



Annual Report

2019-2020



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Report Overview

About this Report

The Jamaica Civil Aviation Authority's (JCAA's) 2019-20 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 2019-20 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, 2020.

The Report also contains financial information and statements for the 2019–2020 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 2019-20 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:

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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).





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 members





Corporate Data

Registered Office

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

Board of Directors

Mr. Phillip Henriques	- Chