency enhancements. The most notable of these involved the advancement and substantial completion of a comprehensive and integrated suite of air navigation services' modernisation initiatives. These initiatives effectively allowed the JCAA to accelerate local air transport industry transformation through the provision of safe, reliable and cutting-edge air navigation services.

SOARING ON THE WINGS OF MODERNISATION AND CHANGE

Guided by efforts to align with the Government of Jamaica's Vision 2030 National Development Plan, the JCAA embraced its role as a seminal 'wing', propelling Jamaica to a platform of sustainable development, and a place of choice to live, visit, work, raise families and do business. As the Authority continued to strengthen its position





as a globally recognised, high performance civil aviation centre of excellence, various examples of Jamaica's Air Navigation Services (ANS) developments and accomplishments abounded, and are worthy of mention.

Firstly, a proud example of the priority projects, which were concluded over the year, included the operationalisation of a new, state-of-the-art Thales Air Traffic Management System in October 2017. This system equipped Jamaica with the most cutting-edge ATM advances, proven to optimise safety, efficiency and capacity within the national and international airspace and global aviation industry.

Other notable achievements also included the operational commissioning of the equally high tech and technologically-advanced Air Traffic Control (ATC) Centre at the Sangster International Airport (SIA) – the island's busiest international airport, on February 19, 2018. This was anteceded by the installation of new Mode S radars to enhance the safety and reliability of Jamaica's air navigation services, as well as the commissioning of a new Instrument Landing System at the Sangster International Airport.

In recapping the achievements of the reporting period, it is also important to note that a new Voice Recorder System and an ultra-resilient, IP based, Voice Communications & Control System (VCCS) were also installed over the 2017-18 year. The VCCS now provides Jamaica's airspace with unsurpassed ability to coordinate and share voice and data across Jamaica's air transportation network, over a range of conditions.

While the benefits of these and other projects will be outlined in later segments of this Annual Report, it is clear that the complementarity of benefits from the preceding projects, and others, have effectively vested Jamaica with leading air navigations services and logistics infrastructure. These will continue to fuel our growth as a destination and aviation hub of choice, operating with world-class facilities and systems.

I wish to convey that it is the intention of all stakeholders to solidify and enhance this culture of innovation as a critical, flexible and sure anchor of

stability and sustainability in a dynamic, demanding and risk averse industry.

INTERNATIONAL LEADERSHIP IN THE EFFECTIVE IMPLEMENTATION OF ICAO STANDARDS

Safety and efficiency are uncompromisable cornerstones for the development of a sustainable air transport sector and thriving Jamaican economy. More importantly, these intrinsic and inalienable industry values are paramount for our country, as we seek to safeguard the well-being of citizens and visitors, as a priority.

In the latter regard, Jamaica has been a proud adherent to the Chicago Convention of 1944 that established the International Civil Aviation Organisation (ICAO) and the Standards & Recommended Practices, which assist states to establish uniformly safe and interoperable air transport systems. This status, as an ICAO State, has vested Jamaica with the responsibility, but also the capacity to proactively manage aviation safety risks, in coordination with our service providers, as we manage and improve the increasingly complex and advanced global air transportation network.

It is my pleasure to report that, as a result of the exceptional work and dedication of the JCAA and its partner entities, Jamaica humbly acknowledged the international acclaim it received from the ICAO Audit, confirming Jamaica's industry-leading position in the effective implementation (EI) of ICAO's Standards and Recommended Practices. Jamaica's ranking of 82.38% is 20 percentage points ahead of the world average for effectively implementing the eight critical elements of civil aviation safety and security oversight, as defined by ICAO's Standards & Recommended Practices and its Continuous Monitoring Approach.

On September 14, 2017, a historic development ensued for our local aviation industry, when Jamaica's effective and consistent administration of its regulatory aviation functions was recognised by the President of the ICAO Council, Dr. Olumuyiwa Benard Aliu. On that occasion, President Aliu presented an ICAO Council President Certificate to Jamaica for its exemplary aviation safety oversight improvements.





President of the ICAO Council, Dr. Olumuyiwa Benard Aliu (2nd left) presents a Council President Certificate to Her Excellency Janice Miller, High Commissioner for Jamaica to Canada (2nd right), in recognition of Jamaica's exemplary aviation safety oversight improvements in 2016. Attending the ceremony are also Mr. Nari Williams-Singh, Director General of the Jamaica Civil Aviation Authority (JCAA), and Dr. Janine Dawkins, Chief Technical Director at the Ministry of Transport and Mining and Member of the Board of the JCAA.

PERSEVERING, GROWING AND IMPROVING THROUGH CHALLENGES

In aviation, it is a truism that we do not grow or improve when or because things are easy. Instead, new and existing challenges constantly require us to redouble our efforts, share knowledge and expertise, discover solutions, and innovate. These tenets continue to be important as we become stronger, even safer and more resilient, as an industry that anticipates and effectively responds to arising complexities and threats.

The 2017-18 year was no different in terms of its orientation towards emerging challenges. On September 8, 2017, the Authority's operations were impacted by a lightning strike, which caused a disruption in the services provided by the Kingston Air Traffic Control Centre (KATCC). The strike resulted in extensive damage, primarily to critical, legacy air navigation services equipment, which were in service, but were being replaced under the Air Navigation Services (ANS) Modernisation programme.

Air operators and other industry stakeholders were impacted by a 48-hour disruption and limited air traffic services in the days following the incident. However, the airspace remained open and overflights through the Kingston Flight Information Region continued through previously established contingency routes and procedures.

The JCAA's Board of Directors is satisfied that an adequate business continuity framework has been documented and implemented, and the Board will continue to monitor its implementation to ensure the optimisation of the Authority's business resilience and disaster mitigation platforms. Consequently, in the aftermath of the restoration period, the Authority has concentrated significant resources to bolster its business continuity, crisis management and disaster recovery planning activities, to include the establishment of redundant capabilities at other locations.

Restorative work also included the replacement of key system components, the reconfiguration of the access control system and the replacement of critical switches.





CONTINUED OPERATIONAL EFFICIENCY & FINANCIAL MANAGEMENT AS A GOJ ENTITY

As with the previous year, the JCAA's operations continued to be funded through the Consolidated Fund. This fund constitutes the Government of Jamaica's principal account for the deposit of all government revenues, as well as the repository from which select government entities and activities are financed. Through a monthly subvention and the maintenance of a Reserve Fund, the JCAA was enabled to efficiently and prudently execute its operational responsibilities, with fiduciary oversight from the GOJ and Board, and conformance to the reporting requirements safeguarding the management and use of the funds.

The maintenance of the Reserve Fund also enhanced the Authority's capacity to respond to emergencies, with the necessary expedition and effectiveness. At the end of the reporting period, a policy was being developed to ensure accountability and efficiency in the management of this Reserve Fund.

For the 2017-2018 Financial Year, the Authority recorded total revenues of J\$4.220 billion, that is, J\$551 million or 11.55% less than the previous period. Expenditure for repairs and maintenance of the ANS infrastructure, as a result of damage from a lightning strike, and an increase in administrative costs and outstanding payments to staff, contributed to a significant increase in operating expenses over the previous financial year.

GROWING INTO A STRONGER & MORE ADAPTABLE AUTHORITY, CAPABLE OF ACHIEVING ITS MISSION

I am proud to be the driver of the corporate governance structure that is strategically leading an Authority, which remains technically sound, and well positioned to advance our country's national development interests.

The Board is very mindful and appreciative of the fact that the successful conduct of our mandate is never possible without the efforts of a competent and dedicated team that unites around our vision

and role in ensuring Jamaica's prosperity, progress and development. I, therefore, express sincere gratitude to the JCAA team for the dedication and tremendous work undertaken to assist the substantial achievement of our main safety and service provision goals, over the period.

On behalf of the Board of Directors, I also thank the Minister of Transport and Mining, the Honourable Robert Montague, for his decisive leadership, as he provides invaluable input and unwavering support for measures to uphold aviation safety, security and efficiency, as uncompromisable standards. Our gratitude is also extended to the former Minister, the Honourable Lester Micheal Henry for his sterling leadership, and the solid foundation he has laid to enable the continued fulfilment of the JCAA's mandate.

It is also the desire of the Board of Directors to acknowledge the feedback and contribution received from members of the general public, as well as the stakeholders who remain passionate partners, users and service providers, in the local civil aviation industry. As a result of your continuing interest and feedback, the JCAA is enabled to undertake many necessary projects and activities, which support the safe and sustainable development of Jamaica's civil aviation industry.

With your continued partnership, we will remain resolute in our commitment to build a strong aviation future that is grounded on safe, smart and innovative services. Together, our efforts will redound to supporting a strong, world-class Jamaican economy, while providing value to our customers, meeting their needs and ensuring their progress and prosperity.



BOARD REPORT ON CORPORATE GOVERNANCE

For The April 2017-March 2018 Financial Year

FOREWORD

The Board of Directors of the Jamaica Civil Aviation Authority consisted of eleven (11) non-executive Members, in addition to the Director General, as permitted by the First Schedule of the amended Civil Aviation Act, 1966.

The Board comprised the following persons –

| | |
|---|--------------------|
| Mr. Phillip Henriques | - Chairman |
| Mr. Robert Evans | - Deputy Chairman |
| Mr. Dean-Roy Bernard | - Member |
| Capt. Geoffrey Campbell | - Member |
| Mr. Milton Daley | - Member |
| Dr. Janine Dawkins | - Member |
| <i>(Representative of the Ministry of Transport & Mining)</i> | |
| Mr. Douglas Lindo | - Member |
| Mr. Marc Ramsay | - Member |
| Mrs. Susan Rosen | - Member |
| Mr. E. George HoSang | - Member |
| Mr. Robert Chin | - Member |
| Mr. Nari Williams-Singh | - Director General |
| <i>(Ex-officio Member)</i> | |

Mr. Leroy Lindsay, Senior Management Consultant, remained a resource person in the capacity of Board Invitee. Ms. Marva K. D. Gordon, Attorney-at-Law and the Authority’s General Counsel, also continued to serve as Corporate Secretary, while the Board-mandated separation of roles is being undertaken.

No changes to Board membership occurred, when the assignment of a new Minister, coincided with the ending of the financial year in March 2018. The quorum for meetings also remained at seven (7) persons, to require a simple majority of the membership.





Contribution to the protection of the environment, through a paperless methodology, resulted in the deployment of the software Diligent, which also contributed greater efficiency to the work of Members.

OVERSIGHT AND STRATEGIC ACTIVITIES FOR THE 2017-18 PERIOD

The Board's continuing commitment to the modernisation of the Authority was synchronized with the intent to achieve recognition as a world-class regulator and provider of air navigation services.

The Members of the Board were unified in employing their best endeavours to satisfy the obligations placed on them as the JCAA's corporate governance and oversight body. These obligations emanated from Section 6 of the Public Bodies & Management Accountability (PBMA) Act, as well as directives from the parent Ministry of Transport and Mining, the Ministry of Finance & Public Service and the Government of Jamaica.

Over the 2017-18 year, the Board, therefore, exercised strategic oversight to ensure the development of the civil aviation industry, its safety, security, reliability and sustainability, and its contribution to national economic growth. This involved oversight to ensure the efficiency and effectiveness of the JCAA; ensuring the accountability of all relevant officers in the management of the Authority's resources; the establishment and implementation of adequate information, control, evaluation and reporting systems; and the development of measurable objectives and performance targets.

Continuing observance of the Charters for the Board of Directors and each Board Committee resulted in annual review processes. The framework for evaluation of the Board and the performance contract for the Director General were completed and the evaluations undertaken. Several processes for ensuring new and updated administrative policies, as well as effective planning and implementation processes, led to the establishment of various documents and instruments. These included work on a plethora of areas,

encompassing Security, Information Technology Management, Digital Access, Contingency and Business Continuity Planning, Crisis Management, Corporate Planning, the evaluation of Procurement processes, Anti-Sexual Harassment policies and Risk Management.

The Board advised the Minister of Transport and Mining on matters of general policy relating to the international, regional and domestic civil aviation industry's regulation and service-provision. Under this rubric, the following were addressed by its careful oversight:

- Amendments to the Civil Aviation Act
This included making the necessary submissions for updating the Act to accord with amendments to the ICAO Standards & Recommended Practices (SARPs). The JCAA's Chairman, Director General and General Counsel / Corporate Secretary worked with the Ministry of Transport & Mining and the Cabinet Legislation Committee to negotiate the amendment of the Civil Aviation Act, to mandate that the Authority's main earnings be paid into the Consolidated Fund. This amendment was deemed critical for supporting the GOJ's financial position. The amendment also encompassed the maintenance of a Reserve Fund, amounting to J\$3B, to indicate the Authority's financial autonomy, and its capacity to respond expeditiously and without the usual bureaucracy in the event of emergencies.
- Conscientious handling and responsiveness to the disruption resulting from the lightning strike of September 8, 2017, which deactivated the entire ATM system of the Authority.
The responses and intervention included high-level communication, the management of human resource matters; and the conduct of negotiation to support the restoration of the downed systems.
- Exploration of the feasibility of Public Charters as a vehicle for encouraging more air transportation services within the jurisdiction.
- Pursuit of a Bid for Jamaica's election to the ICAO Council, under Category 3, Geographical representation, during the 40th Assembly in Fall 2019.
- Maintenance of the necessary oversight for establishing and handling investigations into aircraft accidents occurring within the Kingston FIR.



- Oversight of the Authority's corporate social responsibility programme, supporting sponsorships at the national level, and including the Jamaica Cultural Development Commission (JCDC), the Jamaica International Invitational Meet (JIIM) and Labour Day.

► BOARD CAUCUS

Bi-monthly board caucuses were scheduled, with the Director General attending some, as the Board deemed fit.

► BOARD TRAINING

The Board recognised the requirement for training across its areas of responsibilities, and arrangements were made to obtain training during the reporting period. Members pursued training in Corporate Governance, Civil Aviation Management and Risk Management. A Board decision was made in relation to essential training in the complex and onerous requirements of procurement, and this recommendation is being pursued.

► BOARD EVALUATION

The Chairman and Secretary participated in the Ministry of Finance & Public Service's (MOF&PS) Focus Group for the development of the GOJ's Board Evaluation Tool, under the GOJ's Corporate Governance Framework, 2012, as amended.

The material explored, coupled with research resources from the Corporate Secretary, was provided for the Board's review. A sub-committee of Member Rosen and the Corporate Secretary developed an instrument that was accepted by the Board. The instrument employs individual Member self-evaluation, in addition to general reviews of the Board's work and results, as a whole. The results were discussed in private caucus and shared, as necessary, to bring about needed changes for enhanced overall service.

► BOARD ATTENDANCE

Member attendance is outlined in the table below. Absences were indicated with ample notice, and acknowledged and/or excused by the Board.

| NAMES | NUMBER OF MEETINGS HELD | NUMBER OF MEETINGS AT WHICH PRESENT | MEETINGS EXCUSED |
|--------------------|-------------------------|-------------------------------------|------------------|
| Mr. P. Henriques | 12 | 12 | |
| Mr. R. Evans | 12 | 12 | |
| Mr. G. HoSang | 12 | 12 | |
| Mr. M. Ramsay | 12 | 10 | 2 |
| Mr. R. Chin | 12 | 11 | 1 |
| Capt. Campbell | 12 | 12 | |
| Mrs. S. Rosen | 12 | 11 | 1 |
| Mr. M. Daley | 12 | 12 | |
| Mr. D. Lindo | 12 | 11 | 1 |
| Mr. D. Bernard | 12 | 9 | 3 |
| Dr. J. Dawkins | 12 | 11 | 1 |
| Invitee L. Lindsay | 12 | 10 | 2 |

► ATTENDANCE - EXTERNAL AUDITORS

The JCAA's external auditors were invited to every meeting. However, the firm did not find any reason to be present at Board Meetings.

► USE OF ROUND ROBIN METHODOLOGY

A number of matters were resolved using the Round Robin methodology, where little or no rigorous debate was required. Matters for which

this approach was utilized included the approval of air transport licences and permits. A simple majority was required for the decisions, which were then ratified at the ensuing regular Board meeting.

► BOARD ADVOCATIONS & INTERVENTIONS

The issues raised by the Members (outside of management input) demonstrated the practice of keeping abreast with GOJ requirements, the





regulatory environment and service industry.

Areas of focus included:

- the Crisis Management Unit (Contingency Planning, Business continuity)
- development of an Anti-Sexual Harassment Policy
- pursuit of Indemnity Insurance for the Members and Executive
- Board evaluation prior to the Government of Jamaica's (GOJ's) schedule
- filling the role of Corporate Secretary
- managing the potential for conflicts of interest at the board level, by way of written declaration and other arrangements.
- Facilities Master Planning to support space needs
- review of ANS overflight fees in light of on-going modernisation and associated expenditure
- exploration of the review of the Pension Plan to account for moving the regular retirement age to 65 and changing from a defined benefit plan to a defined contribution plan.
- rationalisation of Committees

► COMMITTEES

The following outlines the Board Committees, their composition and major activities. Each Committee was supported by the Executive and management staff, as required.

► FINANCE COMMITTEE

The Finance Committee comprised Mr. E. George HoSang (Chairman), Mr. Douglas Lindo, Mr. Robert Chin and Mr. Milton Daley, following the resignation of Mr. Robert Evans in October 2017.

This committee oversaw the engagement of the new Auditors, BDO, in accordance with Government of Jamaica (GOJ) guidelines. This followed the expiration of the former external auditing contract. The Committee also supported enhanced monthly financial reporting and revenue recovery processes, while ensuring compliance with GOJ guidelines and overseeing the regularisation of land ownership. The latter resulted in the vesting of properties in the Authority's name, securing boundaries, paying taxes and resolving breaches, wherever these were discovered.

► AUDIT & RISK MANAGEMENT COMMITTEE

The Audit & Risk Management Committee comprised Mr. Milton Daley (Chairman), Mr. Dean-Roy Bernard, and Mr. E. George HoSang, following the resignation of Mr. Robert Evans.

The Committee supported the engagement of new Auditors, in accordance with the GOJ guidelines, upon the expiry of the former contract. Members focused on enhancing the internal audit structure and functions, and the strategic development of the enterprise risk management framework, to include a review of reports on the Authority's risk profile. The Committee also promoted the development of the Business Continuity Planning Policy and underwent training aimed at increasing knowledge about its role in risk management.

► HUMAN RESOURCE COMMITTEE

The Human Resource Committee comprised Mrs. Susan Rosen (Chair), Mr. Marc Ramsay and Mr. E. George HoSang. Over the year, the Committee addressed and oversaw the following matters:

- build-out of the Authority's human resource requirements
 - This involved identification of the required levels, requisite approvals by the GOJ, recruitment, and necessary facilities for Flight Safety, Air Navigation Services (ANS), Information Technology (IT) and the Civil Aviation Authority Training Institute (CAATI), among other departments
- Wage and fringe benefits negotiations
- Training of personnel
- Job evaluations
- Determination on the use of the GOJ's Performance Management & Appraisal System (PMAS) to replace the Performance Evaluation Report (PER) for individual performance appraisals

► TECHNICAL COMMITTEE

The Technical Committee comprised Mr. Bobby Evans (Chairman), Dr. Janine Dawkins, Mr. Douglas Lindo, Capt. Geoffrey Campbell and Mr. Leroy Lindsay.

The Committee oversaw the continued thrust towards updating the MOUs with Aeronautical Telecommunications Ltd. (AEROTEL), the



Meteorological Service Division and the Jamaica Defence Force (JDF). A new MOU was also signed with the Caribbean Maritime University (CMU).

The Technical Committee also guided the Authority's general management of space requirements and facilities, to include the preparation of a Facilities Master Plan. The Committee also provided guidance and oversight for the purchase of property at 1 Rekadom Avenue and the lease of the Jamaica Employers Federation (JEF) building to augment the space requirements and maintain some integrity in the Authority's security and safety arrangements.

Among the other projects, which the Technical Committee oversaw, were the commissioning of the new air traffic control tower at the Sangster International Airport (SIA); the review of the air navigation overflight fees; continuing modernisation of the JCAA's Air Navigation Services (ANS), inclusive of staffing and recruitment, the implementation of the Thales TopSky Air Traffic Management (ATM) system and associated facilities, and the development of manuals.

► PROCUREMENT COMMITTEE

The Procurement Committee comprised Mr. Robert Chin (Chairman) and Mrs. Susan Rosen. The committee ensured an effective procurement process with regard to acquisitions and the deployment of necessary resources within its portfolio.

The Committee's oversight activities related to building use; equipment and systems; the upgrade, replacement and maintenance of Jamaica's air navigation infrastructure; and routine purchases to support the JCAA's ongoing operations. It also oversaw processes for continued improvement in effective and realistic procurement planning and inventory management processes, as well as reporting.

An *ad hoc* Committee to oversee the management of regulatory duties was established. Members of this committee comprised Mr. Marc Ramsay (Chairman), Mr. Bobby Evans, Mr. Douglas Lindo and Dr. Janine Dawkins.

The committee was instrumental in its directives and guidance, in relation to the development of a new product for the air transportation sector in the form of Public Charters for the GOJ's consideration. The committee also presided over the process for updating the Civil Aviation Act, which is being spearheaded by the Authority, for the action of the Ministry of Transport & Mining. Exploration of efforts regarding the formation of a specific Committee resulted in the establishment of the Regulatory Committee in January 2018.

An Operations *Ad Hoc* Committee was also formed during the year to provide general oversight for matters related to the improvement of business services and regulatory activities related to the safety, security and efficiency of air transport. It was chaired by Mr. Douglas Lindo and further comprised Mr. Phillip Henriques, Mr. Marc Ramsay, Mr. Dean-Roy Bernard, Mrs. Susan Rosen and Mr. E. George HoSang.



*Committed to the Safe and Orderly
Development of Aviation in Jamaica*



BOARD OF DIRECTORS



Mr. Phillip Henriques
Board Chairman



Dr. Janine Dawkins
Board Member



Mr. Robert Phillip Chin
Board Member



Mr. E. George Hosang
Board Member



Mrs. Susan Rosen
Board Member



Mr. Robert Evans
Deputy Board Chairman



Mr. Milton Daley
Board Member



Mr. Marc Ramsay
Board Member



Mr. Dean-Roy Bernard
Board Member



Mr. Douglas Lindo
Board Member



Captain Geoffrey Campbell
Board Member



EXECUTIVE
MANAGEMENT TEAM



Mr. Nari Williams-Singh, J.P.
Director General



Mr. Rohan Campbell
Deputy Director General,
Regulatory Affairs



Mrs. Nichole Morgan
Deputy Director General,
Corporate Services



Mr. Carl Gaynair
Deputy Director General,
Air Navigation Services



SENIOR MANAGEMENT TEAM



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Economic Regulation



Ms. Janet Henry
Director,
Human Resource



Mr. Howard Greaves
Director,
Air Traffic Management



Ms. Shian Edwards
Director,
Finance



Mr. Douglas Williamson
Chief Information Officer,
Information Technology



Ms. Gillian Richards
Director,
Research, Planning &
Risk Assessment



Mr. Noel Ellis
Director,
Flight Safety



Ms. Marva Gordon
General Counsel &
Corporate Secretary



Another **STRONG YEAR** For Aviation

Jamaica's Air transport industry rises as a MECCA of Modernity and Transport Hub of Choice within the region and world

Despite a number of challenges over the 2017 year, the JCAA successfully undertook a range of strategic regulatory and air navigation services' activities and projects, which sustained and enhanced the Authority's commitment to

- the safe and orderly development of civil aviation in Jamaica
- efficient and user-responsive Air Navigation Services

The JCAA's unrelenting adherence to the Standards, Recommended Practices and Operational requirements of the International Civil Aviation Organization (ICAO), as well as to our local civil aviation laws and regulations created the platform for a sound operational basis and consummately safe sector.

These requirements and standards provided the roadmap for the implementation of a suite of multi-billion dollar investment strategies and projects, that are significantly reshaping our industry's capacity, efficiency and SAFETY – as the foremost and uncompromisable priority.

Our ANS Modernisation programme is revolutionising Jamaica's Air Transportation environment....

Over the 2017 year, the JCAA implemented a cocktail of cutting-edge, industry-leading technologies, procedures and equipment under its strategic Air Navigation Services Modernisation Programme.

The developments included:

- the new Thales, state-of-the-art Air Traffic Management System, which was fully operationalised in October 2017.
- an ultra-modern, IP-based Voice Communications & Control System (VCCS), with enhanced voice and data sharing capabilities, as well as a new Voice Recorder System
- a new simulator for the JCAA's ICAO-Trainair Plus-certified Civil Aviation Authority Training Institute (CAATI) to enhance the training programmes for Air Traffic Controllers and other Air Navigation Services personnel. *The simulator also serves as an important contingency for the island's Air Traffic Management System

- Operationalisation of the new, state-of-the-art Air Traffic Control Tower facility at the Sangster International Airport in December 2017, following a successful period of parallel operations with the old tower
- new Mode S radars at our primary locations at the Norman Manley International Airport, Norwood in St. James and the Mount Denham radar facility in Manchester
- a new Instrument Landing System at the Sangster International Airport in June 2017, enabling aircraft to land safely in conditions of limited visibility

- ongoing efforts to redesign Jamaica's airspace through a "Performance-Based Navigation" system that will allow aircraft to follow the most efficient flight profiles, while reducing fuel burn and emissions, and contributing to the global thrust to reduce our industry's carbon footprint.

Exciting... Demanding... Developmental!!!

There has never been a more *exciting* or *demanding* time for our local air transport industry!

As the regulator of the industry, the JCAA will continue to foster and enhance the development of a safe, secure and economically viable civil aviation system, while minimizing adverse environmental impacts from civil aviation activities.

We are 'Touching down' to a brighter future for the industry, our people and the Jamaican economy....

With the continued support and confidence of our stakeholders, the JCAA will harness Air Transport's

unique position as a propeller and catalyst for Jamaica's growth and development.

Let us work together to make these shared ideals and our shared accomplishments!!!!

The JCAA... Committed to the safe and orderly development of civil aviation in Jamaica.



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DIRECTOR GENERAL'S REPORT



Mr. Nari Williams-Singh, J.P.
Director General



ACCELERATING INDUSTRY DEVELOPMENT, DESPITE CHALLENGES

The 2017-18 year, on which I present my review, was a positive and activity-filled one, during which the JCAA delivered significant outcomes in a number of mission-critical areas. While there were sporadic challenges from external and intrinsic events and threats, the projects and activities, which were advanced throughout the year, led to a holistic transformation of Jamaica's air traffic services environment and its communications, navigation and surveillance infrastructure.

With assistance from the ICAO's Technical Cooperation Bureau (TCB), the JCAA successfully executed a number of multi-billion dollar projects. The latter included a J\$2.14 billion project, aimed at upgrading and replacing all radar and Air Traffic Services (ATS) automation systems, which are critical to the delivery of safe and efficient air navigation services to the national and international aviation communities. These accomplishments, along with others ensuring effective regulatory oversight, enhanced the capability of the local air transport sector to fulfil its operational goals of safety, reliability, efficiency and national development facilitation.

TOWERS OF MODERNISATION

An industry-leading Air Traffic Control (ATC) Tower at the Sangster International Airport (SIA) was among the critical projects, which helped to usher in a new air traffic management and surveillance era within Jamaica's airspace and industry. As a counterpart facility to the Norman Manley International Airport Tower that was commissioned

in November 2016, the new, state-of-the-art SIA Tower completed a major transformation loop within the JCAA's modernisation programme.

The cutting-edge functionalities of the tower included a world-class Air Traffic Management and Voice Communications & Control System; new VHF-AM radios and voice recorders; a new time control system; an Automatic Terminal Information System (ATIS); microwave, fibre optic and copper infrastructure; state of-the-art operator consoles; a meteorological system; a fire detection and signalling system; and an airport lighting system with remote control functionalities.

Both towers have provided quantum benefits that have enhanced the JCAA's ability to provide a safe, reliable, efficient and user-friendly air transport system, while consistently delivering service excellence.

NEW ATM SYSTEM OFFERS ENHANCED SAFETY, AUTOMATION & EFFICIENCY

Complementing the Tower replacement projects was the operationalisation of the new TopSky Air Traffic Management System in October 2017. The JCAA's migration to the system has facilitated more proactive and precise air traffic management and decision-making processes, while increasing safety margins, and expanding the number of aircraft which may simultaneously and safely navigate our airspace.

As an important capability, the new ATM system features a SCANSIM component, which serves the dual-purpose of a contingency system and



training simulator. In addition to enhancing the training environment for Air Traffic Controllers and other personnel who provide air navigation services, SCANSIM is also a viable and designated contingency option for Jamaica's Air Traffic Management system, in the event of a failure.

UNDER THE RADAR - OPTIMISING SAFETY THROUGH ENHANCED SURVEILLANCE AND COMMUNICATION CAPABILITIES

Another highlight of the transformed ANS landscape, over the year, was the installation of new radio detection and ranging (i.e. radar) equipment at the Authority's primary locations at the Norman Manley International Airport, Norwood in St. James and the Mount Denham radar facility in Manchester.

These Mode S radars, which are housed at the newly renovated radomes, offer enhanced communication and surveillance efficiencies, through their superior aircraft detection, identification and altitude-reporting processes. In accordance with global aviation industry standards, the radars equip Jamaica with advanced and selective capabilities, that allow our Air Navigations system to interrogate each aircraft via a unique 24-bit address.

The continued growth and development of our air navigation services and general aviation infrastructure were also facilitated through the commissioning of the Instrument Landing System Replacement Project at the Sangster International Airport in June 2017. This Instrument Landing System has enhanced the ability of aircraft to safely land, even in obscure or limited visibility conditions.

GROWING & DEVELOPING THROUGH RESPONSIVENESS TO LOCAL AND INTERNATIONAL AVIATION NEEDS

As a committed member of the international aviation community, which provides one of the safest and most efficient forms of transportation known to humanity, Jamaica has been guided by a multiplicity of factors and influences, when contemplating development trajectories for the local aviation industry. These factors include, but are not limited to, new international and local

regulatory requirements, new safety initiatives, emerging business models, projected increases in air traffic, new capacity and technological demands, as well as present and future risks.

As Jamaica joins the global thrust to proactively explore and implement new technological and procedural advances that improve safety and efficiency, the JCAA is actively supporting and implementing programmes to create a seamless and interoperable global Air Traffic Management (ATM) environment. The key features of this developing international aviation environment are physical connectedness and the removal of fragmentation; homogeneous Air Traffic Management (ATM) and major global air traffic flows; common requirements, standards and procedures; Performance-Based equipment requirements; seamless and uniform safety standards and performance across all regions and through all phases of flight; and common aeronautical information exchange models.

ADVANCING THROUGH IMPLEMENTATION OF AVIATION SYSTEM BLOCK UPGRADES (ASBU): PHASE 1

Jamaica has achieved notable progress in implementing the first "block" of ICAO's Aviation System Block Upgrades (ASBU) methodology – an initiative that is organizing and streamlining major aviation developments across all ICAO states. ASBU is serving as a catalyst for states, such as Jamaica, to modernise their air navigation services and infrastructure. Block 0 is being implemented from 2013 to 2019, with the developments scheduled to take place in four (4) Blocks, numbered 0 – 3.

All Block 0 modules, which Jamaica has been undertaking, are poised to optimise safety and efficiency, while ensuring global interoperability within the air transport industry. The Block 0 projects include time-based metering for sequencing departing and arriving flights, the development and implementation of additional Area Navigation (RNAV) and Barometric Vertical Navigation (BARO VNAV) approaches, and the introduction of Air Traffic Services (ATS) Inter-Facility Data Communication (AIDC).



AIDC, which allows for automated data exchange between various Flight Information Regions, is currently being tested in the JCAA's retrofitted Kingston Air Traffic Control Centre (KATCC). Such an exchange is no longer only a desirable feature, but a necessity, in an environment where minimum flight separation standards are being reduced and flight paths are becoming more flexible and user-centric.

PROGRESSING TO A DIGITISED AERONAUTICAL INFORMATION MANAGEMENT PLATFORM

The JCAA is pleased to report that Jamaica, through the JCAA, has advanced efforts to implement the upgraded and data-centric, Aeronautical Information Management (AIM) system. With the achievement of interim targets, the process is on schedule to meet the December 2019 implementation deadline established under ICAO's Aviation System Block Upgrades (ASBU) programme. The new information management platform will make aviation-critical information more readily available, in real-time, to and from any global location. Importantly, it will also allow Jamaica and other states to transition from a paper-based service, to one which supplies aeronautical, meteorological and airspace management information via satellite.

CREATING A HIGH-PERFORMANCE AND ENVIRONMENTALLY FRIENDLY SYSTEM THROUGH PERFORMANCE-BASED NAVIGATION

In accordance with the development priorities, which have been defined by ICAO under the Aviation System Block Upgrades (ASBU) methodology, Jamaica is in the process of achieving established safety, capacity, efficiency and environmental sustainability goals through

the implementation of a Performance-Based Navigation (PBN) system.

It is gratifying to report that Jamaica has met the Performance-Based Navigation (PBN) targets, which were established for the North American/ Caribbean (NAMCAR) region, for the 2018 year. PBN implementation has continued to guide the redesign of Jamaica's airspace to allow aircraft to follow the most efficient flight profiles, through direct routing and the expedition of arrivals and departures at Jamaica's airports. Global satellite systems will also remove the current reliance on ground-based navigation aids, as PBN enhances safety, increases airspace capacity and significantly reduces emissions from air transport activities.

Over the past year, the JCAA's Air Navigation Services (ANS) Division facilitated the implementation of two (2) new PBN air traffic routes and the realignment of three (3) routes, under Phase One (PFA 1) of the programme. These were implemented in the Kingston Flight Information Region (FIR) and surrounding FIRs on October 16, 2017.

Work also commenced on the implementation of Phase Two (PFA 2), which will involve the addition of more PBN routes and, in some instances, the replacement of some conventional Very High Frequency Omnidirectional Range (VOR) routes, which are currently being used in the Kingston FIR.

The implementation of PBN is set to bolster Jamaica's enviable record of aviation safety within the Kingston Flight Information Region (KFIR). Along with improved Air Traffic Flow Management (ATFM), it is anticipated that PBN will enable the KFIR to realize increased throughput and generate increased earnings for the country.



HARNESSING INFORMATION TECHNOLOGY TO IMPROVE BUSINESS PROCESSES AND OUTCOMES

Over the 2017-18 year, the JCAA intensified its environmental scanning efforts and heeded alerts from the Ministry of Science, Energy & Technology (MSET), in relation to cyber threats. The IT department supported government-wide efforts to raise cybersecurity awareness and instituted measures to heighten the defences of the JCAA. Information technology enhancements, over the reporting period, included the upgrade of Anti-Malware infrastructure, PC upgrades, LAN, WAN, SAN and Server upgrades, the implementation of a new payroll system, and a new billing and payroll system.

INTENSIFICATION OF RESEARCH, STRATEGIC PLANNING AND RISK ASSESSMENT ACTIVITIES

As the Authority matured in its strategic planning outlook, the Research, Planning & Risk Assessment (RPRA) Department developed plans to improve the outcome of Authority's strategic planning processes, while enhancing the implementation and achievement of key targets. Accordingly, the Department coordinated the development of more streamlined Corporate and Operational Plans, with smarter targets. It also continued to monitor and report on organisational performance, and, in collaboration with the Director General's Office, hosted performance review meetings intended to provide technical and strategic planning guidance to further drive performance improvements across the Authority.

During the year, the RPRA Department also actioned strategies to foster a culture of risk awareness organisation-wide. Efforts were also made to promote strategic planning activities, which were closely aligned with the risk treatment actions for critical business risks. The Authority's risk profile was closely monitored, and risk alerts and general risk information were communicated periodically to the Authority's Risk Management Steering Committee, Executive Management and the Audit & Risk Management Committee of the Board of Directors.

Over the year, the Authority's risk management framework was reviewed and updates, including the establishment of a Business Continuity Sub-Committee, were recommended for implementation in the 2018-19 financial year. As work continued to improve the Authority's business continuity management (BCM) framework, key employees participated in Business Continuity Management certification training to further develop the Authority's expertise in this area. The work to integrate all business continuity activities into a comprehensive Business Continuity Management Plan was accelerated, and will continue in the upcoming financial year. These processes continue to be driven by the establishment of a Business Continuity Management Policy and the further build-out of the BCM infrastructure.

LEADERSHIP IN REGIONAL AND GLOBAL AVIATION FORA & PARTNERSHIPS

The regional and global aviation communities continued to demonstrate their trust in Jamaica's capabilities and leadership on aviation matters at the local, regional and global levels. This was demonstrated through their continued engagement of our air transport sector, and the responsibilities reposed in the nation's representatives to guide and lead collaborative efforts to generate solutions for common aviation issues and challenges.

Over the 2017-18 year, Jamaica played an active role in partnerships facilitating enhanced and uniform safety and security standards, as well as a harmonised air transport industry. Accordingly, the JCAA continued to function in key positions, including the Chairmanship of the Board of the Caribbean Aviation Safety & Security Oversight System (CASSOS), as well as its Personnel Licensing, Operations and Accident Investigations Standing Committees. Jamaica also engaged and collaborated with the international aviation community through its membership on numerous ICAO Working Groups and Standing Committees.

The JCAA's participation in CASSOS continues to be of cardinal importance, given the institution's status as an important CARICOM institution and Regional Safety Oversight Organisation (RSOO) recognised by ICAO. Having signed the CASSOS Agreement on



July 3, 2008, Jamaica joined the counterpart states, which are working collaboratively to facilitate the growth and development of aviation in the region through training, resource-sharing, and the harmonisation of policies and procedures. The headquarters of CASSOS is also located at the JCAA's main office at 4 Winchester Road, Kingston 10.

SUCCESSFUL REGULATION OF JAMAICA'S AIR TRANSPORT SECTOR TO ENSURE ITS SAFE & SUSTAINABLE DEVELOPMENT

The JCAA continues to undertake activities to improve Jamaica's Effective Implementation (EI) rating of 82.38%, for which the country received the ICAO Council President Certificate in 2017. In accordance with the confidence reposed by our national and international stakeholders in Jamaica's air transportation sector, several reputable air service operators, from various parts of the globe, continue to operate in and out of Jamaica. Confidence in our industry and its safety and security oversight processes has also ensured that local air carriers, as well as Jamaican-licensed industry personnel, operate freely and are in high demand throughout the globe.

In accordance with the thrust toward continuous and constant improvement of our regulatory environment, the JCAA also provided technical support for revisions to the Jamaica Civil Aviation Regulations (JCARs) and the Civil Aviation Act, over the reporting period. These legislative updates will improve regulatory oversight, incorporate new standards and ensure Jamaica's continued compliance with ICAO's Standards & Recommended Practices. Such an undertaking is critical, in the context of constantly changing international requirements, which necessitate agility and responsiveness.

The JCAA remained aware that the maintenance of our safety performance and efficiency achievements continues to be a critical factor in the Government's development plan, given the catalytic effects of aviation on Jamaica's main industries and economy. As the JCAA supported the orderly development and expansion of air transportation in Jamaica on a sound economic basis, the Authority also initiated the procurement process

for the Quinquennial Airport Charges Review. This undertaking, which is carefully orchestrated to balance the interest of all stakeholders, seeks to promote the efficient and profitable operation of the island's airports, in accordance with the Airports (Economic Regulation) Act, 2002.

BUSINESS CONTINUITY FRAMEWORK ENHANCED IN THE AFTERMATH OF ANS SERVICE DISRUPTION

During the active 2017 hurricane season, the NACC region experienced widespread and catastrophic damage. Intense storm activity during the month of September resulted in the Authority's air navigation services equipment being directly impacted by a lightning strike on September 8, 2017.

Air Traffic Services from the Kingston Air Traffic Control Centre was disrupted, as there was extensive damage to critical equipment. This resulted in the provision of advisory services in the immediate aftermath and Flight Information Services during the recovery period. The Authority was in the advanced stages of implementing its modernisation programme and was, therefore, able to expedite the transition to the new Top Sky Air Traffic management system with its contingency feature.

Subsequent to the restoration period, the Authority concentrated significant resources to bolster its business continuity, crisis management and disaster recovery planning activities. Though interruptions, such as the lightning strike, were least desired, these challenges afforded the JCAA opportunities to improve and mitigate risks, while transforming our structural and functional efficiencies.

DEVELOPING & EXPANDING THE LOCAL AVIATION INDUSTRY THROUGH AIR SERVICES AGREEMENTS

As Jamaica pursued efforts to eliminate entry barriers and create a welcoming environment for air operators and industry investors, the Jamaica Civil Aviation Authority



supported Jamaica's representational efforts at the ICAO Air Services Negotiation (ICAN) event, held in Colombo, Sri Lanka in December 2017. ICAN 2017 provided ICAO Contracting States with a venue to conduct multiple bilateral, regional and plurilateral negotiations or consultations for air services agreements.

The Authority collaborated with representatives from other GOJ entities, including the Attorney General's Chambers and the Ministry of Transport and Mining, to undertake formal discussions and negotiations with several States. Outcomes from ICAN 2017 included the signing of two (2) Air Services Agreements with Sri Lanka and Finland and one (1) Memorandum of Cooperation with the USA. Three (3) additional Memoranda of Understanding and six (6) Agreed Minutes were signed with other countries.

NATIONAL FACILITATION OF EFFORTS TO ACHIEVE A GLOBALLY-HARMONISED AND SAFE INDUSTRY

The JCAA led various collaborative efforts to engage the expertise of international stakeholders, as we generated effective solutions and approaches to solving issues and engendering enhancements to the local and global air transport industries.

Over the period, the JCAA facilitated the successful hosting of the International Civil Aviation Organisation (ICAO) Traveller Identification Programme ("ICAO TRIP") Conference, which was convened from November 28 - 30, 2017 in Montego Bay, St. James. This aviation security conference addressed five critical elements of the ICAO TRIP Strategy. These included Machine Readable Travel Document (MRTD) standards; specifications and best practices; secure travel document issuance; robust evidence of identity processes; information-sharing technologies relevant to the United Nations' Security Council Resolutions on combatting foreign terrorist fighters; and establishing effective border control management. Over 100 ICAO Contracting States and supporting organisations were represented.

CORPORATE SOCIAL RESPONSIBILITY

The JCAA continued to fulfil its role as a partner in Jamaica's development efforts. The focus areas included education, culture and sports.



TEAM JCAA – THE ENGINE OF THE AUTHORITY'S GROWTH & SUCCESS

The JCAA expresses sincere commendation and appreciation to our dedicated team of professionals, across the organisation, whose passion for aviation safety propelled the achievement of the JCAA's mission and activities over the 2017-18 year.

As the Authority continues to evolve and adapt to a plethora of technological, economic and international needs and developments, your role continues to be paramount in fulfilling our brand promise of consistently delivering "a safe, reliable, efficient and user-friendly air transportation system, that accords with the Standards and Recommended Practices of the International Civil Aviation Organisation."

I remain proud to lead this Authority and its efforts to promote regulatory and service excellence, not only in the national aviation industry, but also regionally and globally. Let us continue to inculcate the value of innovation, as we safely adapt to changing requirements, and strengthen our industry's position through the continuous delivery of service improvements to stakeholders.





DIVISIONAL REPORTS



Towering towards Modernisation



Jamaica Civil Aviation Authority
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ANNUAL REPORT
2017-2018



REGULATORY

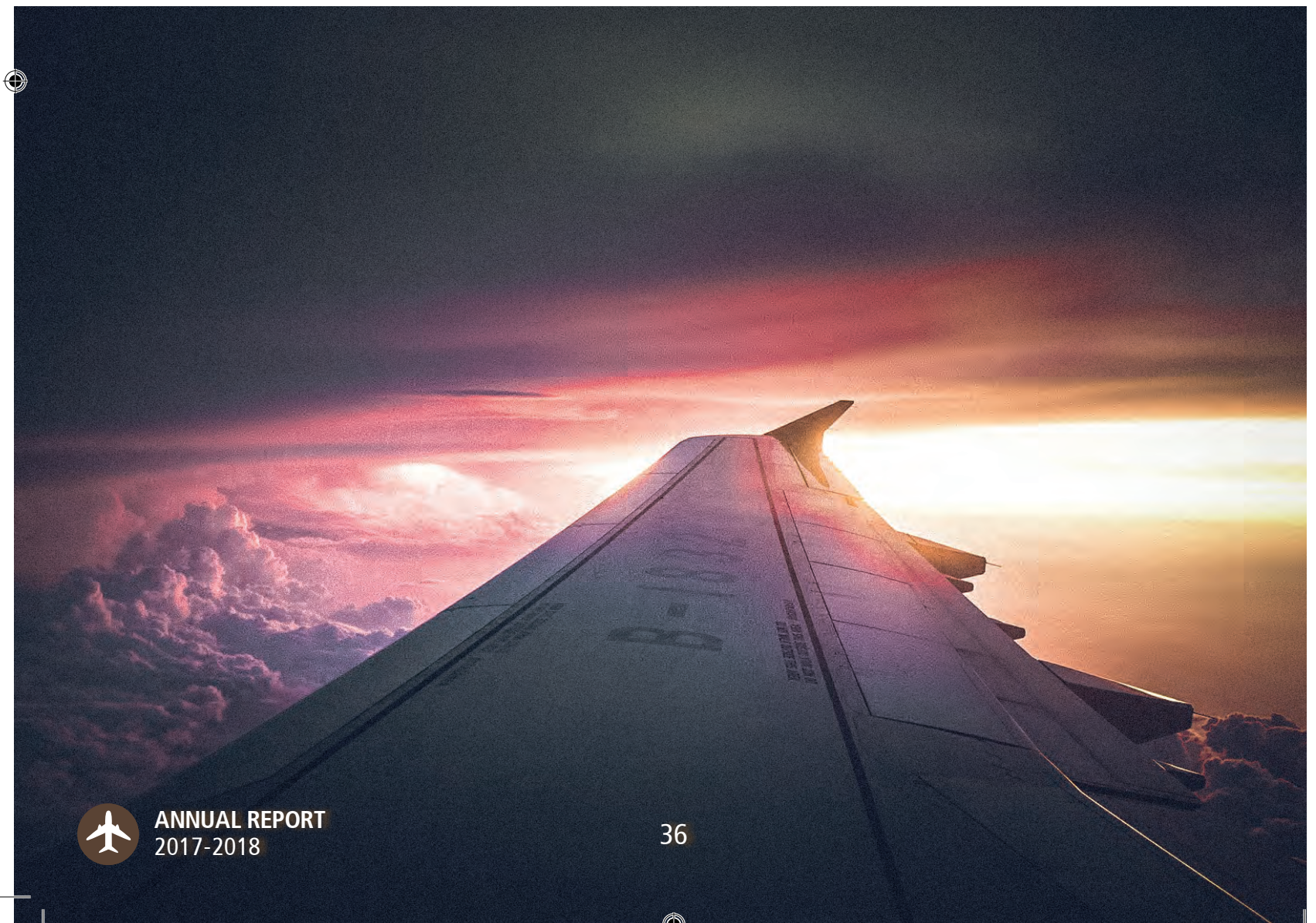


AFFAIRS





FLIGHT SAFETY



ANNUAL REPORT
2017-2018

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OVERVIEW

Over the 2017-2018 year, the Flight Safety Department (FSD) of the Jamaica Civil Aviation Authority (JCAA) continued to perform an effective role as the regulatory arm of the JCAA, despite staff shortages.

During the period under review, there were:

- seven (7) active Air Operators
- three (3) active Approved Maintenance Organisations
- three (3) active Approved Training Organisations
- three (3) International Airports
- three (3) Public Domestic Aerodromes
- five (5) Certified Aviation Security Service Providers
- three (3) Certified Security Handling Agents
- three (3) Dangerous Goods Handlers Certificate Holders
- one (1) Air Navigation Services Provider

Oversight activities were focused on both local and international operators, inclusive of foreign air operators and service providers.

STRATEGIC INITIATIVES

Unmanned Aircraft Systems (UAS)

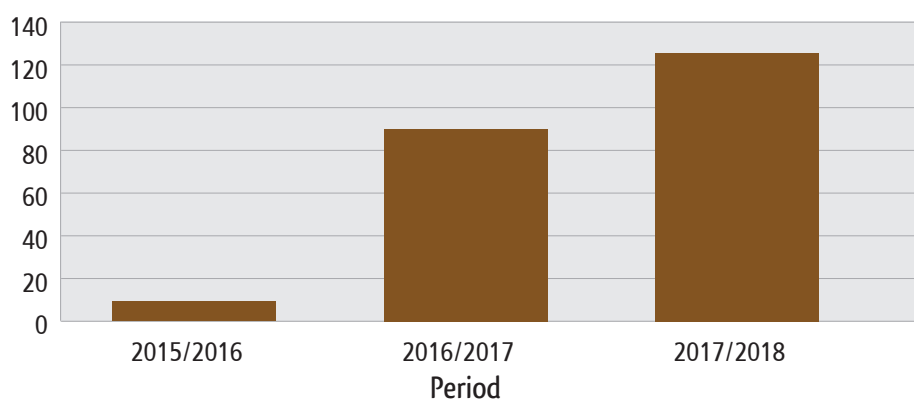
The ability of Unmanned Aircraft Systems (UAS) or drones to gain proximity to, and/or interfere with the safe conduct of aircraft operations makes the regulation and oversight of UAS operations critically important to the JCAA and all other civil aviation authorities, worldwide. In the face of a rapidly expanding industry, the appointed regulatory oversight bodies are developing guidelines, laws

and policies, and are seeking to execute procedures and other measures, which manage the emergent threat, while safely accommodating, where possible, UAS solutions. The latter has become necessary, given the use of UAS as facilitative tools for a number of industries, including recreation, agriculture, security surveillance, geometric mapping, utility companies and research and development activities.

Compounding efforts to monitor and ensure the safe integration of UAS into Jamaica's airspace has been the fact that the relatively low cost of UAS compared to traditional aircraft makes ownership more viable to a far greater population pool. Estimates suggest that more than one million UAS systems have been sold in the United States alone, with other countries experiencing a rapid ingress of such systems from local purchases and importation. The JCAA has, consequently, continued to actively promote safe drone operations by interfacing with the media, disseminating guidelines and participating in a number of industry forums.

Whereas Jamaica currently has no specific legislation governing the licensing, registration, maintenance, or the operation of UAS, the JCAA has published guidelines for the safe operation of UAS and requires the issuance of a permit for commercial operations, under the current legislation (CARs Part IX). Applications for such permits are growing exponentially. There was a 38% increase in the permits granted in this financial year, when compared with the previous financial year.

Permits Granted for UAS Requests



SPECIALISED STAFFING REQUIREMENTS FOR THE FLIGHT SAFETY DEPARTMENT

While the department strategically undertook a risk-based approach to its regulatory and oversight activities, the accomplishment of some activities was impacted by staff limitations, relating to shortages and unsuccessful efforts to recruit oversight personnel for some of the technical disciplines associated with aircraft operations. These challenges have been inherent to several authorities within the region and across the global industry. This situation continued to exist, particularly because of the high and competing demand for such personnel between industry operators and regulatory authorities, as well as the shortage of the specialised skill sets in some countries and regions.

During the 2017-18 financial year, four (4) persons were separated from the department, while four (4) joined over the same period. At the end of the financial year, the department had vacancies for the following positions:

- Director, Flight Safety 1
- Air Navigation Safety Inspector 2
- Manager, Flight Operations 1
- Flight Operations Safety Inspector 3
- Aviation Security Inspector 1

In this context, the Authority intensified its recruitment efforts to find suitably qualified candidates, and established measures to continue the recruitment drive in the coming financial year.

The latter recruitment plan is being orchestrated, with cognisance of the rapid evolution of the aviation sector, and the need to establish new positions. The positions, which will be developed in the upcoming financial year, include Dangerous

Goods Safety Inspector, Facilitation Inspector and Drones Officer.

CAPACITY DEVELOPMENT & TRAINING

During the 2017- 2018 year, the Flight Safety Department remained committed to its safety oversight mandate, by ensuring the availability of a competent inspectorate that was fully trained in all technical areas, as required for the effective oversight of the aviation system.

There were 39 training interventions, inclusive of conferences, seminars, workshops, meetings, professional fora and training courses, which were attended by seventeen (17) members of the Flight Safety Department. These were hosted by 13 licensed and/or approved training organisations, both locally and overseas.

Among the noteworthy international training organisations, which provided regulatory training were the Federal Aviation Administration (FAA) Training Academy, the International Air Transport Association (IATA), the International Civil Aviation Organisation (ICAO), Trinidad & Tobago Civil Aviation Training Centre, Transportation Safety Training Institute, Pan Am International Flight Academy, Airports Council International and the Jamaica Civil Aviation Authority Training Institute (CAATI).

SURVEILLANCE

The industry surveillance activities, which constitute a major component of the oversight activities conducted by our inspectors, were planned and executed based on a risk assessment model. The surveillance activities of the Flight Safety Department, for the 2017-18 period, are outlined below:

| ACTIVITIES | ACHIEVEMENTS |
|--|--------------|
| Air Worthiness Inspections (including Base, Line, Records, Training and Ramp Inspections) | 147 |
| Operations Inspections (including Base, Line, Records, Training, Ramp and Proficiency Inspections) | 141 |
| Security Surveillance Activities (including Tests, Audits, Surveys and Inspections) | 107 |
| Aerodrome Surveillance Activities | 30 |
| Air Navigation Services Provider Inspections & Oversight Activities (including Air Traffic Services, Aeronautical Information Management, Meteorology, Search & Rescue, and Communications, Navigation & Surveillance (CNS)) | 40 |
| Civil Aviation Medical Examiners Audits | 12 |





These activities allowed the JCAA to reinforce a proactive safety management culture, in which hazards and risks were continuously identified, and mitigation strategies developed and applied. Effective control measures were assessed and amended to drive continuous system improvements.

PERSONNEL LICENCES

Under Jamaica's regulatory framework, there are three (3) groups of aviation personnel which require licenses. These are, namely, Pilots, Aircraft Maintenance Engineers and Air Traffic Controllers. Licenses issued or renewed for the above personnel categories for the 2017-18 financial year, are as follows:

| LICENCES | ISSUED/RENEWED |
|-------------------------------|----------------|
| Pilot | 187 |
| Aircraft Maintenance Engineer | 78 |
| Air Traffic Controller | 106 |

INDUSTRY CERTIFICATION ACTIVITIES

During the period under review, enquiries were made by a number of companies interested in Jamaican certification. Subsequent to the fact-finding mission, and initial meetings with JCAA personnel, the department continues to facilitate the certification process for a number of these companies.

PARTNERSHIPS

The JCAA's Flight Safety Department continued its active participation in the Regional Safety Oversight Organisation (RSOO), over the reporting period. In this context, the Caribbean Aviation Safety and Security Oversight System (CASSOS) continued to provide for the cooperation and support of all member states. This was achieved in accordance with ICAO's "No Country Left Behind" strategy, and the regional organisation's efforts to enhance safety and security oversight activities through data-sharing, mutually-reinforcing processes for ensuring compliance with the standards established by ICAO, and the sharing of technical resources and personnel expertise.

Over the period, the JCAA played a leading role in facilitating the effective functioning of CASSOS, through the following positions:

- Chairperson of the Board of CASSOS
- Chairpersons for the CASSOS Personnel Licensing, Operations and Accident Investigations Standing Committees

- Membership on numerous CASSOS Standing Committees

Through various initiatives and fora, the JCAA worked with neighbouring jurisdictions to enhance the safety of the regional air transportation industry. Bilaterally, the JCAA provided support for the conduct of aerodrome audits in Belize, St. Lucia and St. Vincent. In addition, assistance was also provided to Haiti in relation to Air Operator Certification for a Haitian Carrier. Jamaica also received assistance from Guyana in areas of Flight Operations Inspections in both General Aviation and Rotorcraft operations.

Additionally, the JCAA hosted an international workshop on cybersecurity, during the financial year.



SOARING & GROWING...

MONUMENTAL ACHIEVEMENTS FOR THE JAMAICA CIVIL AVIATION AUTHORITY (JCAA)
AND JAMAICA'S AIR TRANSPORT INDUSTRY



Jamaica's Air Transport Industry continues to shine as:
a gold standard of mobility and
a beacon of modernisation and growth for Jamaica!

As the Jamaica Civil Aviation Authority continued to ensure a safe and efficient air transport industry, through effective industry regulation and the provision of safe and reliable air navigation services, it undertook a number of strategic development projects, over the past financial year. These projects:

- continued to ensure our industry's parity with the Jamaica Civil Aviation Regulations (JCARS) and the dynamic Standards and Recommended Practices (SARPs) of the International Civil Aviation Organization (ICAO)
- facilitated the sustainable development of a safe and thriving aviation community that supports and serves Jamaica

Jamaica has touched down to a New Air Traffic Services Environment!

- Following an expenditure of CDN \$22 million (J\$2.57 billion) for the construction of two new Air Traffic Control (ATC) Towers at Norman Manley International Airport (NMIA) and the Sangster International Airport (SIA), both towers were commissioned. The towers are key symbols of the modernity of Jamaica's air transport industry.

Other Air Traffic Services modernisation projects have also been undertaken at a cost of J\$4.92 billion.



A JCAA team of Air Traffic Controllers and staff members of the Civil Aviation Authority Training Institute (CAATI) are photographed with members of the Thales Group, as they attend the Pre-Factory Acceptance Test (FAT) training for Air Traffic Control (France) in July 2016.



Installation of a Voice Communications and Control System (VCCS) – January, 2017



Critical servers and other equipment for the Kingston Air Traffic Control Centre (KATCC) – January, 2017



JCAA staff members, including Air Traffic Control, Communications, Navigation & Surveillance (CNS) and Training Institute personnel, participate in the SCAM-SIM Air Traffic Control Simulator training. – February, 2017

The modernization of Jamaica's Air Navigation Services is a critical enabler of the Government of Jamaica's (GOJ's) economic growth agenda. The efforts also remain critical for expanding global access to our shores, while allowing Jamaica to capitalise on existing growth opportunities from global trade, tourism facilitation and cross-border interaction.

We have an Industry-leading Air Transport Industry.

The progress we have achieved continues to be validated by growing international confidence in Jamaica's air transport system.

In 2016, Jamaica achieved the highest ranking, in the English-speaking Caribbean, of 82.38%, for the Effective Implementation of the Standards and Recommended Practices of the International Civil Aviation Organisation (ICAO)*.

*This compares to a global average of 63%, and a performance of 69% Effective Implementation (EI) for the North American, Central American and Caribbean region

Jamaica's air traffic activity also continues to increase, year-on-year**:

- Annual air traffic movements – 182,653 flights
- Monthly average – 15,000 air traffic movements
- Daily average – 500 air traffic movements

As we engage our stakeholders, and provide continuous support for processes to update our Civil Aviation Act and Regulations, we will solidify the foundation for the sustainable growth and development of the local air transport sector, within a fast-paced, dynamic and standards-driven industry.

Together, we will position our island as the **hub of choice** connecting the Caribbean, North America, Europe and Asia.

**2015-16 performance





ECONOMIC REGULATION



OVERVIEW

Over the duration of the 2017-18 year, the Economic Regulation Department continued to support the sustainable development of the air transport industry, in accordance with the Government of Jamaica's policy direction for a liberalised air services environment. This thrust was further enhanced by an efficient licensing and permit application process to facilitate the growth of tourism, trade, investment and general aviation activities.

Airports were engaged and regulated through a thorough, yet flexible approach, which ensured and balanced the reasonable interests of all stakeholders. The department also liaised with industry stakeholders to facilitate the collection of aviation statistics, which empowered data-driven decision-making capabilities, in the local, regional and international contexts.

Finally, the environmental effects of local and regional aviation activities came into sharp focus, as the industry positioned itself on the cusp of an environmental break-through, with the substantial completion of a pilot Solar-at-Gate electrification project. The latter formed the highlight of a number of initiatives, spearheaded by the JCAA, to reduce emissions and contribute to the achievement of ICAO's targeted carbon neutral growth, commencing in the year 2020.

AIR COMMERCE

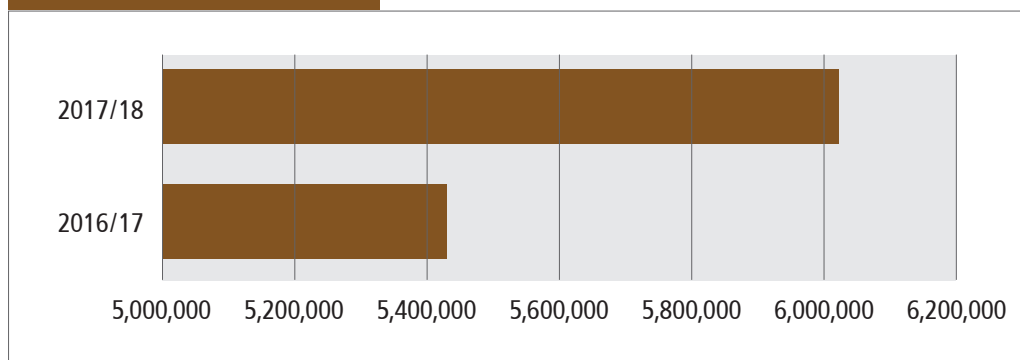
The Licences and Permit Unit continued to facilitate air commerce activities. The unit processed four hundred and twenty-two (422) licences and permit applications, at an average efficiency rate of over 95%. However, the number of applications declined over the previous financial year.

Over the past three years, a decline of 25% in commercial operations was largely attributed to extended renewal licensing periods. Additionally, fewer applications were received from ad hoc and demand charter operators. Overflight and landing permit applications declined by 33%, reflecting the need for fewer visitations by state aircraft representatives.

PASSENGER MOVEMENT

The decline in applications did not dampen the demand on passenger movements through the island's two (2) main international airports. Instead, a 10.9% increase in passenger movements was recorded for the 2017-18 year, when compared with the previous period. Augmenting this performance was the transportation of three thousand one hundred (3,100) passengers on twenty-three (23) chartered flights, who arrived from two (2) new North American destinations. These were, namely, London, Ontario and Lansing, Michigan.

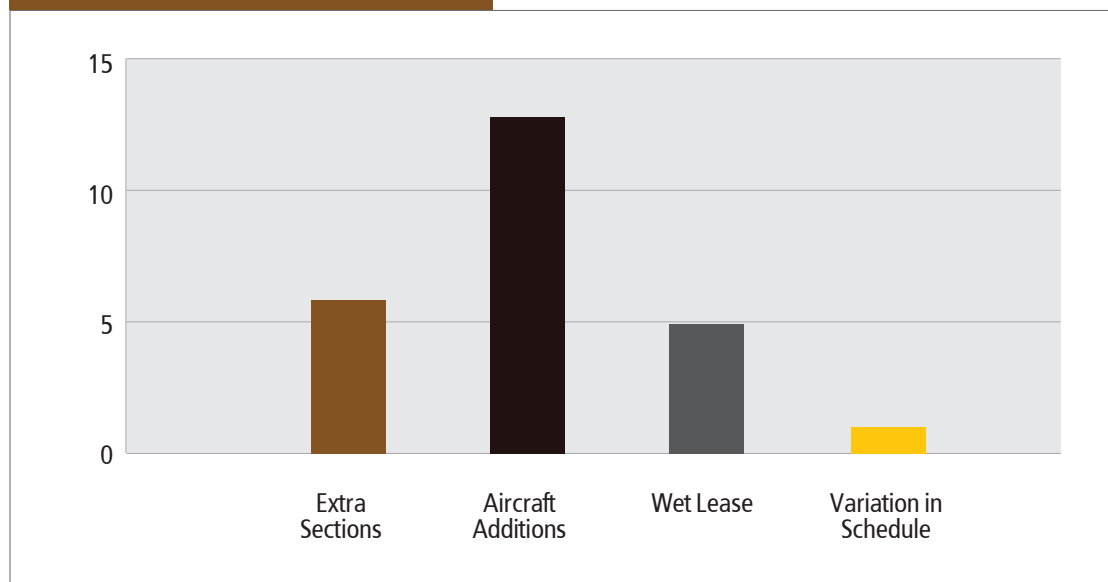
Passenger Movement



Another twenty-five (25) requests were received for commercial aircraft operators to maintain their current schedules or increase their schedule of operations. These were facilitated through the approvals of wet lease operations, extra section

flights and applications for the addition of aircraft. Clearances were also granted for nine (9) flights to provide airlift and humanitarian relief services to Caribbean States who were impacted by hurricanes over the past financial year.

Other Commercial Approvals



SUPPORTING THE GOVERNMENT OF JAMAICA'S AIR POLICY OBJECTIVES

The JCAA supported the Government of Jamaica's liberalized air policy directives, in concert with the Ministry of Transport and Mining and other agencies of Government. The listed entities worked collaboratively to negotiate liberalized air services agreements that facilitated direct connectivity with other states.

In this regard, representatives of the Economic Regulation department participated in fifteen (15) meetings, convened at the ICAO Air Services Negotiation Event (ICAN 2017) held in Colombo, Sri Lanka. This resulted in the signing of two (2) Air Services Agreements (ASA) with Sri Lanka and Finland, the initialling of nine (9) documents in the form of ASA/MOU/Agreed Minutes and four (4) courtesy meetings. Many of the negotiated agreements, while not finalised, may be administratively applied in the interim, where an airline of one or more of the states desires to commence operations.

Comments and technical input were provided for five (5) other Air Services Agreements during the year. This included the CARICOM Multinational Air Services Agreement, which seeks to liberalize air services between CARICOM Member States, in accordance with the Revised Treaty of Chaguaramas.

Other efforts to facilitate direct air connectivity involved the Authority's customer-centric processing of operational requests, which were beyond the scope of the current bilateral air services agreements. These included twenty-seven (27) approvals, which were sought and received from the Ministry of Transport and Mining. The approvals were critical to facilitating airlift services for special events, tourism, trade, investment and other business interests. Such applications originated from regions, including the United Kingdom (UK), the European Union (EU), North America and the Caribbean.



AIRPORT REGULATION ACTIVITIES

The Jamaica Civil Aviation Authority (JCAA) provided economic regulatory oversight for the island's two scheduled airports, in accordance with the Airport (Economic Regulation) Act, 2002. Over the year in review, the Economic Regulation department undertook initiatives to fulfil the requirement for a five (5)-yearly review of airport charges, as a core mandate of the Authority.

In setting the scene for this quinquennial review, which commenced in 2018, airport operators and their stakeholders were consulted to determine their contemporary issues and concerns, as well as the major issues with which they were likely to be confronted, in the upcoming five years. Analyses of airports outturns versus projections were conducted. The process and results were captured in a report, and a regulatory model developed to guide the airport operators' input in the review process. These tasks were undertaken with the assistance of an international economic consulting firm.

AVIATION STATISTICS

The JCAA's Economic Regulation department collected, stored and disseminated aviation statistics for use by stakeholders across the local,

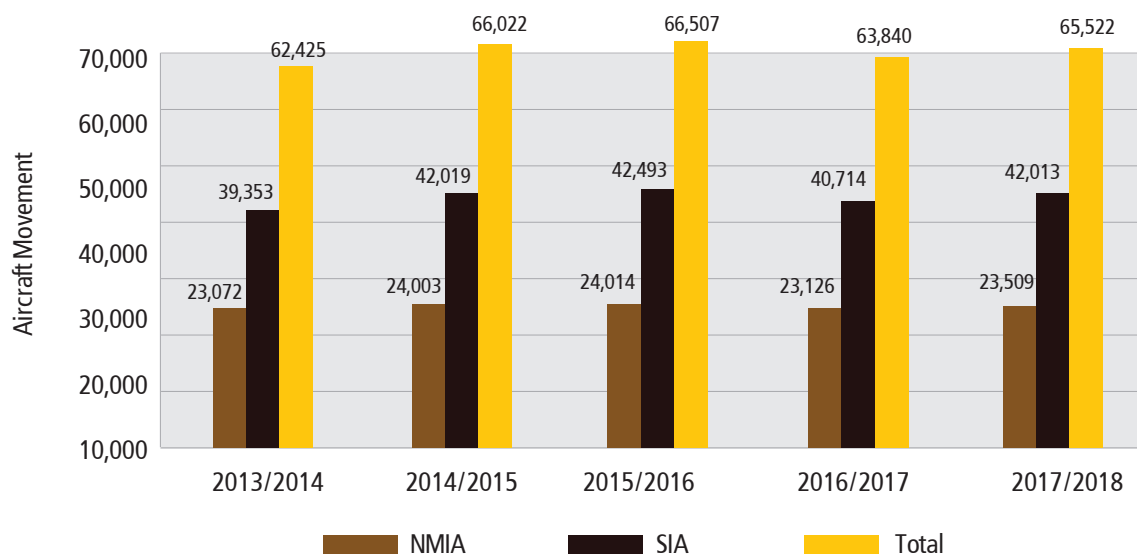
regional and international aviation environments. This data continued to be critical for assisting evidence-based and data-driven decision-making in the conduct of aviation activities. In discharging its functions, the Statistics Unit of the Department was, however, hampered by delays in recruiting a Statistics Officer. This resulted in just over 53% of the planned 70% data submission target being achieved.

AIRCRAFT MOVEMENTS OVER THE 2017-18 YEAR

During the year, aggregate aircraft movement at the island's two major international airports declined by 2.57%. While there was a 1.95% increase in aircraft movements at the Sangster International Airport, Norman Manley International Airport experienced a 10.57% decline in aircraft movements over the period.

In contrast, aggregate passenger movements through the airports increased by 10.94%. This was enabled by an 11.77% increase in passenger movements at the Sangster International Airport and an 8.82% increase at the Norman Manley International Airport.

Aircraft Movement: Jamaica's Major International Airports April 2012 - March 2018

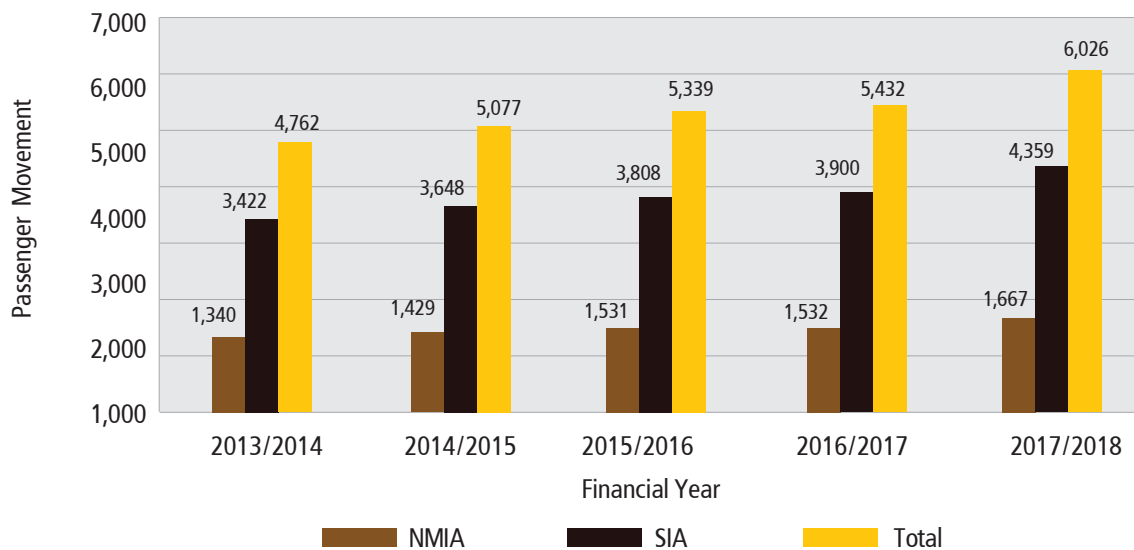


ACCOMMODATION OF OVERFLIGHT ACTIVITIES

There was negligible decline in the aggregate movement of aircraft transiting the Kingston

Flight Information Region (KFIR). The number of overflights registered for the 2017-18 year was 0.2% less than the preceding year.

Passenger Movements: Jamaica's Major International Airports April 2013 - March 2018

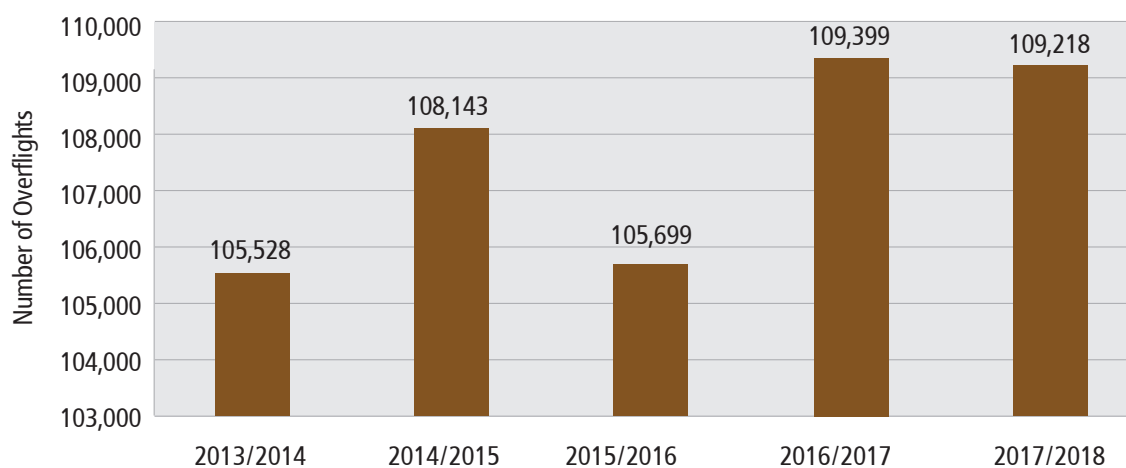


ENVIRONMENTAL STEWARDSHIP

Jamaica's environmental stewardship efforts, for the reporting period, were undertaken in the context of the International Civil Aviation

Organisation's (ICAO's) Resolution A39-3, which facilitated the adoption of a Global Market-Based Measure (MBM) for the reduction of aviation-related carbon emissions by contracting ICAO

Overflights April 2012 - March 2018



states. The resolution has required states, including Jamaica, to participate in a Carbon Offsetting and Reduction Scheme for International Civil Aviation (CORSIA), on a phased basis. States are encouraged to voluntarily participate in the pilot phase, commencing 2021 through to 2023.

In accordance with CORSIA's strategic objective of achieving carbon neutral growth, commencing in the year 2020, the Minister of Transport & Mining supported the JCAA's decision to participate in the pilot and first phases of the project. Jamaica's decision, which also accords with the objectives of the Paris Convention, was communicated to ICAO before the deadline of June 30, 2017. Our submission was acknowledged and accepted by the ICAO Secretary General.

Additionally, over the 2017-18 year, the JCAA spearheaded the implementation of the ICAO/UNDP/Global Environment Facility (GEF) Solar-at-Gate Electrification project to reduce aviation emissions at the airport. The JCAA was instrumental with regard to the provision of data, contract review and acceptance processes, arrangements for project management oversight, and the design and validation of a re-positioning plan to eliminate the potential effect of glare from solar panels on aircraft operations.

As a result, Jamaica's two, main international airports benefited from the installation of Pre-Conditioned Air and Ground Power Units (GPU) at each of the airports' highest activity gate. The installation of the equipment enabled solar power solutions for aircraft parked at the gates. This system was further augmented at the Norman Manley International Airport (NMIA) by the installation of three hundred and twenty-seven (327) solar panels, covering twenty-eight (28) parking spaces, as well as a cable, capable of producing 100kw of clean electricity.

Based on the projections developed over the reporting period, the environmental 'saving' projected from eliminating fuel burn at Gate 1 of the NMIA is expected to be five hundred and twenty-two (522) tonnes of CO₂ emissions per annum. At the end of the reporting period, the commissioning of the project and ensuing benefits were anticipated for April 2018.





AIR NAVIGATION SERVICES



EXECUTIVE SUMMARY

With a plethora of projects and activities earmarked for delivery or completion over the 2017-2018 year, the reporting period was a very challenging, yet rewarding one for the JCAA's Air Navigation Services (ANS) department. The department successfully executed and completed the modernisation of all radar systems, the Air Traffic Services (ATS) automation system and the Voice Control & Communication System (VCCS). These projects were seminal to the JCAA's modernisation and efficiency enhancement efforts, as they encompassed critical equipment and systems used by our Air Traffic controllers to control traffic within Jamaica's airspace.

The above-referenced turnkey project was undertaken by the JCAA at an approximate cost of J\$2.14 billion. Significantly, it constituted the largest project of its kind, ever to be undertaken in the history of the Authority, utilising in-house talent and expertise. Following the development of technical specifications by the JCAA, the project was successfully executed, with assistance from the ICAO Technical Cooperation Bureau (TCB).

Phase one of the project, which lasted for 24 months, approximately, involved the transitioning of Air Traffic Control operations to a state-of-the art simulator room, specially designed for training, as well as carrying live air traffic. This transfer created the latitude for the Thales team to upgrade the Kingston Air Traffic Control Centre (KATCC).

Mother nature, however, intervened and KATCC's operations, at the main centre, were impacted by a lightning strike that occurred on September 8, 2017. The simulator room sustained minimal damage and limited air-traffic services resumed from that area on September 10, 2017.

Efforts to refurbish the KATCC were expedited, while the JCAA simultaneously effected upgrades to the Mount Denham radar. The projects were completed in January 2018, thereby facilitating the relocation of Air Traffic Services to the KATCC. The concerns related to radar data loss from the failure of the microwave network were resolved, with the simultaneous transfer of radar data to the KATCC

via Metronet service. This significant achievement by the JCAA team was part of the strategic plan to significantly improve system reliability, availability and overall safety.

ATM MODERNISATION

As a result of the ATM modernisation programme, Jamaica is, again, the leading Caribbean hub, in terms of its ability to provide world class service to the aviation industry. The ATS Interoperability Data Communication (AIDC) feature, which is an element of the modernisation process, will also allow for the automatic hand-off of aircraft, while decreasing the work load for Air Traffic Controllers.

To activate the AIDC capability of the "Topsky" automation system, the JCAA conducted extensive tests with other states to facilitate the implementation. The necessary test rig was established and AIDC tests initiated with Panama, Columbia, Honduras and Cuba. The most advanced testing was conducted with Cuba, as it was anticipated that AIDC between Jamaica and Cuba would take place in the short term. With the establishment of radar data-sharing between Jamaica, Cuba, COCESNA and the Cayman Islands, strengthened by the presence of remote Push-to-Talk (PTT) radio communication, Jamaica will be able to resolve challenges related to poor radio and radar coverage in the Southwest section of the Flight Information Region (FIR), which has been a longstanding concern. Given the related components, Jamaica is on target to achieve the time-specific modules of the ICAO Aviation System Block Upgrades (ASBU) methodology, which will enhance the safety, efficiency and interoperability of the regional and global airspaces.

Jamaica is pleased with its progress to date and remains keen on maintaining the success of the implementation process, as it acts as a catalyst for the achievement of this global initiative.

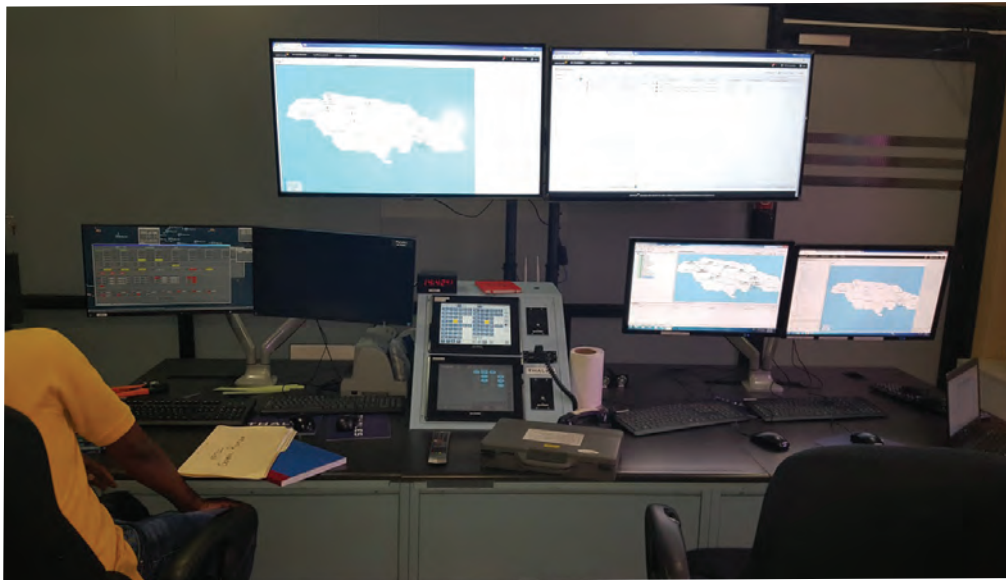


MICROWAVE RADIO NETWORK

The microwave radio network performed favourably over the 2017/2018 fiscal year. There was, however, an increase in network failures between June and September 2017, due to increased lightning activity as a result of the hurricane season.

An in-depth system analysis was conducted and it was determined that, although site-ground

resistance, as well as electrical ground resistance measurements were generally at the required standard, the electronic grounding was not. Due to the state-of-the-art electronics components used in these radios, it was determined that extensive work on the electronic ground network will be expedited at key sites. This work is earmarked for completion by the end of the first quarter of the 2018-19 financial year.

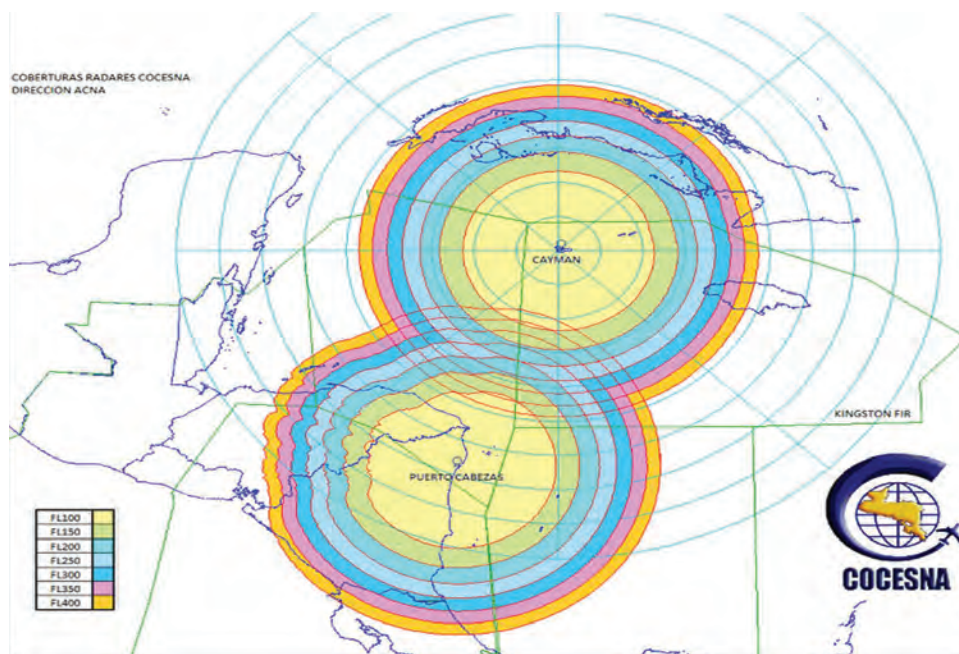


Another success story for the Air Navigation Services (ANS) department was the successful completion of the Network Operation & Control Centre (NOCC). Critical site status data is now being routed, in real time, to the NOCC, via the microwave radio network. The system now alerts technicians to the status of electrical power, battery voltage level, fuel level and instances of unauthorized access to the site. This remote monitoring capability is extremely important, as 80% of faults at these sites are power-related and the NOCC enables technicians to respond to faults, before they become service affecting.

RADAR DATA SHARING

A collaborative effort between several technical departments at the JCAA allowed for the successful negotiation of a radar data sharing, and remote Push-to-Talk (PTT) services agreement with COCESNA, over the period under review. Radar Data Sharing has been established as a key strategy to enhance airspace safety, because of concerns related to visibility and monitoring of the southwest tip of our Flight Information Region (FIR). Radar data sharing has also been explored, more generally, as a result of the clear advantages of a collaborative approach.

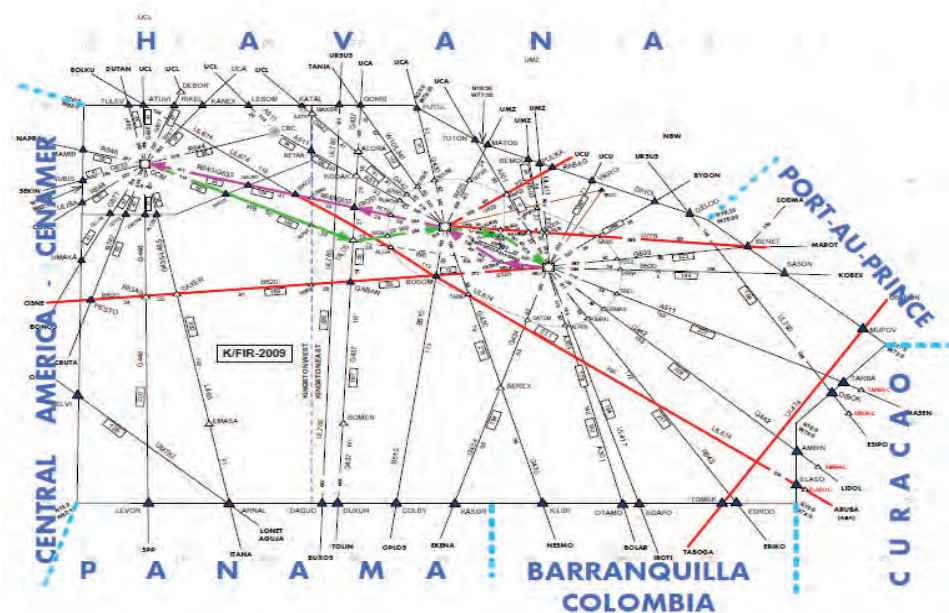




RADAR COVERAGE MAP: COCESNA

The above diagram shows the coverage map of both the Puerto Cabezas (PZA), Nicaragua and Cayman Islands radars. As a result, the southwestern section of Jamaica's Flight Information Region (FIR) is now adequately covered, following months of extensive Transmission Control Protocol/Internet

Protocol (TCP/IP) testing between engineers from the JCAA's Communications, Navigation and Surveillance (CNS) department and COCESNA engineers. This approach, coupled with flexibility from the routers that were configured via the MEVA III network, enabled remote keying of an Air to Ground (A-G) radio located in Puerto Cabezas (PZA).

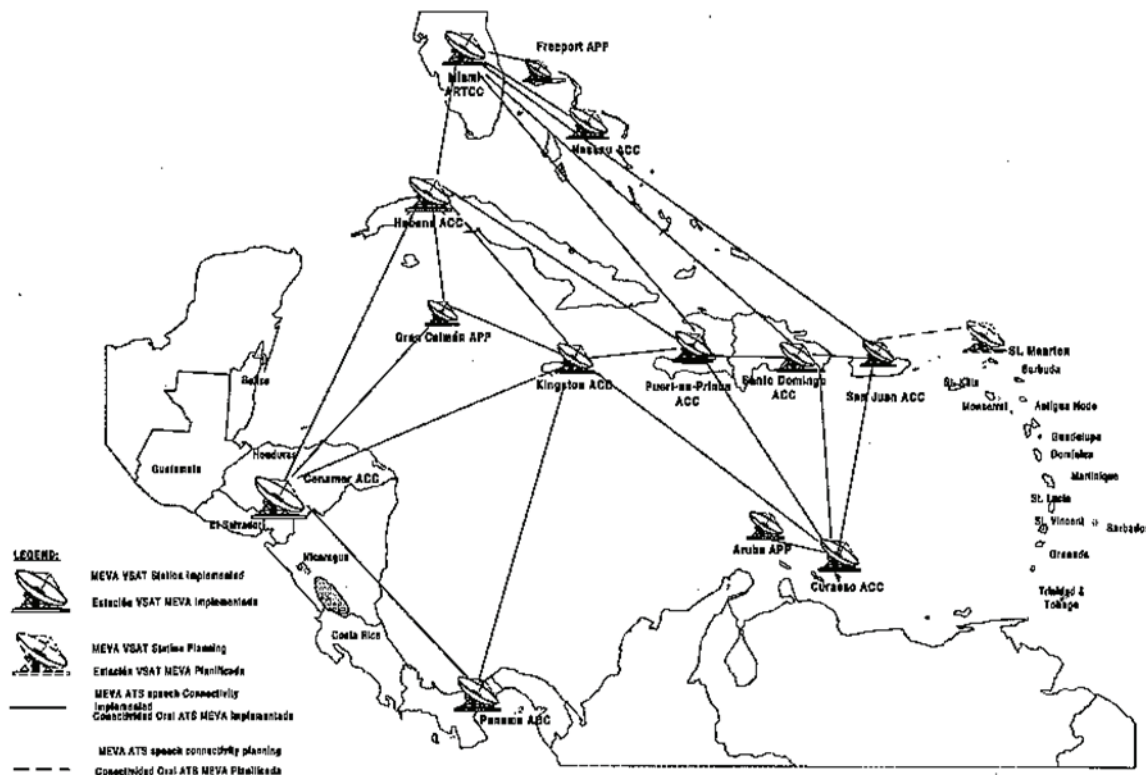


The radar data sharing test results were encouraging and the FIR map above clearly shows an aircraft appearing on radar 40 miles from the transition point ARNAL at maximum strength 5/5. VHF communication was previously poor in the area indicated by the blue circular arrows. However, this challenge is being overcome with the introduction of radar data sharing arrangements.

MEVA III NETWORK

The MEVA III network performed creditably over the period under review. MEVA III is a private satellite network that facilitates quick and efficient communication between adjacent FIRs to enable the safe handing off of aircraft.

This performance was facilitated by the successful transition from the Aeronautical Fixed Telecommunication Network (AFTN) to a TCP/IP-based Aeronautical Message Handling System (AMHS), as a major achievement. Pursuant to the upgrade of the MEVA network to MEVA III, the latter now takes advantage of TCP/IP technology, as opposed to the outdated and obsolete X.25 end-to-end protocol of the AFTN, which will no longer be supported by the United States' Federal Aviation Administration (FAA) by September 2018.



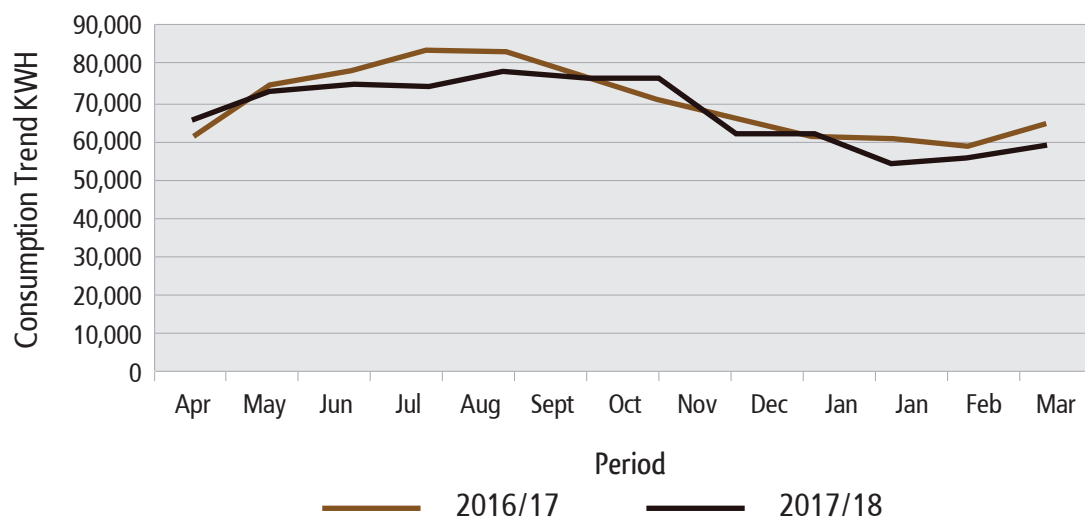
THE GOJ'S ENERGY EFFICIENCY CONSERVATION PROGRAMME (EECP)

The Energy Efficiency Conservation Programme (EECP) programme was substantially completed at the end of March 2018, with the "cool roof" solution applied and the inverter-type, energy-

efficient A/C units installed on all three of the JCAA's Winchester Road buildings. Based on an energy audit commissioned by the Ministry of Science, Energy & Technology (MSTEM) in 2010, the JCAA was among the top four high-energy users, when compared with other government entities.



Consumption Trend Comparison Analysis: 2016/2017 - 2017/2018



The comparison of consumption for the 2016-2017 and 2017-2018 periods shows a very encouraging trend. Indeed, the consumption trend for January 2017 – March 2018 shows a reduction, when compared with the January 2016 – March 2017 period. As an example, when the month of March 2017 is compared with March 2018, a 7.9% decrease or 4,956 KWH less is consumed. This positive trend can be strengthened to achieve even greater energy consumption efficiency, with general staff support and the implementation of an energy conservation programme.

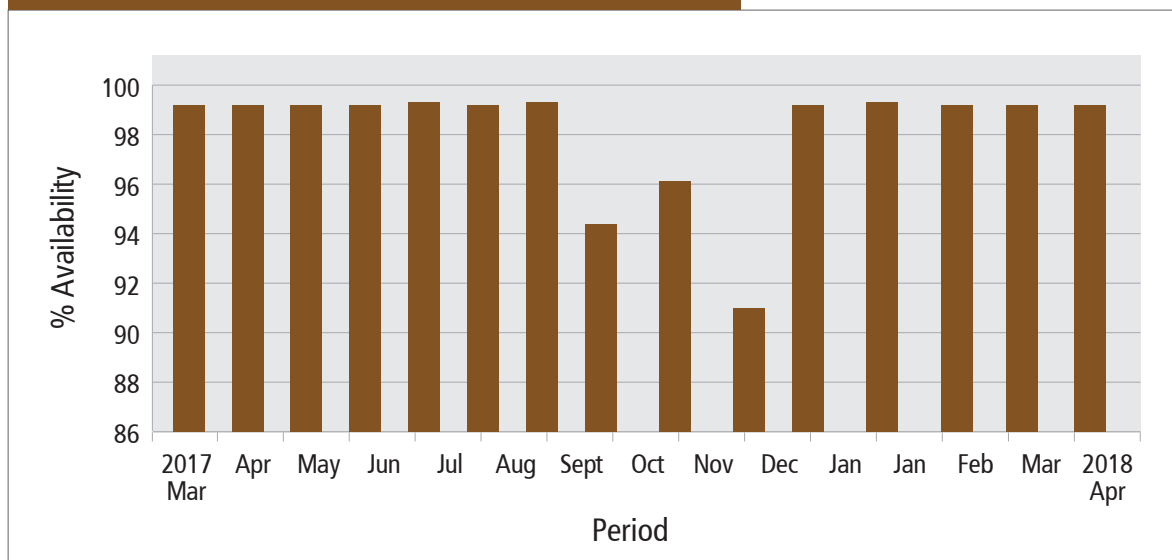
EQUIPMENT MAINTENANCE

Prior to the implementation of the new ATM equipment and systems and pending the completion of the programme for replacing the aged infrastructure, some success was achieved from

ongoing efforts to stabilise equipment availability and performance. However, the lightning strike of September 2017 severely impacted the interim gains, and also required significant adjustments to the timetable for implementing the JCAA's modernisation programme. This adjustment was propitious, as it precipitated significant strides and the expedition of upgrade and equipment reliability initiatives between November 2017 and January 2018.

As a corollary to the implementation of the expedited ATM modernisation programme over the past financial year, there was, therefore, significant improvement in the availability performance of critical communications, navigation and surveillance equipment by the end of the financial year.

Systems Availability: April 2016 – March 2017



The graph above clearly shows the immediate impact on availability performance in September 2017, as a result of the devastating effects of the lightning strike, which disrupted the provision of air traffic management services. There was also low availability during the months of October and November 2017, as a result of performance-related challenges from the aged Doppler VHF Omni-Directional Range/Distance Measuring Equipment (DVOR/DME) at the NMIA and other equipment.

Following the implementation of the modernisation programme, equipment availability and performance have stabilised and remains positive.

AIR TRAFFIC MANAGEMENT (ATM) SERVICES

The Strategic Goals (SG) for the Air Traffic Services (ATS) component of the Air Navigation Services Division, over the April 1, 2017 – March 31, 2018 period were:



- SG.1 – Security, Safety & Innovation in Aviation
- SG.2 – Efficiency in Civil Aviation through Capacity Development & Modernisation of Infrastructure and Technology
- SG.3 – Operational Stewardship
- SG.4 – Local, Regional & Global Leadership through Participation & Collaboration

Accordingly, the report on this section entails a review of related areas, including Training, Air Traffic Control (ATC) Occurrences/Incidents, Traffic Movement, the implementation of Air Traffic Flow Management, the new Sangster International Airport (SIA) Tower Project and the Air Navigation Services Modernisation Project that occurred during the period.

DEVELOPMENTAL TRAINING

Over the reporting period, several training initiatives were undertaken within the Air Traffic Services unit to boost its efficiency in civil aviation, through the capacity development of our team members. At the Kingston Air Traffic Control Centre (KATCC), training was focused on achieving additional ratings and validating ratings.

The below list indicates all the training courses and conferences in which Air Traffic Services personnel participated, during the period:

- The Civil Air Navigation Services Organisation (CANSO) Air Traffic Flow Management (ATFM) Data Exchange Network for the Americas (CADENA) Operational Information System Development Meeting - Virginia, USA, April 3 – 4, 2017
- Annual Middle Managers Conference, Jamaica Pegasus – April 25-26, 2017.
- International Air Transport Association (IATA) Corporate Risk Management Course, Courtleigh Hotel and Suites, Jamaica, May 15 – 19, 2017
- Airports Council International (ACI) Runway Incursion Awareness & Prevention Training, Sangster International Airport, May 15 – 17, 2017
- TopSky Operators' Training (including Train-the-Trainer and Off-Line Operational Training elements), JCAA Headquarters, April 2017 – May 2017
- 4th CANSO ATFM Data Exchange Network for the Americas (CADENA) RIG Meeting, June 6 – 8, 2017

- Supervisory Management Workshop hosted by Human Resource Management Association of Jamaica, June 21 – 22, 2017
- Jamaica Employers Federation (JEF) Seminar, June 27 – 28, 2017
- Airports Council International (ACI) Safety Management Systems Training Course (offered through MBJ Airports Limited), July 3 – 7, 2017
- First Aid/CPR Training, JCAA Head Office, July 4 – 5, and July 11 – 12, 2017
- Budget Preparation and Management Course, Management Institute for National Development (MIND), July 10 – 12, 2017
- Airport Council International (ACI) Annex 14 Course, Montego Bay, Jamaica, August 14 – 18, 2017
- Leadership Development & Succession Planning Course, August 14 – 18, 2017, IATA Training Centre, Miami, Florida.
- Document Control Course, IATA Training Centre, Miami Florida, August 28 – 31, 2017
- Search & Rescue Administration Course, Singapore Aviation Academy, August 14 – 25, 2017
- Security, Risk & Crisis Management, IATA Training Centre, Miami, U.S., Miami, August 28 – September 1, 2017
- 8th South American (SAM) Meeting, Air Traffic Services (ATS) Routes Network Optimisation in Lima, Peru, September 11 – 12, 2017
- Jamaica Employers Federation (JEF) Communications & Presentation Skills Course, October 18 – 19, 2017
- 5th Civil Air Navigation Services Organisation (CANSO) Air Traffic Flow Management (ATFM) Data Exchange Network for the Americas (CADENA) Regional Implementation Group (RIG) Meeting, Rio de Janeiro, Brazil, October 17 – 18, 2017
- MIND Supervisory Management Course, September – November 2017
- Jamaica Employers' Federation (JEF) workshop themed "Improving Your Managerial Skills & Effectiveness", October 23 – 24, 2017
- Aeronautical Information Management (AIM) Course, Singapore Aviation Academy, November 20 – 24, 2017
- TopSky ATM training, November 23-24, 2017
- International Air Transport Association (IATA) Advanced Safety Management Systems (SMS) in Civil Aviation Course, Training & Development Institute, Miami, December 11 – 15, 2017



ATC OCCURRENCES

In order to maintain a safe and efficient system in Air Traffic Services, the department set a target safety level of less than six (<6) ATC occurrences, for the period. This accorded with the ICAO international safety target standard of 0.005 accidents/incidences per million aircraft movements (5 X 10⁻⁹).

For the period, there were no reported Air Traffic Control occurrences that fell within the category of Aircraft Proximity (AIRPROX) hazard. As defined by ICAO Doc 4444: Procedures for Navigation Services – Air Traffic Management (PANS-ATM), an AIRPROX is a situation in which the opinion of a pilot or air traffic services personnel is that the distance between aircraft, as well as their relative positions and speed, have been such that the safety of the aircraft may have been compromised.

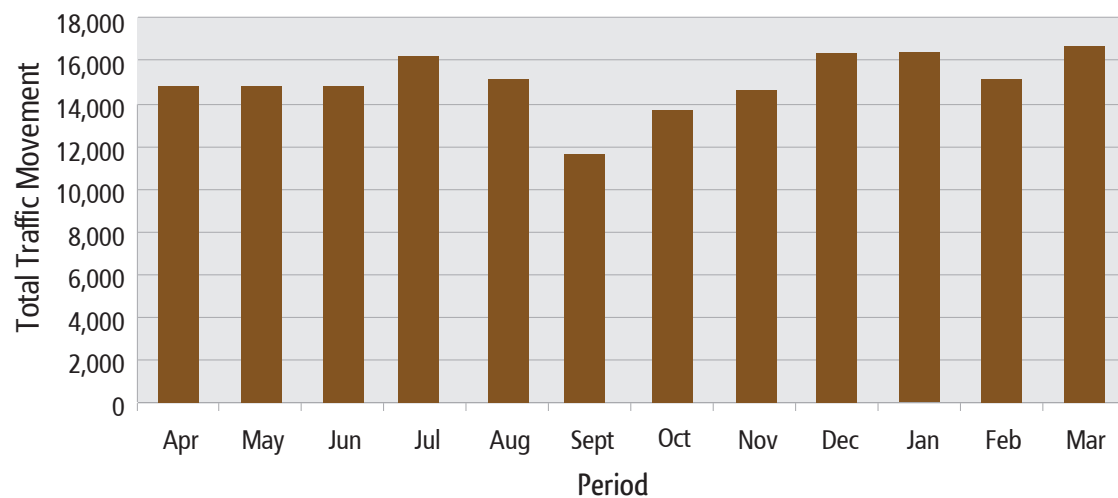
AIR TRAFFIC MOVEMENT

Air Traffic Movement for the period totalled 180,234 flights, with March 2018 recording the highest movements at 16,618 movements and September 2017 the lowest at 11,526 flights. The major reason for the drastic decline in September 2017 was the

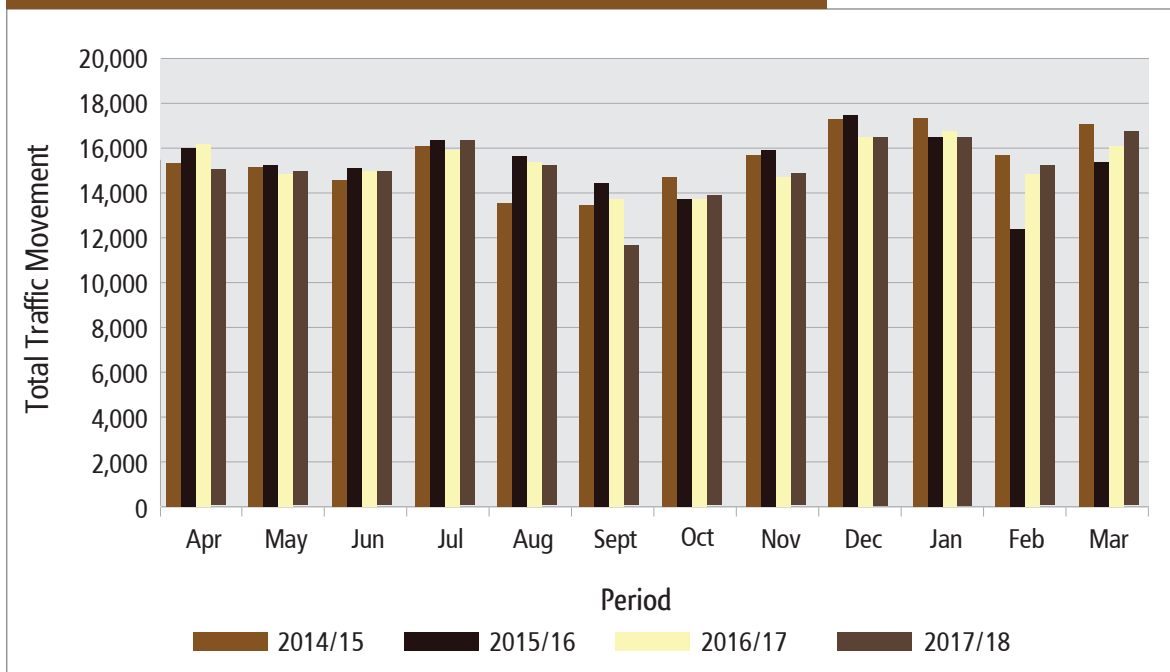
lightning strike of September 8, 2017. This event resulted in the disruption of Air Traffic Services for approximately 48 hours. It also resulted in traffic restrictions being implemented to assist with the safe transition to the TopSky ATM system.

The referenced restrictions were adjusted progressively over the period October 2017 to February 2018 and were eventually lifted in March 2018. The total air traffic movement of 180,234 is 1% lower than the corresponding period of April 2016 – March 2017, which experienced 182,260 movements. Impacted by the previously described developments, the trend was contrary to the ICAO Caribbean/South American (CAR/SAM) Regional Traffic projection of between 4.5 – 8% growth per annum, as developed at the Ninth Meeting of the CAR/SAM Traffic Forecasting Group (CAR/SAM TFG). With the effects of the disruption considered, the projection is that traffic volume for the period April 2018 – March 2019 will be 187,444 movements.

Total Traffic Movement: April 2017 - March 2018



Total Traffic Movement: FY 2014/2015 - 2017/2018



NEW AIR TRAFFIC CONTROL TOWER OPERATIONALISED AT SANGSTER INTERNATIONAL AIRPORT

The new Air Traffic Control Tower at Sangster International Airport was completed over the period. The issues regarding the volatility of the power supply to the facility and the adverse impact

on some equipment were resolved by utilizing power directly from the Jamaica Public Services (JPS) Company Ltd. Additionally, as the JCAA undertook the project to procure direct access to the JPS's power supply, the entire electrical grounding for the facility was reconductored, and the transformer relocated.



New Air Traffic Control Tower at Sangster International Airport





The entire project, which involved the installation of the new transformer and subsequent wiring of the facility to accommodate direct electricity from JPS, was completed on September 16, 2017. Subsequent to this development, the building was powered by the JCAA's electricians on September 19, 2017. The redesign and upgrade of the grounding and lightning protection system for the tower was successful and enabled the recertification of the facility by the Government Electrical Inspectorate (GEI).

On October 16, 2017, a team from Intelcan Technosystems Inc., the contracted Communications, Navigation & Surveillance/Air Traffic Management (CNS/ATM) and Airport Infrastructure provider, commenced the assessment process to validate the readiness of the SIA Tower equipment. The firm also conducted training for sixteen (16) Air Traffic Control (ATC) personnel on the Voice Communication and Control System (VCCS). Additionally, the IT Department installed the new Voice over Internet Protocol (VoIP) Private Branch Exchange (PBX) system and internet service at the new SIA Control Tower.

Parallel operations at the new SIA Control Tower commenced on December 4, 2017, with a skeletal team of management and reserve personnel manning the operations. Air Traffic Control (ATC) personnel commenced occupation of the tower on December 8, 2017. The hours of parallel operation at the new Tower gradually increased from two to eight hours, as more persons were exposed to the operations.

Cutover to the new Sangster International Air Traffic Control Tower was achieved on December 23, 2017, following provisional approval by the JCAA's Flight Safety Division. With the submission of all relevant documents, full operational approval was obtained from the Flight Safety Division on January 12, 2018. To commemorate this important milestone, the Authority commenced preparations for the official opening of the new SIA Tower, early in the 2018-2019 financial year.

JAMAICA OFFERS ENHANCED AIR NAVIGATION SERVICES (ANS) ENVIRONMENT WITH NEW NMIA AND SIA TOWERS

The NMIA and SIA towers, which are now in full operation, feature a redesigned communication infrastructure that includes fibre optic broadband services. As a part of the strategic plan to maintain connectivity between the KATCC and the NMIA, in the event of a disruption to the microwave network during severe weather and other conditions, a third-layer fibre optic cable was installed between the NMIA control tower and the KATCC through the NMIA radar.

During the period under review, extensive work was also conducted on a contingency room designed to carry Enroute and Approach Control service in the event that Air Traffic Control operations is disrupted in the KATCC.

At the end of the reporting period, work was also advanced with radar targets from all three radars being displayed on the "Topsky" ATM automation system in the tower. Work was also ongoing to make Air to Ground (A-G) radio communication possible, by the end of the 2nd Quarter of the 2018-2019 year.

AIR NAVIGATION SERVICES MODERNISATION PROJECT

The Air Navigation Services Modernisation project, which commenced in the previous financial year, was substantially completed over the 2017-18 year. During this period, Thales installed the consoles and other supporting Air Traffic Management (ATM) equipment at the Civil Aviation Authority Training Institute (CAATI).

Additionally, a technical team was empanelled to assist in the development of a dynamic flight progress strip and other system customisation components, as required to make the TopSky Air Traffic Management (ATM) System easier to use by the Air Traffic Controllers.

Operator training for the TopSky ATM commenced on April 28, 2017. The 3-day training sessions were conducted in groups of sixteen (16)





candidates. Tutoring by Thales was conducted over the April 28 – May 12, 2017 period. Further training for remaining team members was conducted by local personnel, certified by Thales experts, after their successful completion of the Train-the-trainer course.

The first draft of the Transition, Risk Assessment and Hazard Plan for the temporary relocation of the Kingston Air Traffic Control Centre (KATCC) operations from the permanent location to the CAATI Simulator room was completed in May 2017. Further adjustments were made to the plan, prior to submission to the Flight Safety Division in June 2017.

The technical team continued the customisation work on the ATM system at the temporary Kingston Air Traffic Control Centre located at CAATI. A series of technical analyses or system tests was conducted in June 2017. This led to the implementation of improvements relative to the operational configuration, as the JCAA ensured the safe transition of operations.

Further to the conduct of live tests on the Voice Communication and Control System (VCCS) and the TopSky ATM system, the Air Traffic Services (ATS) Department requested and was granted approval, by the Flight Safety Division, to commence the next phase of the project. This phase involved the provision of On-The-Job Training (OJT), by a trained team of ATS personnel, to all operational staff of the KATCC. The training encompassed the use of the new VCCS and TopSky ATM system features and tools and was conducted from June 19 – July 7, 2017.

The technical team completed most of the customisation work on the ATM system at the temporary KATCC, located at CAATI, in July 2017. This facilitated the transition, which occurred during the latter part of August 2017.

The Topsky On-The-Job Training (OJT) exercise for ATC operations commenced on August 21, 2017 in the new CAATI simulator room. To manage any equipment failure or other unforeseen situations during training periods, operations were shadowed

by a team predominantly comprising management personnel. TopSky ATM On-The-Job training was completed on November 3, 2017.

Following the completion of training, the focus of the Air Navigation Services Modernisation project shifted to retrofitting the old Kingston Air Traffic Control Centre with the new TopSky equipment. Additionally, the facility was upgraded to include a Network Operations Control Centre (NOCC) to allow for remote monitoring of all the ANS facilities and a more proactive approach to handling potential problems with these facilities.



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INFORMATION TECHNOLOGY

Throughout the period under review, the Information Technology (I.T.) Department maintained a consistent pace of service delivery and project execution. The Department's achievement against several Key Performance Indicators (KPIs) is available to substantiate the progress facilitated and the trajectory of year-on-year improvement.

The I.T. Help Desk celebrated its first year of operation with impressive performance measurement results. A total of 1,541 tickets was opened by employees of the Authority and all were by the IT Team. These tickets represent I.T. Support requests from all areas of the Authority & the AEROTEL Finance Department. Based on the responses, there was an 86% positive user rating. The negatively rated tickets accounted for 10% and represented opportunities for learning & improvement in service delivery.

The I.T. Team was organized into three main disciplines (Governance, Applications and Infrastructure) to accord with the focus areas of the 2017-18 Departmental Operational Plan. An infrastructure team was charged with the maintenance and deployment of the core I.T. Infrastructure, to include network interconnectivity, server availability and desktop support services. The Applications discipline supported the services with which users directly interact. Finally, the Governance discipline established the strategy for the Department, managing the pace of delivery and interfacing with the Authority & external

entities. This separation of skill sets allowed the Department to follow a three-pronged approach to the implementation of projects identified in the Operational Plan. As a result, 76% of the Departments goals were achieved, which was a substantial increase from the 57% achievement in the prior year.

Figure 1 describes the Department's three-pronged approach. The projects accomplished under Infrastructure focused on the replacement of obsolete or depreciated technology. The theme for the Applications and Governance areas was *Simplify, Enable or Innovate*. Each activity was geared towards simplifying work processes, enabling users to be more effective and/or introducing innovative technologies to the Authority.

A noteworthy process enhancement was the elimination of approximately thirty-two (32) hours per month of manual labour from the Finance Department and the Director General's Office. The integration of the new payroll system with our general ledger eliminated 16 hours per month of paper-based processing. A further sixteen (16) hours of paper handling was recovered with the introduction of the Diligent Board service to automate the production & distribution of the Board Papers.



Projects Accomplished by I.T.

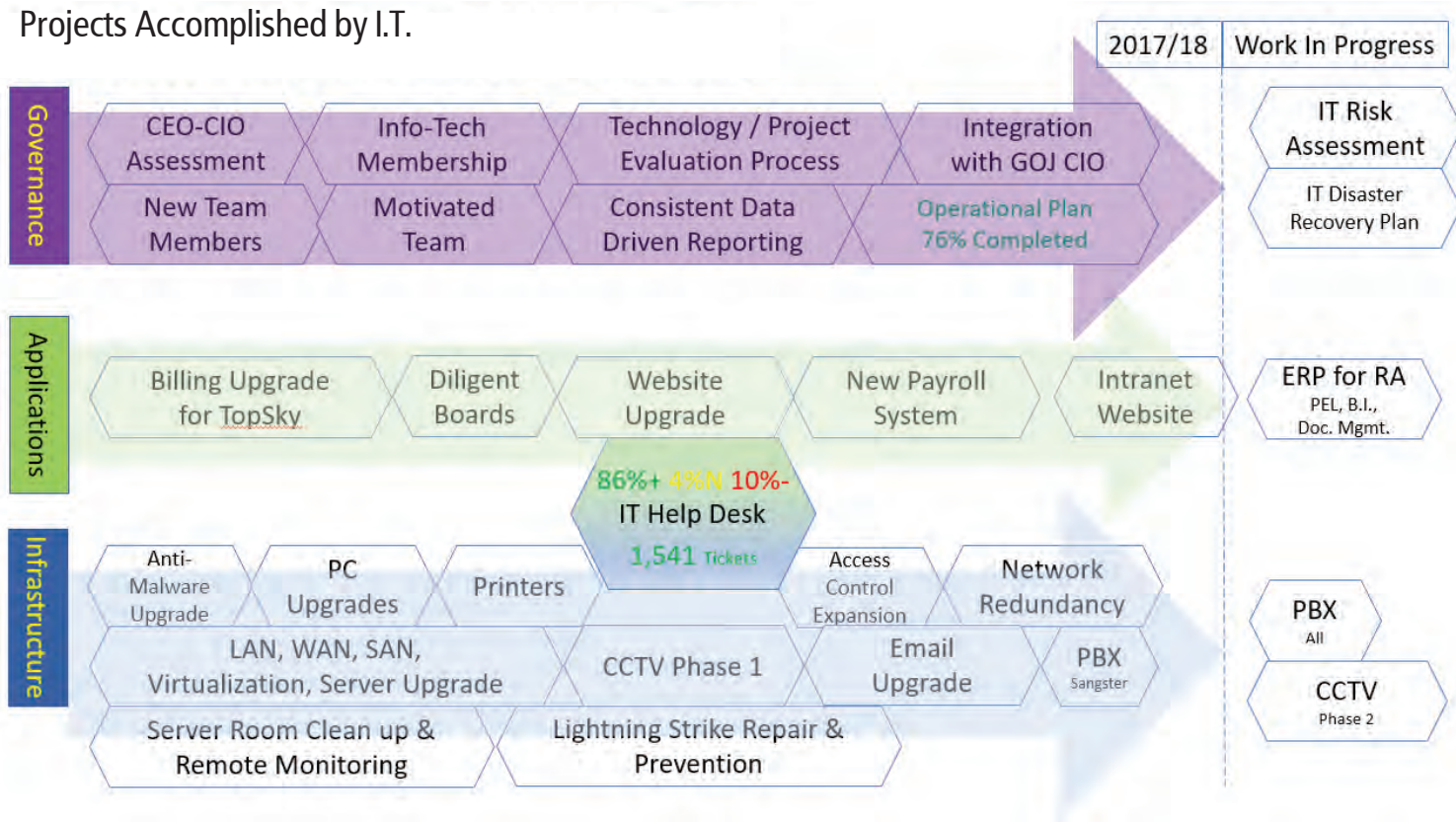


Figure 1 17/18 IT Strategy in Action





HUMAN RESOURCE



OVERVIEW OF STRATEGIC SUPPORT ACTIVITIES FOR THE 2017-18 YEAR

Over the 2017-18 year, the JCAA's Human Resource department progressed in its efforts to fulfil the unit's strategic support role, as it relates to the JCAA's corporate and operational goals. Activities were, therefore, focused on ensuring the competence and competitiveness of the Authority's human resources, as well as their adaptability, empowerment and resourcefulness to meet their individual growth and development aspirations, as well as the sustainability and developmental needs of the organisation.

As the Authority embarked on a series of technological upgrades to its infrastructure to increase efficiency, the department also supported the implementation of major projects, and significant emphasis was placed on implementing and supporting training initiatives to develop the skills of technical staff.

The HR Department also continued to pursue significant changes to the JCAA's staffing establishment, in consultation with the Ministry of Finance and Public Service. Deliverables included the addition of new posts and the upgrade of existing posts, in a context of new and upgraded manpower requirements.

The Authority continued to provide opportunities for motivating staff and rewarding performance through upward mobility, among other incentives.

STAFF MOBILITY & EMPLOYMENT

In fulfilment of the specific manpower requirements stipulated by Jamaica's Civil Aviation Regulations, 2012, as well as to align business strategies with international best practices in the aviation industry, the JCAA obtained approval for the following changes to its staffing establishment:

| DIVISION/DEPARTMENT | NEW POSTS | UPGRADED | RETITLED |
|----------------------------|-----------|----------|----------|
| Air Navigation Services | 12 | 3 | 3 |
| Corporate Services (CAATI) | 5 | 1 | - |
| Finance | 1 | - | - |
| Total | 18 | 4 | 3 |

A stable staff turn-over rate was enjoyed during the period April 2017 – March 2018 and the table

below illustrates a profile of the employment data:

| ACTION | NUMBER OF PERSONS |
|--|-------------------|
| Employment · New · Temporary | 7 16 |
| Promotion · Air Traffic Control Staff · Administrative & Other Staff | 5 6 |
| Resignation | 5 |
| Retirement | 3 |
| Other (Expiration of Contract/Termination/Death) | 2 |





TRAINING & DEVELOPMENT

Our training and development goal was to ensure that staff members in every Department were exposed to some developmental activity. This was achieved.

In keeping with the JCAA's vision of providing an appropriate environment for the growth, development and professional enhancement of its staff, one hundred and thirty-five (135) employees completed training locally and seventy (70) employees attended courses, workshops, meetings, seminars and conferences overseas.

Local training included:

- Corporate Risk Management
- Civil Aviation Management
- Transformational Leadership
- Emotional Intelligence
- Strategic & Corporate Planning
- Runway Incursion Awareness and Prevention
- Supervisory Management
- Safety Management Systems
- Working with Annex 14 - Global Safety Network
- Aerodrome Auditing & Compliance
- Art of Public Speaking
- Certified Business Continuity Strategist
- Introduction to Geographic Information System (GIS)
- ITIL Foundation for IT Service Management
- Civil Aviation Cyber Security Workshop
- Effective Corporate Governance

Overseas training, meetings and conferences included:

- Safety Management Systems for Civil Aviation
- Aviation Leaders Programme in Public Policy
- Leadership Development & Succession Planning Course
- Advanced Procedures for Air Navigation Services – Operations
- Civil Aviation Management
- Aeronautical Information Management
- Search & Rescue Administrator
- International Air Law Course
- Advanced Safety Management Systems for Civil Aviation

- Aircraft Accident Investigation
- Document Control Systems Course
- Security Risk & Crisis Management Course
- TSA Screener Technology & Emerging Threats Identification Training
- Quality Management Systems (QMS) for Civil Aviation Authorities (CAAs) and Air Navigation Service Providers (ANSPs)
- Air Traffic Flow Management (ATFM) Basic Training

EDUCATION ASSISTANCE

The JCAA assisted staff members in their independent quest for self-development, by providing education loans, grants and scholarships and reimbursing the tuition fees paid for various degrees.

The JCAA also continued to provide support to children of employees, through the provision of tuition assistance for educational pursuits at the secondary and tertiary levels.

STAFF WELFARE

The JCAA remained cognizant of the need to provide an enabling work environment, which recognizes and rewards the knowledge, skills and abilities of its human resources, while continuing to provide a comprehensive compensation and benefits programme. Additionally, the JCAA continued to institute holistic programmes, geared towards facilitating a work-life balance through enabling initiatives, such as an Aftercare Programme for employees' children.

Other support initiatives included the provision of a variety of employee loans, maintaining a robust Health and Wellness Programme, and spearheading ongoing efforts to improve existing employee benefits.

WELLNESS

The JCAA sought to improve the health and well-being of staff by facilitating their active engagement in two (2) major road races. A part-time Gym Instructor was also contracted to serve at the Headquarters, while the Authority partnered with the canteen concessionaire to provide healthy meal options for staff members. The contract for



the provision of gym facilities for employees in Montego Bay was also renewed with improved benefits.

Additionally, wellness checks were facilitated to provide staff with information on their health status in critical areas. This will become an annual event on the Authority's wellness calendar.

EMPLOYEE RELATIONS

The JCAA continued to stage opportunities for staff to interact with each other and hosted a number of events during the year.

SPORTING TEAMS

Joint AEROTEL/JCAA sporting teams in netball, football and basketball were supported throughout their participation in respective competitions.

INDUSTRIAL RELATIONS

There was an active industrial relations climate during the 2017-18 year. Significant effort was made to address matters when they arose and initiatives taken to preempt others before they escalated.

The Collective Bargaining process for the period 2015-2017 proved to be robust and Wage and Fringe Benefits Claims were settled for all four (4) Associations/Unions, after a protracted period.

OCCUPATIONAL SAFETY AND HEALTH (OSH)

Work on the Occupational Safety and Health (OSH) programme continued during the year, in order to achieve the following objectives:

- To provide a safe and healthy workplace for employees, contractors and clients.
- To continuously improve the management and standard of the OSH systems in the workplace
- To reinforce a culture of safe working practices at the Authority.
- To reduce or eliminate workplace incidents, injuries and illnesses
- To promote the welfare of employees

A risk assessment was conducted for the JCAA's Headquarters and air quality assessments were conducted in specific locations. The Authority also sought to build the capacity of staff through OSH sensitisation sessions.



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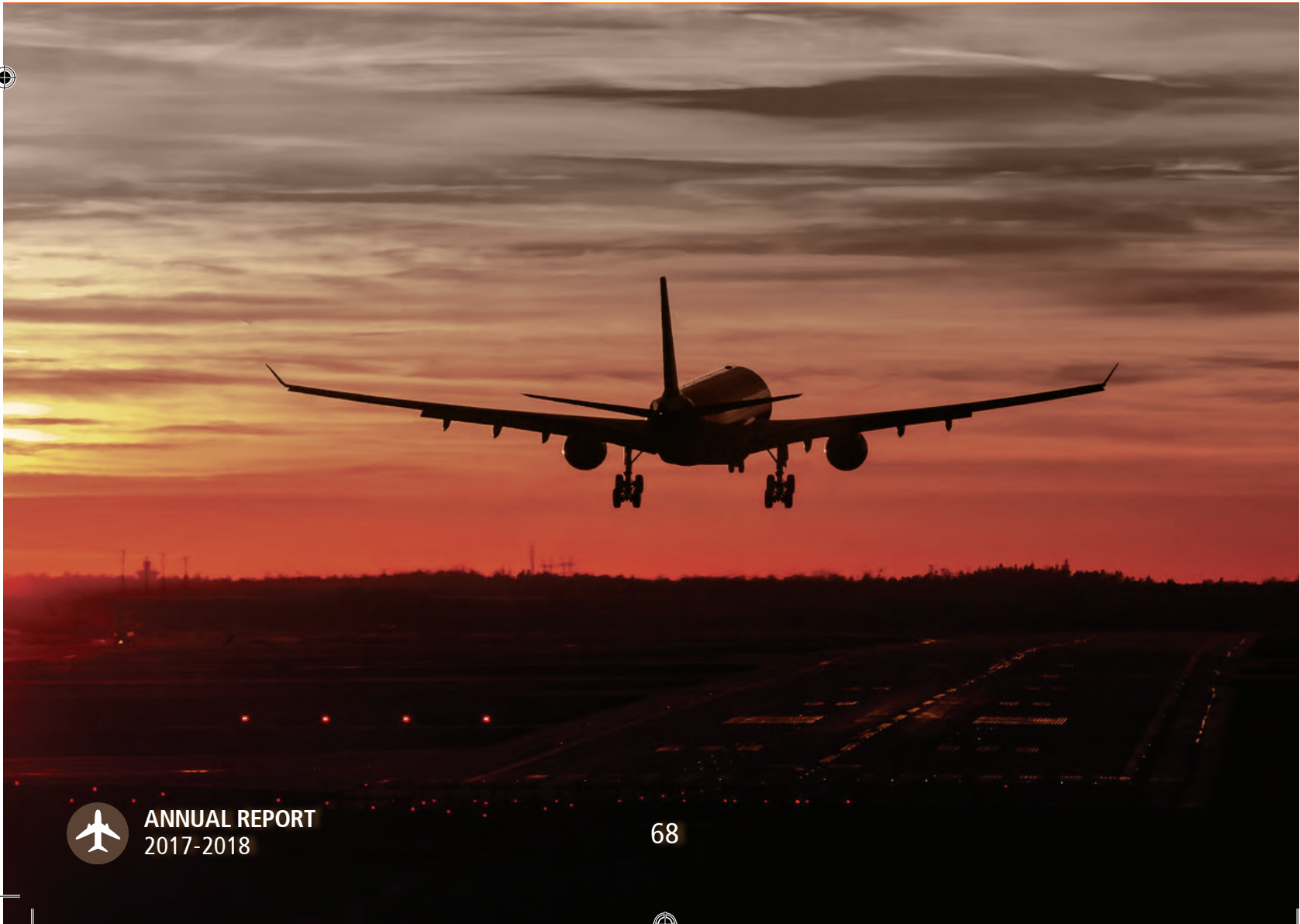


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CIVIL AVIATION
AUTHORITY
TRAINING INSTITUTE
(CAATI)



THE JAMAICA CIVIL AVIATION AUTHORITY TRAINING INSTITUTE (CAATI)

Over the 2017-18 year, the Civil Aviation Authority Training Institute (CAATI) of the Jamaica Civil Aviation Authority (JCAA) progressed in its provision of world-class training to Air Traffic Controllers (ATC) and other personnel, who collaborate to provide safe, efficient and sustainable air navigation services to the local, regional and international air transportation industries.

Through training activities, the development and delivery of Standardized Training Packages (STPs) and associated capacity building events, the Institute continued to fulfil the needs of numerous aviation stakeholders and entities. The latter included Air Traffic Services (ATS) personnel, Aeronautical Information Services Officers (AISO) and Air Navigation Service (ANS) personnel.

EXPANDING CAATI

CAATI's thrust to develop training in general aviation and administration, over the year, was strengthened through the successful delivery of a number of courses to local and regional participants. Courses were delivered as follows:

- Aeronautical Information Services (AIS) Officers' Initial Training (AISO IT) Course to fifteen (15) trainee Officers, following their recruitment
- Basic Air Traffic Services (BATS) Course fifty-four (54) non-Air Traffic Control (non-ATC)

staff members and industry personnel. The participants included personnel from the Norman Manley International Airport (NMIA) and the Ministry of Transport and Mining

- ICAO Training Developers Course (TDC) to fifteen (15) participants from Suriname, the Airports Authority of Jamaica Ltd. and five (5) departments within the JCAA
- On-the-Job Training Instructor Seminar to seventeen (17) participants from the Norman Manley and Sangster International Airport Towers and the Kingston Air Traffic Control Centre (KATCC)
- ICAO On-The-Job Training (OJT) Instructor Course to thirty-two (32) participants from the NMIA, JCAA and AEROTEL
- ICAO Training Instructors Course (TIC) to twenty-seven (27) participants from Curacao, the Meteorological Service of Jamaica, Guardsman Group, Global Aviation Solutions, AEROTEL, NMIA, Port Security Corps and Guyana Civil Aviation Authority
- Training Needs Analysis (TNA) methodology course to four (4) Senior Management and Training personnel
- ICAO Post-Training Evaluation (PTE) Course to eleven (11) participants

The table below details the training schedule of courses delivered and delivery dates, over the April 2017 – May 2018 period.

| Course Name | Date of Delivery |
|---|------------------------|
| Basic Air Traffic Services (BATS) Course | Apr 3 – 7, 2017 |
| ICAO Training Instructors Course (TIC) | May 1 – 5, 2017 |
| Aeronautical Information Services (AIS) Officers' Initial Training (AISO IT) Course | Sept 25 – Nov 30, 2017 |
| ICAO Post-Training Evaluation (PTE) | Oct 30 – Nov 3, 2017 |
| Training Needs Analysis (TNA) Methodology Course | Nov 6 – 8, 2018 |
| Basic Air Traffic Services (BATS) Course | Jan 22 – 26, 2018 |
| ICAO Training Developers Course (TDC) | Feb 5 – 16, 2018 |
| On-The-Job Training (OJT) Seminar | Feb 19 – 20, 2018 |
| On-The-Job Training (OJT) Seminar | Feb 22 – 23, 2018 |
| ICAO On-The-Job Training Instructors (OJTI) Course | Feb 26 – Mar 5, 2018 |
| ICAO On-The-Job Training Instructors (OJTI) Course | Mar 5 – 9, 2018 |





These training activities precipitated the expansion of CAATI's curriculum to accommodate the delivery of other aviation related courses, while extending training opportunities to the wider regional aviation community.

CAATI's local offering of the above courses resulted in cost savings for the JCAA, as it reduced the need for international travel, while taking advantage of the economies of scale resulting from the ability to accommodate more internal stakeholders and local personnel in each course.

CAATI'S CONTINUED ADOPTION OF ICAO'S INTERNATIONAL TRAINING STANDARDS

CAATI's commitment to assisting the standardisation of aviation training globally, ensured the implementation of best practices and processes for the sustenance of a safe, efficient and reliable global aviation industry. This commitment led to CAATI's, and by extension Jamaica's, selection as the first Institute to host ICAO Experts from Montreal, to present the first ICAO TRAINAIR Plus Programme (TPP) and Post-Training Evaluation Course. This training event, which was deemed a success, was convened in November 2017.

The ICAO TPP was conducted using the Flight Data Processors' (FDP) Standardized Training Package (STP) that was created by CAATI in 2015. This STP continues to serve as the ideal template for other STP creators, and as a guide for Validators who

approve STPs. In 2018, CAATI was contacted for approval to use another of the Institute's STPs in the creation of examinations for upgrading ICAO Validators.

During the reporting period, CAATI also continued the development of two (2) STPs for Check Pilot and the Initial Training Course for AIS Officers. One (1) STP was completed during this period, thereby enabling the renewal of TRAINAIR Plus membership. With the completion of this STP, there was also the certification of our trainee Course Developer to the status of ICAO Qualified Course Developer (IQCD). This development brought the total number of IQCDs in Jamaica to four (4). This figure is higher than that of many TPP members. CAATI is committed to increasing this number by assisting other trained Course Developers, both internal and external to the JCAA, to create STPs which facilitate the transition to IQCD.





Key Performance Indicators

JCAA Departmental KPIs for the year 2017/2018 Key Results Area (KRA) - To Maintain Financial Self-Sufficiency

| Key Performance Indicators | | Targets | Achievements 2017/2018 |
|----------------------------|--|--|--|
| 1 | Growth in Operating Income | 6% | 4% Negatively impacted by lightning strike in September 2017, which damaged radar equipment and resulted in the closure of the airspace for several days. |
| 2 | Percentage collection of Air Navigation invoices | 95% | Average for FY - 96.72% |
| 3 | Percentage collection of PASC invoices | 100% | Average for FY - 99.41% |
| 4 | Return on Investments | 5.70% | 3.87% due to a fall in market interest rates |
| 5 | Timely Dispatch of Invoices | 5 Days after month end | Achieved |
| 6 | Reporting Deadlines: | | |
| | MOF: Net Credit Report | Within 1 week of each month end | Achieved |
| | MOF: Monthly Financials | By 2nd Thursday Monthly | By 2nd Friday Monthly |
| | MOF: Statement A | Within 3 weeks of each month end | Achieved |
| | MOF: Corporate Plan and Budget | By January 1, yearly | January 2, 2018 |
| | OCG: Qtr. Report | Within 4 weeks of Quarter end | Achieved |
| | MTW&H: Qtr. Performance Report | Within 2 weeks of Quarter end | Achieved |
| | Annual Statutory Returns | By March 30, yearly | Achieved. Though submitted April 3, 2018, TAJ extended due date to April 3, 2018, as March 30, 2018 was declared a Public Holiday. |
| | Audited Financial Statements | By June 30 | Achieved |
| 7 | Automate Purchase Requisition Process | Implemented by June 30, 2017 | Not Achieved |
| 8 | Utilize the electronic banking system for payment and minimize payments by cheque. | Full use of Electronic Banking System for all payments implemented by April 1, 2017. | Partial Implementation. The change of the Authority's main financial banking institution, as a result of the new GOJ financial arrangement, resulted in the delay of implementation. |
| 9 | Implement Web-Based E-payment System to facilitate online payment | Implemented by Q1 (2017/18) | Not Achieved |



Key Performance Indicators

Key Results Area (KRA) - Safe & Secure Aviation Industry

| Key Performance Indicators | | 2017/2018 Targets | Achievements 2017/2018 |
|----------------------------|--|---|--|
| 1 | Number of planned Inspections: | | |
| | Base Inspections | | |
| | -Operations | 10 | 4 |
| | -Airworthiness (AMOs) | 6 | 4 |
| | Ramp Inspections | | |
| | -Operations | 165 | 117 |
| | -Airworthiness | 78 | 90 |
| | Certificate of Airworthiness Inspections | 6 | 5 |
| | Air Operator Certificate (AOC) Inspections | 27 | 16 |
| | Approved Training Organisation (ATO) Inspections | 6 | 7 |
| | Aerodrome Audits & Inspections - Local | 50 | 34 |
| 2 | Foreign Air Operator Certificate(FAOC) Inspections | 10 | 10 |
| | Proficiency Checks | 27 | Not achieved Conducted by Company Check Pilots and DFTE |
| 3 | Aeronautical Information Services Audits and Facility Inspections | 8 | 3 |
| | Air Traffic Inspections | 26 | 20 |
| | Search and Rescue Facility Inspections | 7 | Not achieved |
| 4 | Hire of additional inspectors | Vacant posts filled with-in three (3) months | Two (2) inspectors recruited for the Flight Safety Department |
| 3 | Percentage Regulatory Oversight Surveillance of the Aviation Industry | 100% Training Plans developed and submitted to HR by end of Q3 | Achieved |
| 4 | Implementing the requirements of the Universal Safety Oversight Audit Programme (USOAP) and the Universal Security Audit Programme (USAP) Corrective Plans | Amendment of legislation to reduce the lack of effective implementation for enforcement | Amendment process is ongoing. Contemplation underway regarding modification of the legislation to include Unmanned Aerial Vehicles. |





Key Performance Indicators

Key Results Area (KRA) - To Maintain a Safe Air Navigation Service

| Key Performance Indicators | | 2017/2018 Targets | Achievements 2017/2018 |
|----------------------------|--|--|---|
| 1 | Target Level of Safety | To maintain and keep above ICAO's Target Safety Level of 0.005 accidents per million aircraft movements (5 X 10 ⁻⁹) ATC Incident Target - less than 6 per annum | Achieved |
| 2 | Sign agreements for surveillance data sharing with adjacent FIRs | Radar-sharing with COCESNA | As at March 31, 2018, the Radar Data Sharing Agreement between COCESNA was at the final stage prior to signing. COCESNA's review of the contract was to be completed and finalized. |
| 3 | Reconfiguration of AIS to AIM | Merge AIS & OEPD Units (AIM results) Recruit and train new AIS and other staff Strengthen relationship between MET & ANS Division | 12 new staff members for AIS recruited. ICAO STP AIS course developed and classroom training completed for new recruits. On-the-job training started. Preferred bidder for provision of software for the AIS to AIM project selected and related contract signed on March 31, 2018 |
| 4 | Implementation of upgraded Automation system | Implement and operationalise TopSky Air Traffic Management (ATM) System | New TopSky system implemented and operationalised. Training delivered to the relevant staff members |



Key Performance Indicators

Key Results Area (KRA) - Maintenance of the Communications, Navigation & Surveillance (CNS) Network

| Key Performance Indicators | | 2017/2018 Targets | Achievements 2017/2019 |
|----------------------------|---|---|--|
| 1 | Maintenance of Communications, Surveillance & Navigation Equipment | 99.9% Service Availability | Average availability - 98.27% |
| 2 | Establishing a framework for the servicing of CNS Network with strategic partner AEROTEL | Establishment of a new maintenance schedule for improved service in the FY | All targeted inspections completed |
| 3 | ANS Modernisation Programme implemented | Replace and upgrade major components of the Authority's Communications, Navigation and Surveillance (CNS) systems | <p>All three (3) radars upgraded – Norwood, Manley and Mount Denham</p> <p>New TopSky Air Traffic Management (ATM) System implemented and operationalised following training of staff regarding the use of the new system</p> <p>Parallel operations started from new Air Traffic Control Tower at the SIA</p> <p>Instrument Landing System at SIA installed and commissioned into service</p> <p>AUTOTRAC software and hardware upgraded to facilitate the integration and display of ADS-B and Radar targets on SDD VCCS (Voice Control Communication Switch)</p> <p>Network Operation Control Centre (NOCC) established. Key components such as the installation of standby generators at key remote sites were completed</p> |
| 4 | Reduction of electricity costs at Winchester Road | Replace all central A/C with inverter-type units in Accounts, CAATI and KATCC | Activity completed following the full cut-over to inverter-type air conditioning units and the application of a cool-roof solution on buildings at the Authority's head office |
| 5 | Utilisation of Dark Fiber from cellular companies through the Ministry's rights of passage agreement with the Cellular companies to create an alternative communication underground path to surface communication in the event of a catastrophic disaster | Establish fiber link between SIA and the KATCC via the NWA link along the N/S Highway | Fiber optic link between the new NMIA Control Tower, NMIA Radar and the KATCC completed |





Key Performance Indicators

KRA - Sustainable Economic Growth of Air Transport Industry

| Key Performance Indicators | | 2017/2018 Targets | 2017/2018 Achievement |
|----------------------------|--|---|--|
| 1 | Permission to Levy Airport Charges | Annual approvals granted by September | Achieved |
| 2 | Stage set for the next 5-year airport charges review | Consultation paper to Airport Operators and Stakeholders | Scene set for the commencement of Airport Tariff Review |
| 3 | Processing of Permits and Licenses application | 95% for Operations over 30 days 95% for Operations under 30 days | 20 of 21 or 95.23% efficiency 144 of 151 or 95.36% efficiency |
| 4 | Update of the State's Aviation Environmental Action Plan | Airport element implemented | Solar Electrification of airport gate completed |
| 5 | Revised Air Service Licenses & Permits Regulation | Technical inputs provided to the drafters of the Act/Regulation | Achieved |

KRA - Sustainable Economic Growth of Air Transport Industry

| Key Performance Indicators | | 2018/2019 Targets |
|----------------------------|---|---|
| 1 | Review of Airport Charges | Final Determination on maximum level of Airport Charges for the next five (5) years - July 2019 |
| 2 | Processing of Permits and Licenses application | 95% for Operations over 30 days 95% for Operations under 30 days |
| 3 | Impact of stakeholders action to reduce Co2 emissions | Track the results of stakeholders measures |
| 4 | Compliance with ICAO Statistics Programme | 70% Compliance |



Key Performance Indicators

Key Results Area (KRA) - To Maintain Financial Self-Sufficiency

| Key Performance Indicators | | Targets | Achievements 2017/2018 |
|----------------------------|--|--|--|
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| 9 | Implement Web-Based Epayment System to facilitate online payment | Implemented by Q1 (2017/18) | Not Achieved |





FINANCIAL STATEMENTS





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INDEPENDENT AUDITORS' REPORT

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To the Members of
Jamaica Civil Aviation Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jamaica Civil Aviation Authority ('the Authority') comprising the separate financial statements of the Authority and the consolidated financial statements of the Authority and its subsidiary ('the Group') set out on pages 4 to 54, which comprise the Group's and Authority's statement of financial position as at 31 March 2018, the Group's and Authority's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and Authority as at 31 March 2018, and the Group's and Authority's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Jamaican Companies Act.

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 Authority in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

The financial statements of the Group and the Authority for the year ended 31 March 2017 were audited by other independent auditors whose report dated 29 June 2017 expressed an unqualified opinion thereon.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

Partners: R.L. McFarlane, K.A. Wilson, S.M. McFarlane, J. Green-Hibbert, D. Hobson
Offices in Montego Bay, Mandeville and Ocho Rios
BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



**INDEPENDENT AUDITORS' REPORT (CONT'D)**

To the Members of
Jamaica Civil Aviation Authority

Other Information (cont'd)

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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.

- 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.





INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Jamaica Civil Aviation Authority

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

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

- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged 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.





INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Jamaica Civil Aviation Authority

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 kept, 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, for the subsidiary, in the manner required.

A handwritten signature in black ink, appearing to read 'BDO', is written over the printed name 'BDO'.

Chartered Accountants

28 June 2018





Financial Statements

JAMAICA CIVIL AVIATION AUTHORITY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2018

| | <u>Note</u> | 2018 <u>\$'000</u> | 2017 <u>\$'000</u> |
|---|-------------|-----------------------|-----------------------|
| Air navigation fees | | 2,147,015 | 2,146,709 |
| Passenger aviation service charge | | 2,915,055 | 2,695,504 |
| Communication fees | | <u>269,778</u> | <u>268,427</u> |
| | | 5,331,848 | 5,110,640 |
| Amount transferred to consolidated fund | | <u>(4,854,382)</u> | <u>-</u> |
| | | 477,466 | 5,110,640 |
| GOJ subvention | 6(i) | 4,114,541 | - |
| Appropriation in aid - | 6(ii) | | |
| Communication fees | | 13,151 | 12,640 |
| Other operating income | 7 | <u>122,351</u> | <u>153,739</u> |
| Amount recognised as income | | <u>4,727,509</u> | <u>5,277,019</u> |
| EXPENSES: | | | |
| Administrative and other operating expenses | 8 | <u>(4,127,949)</u> | <u>(3,050,914)</u> |
| OPERATING SURPLUS | | 599,560 | 2,226,105 |
| Net finance (cost)/income | 9 | <u>(11,752)</u> | <u>517,255</u> |
| SURPLUS BEFORE TAXATION | | 587,808 | 2,743,360 |
| Taxation | 10 | <u>(20,661)</u> | <u>(42,019)</u> |
| SURPLUS FOR THE YEAR | | <u>567,147</u> | <u>2,701,341</u> |
| OTHER COMPREHENSIVE INCOME: | | | |
| Items that will not be reclassified to profit or loss - | | | |
| Remeasurement of employee benefits obligation | 21(g) | (160,684) | (887,700) |
| Gain on revaluation of property, plant and equipment | | - | 70,225 |
| Tax relating to employee benefits obligation | | <u>2,145</u> | <u>-</u> |
| | | <u>(158,539)</u> | <u>(817,475)</u> |
| TOTAL COMPREHENSIVE INCOME | | <u>408,608</u> | <u>1,883,866</u> |

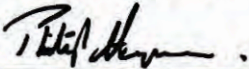


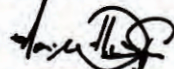
JAMAICA CIVIL AVIATION AUTHORITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 MARCH 2018

| | <u>Note</u> | <u>2018</u> <u>\$'000</u> | <u>2017</u> <u>\$'000</u> |
|---------------------------------------|-------------|------------------------------|------------------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 11 | 3,153,494 | 155,734 |
| Short term investments | 12 | 1,673,729 | 7,404,354 |
| Receivables | 13 | 860,401 | 936,656 |
| Other assets | 14 | 30,048 | 31,368 |
| Due from related party | 15 | - | 981 |
| | | <u>5,717,672</u> | <u>8,529,093</u> |
| NON-CURRENT ASSETS: | | | |
| Property, plant and equipment | 16 | 5,289,345 | 4,785,439 |
| Long-term investments | 17 | 91,377 | 94,615 |
| | | <u>5,380,722</u> | <u>4,880,054</u> |
| Total assets | | <u>11,098,394</u> | <u>13,409,147</u> |
| LIABILITIES AND RESERVES | | | |
| CURRENT LIABILITIES: | | | |
| Payables | 18 | 1,598,868 | 939,650 |
| Taxation payable | | 3,453 | 19,988 |
| Due to related party | 15 | 5,547 | - |
| | | <u>1,607,868</u> | <u>959,638</u> |
| NON-CURRENT LIABILITIES: | | | |
| Deferred income | 19 | 132,706 | 145,716 |
| Deferred tax liability | 20 | 27,786 | 17,747 |
| Post employment benefit obligation | 21 | 345,229 | 194,699 |
| | | <u>505,721</u> | <u>358,162</u> |
| RESERVE: | | | |
| Capital reserve | 22 | 629,340 | 629,340 |
| Revaluation reserve | 23 | 767,526 | 767,526 |
| Retained earnings | | <u>7,587,939</u> | <u>10,694,481</u> |
| | | <u>8,984,805</u> | <u>12,091,347</u> |
| Total liabilities and reserves | | <u>11,098,394</u> | <u>13,409,147</u> |

Approved for issue by the Board of Directors on 28 June 2018 and signed on its behalf:


 Phillip Henriques - Chairman


 Nari Williams-Singh - Director General





JAMAICA CIVIL AVIATION AUTHORITY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2018

| | <u>Note</u> | <u>Share Capital</u> \$'000 | <u>Revaluation Reserve</u> \$'000 | <u>Retained Earnings</u> \$'000 | <u>Total</u> \$'000 |
|---|-------------|------------------------------------|--|--|------------------------|
| BALANCE AT 1 APRIL 2016 | | <u>629,340</u> | <u>697,301</u> | <u>9,150,974</u> | <u>10,477,615</u> |
| TOTAL COMPREHENSIVE INCOME | | | | | |
| Surplus for the year | | - | - | 2,701,341 | 2,701,341 |
| Other comprehensive income: | | | | | |
| Gain on revaluation of property, plant and equipment | | - | 70,225 | - | 70,225 |
| Remeasurement of employee benefits obligation | 21 | <u>-</u> | <u>-</u> | <u>(887,700)</u> | <u>(887,700)</u> |
| | | <u>-</u> | <u>70,225</u> | <u>1,813,641</u> | <u>1,883,866</u> |
| TRANSACTION WITH OWNERS | | | | | |
| Normal distribution | 24 | <u>-</u> | <u>-</u> | <u>(270,134)</u> | <u>(270,134)</u> |
| BALANCE AT 31 MARCH 2017 | | <u>629,340</u> | <u>767,526</u> | <u>10,694,481</u> | <u>12,091,347</u> |
| TOTAL COMPREHENSIVE INCOME | | | | | |
| Surplus for the year | | - | - | 567,147 | 567,147 |
| Other comprehensive income: | | | | | |
| Tax relating to employee benefits obligation | | - | - | 2,145 | 2,145 |
| Remeasurement of employee benefits obligation | 21 | <u>-</u> | <u>-</u> | <u>(160,684)</u> | <u>(160,684)</u> |
| TOTAL COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> | <u>408,608</u> | <u>408,608</u> |
| TRANSACTION WITH OWNERS | | | | | |
| Normal distribution | 24 | <u>-</u> | <u>-</u> | <u>(16,545)</u> | <u>(16,545)</u> |
| Special distribution | 24 | <u>-</u> | <u>-</u> | <u>(3,498,605)</u> | <u>(3,498,605)</u> |
| | | <u>-</u> | <u>-</u> | <u>(3,515,150)</u> | <u>(3,515,150)</u> |
| BALANCE AT 31 MARCH 2018 | | <u>629,340</u> | <u>767,526</u> | <u>7,587,939</u> | <u>8,984,805</u> |



JAMAICA CIVIL AVIATION AUTHORITY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2018

| | 2018 <u>\$'000</u> | 2017 <u>\$'000</u> |
|---|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Surplus for the year | 567,147 | 2,701,341 |
| Items not affecting cash resources - | | |
| Effects of exchange rate translation | 23,797 | - |
| Depreciation | 192,750 | 169,863 |
| Taxation expense | 20,661 | 42,019 |
| Amortisation of deferred income | (13,010) | (13,010) |
| Interest income | (80,568) | (152,737) |
| Loss/(gain) disposal of property, plant and equipment | 22 | (1,069) |
| Employee benefits obligation | (10,154) | (140,267) |
| | <u>700,645</u> | <u>2,606,140</u> |
| Changes in operating assets and liabilities: | | |
| Other assets | 1,320 | (5,857) |
| Short term investments | 5,708,696 | (803,752) |
| Receivables | 56,761 | (40,404) |
| Payables | 659,200 | (46,369) |
| Due from related parties | <u>6,528</u> | <u>(270)</u> |
| | <u>7,133,150</u> | <u>1,709,488</u> |
| Taxation paid | (25,013) | (59,542) |
| Cash provided by operating activities | <u>7,108,137</u> | <u>1,649,946</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest received | 103,010 | 128,697 |
| Investments, net | 3,238 | (94,615) |
| Acquisition of property, plant and equipment | (696,684) | (1,588,155) |
| Proceeds from sale of property, plant and equipment | <u>8</u> | <u>1,239</u> |
| Cash used in investing activities | (590,428) | (1,552,834) |
| CASH FLOWS FROM FINANCING ACTIVITY: | | |
| Distribution to Ministry of Finance | (3,515,150) | (115,825) |
| Cash used in financing activity | (3,515,150) | (115,825) |
| INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 3,002,559 | (18,713) |
| Effects of exchange rate translation | (4,799) | - |
| Cash and cash equivalents at beginning of year | <u>155,734</u> | <u>174,447</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 11) | <u>3,153,494</u> | <u>155,734</u> |





JAMAICA CIVIL AVIATION AUTHORITY
AUTHORITY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2018

| | <u>Note</u> | 2018 <u>\$'000</u> | 2017 <u>\$'000</u> |
|--|-------------|-----------------------|-----------------------|
| Air navigation fees | | 2,147,015 | 2,146,709 |
| Passenger aviation service charge | | <u>2,707,367</u> | <u>2,501,332</u> |
| | | 4,854,382 | 4,648,041 |
| Amount transferred to consolidated fund | | <u>(4,854,382)</u> | <u>-</u> |
| | | - | 4,648,041 |
| GOJ subvention | 6(i) | 4,114,541 | - |
| Appropriation in aid - | 6(ii) | | |
| Communication fees | | 13,151 | 12,640 |
| Other operating income | 7 | <u>92,110</u> | <u>110,211</u> |
| Amount recognised as income | | <u>4,219,802</u> | <u>4,770,892</u> |
| EXPENSES: | | | |
| Administrative and other operating expenses | 8 | <u>(3,622,145)</u> | <u>(2,674,892)</u> |
| OPERATING SURPLUS | | 597,657 | 2,096,000 |
| Net finance income | 9 | <u>(22,193)</u> | <u>463,725</u> |
| SURPLUS FOR THE YEAR | | 575,464 | 2,559,725 |
| OTHER COMPREHENSIVE INCOME: | | | |
| Item that will not be reclassified to profit or loss - | | | |
| Remeasurement of employee benefits obligation | | <u>(152,103)</u> | <u>(823,951)</u> |
| TOTAL COMPREHENSIVE INCOME | | <u>423,361</u> | <u>1,735,774</u> |

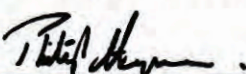



JAMAICA CIVIL AVIATION AUTHORITY
AUTHORITY STATEMENT OF FINANCIAL POSITION

31 MARCH 2018

| | <u>Note</u> | <u>2018</u> <u>\$'000</u> | <u>2017</u> <u>\$'000</u> |
|---------------------------------------|-------------|------------------------------|------------------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 11 | 3,063,269 | 82,201 |
| Short term investments | 12 | 1,218,756 | 6,846,640 |
| Receivables | 13 | 778,768 | 816,380 |
| Other assets | 14 | 17,565 | 18,768 |
| Due from related party | 15 | <u>17,173</u> | <u>981</u> |
| | | <u>5,095,531</u> | <u>7,764,970</u> |
| NON-CURRENT ASSETS: | | | |
| Property, plant and equipment | 16 | <u>4,925,042</u> | <u>4,417,399</u> |
| Total assets | | <u>10,020,573</u> | <u>12,182,369</u> |
| LIABILITIES AND RESERVES | | | |
| CURRENT LIABILITIES: | | | |
| Payables | 18 | 1,531,645 | 850,589 |
| Due to related parties | 15 | <u>109,356</u> | <u>3,045</u> |
| | | <u>1,641,001</u> | <u>853,634</u> |
| NON-CURRENT LIABILITIES: | | | |
| Deferred income | 19 | 132,706 | 145,716 |
| Post employment benefit obligation | 21 | <u>327,973</u> | <u>188,882</u> |
| | | <u>460,679</u> | <u>334,598</u> |
| RESERVES: | | | |
| Capital reserve | 22 | 629,340 | 629,340 |
| Revaluation reserve | 23 | 537,149 | 537,149 |
| Retained earnings | | <u>6,752,404</u> | <u>9,827,648</u> |
| Total liabilities and reserves | | <u>7,918,893</u> | <u>10,994,137</u> |
| | | <u>10,020,573</u> | <u>12,182,369</u> |

Approved for issue by the Board of Directors on 28 June 2018 and signed on its behalf:


 Phillip Henriques - Chairman


 Nari Williams-Singh - Director General





JAMAICA CIVIL AVIATION AUTHORITY
AUTHORITY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2018

| | <u>Note</u> | <u>Share Capital \$'000</u> | <u>Revaluation Reserve \$'000</u> | <u>Retained Earnings \$'000</u> | <u>Total \$'000</u> |
|--|-------------|-------------------------------------|---|---|-------------------------|
| Balance at 1 April 2016 | | <u>629,340</u> | <u>537,149</u> | <u>8,347,847</u> | <u>9,514,336</u> |
| TOTAL COMPREHENSIVE INCOME | | | | | |
| Surplus for the year | | - | - | 2,559,725 | 2,559,725 |
| Other comprehensive income | | | | | |
| Remeasurement of employee benefits obligation | 21 | <u>-</u> | <u>-</u> | <u>(823,951)</u> | <u>(823,951)</u> |
| | | <u>-</u> | <u>-</u> | <u>1,735,774</u> | <u>1,735,774</u> |
| TRANSACTION WITH OWNERS | | | | | |
| Authority (note 19) | | | | | |
| Normal distribution | 24 | <u>-</u> | <u>-</u> | <u>(255,973)</u> | <u>(255,973)</u> |
| BALANCE AT 31 MARCH 2017 | | <u>629,340</u> | <u>537,149</u> | <u>9,827,648</u> | <u>10,994,137</u> |
| TOTAL COMPREHENSIVE INCOME | | | | | |
| Surplus for the year | | - | - | 575,464 | 575,464 |
| Other comprehensive income | | | | | |
| Remeasurement of employee benefits obligation | 21 | <u>-</u> | <u>-</u> | <u>(152,103)</u> | <u>(152,103)</u> |
| | | <u>-</u> | <u>-</u> | <u>423,361</u> | <u>423,361</u> |
| TRANSACTION WITH OWNERS | | | | | |
| Special distribution | 24 | <u>-</u> | <u>-</u> | <u>(3,498,605)</u> | <u>(3,498,605)</u> |
| BALANCE AT 31 MARCH 2018 | | <u>629,340</u> | <u>537,149</u> | <u>6,752,404</u> | <u>7,918,893</u> |



JAMAICA CIVIL AVIATION AUTHORITY
AUTHORITY STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2018

| | 2018 <u>\$'000</u> | 2017 <u>\$'000</u> |
|---|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Surplus for the year | 423,361 | 2,559,725 |
| Items not affecting cash resources - | | |
| Effects of exchange rate translation | 15,985 | - |
| Depreciation | 166,628 | 156,166 |
| Amortisation of deferred income | (13,010) | (13,010) |
| Interest income | (70,127) | (140,125) |
| Gain disposal of property, plant and equipment | - | (1,067) |
| Employee benefits obligation | <u>139,091</u> | <u>(133,415)</u> |
| | 661,928 | 2,428,274 |
| Changes in operating assets and liabilities: | | |
| Other assets | 1,203 | (5,564) |
| Short term investments | 5,617,279 | (831,330) |
| Receivables | 11,768 | (45,930) |
| Payables | 681,056 | (60,980) |
| Due from related parties | <u>90,119</u> | <u>35,274</u> |
| Cash provided by operating activities | <u>7,063,353</u> | <u>1,519,744</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest received | 92,569 | 116,085 |
| Acquisition of property, plant and equipment | (674,271) | (1,537,277) |
| Proceeds from disposal of property, plant and equipment | <u>-</u> | <u>1,067</u> |
| Cash used in investing activities | <u>(581,702)</u> | <u>(1,420,125)</u> |
| CASH FLOWS FROM FINANCING ACTIVITY: | | |
| Distribution to Ministry of Finance | <u>(3,498,605)</u> | <u>(89,922)</u> |
| Cash used in financing activity | <u>(3,498,605)</u> | <u>(89,922)</u> |
| INCREASE IN CASH AND CASH EQUIVALENTS | 2,983,046 | 9,697 |
| Effect of exchange rate translation | (1,978) | - |
| Cash and cash equivalents at beginning of year | <u>82,201</u> | <u>72,504</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 11) | <u>3,063,269</u> | <u>82,201</u> |





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) Jamaica Civil Aviation Authority (the Authority) is a statutory body established by the Jamaica Civil Aviation (Amendment) Act 1995. The Authority is domiciled in Jamaica with registered office at 4 Winchester Avenue, Kingston 10, Jamaica.
- (b) The principal activities of the Authority are to regulate flight safety and provide air navigation and aeronautical services in Jamaica, in accordance with standards set by the International Civil Aviation Organization.

The Authority has a wholly-owned subsidiary, Aeronautical Telecommunications Limited, which is incorporated and domiciled in Jamaica. The subsidiary's principal activity is the provision of telecommunication services on behalf of the Government of Jamaica which includes the operation of a radio station "Kool FM". The Authority and its subsidiary are collectively referred to as the "group".

The Authority is exempt from income tax under Section 6(m) of the Civil Aviation Act. The subsidiary, Aeronautical Telecommunications Limited is a taxable entity.

2. REPORTING CURRENCY:

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the group operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the group's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented. Amounts are rounded to the nearest thousand, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), and have been prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment that are measured at revalued amounts. Additionally, the defined benefit asset is recognised as the fair value of plan assets less the present value of the defined benefit obligation. They are also prepared in accordance with requirements of the Jamaican Companies Act.



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

New, revised and amended standards and interpretations that became effective during the year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The adoption of those new standards and amendment did not have any impact on the group's financial statements.

New standards, amendments and interpretations not yet effective and not early adopted

At the date of authorization of these financial statements, there were certain new standards, amendments and interpretations to existing standards which were in issued but not yet effective and which the group has not early adopted.

Those which management considered may be relevant to the group are as follows:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2018)

The group is required to adopt IFRS 9, *Financial Instruments* from 1 January 2018. The standard replaces IAS 39, *Financial Instruments: Recognition and Measurement* and sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. It contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. Based on preliminary assessment, the group does not believe that the new classification requirements will have a material impact on its accounting for accounts receivable and investments that are managed on a fair value basis. However, the group is still in the process of its assessment and the final impact has not yet been determined.





JAMAICA CIVIL AVIATION AUTHORITY
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

New standards, amendments and interpretation not yet effective and not early adopted (cont'd)

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2018) (cont'd)

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- (i) 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- (ii) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for short-term receivables without a significant financing component.

The management has not yet completed their assessment of the financial impact which this standard will have on the financial statements on adoption.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 1 January 2018)

The group is required to adopt IFRS 15, *Revenue from Contracts with Customers* from 1 January 2018. The standard established a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18, *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13, *Customer Loyalty Programmes*.



JAMAICA CIVIL AVIATION AUTHORITY
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

New standards, amendments and interpretation not yet effective and not early adopted (cont'd)

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 1 January 2018)

The group will apply a five-step model to determine when to recognize revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

Management has assessed that the main impact of this standard is in respect of revenue. Based on preliminary review, IFRS 15 is not expected to have a material impact on the timing and recognition of revenue. However, management has not yet completed its assessment and the financial impact has not yet been determined.

Annual Improvements (2014 - 2016), (effective for annual periods beginning on or after 1 January 2018). These amendments include changes from 2014 - 2016 cycle of the annual improvements project, that effect the following standards: IFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard. These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2017. The adoption of these amendments will have no significant impact on the group as the group does not have interests in entities classified as held-for-sale.

IFRIC 23, 'Uncertainty over income tax treatments', (effective for annual periods beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income Taxes', are applied where there is uncertainty over income tax treatments. The IFRIC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatments. The adoption of this standard is not expected to have a significant impact on the group.





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(b) Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of the Authority and its subsidiary presented as a single economic entity. Intra-group transactions, balances and unrealized gains or losses on transactions between group entities are eliminated. Unrealized losses are not eliminated, if the transaction provides evidence of impairment of the asset transferred.

A subsidiary is an entity controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity. The subsidiary is consolidated from the date on which control is transferred to the group.

(c) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

(d) Property, plant and equipment

Items of property, plant and equipment are recorded at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.



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NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) Property, plant and equipment (cont'd)

Depreciation is calculated on straight-line basis at annual rates estimated to write down the relevant assets over their expected useful lives, to their residual values. Annual rates are as follows:

| | |
|-----------------------------------|----------|
| Buildings | 2½% - 4% |
| Computer equipment | 33 1/3% |
| Equipment, furniture and fixtures | 10% -20% |
| Motor vehicles | 20% |
| Leasehold improvements | 4% |
| Fencing | 4% |

Land is not depreciated as it is deemed to have an indefinite life.

Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are included in profit or loss.

At the date of revaluation, the accumulated depreciation on the revalued property, plant and equipment is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The excess depreciation on revalued property, plant and equipment, over the amount that would have been charged on a historical cost basis, is transferred from the revaluation reserve to retained earnings when property, plant and equipment are expensed through the statement of comprehensive income (e.g. through depreciation, impairment). On disposal of the asset the balance of the revaluation reserve is transferred to retained earnings.

(e) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) Classification

The group classifies its financial assets in the following category: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

Financial assets (cont'd)

(i) Classification (cont'd)

Loans and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables) but also incorporate other types of contractual monetary asset.

The group's loans and receivables comprise trade and other receivables, short term investments, due from related parties and cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturity of three months or less.

Held-to-maturity

The group's investments consist of Government of Jamaica securities and are classified as held-to-maturity investments. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the group has the positive intention and ability to hold to maturity other than those that:

- (i) the group upon initial recognition designates as at fair value through profit or loss;
- (ii) the group designates as available-for-sale; and
- (iii) meet the definition of loans and receivables.

Held-to-maturity investments are measured at amortised cost, using the effective interest method, less impairment losses.



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

Financial assets (cont'd)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For loans and receivables impairment provisions are recognised when there is objective evidence that the group will not collect all of the amounts due under the terms receivable. The amount of the provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. On confirmation that the trade receivable is uncollectible, it is written off against the associated allowance. Subsequent recoveries of amounts previously written off are credited to profit or loss.

Financial liabilities

The group's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: due to related parties and payables.

(f) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows.





JAMAICA CIVIL AVIATION AUTHORITY
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(g) Employee benefits

Employee benefits are all forms of consideration given by the group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual vacation leave and non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner: short-term employee benefits are recognised as a liability, net of payments made and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave.

Employee benefits comprising pension asset included in financial statements have been actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the group pension asset as computed by the actuary. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

The group's net obligation in respect of the defined-benefit pension plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is determined by reference to the yield at the reporting date on long-term Government of Jamaica bonds with dates approximating the terms of the related liability. The calculation is performed by a qualified independent actuary, using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset) taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(g) Employee benefits (cont'd)

When the benefits of the plan are changed, or when a plan is curtailed, the resulting change in benefit relating to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

(h) Trade and other payables

Trade payables and other payables are stated at amortised cost.

(i) Provisions

Provisions are recognised when the group 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. Provisions are not recognised for future operating losses.

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.

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

(j) Current and deferred income taxes

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The group's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.





JAMAICA CIVIL AVIATION AUTHORITY
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(j) Current and deferred income taxes (cont'd)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

(k) Revenue recognition

Revenue is recognised in the income statement when service has been provided and recovery of the consideration is probable. Revenue is measured at the fair value of the consideration received or receivable, net of discounts.

Subvention

These are stated at the amounts received during the year in respect of the financial year, from the Government of Jamaica through its parent ministry, The Ministry of Transport and Mining.

Appropriation-in-aid

Regulatory, technical, communication and other fees, received and or receivable are recognized as income, to meet the expenditure of the Authority as approved by the Government of Jamaica.

Interest

Interest income is recognised in the income statement for all interest bearing instruments on an accrual basis unless collectibility is doubtful.

(l) Capital grants

Grants received for the purchase or construction of property, plant and equipment are initially recognised as deferred income at fair value and then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.



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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(m) Financial distribution

Financial distribution to the group's shareholders is recognised as a liability in the group's financial statements in the period in which the financial distribution is approved by the group's shareholders.

Financial distribution for the year that is declared after the reporting date is dealt with in the subsequent events note.

(n) Receivables

Receivables are measured at amortised cost less impairment losses.

(o) Other assets

Other assets consist of inventory items and withholding tax and are measured at cost less impairment losses.

(p) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the 'reporting entity' in this case the Authority).

(a) A person or a close member of that person's family is related to the Authority if that person:

- (i) has control or joint control over the Authority;
- (ii) has significant influence over the Authority; or
- (iii) is a member of the key management personnel of the Authority or of a parent of the Authority.

(b) An entity is related to the Authority if any of the following conditions applies:

- (i) The entity and the Authority are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(p) Related parties (cont'd)

(b) An entity is related to the Authority if any of the following condition applies (cont'd):

- (v) The entity is a post-employment benefit plan for employees of either the Authority or an entity related to the Authority.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity or any member of a group of which it is a part provides key management services to the Authority or to the parent of the Authority.

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the group's accounting policies

In the process of applying the group's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Fair value estimation

A number of assets and liabilities included in the group's financial statements require measurement at, and/or disclosure of, fair value.



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4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

(b) Key sources of estimation uncertainty (cont'd)

(i) Fair value estimation (cont'd)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

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

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

| | |
|---------|--|
| Level 1 | Quoted prices (unadjusted) in active markets for identical assets or liabilities. |
| Level 2 | Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). |
| Level 3 | Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). |

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

Transfers of items between levels are recognised in the period they occur.

The director finance determine the appropriate valuation techniques and inputs for fair value measurements.





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

(b) Key sources of estimation uncertainty (cont'd)

(i) Fair value estimation (cont'd)

In estimating the fair value of an asset or liability, the group uses market observable data to the extent it is available. Where level 1 inputs are not available, the group engages third party qualified valuers to perform the valuation. The director finance work closely with the qualified valuers to establish the appropriate valuation techniques and inputs to the model. The director finance reports the finance committee's findings to the Board.

The group measures a number of items at fair value -
Property, plant and equipment (note 16)

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

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

(ii) Defined benefit assumptions

The cost of these benefits and the present value of the future obligations depend on a number of factors that are determined by actuaries using a number of assumptions. The assumptions used in determining the net periodic cost or income for retirement benefits include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions will impact the net periodic cost or income recorded for retirement benefits and may affect planned funding of the pension plan. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The group determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations. In determining the appropriate discount rate, the group considered interest rate of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the related obligations. Other key assumptions for the retirement benefits are based on current market conditions.



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4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

(b) Key sources of estimation uncertainty (cont'd)

(iii) Depreciable assets

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

(iv) Income taxes

Estimates are required in determining the provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. The group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. FINANCIAL RISK MANAGEMENT:

The group is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price, and
- Liquidity risk

In common with all other businesses, the group's activities expose it to a variety of risks that arise from its use of financial instruments. This note describes the group's objectives, policies and processes for managing those risks to minimize potential adverse effects on the financial performance of the group and the methods used to measure them.





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5. FINANCIAL RISK MANAGEMENT (CONT'D):

There have been no substantive changes in the group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) Principal financial instruments

The principal financial instruments used by the group, from which financial instrument risk arises, are as follows:

- Receivables
- Cash and cash equivalents
- Short term investments
- Long term investments
- Payables
- Due to/from related parties

(b) Financial instruments by category

Financial assets

| | <u>Loans and Receivables</u> | | <u>Group</u> <u>Held to Maturity</u> | |
|---------------------------|------------------------------|------------------|---|---------------|
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Cash and cash equivalents | 3,153,494 | 155,734 | - | - |
| Short term investments | 1,673,729 | 7,404,354 | - | - |
| Long term investments | - | - | 91,377 | 94,615 |
| Receivables | <u>735,858</u> | <u>800,994</u> | <u>-</u> | <u>-</u> |
| Total financial assets | <u>5,563,081</u> | <u>8,361,082</u> | <u>91,377</u> | <u>94,615</u> |



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial instruments by category (cont'd)

Financial assets (cont'd)

| | <u>Authority</u> | |
|---------------------------|------------------------------|------------------|
| | <u>Loans and Receivables</u> | |
| | 2018 | 2017 |
| | <u>\$'000</u> | <u>\$'000</u> |
| Cash and cash equivalents | 3,063,269 | 82,201 |
| Short term investments | 1,218,756 | 6,846,640 |
| Receivables | <u>661,527</u> | <u>696,274</u> |
| Total financial assets | <u>4,943,552</u> | <u>7,625,115</u> |

Financial liabilities

| | <u>Group</u> | | <u>Authority</u> | |
|-----------------------------|--|----------------|------------------|----------------|
| | <u>Financial Liabilities at Amortised Cost</u> | | | |
| | 2018 | 2017 | 2018 | 2017 |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Payables | <u>1,550,702</u> | <u>866,683</u> | <u>1,490,192</u> | <u>798,848</u> |
| Total financial liabilities | <u>1,550,702</u> | <u>866,683</u> | <u>1,490,192</u> | <u>798,848</u> |

(c) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, short term investments, long term investments, receivables and payables.

(d) Financial risk factors

The Board of Directors has overall responsibility for the determination of the group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the group's finance function. The Board provides policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investments of excess liquidity.





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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility. Further details regarding these policies are set out below:

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The group manages its foreign exchange risk by holding foreign currency balances

Currency risk arises from AFTN overflights, ARIN/ACARS and Passenger service fee incomes and US dollar cash and bank balances. The group manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The group further manages this risk by maximizing foreign currency earnings and holding net foreign currency assets.

Concentration of currency risk

The group is exposed to foreign currency risk in respect of US dollar as follows.

| | <u>Group</u> | | <u>Authority</u> | |
|---------------------------|---------------|---------------|------------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <u>US\$</u> | <u>US\$</u> | <u>US\$</u> | <u>US\$</u> |
| | <u>'000</u> | <u>'000</u> | <u>'000</u> | <u>'000</u> |
| Long term investments | 730 | 741 | - | - |
| Cash and cash equivalents | 18,046 | 5,302 | 17,512 | 565 |
| Short term investments | 12,223 | 45,912 | 8,589 | 45,424 |
| Receivables | 7,850 | 6,755 | 6,341 | 5,661 |
| Payables | (622) | (584) | (524) | (444) |
| | <u>38,227</u> | <u>58,126</u> | <u>31,918</u> | <u>51,206</u> |



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

Foreign currency sensitivity

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated cash and bank balances and adjusts their translation at the year-end for 4% (2017 - 6%) depreciation and a 2% (2017 - 1%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

Group

| | % Change in Currency Rate <u>2018</u> | Effect on Surplus before Tax 31 March <u>2018</u> \$'000 | % Change in Currency Rate <u>2017</u> | Effect on Surplus before Tax 31 March <u>2017</u> \$'000 |
|-----------|---|---|---|---|
| Currency: | | | | |
| USD | -4 | 190,606 | -6 | 393,925 |
| USD | <u>+2</u> | <u>(95,303)</u> | <u>+1</u> | <u>(65,654)</u> |

Authority

| | % Change in Currency Rate <u>2018</u> | Effect on Surplus before Tax 31 March <u>2018</u> \$'000 | % Change in Currency Rate <u>2017</u> | Effect on Surplus before Tax 31 March <u>2017</u> \$'000 |
|-----------|---|---|---|---|
| Currency: | | | | |
| USD | -4 | 159,149 | -6 | 447,161 |
| USD | <u>+2</u> | <u>(79,547)</u> | <u>+1</u> | <u>(74,527)</u> |





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

Foreign currency sensitivity (cont'd)

Exchange rates, in terms of Jamaica dollars, were as follows:

At 31 March 2018 - J\$124.6545 - US\$1.00
At 31 March 2017 - J\$128.2168 - US\$1.00

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. As the group does not have a significant exposure, market price fluctuations are not expected to have a material effect on the net results or stockholders' equity.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Floating rate instruments expose the group to cash flow interest rate risk, whereas fixed rate instruments expose the group to fair value interest rate risk.

Short term deposits and investments are the only interest bearing assets within the group. The group's short term deposits and investments are due to mature and re-price respectively, within 9 months of the reporting date.

Interest rate sensitivity

There is no significant exposure to interest rate risk on short term deposits and investments, as these deposits have a short term to maturity and are constantly reinvested at current market rates.



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NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from trade receivables and short term deposits and investments, due from related group and cash and bank balances.

Trade receivables

Revenue transactions in respect of the group's primary operations are settled either in cash or by using major credit cards. For its operations done on a credit basis, the group has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

Cash and bank balances

Cash transactions are limited to high credit quality financial institutions. The group has policies that limit the amount of credit exposure to any one financial institution.

Maximum exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of trade and other receivables, short term deposits and cash and cash equivalents in the statement of financial position.

Trade receivables that are past due but not impaired

As at 31 March 2018, the group had trade receivables of \$122,222,000 (2017 - \$143,681,000) were past due but not impaired. These relate to independent customers for whom there is no recent history of default.

Trade receivables that are past due and impaired

As of 31 March 2018, the group had trade receivables of \$214,012,000 (2017 - \$246,667,000) that were impaired. The amount of the provision was \$186,756,000 (2017 - \$168,935,000). These receivables were aged over 180 days.





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables that are past due and impaired (cont'd)

Movements on the provision for impairment of trade receivables are as follows:

| | Group | | Authority | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| At 1 April | 168,935 | 155,716 | 113,882 | 109,706 |
| Provision for receivables impairment | <u>79,462</u> | <u>13,219</u> | <u>72,874</u> | <u>4,176</u> |
| At 31 March | <u>248,397</u> | <u>168,935</u> | <u>186,756</u> | <u>113,882</u> |

The creation and release of provision for impaired receivables have been included in expenses in profit or loss. Except wherein the impairment relates to receivables collectible, which is payable to GOJ consolidated fund, then such impairment provision is charged against amounts payable to the GOJ consolidated fund. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. Impairment estimates have been adjusted based on actual collection patterns.

Concentration of risk - trade receivables

The following table summarises the group's credit exposure for trade receivables at their carrying amounts, as categorized by the customer sector:

| | Group | | Authority | |
|-------------------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Air Navigation and AFTN Fees | 605,269 | 548,820 | 504,790 | 444,736 |
| Passenger Air Service Charges | 278,818 | 308,994 | 278,818 | 273,301 |
| Other | <u>50,092</u> | <u>22,913</u> | <u>22,942</u> | <u>5,063</u> |
| | 934,179 | 880,727 | 806,550 | 723,100 |
| Impairment losses provision | <u>(248,397)</u> | <u>(168,935)</u> | <u>(186,756)</u> | <u>(113,882)</u> |
| | <u>685,782</u> | <u>711,792</u> | <u>619,794</u> | <u>609,218</u> |



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

(iii) Liquidity risk

Liquidity risk is the risk that the group will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

Liquidity risk management process

The group's liquidity management process, as carried out within the group and monitored by the Finance Department, includes:

- (i) Monitoring future cash flows and liquidity on a regular basis.
- (ii) Maintaining a portfolio of short term deposit balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- (iii) Optimising cash returns on investments.

Cash flows of financial liabilities

The maturity profile of the group's financial liabilities, based on contractual undiscounted payments, is as follows:

Cash flows of financial liabilities

| | <u>Group</u> Within 1 Year \$'000 | <u>Authority</u> Within 1 Year \$'000 |
|--|--|--|
| 31 March 2018 | | |
| Payables | <u>1,550,702</u> | <u>1,490,192</u> |
| Total financial liabilities (contractual maturity dates) | <u>1,550,702</u> | <u>1,490,192</u> |





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

(iii) Liquidity risk (cont'd)

| | <u>Group</u> Within 1 Year \$'000 | <u>Authority</u> Within 1 Year \$'000 |
|--|--|--|
| 31 March 2017 | | |
| Payables | <u>866,683</u> | <u>798,848</u> |
| Total financial liabilities (contractual maturity dates) | <u>866,683</u> | <u>798,848</u> |

6. INCOME:

(i) Subvention

These are stated amount received during the year in respect of the financial year from the Government of Jamaica, through its parent ministry, The Ministry of Transport and Mining.

(ii) Appropriation-in-aid

These represent regulatory, technical, communication and other fees recognized as income, to meet the expenditure of the Authority as approved by the Government of Jamaica.

Effective 1 April 2017, under Civil Aviation (Amendment) Act 2017, Passenger Air Service Charges and Air Navigation Fees were de-earmarked to be paid over to the Government of Jamaica Consolidated Fund and in turn, the Authority would receive a Government Subvention as tabled in the estimate of expenditure budget.



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

7. OTHER OPERATING INCOME:

| | Group | | Authority | |
|--|----------------|----------------|---------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Permit application fees | 1,812 | 1,969 | 1,812 | 1,969 |
| Licence fees | 1,598 | 2,423 | 1,598 | 2,423 |
| Examination fees | 221 | 390 | 221 | 390 |
| Equipment rental and maintenance | 32,634 | 27,827 | - | - |
| Miscellaneous | 19,819 | 32,874 | 11,179 | 25,451 |
| Regulatory fees | 44,595 | 44,252 | 44,595 | 44,252 |
| Advertising and production sales | 8,662 | 27,847 | - | - |
| Transfer from deferred income (note 19) | 13,010 | 13,010 | 13,010 | 13,010 |
| Gain on disposal of property plant and equipment | - | 1,067 | - | 1,067 |
| Bad debt recovered | - | 2,080 | - | 2,078 |
| Technical support | - | - | 19,695 | 19,571 |
| | <u>122,351</u> | <u>153,739</u> | <u>92,110</u> | <u>110,211</u> |

8. ADMINISTRATIVE AND OTHER OPERATING EXPENSES:

Total administrative, selling and other expenses:

| | Group | | Authority | |
|---|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Audit fees | 4,823 | 4,989 | 2,863 | 2,897 |
| Depreciation | 192,750 | 169,831 | 166,628 | 156,173 |
| Impairment losses, net | 9,483 | 67,853 | 1,703 | 67,853 |
| Salaries, wages and statutory contributions | 2,406,976 | 1,702,667 | 2,081,257 | 1,549,417 |
| staff welfare | 348,919 | 301,165 | 327,974 | 299,303 |
| Utilities | 95,373 | 93,867 | 81,773 | 73,869 |
| Repairs and maintenance | 156,373 | 91,494 | 143,108 | 91,121 |
| JDF search and rescue | 15,292 | - | 15,292 | - |
| Other | <u>897,960</u> | <u>619,048</u> | <u>801,547</u> | <u>434,259</u> |
| | <u>4,127,949</u> | <u>3,050,914</u> | <u>3,622,145</u> | <u>2,674,892</u> |





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

9. NET FINANCE INCOME:

| | Group | | Authority | |
|--|-----------------|----------------|-----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Interest on long term and short term investments | 80,568 | 152,737 | 70,127 | 140,125 |
| Foreign exchange gains | <u>6,632</u> | <u>364,518</u> | <u>6,632</u> | <u>323,600</u> |
| | 87,200 | 517,255 | 76,759 | 463,725 |
| Finance cost: | | | | |
| Foreign exchange loss | <u>(98,952)</u> | <u>-</u> | <u>(98,952)</u> | <u>-</u> |
| Net finance income | <u>(11,752)</u> | <u>517,255</u> | <u>(22,193)</u> | <u>463,725</u> |

10. TAXATION EXPENSE:

- (a) Taxation is based on the profit for the year of the subsidiary, Aeronautical Telecommunication Limited adjusted for tax purpose and is calculated at 25%.

| | Group | |
|--|---------------|-----------------|
| | 2018 | 2017 |
| | <u>\$'000</u> | <u>\$'000</u> |
| Current taxation | 9,929 | 38,630 |
| Employment tax credit | (2,070) | (11,589) |
| Under-provision of prior year tax charge | <u>618</u> | <u>24,098</u> |
| | 8,477 | 51,139 |
| Deferred taxation (note 20) | <u>12,184</u> | <u>(9,120)</u> |
| Taxation charge in income statement | <u>20,661</u> | <u>42,019</u> |



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

10. TAXATION EXPENSE (CONT'D):

- (b) The tax on the profit before taxation differs from the theoretical amount that would arise using the applicable tax rate of 25%, as follows:

| | Group | |
|--|-----------|-------------|
| | 2018 | 2017 |
| | \$'000 | \$'000 |
| Surplus before taxation | 587,808 | 2,743,360 |
| Less exempt income (the Authority) | (592,054) | (2,559,725) |
| | (4,246) | 183,635 |
| Taxation @25% | (1,062) | 45,909 |
| Adjusted for the effects of: | | |
| Difference between depreciation and capital allowances | 1,156 | (1,516) |
| Expenses not allowed for taxation purposes | 6,603 | 2,016 |
| Unrealised foreign exchange gain | 3,232 | (7,779) |
| Deferred taxation | 12,184 | (9,120) |
| Employment tax credit | (2,070) | (11,589) |
| | 20,043 | 17,921 |
| Under-provision of prior year tax charge | 618 | 24,098 |
| Taxation charge in income statement | 20,661 | 42,019 |

11. CASH AND CASH EQUIVALENTS:

| | Group | | Authority | |
|------------------------------------|-----------|---------|-----------|--------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash and bank balances - | | | | |
| Foreign currency accounts | 863,806 | 112,662 | 796,846 | 72,208 |
| Jamaican currency current accounts | 464,722 | 41,862 | 441,537 | 8,863 |
| Short term deposits | 1,823,777 | - | 1,823,777 | - |
| Cash in hand | 1,189 | 1,210 | 1,109 | 1,130 |
| | 3,153,494 | 155,734 | 3,063,269 | 82,201 |





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

12. SHORT TERM INVESTMENTS:

| | Group | | Authority | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Resale agreements | 1,673,729 | 6,464,622 | 1,218,756 | 5,906,908 |
| Certificates of deposits | - | 939,732 | - | 939,732 |
| | <u>1,673,729</u> | <u>7,404,354</u> | <u>1,218,756</u> | <u>6,846,640</u> |

The fair value of securities collateralizing resale agreements approximates the carry value of the resale agreement for the group and the authority.

13. RECEIVABLES:

| | Group | | Authority | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade | 934,179 | 880,727 | 806,550 | 723,100 |
| Less allowance for impairment losses | (248,397) | (168,935) | (186,756) | (113,882) |
| | 685,782 | 711,792 | 619,794 | 609,218 |
| Communication fees | - | 16,548 | - | 16,548 |
| Staff loans and advances | 98,060 | 106,291 | 95,609 | 104,595 |
| Prepayments | 50,076 | 72,654 | 41,733 | 70,508 |
| Other receivables | 22,197 | 18,629 | 19,505 | 4,769 |
| Fixed assets clearing | <u>4,286</u> | <u>10,742</u> | <u>2,127</u> | <u>10,742</u> |
| | <u>860,401</u> | <u>936,656</u> | <u>778,768</u> | <u>816,380</u> |



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

13. RECEIVABLES (CONT'D):

The aging of trade receivables, at the reporting date, and related allowances for impairment losses were as follows

Group

| | 2018 | | 2017 | |
|----------------------------|-----------------|----------------------|-----------------|----------------------|
| | Gross \$'000 | Impairment \$'000 | Gross \$'000 | Impairment \$'000 |
| Not past due | 482,056 | - | 490,379 | - |
| Past due 31-60 days | 154,931 | - | 143,681 | - |
| Past due more than 60 days | <u>297,192</u> | <u>248,397</u> | <u>246,667</u> | <u>168,935</u> |
| | <u>934,179</u> | <u>248,397</u> | <u>880,727</u> | <u>168,935</u> |

Authority

| | 2018 | | 2017 | |
|----------------------------|-----------------|----------------------|-----------------|----------------------|
| | Gross \$'000 | Impairment \$'000 | Gross \$'000 | Impairment \$'000 |
| Not past due | 470,305 | - | 442,286 | - |
| Past due 31-60 days | 122,233 | - | 102,483 | - |
| Past due more than 60 days | <u>214,012</u> | <u>186,756</u> | <u>178,331</u> | <u>113,882</u> |
| | <u>806,550</u> | <u>186,756</u> | <u>723,100</u> | <u>113,882</u> |

The movements in the allowance for impairment losses in respect of trade receivables during the year were as follows:

Movement in impairment losses:

| | Group | | Authority | |
|------------------------------|----------------|----------------|----------------|----------------|
| | 2018 \$'000 | 2017 \$'000 | 2018 \$'000 | 2017 \$'000 |
| Balance at beginning of year | 168,935 | 155,716 | 113,882 | 109,706 |
| Impairment during the year | <u>79,462</u> | <u>13,219</u> | <u>72,874</u> | <u>4,176</u> |
| | <u>248,397</u> | <u>168,935</u> | <u>186,756</u> | <u>113,882</u> |





Financial Statements

JAMAICA CIVIL AVIATION AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

14. OTHER ASSETS:

| | Group | | Authority | |
|----------------------|---------------|---------------|---------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Inventories | 16,988 | 18,594 | 16,988 | 18,594 |
| Taxation recoverable | 13,060 | 12,774 | 577 | 174 |
| | <u>30,048</u> | <u>31,368</u> | <u>17,565</u> | <u>18,768</u> |

15. RELATED PARTY TRANSACTIONS AND BALANCES:

| | Group | | Authority | |
|--|----------------|----------------|----------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Key management compensation: | | | | |
| Directors' fees | 7,760 | 6,052 | 4,410 | 2,970 |
| Salaries and other short term benefits | <u>275,137</u> | <u>152,182</u> | <u>171,552</u> | <u>96,901</u> |

(b) Year end balances arising from transactions with related parties:

| | Group | | Authority | |
|---|----------------|------------|------------------|-----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Due (to)/from - | | | | |
| Aeronautical Telecommunications Limited | | | | |
| MOU and PASC | - | - | (103,809) | (3,045) |
| Caribbean Aviation safety and Security Oversight System | <u>(5,547)</u> | <u>-</u> | <u>(5,547)</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> | <u>(109,356)</u> | <u>(3,045)</u> |
| Aeronautical Telecommunications Limited | | | | |
| Communication fees | - | - | 17,173 | - |
| Caribbean Aviation safety and Security Oversight System | <u>-</u> | <u>981</u> | <u>-</u> | <u>981</u> |
| | <u>(5,547)</u> | <u>981</u> | <u>(92,183)</u> | <u>(2,064)</u> |
| Aeronautical Telecommunications Limited | | | | |
| Income: | | | | |
| Technical support revenue | - | - | 19,695 | 19,571 |
| Communication fees | <u>-</u> | <u>-</u> | <u>13,151</u> | <u>12,640</u> |
| | <u>-</u> | <u>-</u> | <u>32,846</u> | <u>32,211</u> |
| Expenses: | | | | |
| Technical service expense | <u>-</u> | <u>-</u> | <u>78,227</u> | <u>20,981</u> |



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

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16. PROPERTY, PLANT AND EQUIPMENT:

Group

| | Land & Building \$'000 | Equipment, Furniture & Fixtures \$'000 | Motor Vehicles \$'000 | Work-in Progress \$'000 | Total \$'000 |
|---------------------------|------------------------------|---|-----------------------------|-------------------------------|------------------|
| At cost - | | | | | |
| 1 April 2016 | 2,424,700 | 1,461,771 | 76,013 | 404,480 | 4,366,964 |
| Additions | - | 138,109 | 13,796 | 1,436,250 | 1,588,155 |
| Revaluation | 53,500 | (19,902) | - | - | 33,598 |
| Disposal | - | (1,158) | (2,458) | - | (3,616) |
| 31 March 2017 | 2,478,200 | 1,578,820 | 87,351 | 1,840,730 | 5,985,101 |
| Additions | 40,145 | 165,890 | 11,606 | 479,123 | 696,764 |
| Disposal | - | (45) | - | - | (45) |
| 31 March 2018 | <u>2,518,345</u> | <u>1,744,665</u> | <u>98,957</u> | <u>2,319,853</u> | <u>6,681,820</u> |
| Depreciation - | | | | | |
| 1 April 2016 | 261,332 | 776,934 | 31,606 | - | 1,069,872 |
| Charge for the year | 50,587 | 98,021 | 21,255 | - | 169,863 |
| Eliminated on disposal | - | (988) | (2,458) | - | (3,446) |
| Eliminated on revaluation | (7,855) | (28,772) | - | - | (36,627) |
| 31 March 2017 | 304,064 | 845,195 | 50,403 | - | 1,199,662 |
| Charge for the year | 55,081 | 121,332 | 16,337 | - | 192,750 |
| Eliminated on disposal | - | (15) | - | - | (15) |
| Adjustment | - | 78 | - | - | 78 |
| 31 March 2018 | <u>359,145</u> | <u>966,590</u> | <u>66,740</u> | <u>-</u> | <u>1,392,475</u> |
| Net Book Value - | | | | | |
| 31 March 2018 | <u>2,159,200</u> | <u>778,075</u> | <u>32,217</u> | <u>2,319,853</u> | <u>5,289,345</u> |
| 31 March 2017 | <u>2,174,136</u> | <u>733,625</u> | <u>36,948</u> | <u>1,840,730</u> | <u>4,785,439</u> |





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D):

Authority

| | <u>Land & Building</u> <u>\$'000</u> | <u>Equipment, Furniture & Fixtures</u> <u>\$'000</u> | <u>Motor Vehicles</u> <u>\$'000</u> | <u>Work-in Progress</u> <u>\$'000</u> | <u>Total</u> <u>\$'000</u> |
|------------------------|---|---|--|--|-------------------------------|
| At cost - | | | | | |
| 1 April 2016 | 2,257,500 | 1,356,746 | 39,296 | 404,480 | 4,058,022 |
| Additions | - | 87,231 | 13,796 | 1,436,250 | 1,537,277 |
| Disposal | - | (827) | (2,458) | - | (3,285) |
| 31 March 2017 | 2,257,500 | 1,443,150 | 50,634 | 1,840,730 | 5,592,014 |
| Additions | 40,145 | 155,003 | - | 479,123 | 674,271 |
| 31 March 2018 | <u>2,297,645</u> | <u>1,598,153</u> | <u>50,634</u> | <u>2,319,853</u> | <u>6,266,285</u> |
| Depreciation - | | | | | |
| 1 April 2016 | 253,477 | 748,016 | 20,241 | - | 1,021,734 |
| Charge for the year | 50,587 | 97,718 | 7,861 | - | 156,166 |
| Eliminated on disposal | - | (827) | (2,458) | - | (3,285) |
| 31 March 2017 | 304,064 | 844,907 | 25,644 | - | 1,174,615 |
| Charge for the year | 50,879 | 106,812 | 8,937 | - | 166,628 |
| 31 March 2018 | <u>354,943</u> | <u>951,719</u> | <u>34,581</u> | <u>-</u> | <u>1,341,243</u> |
| Net Book Value - | | | | | |
| 31 March 2018 | <u>1,942,702</u> | <u>646,434</u> | <u>16,053</u> | <u>2,319,853</u> | <u>4,925,042</u> |
| 31 March 2017 | <u>1,953,436</u> | <u>598,243</u> | <u>24,990</u> | <u>1,840,730</u> | <u>4,417,399</u> |

Land and building valued at \$105,924,000, which are owned by the Commissioner of Lands have been vested in the Authority since 1995. These properties, however, have not been registered in the name of the Authority.

Certain land, building, computer, equipment, furniture and fixtures were revalued by Delano Reid and Associates on an open market value basis at 31 January 2017. Other equipment, furniture and fixtures were revalued by management as at 31 March 2011, based on professional advice received. The surplus arising on revaluation, inclusive of depreciation no longer required, has been included in revaluation reserve (note 22).

Work-in-progress represents the upgrade of the navigational systems and supply and installations of radar, VCCS and Automation System Equipment and Services.



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

17. LONG-TERM INVESTMENTS:

These represent US\$ deposits with original maturity of 1 year or more with a weighted average interest rate of 5%.

| | Group | | Authority | |
|-----------------------|---------------|---------------|-----------|----------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Long term investments | <u>91,377</u> | <u>94,615</u> | <u>-</u> | <u>-</u> |

18. PAYABLES:

| | Group | | Authority | |
|---|------------------|----------------|------------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade | 90,161 | 162,003 | 53,086 | 135,320 |
| Other payables | 252,104 | - | 252,104 | 185,514 |
| Retention | 9,816 | 159,961 | 9,816 | 20,480 |
| Statutory contributions | 44,333 | 34,562 | 39,953 | 30,576 |
| Accruals | 272,541 | 284,021 | 249,110 | 259,440 |
| Distribution to Government of Jamaica consolidated fund | 926,080 | 260,698 | 926,080 | 244,127 |
| Other | <u>3,833</u> | <u>38,405</u> | <u>1,496</u> | <u>36,225</u> |
| | <u>1,598,868</u> | <u>939,650</u> | <u>1,531,645</u> | <u>850,589</u> |

19. DEFERRED INCOME:

| | Group and Authority | |
|-------------------------------------|---------------------|----------------|
| | 2018 | 2017 |
| | \$'000 | \$'000 |
| Balance at 1 April | 145,716 | 158,726 |
| Transfer to profit or loss (note 7) | (13,010) | (13,010) |
| Balance at 31 March | <u>132,706</u> | <u>145,716</u> |

This represents amounts received from the Government of Jamaica to facilitate the purchase of air traffic control radars and related equipment, training of air traffic controllers and purchase of building. The grants will be written off by amounts expended on training and depreciation of the assets that were bought through the grants.





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

20. DEFERRED TAXES:

Deferred taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities. The amounts determined after appropriate offsetting are as follows:

| | Group | | Authority | |
|------------------------|----------------|----------------|----------------|----------------|
| | 2018 \$'000 | 2017 \$'000 | 2018 \$'000 | 2017 \$'000 |
| Deferred tax liability | <u>27,786</u> | <u>17,747</u> | <u>-</u> | <u>-</u> |

The movement in deferred tax is as follows:

| | Group | | Authority | |
|--|----------------|----------------|----------------|----------------|
| | 2018 \$'000 | 2017 \$'000 | 2018 \$'000 | 2017 \$'000 |
| Balance at start of year | 17,747 | 26,944 | - | - |
| Charged/(credited) to profit or loss (note 10) | 12,184 | (9,197) | - | - |
| Credited to other comprehensive income | (2,145) | - | - | - |
| | <u>27,786</u> | <u>17,747</u> | <u>-</u> | <u>-</u> |

Deferred tax is due to the following temporary differences:

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| Accelerated capital allowance | 39,881 | 17,747 |
| Interest receivable | 2,227 | - |
| Accrued vacation leave | (7,384) | - |
| Unrealised foreign exchange losses | (1,243) | - |
| Employee benefits obligation profit or loss | (3,550) | - |
| Employee benefits obligation other comprehensive income | (2,145) | - |
| | <u>27,786</u> | <u>17,747</u> |



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

20. DEFERRED TAXES (CONT'D):

Deferred tax charged to profit or loss comprises the following temporary differences:

| | 2018 \$'000 | 2017 \$'000 |
|------------------------------------|----------------|----------------|
| Accelerated capital allowance | 22,134 | 9,197 |
| Interest receivable | 2,228 | - |
| Accrued vacation leave | (7,385) | - |
| Unrealised foreign exchange losses | (1,243) | - |
| Employee benefits obligation | (3,550) | - |
| | <u>12,184</u> | <u>9,197</u> |

Deferred tax charged to other comprehensive income comprises the following temporary differences:

| | 2018 \$'000 | 2017 \$'000 |
|------------------------------|----------------|----------------|
| Employee benefits obligation | (2,145) | - |

21. POST EMPLOYMENT BENEFIT OBLIGATION:

The group operates a defined benefit pension plan that is open to all employees who have satisfied certain minimum service requirements. The plan is managed by Sagicor Group Jamaica Limited under a deposit administration fund contract and by the Trustees.

The plan is funded by employees' contribution of 5% with the option to contribute an additional 5% of pensionable salaries and the employer contributes the balance as is required to provide the retirement benefits.





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

21. POST EMPLOYMENT BENEFIT OBLIGATION (CONT'D):

(a) Liability recognised in the statement of financial position:

| | Group | | Authority | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Present value of funded obligation | (4,126,976) | (3,169,024) | (3,780,939) | (2,893,006) |
| Fair value of plan assets | <u>3,781,747</u> | <u>2,974,325</u> | <u>3,452,966</u> | <u>2,704,124</u> |
| Amount recognised in Statement of financial position | <u>(345,229)</u> | <u>(194,699)</u> | <u>(327,973)</u> | <u>(188,882)</u> |

(b) Movement in the present value of funded obligations:

| | Group | | Authority | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Balance at beginning of year | (3,169,024) | (1,664,735) | (2,893,006) | (1,508,458) |
| Benefits paid | 73,158 | 62,670 | 66,347 | 57,199 |
| Interest cost | (299,312) | (147,724) | (273,274) | (133,900) |
| Current service costs | (156,679) | (60,416) | (142,122) | (54,291) |
| Members contributions | (123,904) | (96,617) | (114,625) | (90,046) |
| Annuities purchased during the year | (35,564) | (14,937) | (32,710) | (14,937) |
| Remeasurement loss | <u>(415,651)</u> | <u>(1,247,265)</u> | <u>(391,549)</u> | <u>(1,148,573)</u> |
| | <u>(4,126,976)</u> | <u>(3,169,024)</u> | <u>(3,780,939)</u> | <u>(2,893,006)</u> |



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

21. POST EMPLOYMENT BENEFIT OBLIGATION (CONT'D):

(c) Movement in plan assets:

| | Group | | Authority | |
|---------------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Fair value of plan assets | | | | |
| at beginning of the year | 2,974,325 | 2,388,995 | 2,704,124 | 2,154,526 |
| Members contributions | 123,904 | 96,617 | 114,625 | 90,046 |
| Employer contributions - | | | | |
| Current year | 171,610 | 140,301 | 160,314 | 132,552 |
| Interest income on plan | | | | |
| assets | 294,535 | 231,763 | 268,094 | 202,051 |
| Benefits paid | (73,158) | (62,670) | (66,347) | (57,199) |
| Annuities purchased | | | | |
| during the year | 35,564 | 14,937 | 32,710 | 14,937 |
| Remeasurement gain | 254,967 | 164,382 | 239,446 | 167,211 |
| | <u>3,781,747</u> | <u>2,974,325</u> | <u>3,452,966</u> | <u>2,704,124</u> |

| | Group | | Authority | |
|------------------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Plan assets consist | | | | |
| of the following: | | | | |
| Equities | 1,012,622 | 734,153 | 927,716 | 670,209 |
| Mortgage and real estate | 936,236 | 656,171 | 857,735 | 599,019 |
| Fixed income | 409,140 | 336,976 | 374,836 | 307,628 |
| Money market investments | 118,380 | 127,275 | 108,454 | 116,190 |
| Foreign currency investments | 546,218 | 485,471 | 500,419 | 443,187 |
| Global Markets Fund | 220,846 | 185,262 | 202,329 | 169,126 |
| Purchased annuities | 306,823 | 194,894 | 269,788 | 205,135 |
| Adjustment | 20,551 | 17,045 | 18,446 | 15,713 |
| CPI Indexed Fund | 210,931 | 237,078 | 193,243 | 177,917 |
| | <u>3,781,747</u> | <u>2,974,325</u> | <u>3,452,966</u> | <u>2,704,124</u> |





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

21. POST EMPLOYMENT BENEFIT OBLIGATION (CONT'D):

(d) Movement in obligation recognised in the statement of financial position:

| | Group | | Authority | |
|--|---------------|---------------|---------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Balance at beginning of the year | (194,699) | 552,735 | (188,882) | 501,655 |
| Employer contribution - current year | 171,610 | 140,301 | 160,314 | 132,552 |
| Net income/(expense) recognised in profit or loss and other comprehensive income | (322,140) | (887,735) | (299,405) | (823,089) |
| Balance at end of the year | (345,229) | (194,699) | (327,973) | (188,882) |

(e) The amounts recognised in profit or loss:

| | Group | | Authority | |
|----------------------------------|----------------|---------------|----------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Current service cost | 156,679 | 60,416 | 142,122 | 54,291 |
| Interest cost | 299,312 | 128,673 | 273,274 | 133,901 |
| Interest income on plan assets | (294,535) | (202,051) | (268,094) | (202,051) |
| Interest effect of asset ceiling | - | 12,997 | - | 12,997 |
| | <u>161,456</u> | <u>35</u> | <u>147,302</u> | <u>(862)</u> |



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

21. POST EMPLOYMENT BENEFIT OBLIGATION (CONT'D):

(f) Amounts recognised in other comprehensive income:

| | Group | | Authority | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Remeasurement loss on obligation | 1,486,119 | (869,365) | 1,386,769 | (815,215) |
| Remeasurement gain on assets | (471,940) | 1,944,028 | (433,793) | 1,796,577 |
| Change in effect of asset ceiling | (853,495) | (186,963) | (800,873) | (157,411) |
| | <u>160,684</u> | <u>887,700</u> | <u>152,103</u> | <u>823,951</u> |

(g) Net (income)/expense in profit or loss and other comprehensive income:

| | Group | | Authority | |
|--|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (Income)/expense recognised in statement of comprehensive income | (10,154) | 35 | (13,012) | (862) |
| Expense recognized in other comprehensive income | <u>160,684</u> | <u>887,700</u> | <u>152,103</u> | <u>823,951</u> |
| | <u>150,530</u> | <u>887,735</u> | <u>139,091</u> | <u>823,089</u> |

(h) Actuarial assumptions:

| | Group | | Authority | |
|-------------------------|-------------|-------------|-------------|-------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Discount rate | 7.5% | 9.5% | 7.5% | 9.5% |
| Future salary increases | 7.0% | 9.5% | 7.0% | 9.5% |
| Inflation | <u>4.5%</u> | <u>6.5%</u> | <u>4.5%</u> | <u>6.5%</u> |





JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

21. POST EMPLOYMENT BENEFIT OBLIGATION (CONT'D):

(i) Sensitivity analysis:

| | Group | | Authority | |
|---|------------------|------------------|------------------|------------------|
| | Decreased by | Increased by | Decreased by | Increased by |
| | 1% | 1% | 1% | 1% |
| Change in defined benefit obligation resulting from a 1% increase/(decrease) in the discount rate | <u>748,427</u> | <u>(577,234)</u> | <u>695,519</u> | <u>(535,680)</u> |
| Change in defined benefit obligation resulting from a 1% increase/(decrease) in salary | <u>(269,184)</u> | <u>284,306</u> | <u>(252,280)</u> | <u>265,393</u> |

22. CAPITAL RESERVE:

This represents the excess of the value of asset over liabilities transferred from the Government, Civil Aviation Department, to the Authority.

23. REVALUATION RESERVE:

This represents surplus arising on the revaluation of certain properties of the Group and Authority (see note 16).

24. DISTRIBUTION TO GOVERNMENT OF JAMAICA:

The Government of Jamaica, under The Public Bodies Management and Accountability Act requires the Authority to contribute 5% -10% of its audited surplus for the year to the Consolidated Fund, plus a special distribution as the Financial Secretary may determine. During the year, the distributions were as follows:

| | Group | | Authority | |
|----------------------|------------------|----------------|------------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Normal distribution | 16,545 | 270,134 | - | 255,973 |
| Special distribution | <u>3,498,605</u> | <u>-</u> | <u>3,498,605</u> | <u>-</u> |
| | <u>3,515,150</u> | <u>270,134</u> | <u>3,498,605</u> | <u>255,973</u> |



JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

25. COMMITMENTS:

(a) Lease commitments

The Authority has lease commitments as follows:

- (i) To MJB Airport Limited for the lease of space occupied at Donald Sangster's International Airport for a rent of \$1.00 per annum.
- (ii) To the Authority of Jamaica for the lease of space occupied at Norman Manley International Airport for rent of \$1.00 per annum.

(b) Capital commitment

The Authority in its drive to modernize the air navigation services infrastructure has embarked on an equipment acquisition programme to upgrade the communication navigation surveillance system to include radars. At the reporting date, the Authority had commitment to acquire equipment amounting to US\$6,418,238 and J\$392,590,969 respectively. This also includes Air Traffic Management equipment and construction of a new building to house the Air Traffic Controllers and other members of the Air Navigation Services Division, and the replacement of high energy air condition system with inverter type air condition units at the head office.

(c) Legal claims

The Authority is subject to certain claims and legal proceedings in the normal course of its business. Provision is made for such matters when, in the opinion of management and its legal counsel, it is probable that a payment will be made by the Authority and the amounts can be reasonably estimated.

In respect of claims asserted against the Authority which have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended or will result in exposure that is immaterial to the Authority.



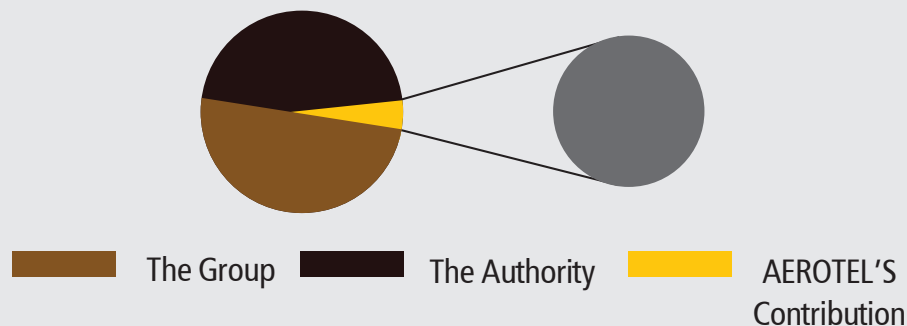


EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

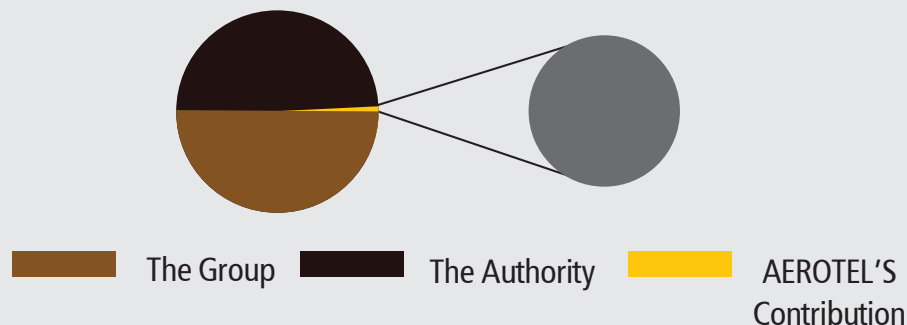
Effective April 1, 2017, the Jamaica Civil Aviation Authority received funding from the Consolidated Fund and this new dispensation is now reflected in the Central Government's Estimates of Expenditure in the budget of the Ministry of Transport and Mining. Accordingly, revenues collected from Air Navigation Fees and the Passenger Aviation Service Charge (PASC) are now transferred to the Consolidated Fund, as per the amended Civil Aviation Act 2017.

The financial statements incorporate those of The Jamaica Civil Aviation Authority (The Authority) and its subsidiary, Aeronautical Telecommunications Limited (AEROTEL). The consolidated results indicate a net surplus of J\$567.15 million, of which AEROTEL reported a loss of J\$24.91 million. 2018's results compare unfavourably to the preceding year's surplus of J\$2.701 billion.

Group Net Surplus



Group Total Assets



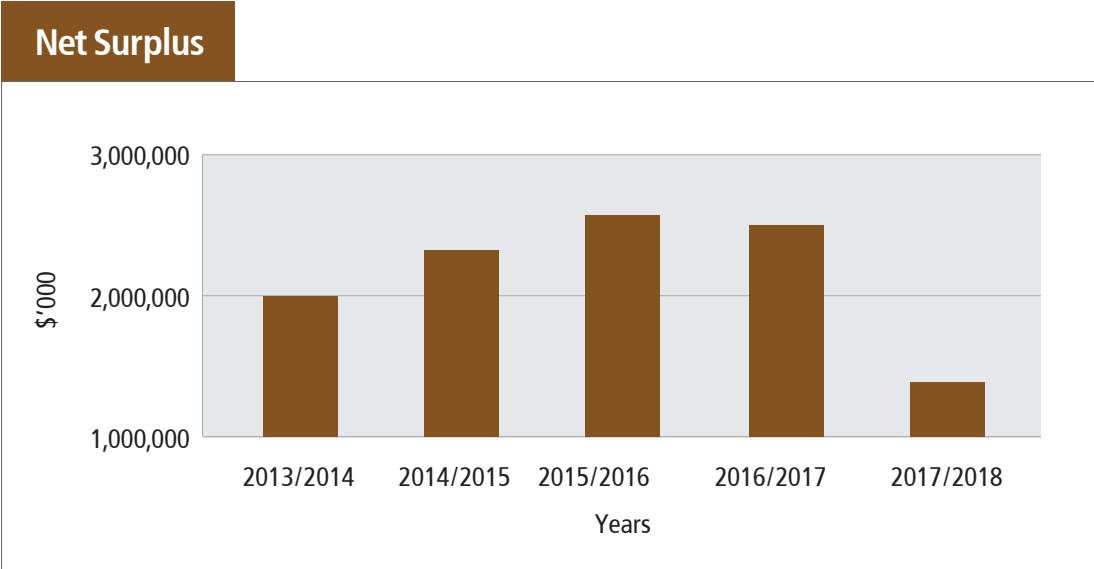
The Group’s total assets closed the year at J\$11.098 billion, down J\$2.311 billion (17.23%) from 2017’s out-turn of J\$13.409 billion.

The Authority’s principal responsibilities are the provision of regulatory oversight and air navigation services on behalf of the Government of Jamaica. The principal activity of the subsidiary is the provision of telecommunication services on behalf of Jamaica Civil Aviation Authority, including ensuring that the equipment used and owned by the Authority in the provision of aeronautical services, operates effectively and in keeping with prescribed international standards.

For the period under review, the Authority generated two main streams of income: the Air Navigation Fees and the Passenger Aviation Service Charge (PASC). Income from these sources totalled J\$4.854 billion for the period, and was transferred to the Consolidated Fund. These streams were then replaced by J\$4.115 billion, received as subvention

from the Government of Jamaica.

For the 2017-2018 Financial Year, the Authority recorded a total revenue of J\$4.220 billion, i.e. J\$551 million or 11.55% less than the previous period. Expenditure for repairs and maintenance of the ANS infrastructure, as a result of damage from a lightning strike, and an increase in administrative costs and outstanding payments to staff, contributed to a significant increase in operating expenses over the previous financial year. Operating expenses rose from J\$2.675 billion for the year ended March 31, 2017 to J\$3.622 billion for the year ended March 31, 2018. The Authority also saw a foreign exchange loss of J\$92.320 million in the Financial Year 2017-18. This is a decrease from the gain of J\$323.599 million recorded in the previous period. Consequent to these factors, the Authority has recorded a reduced net surplus of J\$575.46 million for the year ended March 31, 2018, when compared to the net surplus of J\$2.599 billion recorded for the previous period.



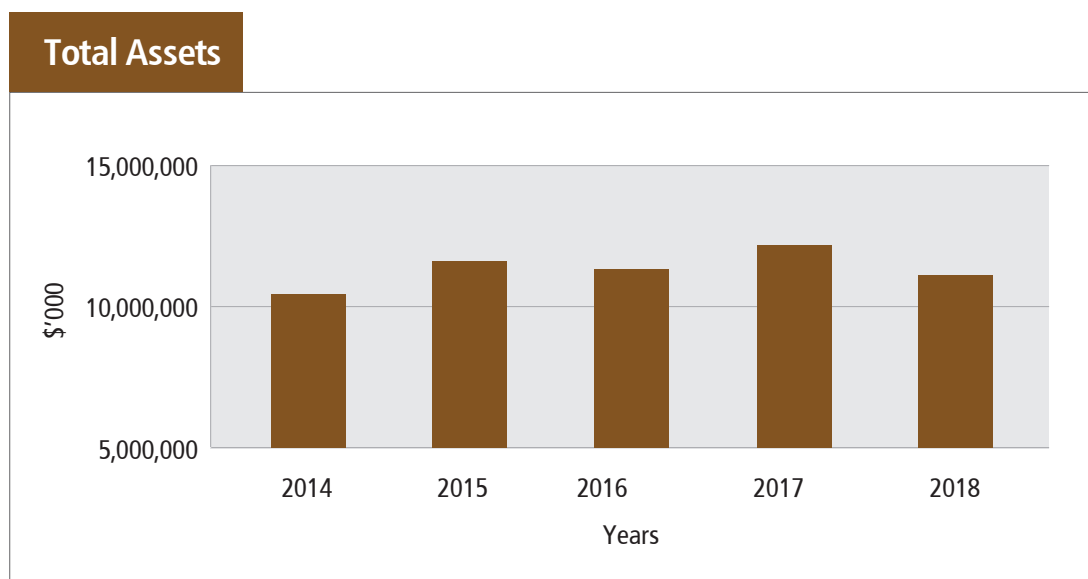
At March 2018, total Passenger Aviation Service Charge (PASC) revenue was recorded at \$2.707 billion, an increase of 8% or \$206.04 million over the \$2.501 billion recorded in 2017. The increase of J\$206.04 million resulted from foreign exchange gains of 2% or J\$3.946 million, with the remaining 98% or J\$202.089 million arising from increased passenger seats from 5,413,039 to 5,857,202 over the previous year.

The effects of a lightning strike on September 8, 2017 resulted in the implementation of flow control procedures at the Kingston Air Traffic Control Centre (KATCC) and a concomitant reduction of overflights for the period. Air Navigation Fees grew marginally by J\$306,000 to J\$2.147 billion for the year ended March 31, 2018.

ASSETS, RESERVES AND LIABILITIES

Total assets at year-end were \$10.020 billion, a decrease of \$2.162 billion or 18% when compared with the 2017 year-end balance of \$12.182 billion. This was mainly because of a decrease in short term investments by J\$5.627 billion or 82% to facilitate a

special distribution of \$3 billion to the Government of Jamaica. Total current assets decreased by 34% and included liquid assets of J\$4.282 billion, compared to J\$6.929 billion last year. Total non-current assets recorded a net increase of J\$507.643 million or 11%.



Current liabilities increased by 92% and included accounts payables of J\$1.532 billion, compared to J\$850.589 million last year. This included J\$926.080 million, which was payable to the Government of Jamaica for uncollected Passenger Aviation Service Charges and Air Navigation Fees. Total non-current liabilities recorded a net increase of J\$126.081 million or 38%. A decrease in employee benefit of J\$139.091 million or 74% resulted from a significant increase in salary cost that contributed to decline in the value of pension fund assets.

Reserves decreased by J\$3.075 billion or 28%, as impacted by a special distribution of J\$3.499 billion to the Ministry of Finance for year-end 2018.

Overall, growth is positive, though performance is below the previous year. Return on assets for the year is six per cent (6%), as compared to 21% in 2017. Liquidity, as measured by the current ratio is 3 times current liabilities this year (2017: 9).

All activities of the Authority for the year, both capital and recurrent, were financed from the Consolidated Fund.

OUTLOOK FOR NEXT YEAR

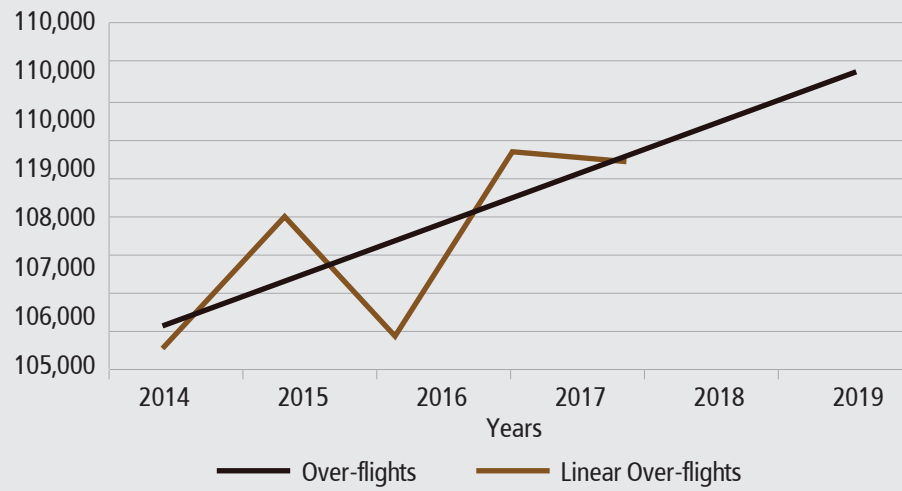
The Authority continues to modernise its communications, navigation and surveillance systems with budgeted outlay of US\$6.418 million and J\$392.591 million for the next financial year.

The earnings prospects for the Government of Jamaica for both Air Navigation fees and the Passenger Aviation Service Charge (PASC) remain positive, as indications are that these income bases should remain relatively stable. Air Navigation fee income is expected to grow in line with over-flight activities, which have displayed an average growth rate of about 1.65% over the last five years. The increase in activities for this year resulted from an improvement in our equipment.





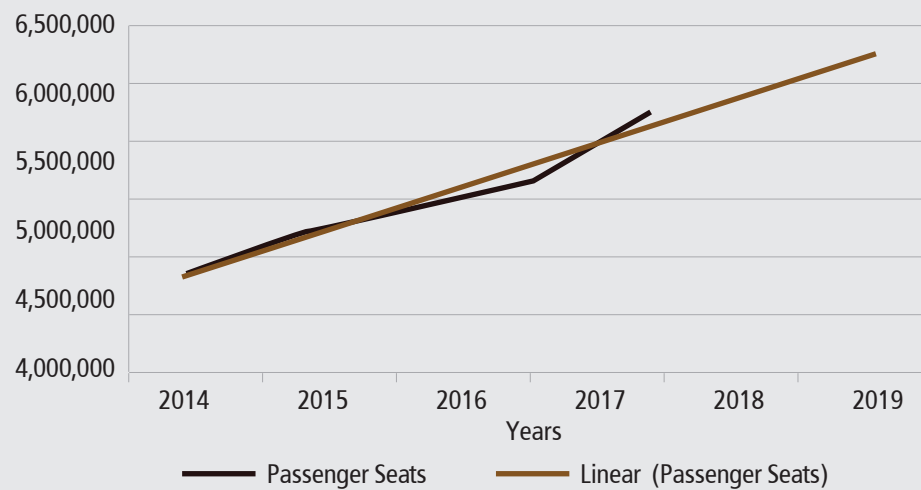
Over-flights



The Passenger seat trend to and from Jamaica is less predictable, as there have been significant peaks and troughs in the data over the last five years. These fluctuations, however, have all occurred

above the 4.7 million passenger seats level and rose to 5.8 million at year-end March 2018. The trend indicates that activity should remain at a level just above 6.2 million passenger seats.

Passenger Seats



DIRECTORS' COMPENSATION - 2017/2018

| Position of Director | Fees (\$) | Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$) | Honoraria (\$) | All Other Compensation including Non-Cash Benefits as applicable (\$) | Total (\$) |
|--|--------------|---|-------------------|--|---------------|
| Chairman - Board of Directors | 503,700.00 | nil | nil | 33,374.70 | 537,074.70 |
| Deputy Chairman - Board of Directors & Chairman - Technical Committee | 508,225.00 | nil | nil | 33,163.20 | 541,388.20 |
| Chairman - Finance Committee | 557,350.00 | nil | nil | 30,089.40 | 587,439.40 |
| Chairman - Procurement Committee | 355,700.00 | nil | nil | 22,061.80 | 377,761.80 |
| Chairman - Human Resource Committee | 396,850.00 | nil | nil | 23,283.80 | 420,133.80 |
| Chairman - Audit & Risk Committee | 507,700.00 | nil | nil | 87,579.80 | 595,279.80 |
| Director | 202,100.00 | nil | nil | 23,360.00 | 225,460.00 |
| Director | 349,000.00 | nil | nil | 38,229.80 | 387,229.80 |
| Director | 285,900.00 | nil | nil | 6,532.00 | 292,432.00 |
| Director | 403,600.00 | nil | nil | nil | 403,600.00 |
| Director | 339,400.00 | nil | nil | 46,548.80 | 385,948.80 |
| TOTAL | 4,409,525.00 | nil | nil | 344,223.30 | 4,753,748.30 |

Notes:

Non-cash items are represented by amounts incurred for mileage.



SENIOR EXECUTIVE COMPENSATION - 2017/2018

| Position of Senior Executive | Year | Salary (\$) | Cash Allowances (\$) | Value of Assignment of Motor Vehicle (\$) | Contributions to Pension Scheme (\$) | NIS Contributions (\$) | Non-Cash Benefits (\$) | Total (\$) |
|--|-----------|--------------------|----------------------|---|--------------------------------------|------------------------|------------------------|--------------------|
| Director General | 2017/2018 | 18,457,363 | 100,013 | 120,000 | 1,845,736 | 37,500 | | 20,560,612 |
| Deputy Director General, Regulatory Affairs | 2017/2018 | 15,692,440 | 100,013 | 120,000 | 1,569,244 | 37,500 | | 17,519,197 |
| Deputy Director General, Corporate Services | 2017/2018 | 15,889,862 | 100,013 | 120,000 | 1,588,986 | 37,500 | | 17,736,361 |
| Deputy Director General, Air Navigation Services | 2017/2018 | 15,297,596 | 558,941 | 120,000 | 1,529,760 | 37,500 | | 17,543,797 |
| Director, Planning Research & Risk Assessment | 2017/2018 | 8,320,755 | 1,441,637 | - | 832,076 | 37,500 | | 10,631,968 |
| Director, Economic Regulation | 2017/2018 | 8,798,504 | 1,441,637 | - | 879,850 | 37,500 | | 11,157,491 |
| Director, Flight Safety | 2017/2018 | 13,194,026 | 1,441,637 | - | 1,319,403 | 37,500 | | 15,992,566 |
| Director, Human Resource | 2017/2018 | 8,679,067 | 1,441,637 | - | 867,907 | 37,500 | | 11,026,111 |
| Director, Finance | 2017/2018 | 8,320,755 | 1,441,637 | - | 832,076 | 37,500 | | 10,631,968 |
| General Counsel | 2017/2018 | 9,515,126 | 2,129,472 | - | 951,513 | 37,500 | | 12,633,610 |
| Director, Air Traffic Management | 2017/2018 | 12,396,015 | 1,813,517 | - | 1,239,602 | 37,500 | | 15,486,634 |
| Chief Information Officer | 2017/2018 | 8,320,755 | 1,441,637 | - | 832,076 | 37,500 | | 10,631,968 |
| TOTAL | | 142,882,264 | 13,451,791 | 480,000 | 14,288,229 | 450,000 | | 171,552,284 |

Notes:

1. Cash Allowances include motor vehicle upkeep and clothing for all, plus Operations Facility Premium paid to Deputy Director General Air Navigation Services and Director Air Traffic Management for maintaining valid Air Traffic Control rating.
2. The \$120,000 allocated to Director General, Deputy Director General Regulatory Affairs and Deputy Director General, Corporate Services represents value of assignment of motor vehicle with up to 50% private use based on Income Tax Act, 2nd Sch. Part 1, Appendix (Regulation 11)
3. Cash Allowance includes Corporate Secretariat Duties, Library and Robing Allowances for General Legal Counsel



GLOSSARY OF ACRONYMS

| | |
|-----------|---|
| AD/ARO | AIS Aerodrome Reporting Office |
| ADAP | Aviation Data Analysis Panel |
| ADS-B | Automatic Dependent Surveillance Broadcast |
| AEROTEL | Aeronautical Telecommunications Ltd. |
| A-G | Air-to-Ground |
| AGA | Aerodromes & Ground Aid |
| AIDC | ATS Interfacility Data Communication Implementation |
| AIG | Aircraft Accident & Incident Investigation |
| AIM | Aeronautical Information Management |
| AIS | Aeronautical Information Services |
| AIXM | Aeronautical Information Exchange Model |
| AMHS | Air Traffic Management Message Handling System |
| AMOs | Approved Maintenance Organisations |
| ANS | Air Navigation Services |
| ANSP | Air Navigation Services Provider |
| AOC | Air Operators Certificate |
| APV | Approach Procedures with Vertical Guidance |
| ASBU | Aviation System Block Upgrade |
| ATCs | Air Traffic Centres/ Air Traffic Controllers |
| ATFM | Air Traffic Flow Management |
| ATM | Air Traffic Management |
| ATOs | Approved Training Organisations |
| ATS | Air Traffic Services/ Air Traffic Systems |
| AVSEC | Aviation Security |
| AW | Air Worthiness |
| BASA | Bilateral Air Service Agreement |
| BITU | Bustamante Industrial Trade Union |
| Baro-VNAV | Barometric Vertical Navigation |





| | |
|---------------|--|
| CAATI | Civil Aviation Authority Training Institute |
| CAR/SAM | Caribbean & South American (region) |
| CASSOS | Caribbean Aviation Safety & Security Oversight System |
| CAP | Corrective Action Plan |
| CAR | Caribbean |
| CCIS | Corporate Communications & Information Services (Department) |
| CDO | Continuous Descent Operations |
| CNS | Communications, Navigation & Surveillance |
| COTS | Commercial-Off-The-Shelf |
| CPDLC | Controller Pilot Data Link Communication |
| CPL/LAM | Current Flight Plan/Logical Acknowledgement Message |
| DANS | Director, Air Navigation Services |
| DDGANS | Deputy Director General, Air Navigation Services |
| DNOTAM | Digital Notices to Airmen |
| EAIPs | Electronic Aeronautical Information Publications |
| EECP | Energy Efficiency Conservation Programme |
| FAA | Federal Aviation Authority |
| FAL | Facilitation |
| FAOC | Foreign Air Operator Certificate |
| FAT | Factory Acceptance Test |
| FDP | Flight Data Processor |
| FIR | Flight Information Region |
| FSD | Flight Safety Department |
| FSN | Flight Safety Notification |
| FY | Financial Year |
| GANP | Global Air Navigation Plan |
| GASP | Global Aviation Safety Plan |
| GDP | Gross Domestic Product |
| GOJ | Government Of Jamaica |
| HQ/NOT | AIS Headquarters NOTAM Office |
| HVAC | Heating Ventilation & Air Conditioning Unit |
| IATA | International Air Transport Association |
| ICAO | International Civil Aviation Organisation |
| ICAO USAP-CMA | ICAO Universal Safety Audit Programme-Continuous Monitoring Approach |





| | |
|---------|--|
| IFSET | ICAO Fuel Saving Estimating Tool |
| ILS | Instrument Landing System |
| IP | Internet Protocol |
| IR | Industrial Relations |
| IWAF | ICAO World Aviation Forum |
| JAIA | Jamaica Aviation Inspectors Association |
| JATCA | Jamaica Air Traffic Controllers Association |
| JCAA | Jamaica Civil Aviation Authority |
| JCAR | Jamaica Civil Aviation Regulations |
| KATCC | Kingston Air Traffic Control Centre |
| KFIR | Kingston Flight Information Region |
| KRA | Key Results Area |
| MAJ | Maritime Authority of Jamaica |
| NAM/CAR | North American/Caribbean |
| MANSA | Management Staff Association |
| MASA | Multinational Air Services Agreement |
| MIND | Management Institute for National Development |
| MOU | Memorandum Of Understanding |
| MRO | Mass Rescue Operation |
| NACC | North American, Central American & Caribbean Region |
| NMIA | Norman Manley International Airport |
| NOCC | Network Operations & Control Centre |
| NOTAM | Notice to Airmen |
| NTSB | National Transportation Safety Board (U.S.) |
| ODPEM | Office of Disaster Preparedness & Emergency Management |
| OEPD | Obstacle Evaluation & Procedure Development |
| OJT | On-The-Job-Training |
| OLF | Online Framework |
| OPS | Operations |
| PASC | Passenger Aviation Service Charge |
| PBMA | Public Bodies Management and Accountability Act |
| PBN | Performance Based Navigation |
| PEL | Personnel Equipment Licensing |
| PMS | Performance Management System |





| | |
|-------|---|
| QAM | Quality Assurance Manual |
| QMS | Quality Management System |
| RNAV | Area Navigation Approaches |
| RPAS | Remotely Piloted Aircraft Systems |
| RSOO | Regional Safety Oversight Organisation |
| SARPs | Standards & Recommended Practices |
| SD | System Design |
| SDR | System Design Review |
| SIA | Sangster International Airport |
| SMS | Safety Management System |
| SNMP | Simple Network Management Protocol |
| SWIM | System Wide Information Management |
| TCB | Technical Cooperation Bureau |
| TDC | Training Developers Course |
| TIC | Training Instructors Course |
| TPLS | Training & Personnel Licensing Manual |
| UAS | Unmanned Aircraft Systems |
| UNFCC | United Nations Framework Convention on Climate Change |
| USAP | Universal Safety Audit Programme |
| USM | Unit Specific Manual |
| USOAP | Universal Safety Oversight Audit Programme |
| VCCS | Voice Communication & Control System |
| VOIP | Voice Over Internet Protocol |
| VOR | Very High Frequency Omnidirectional Range |
| VSAT | Very Small Aperture Terminal |



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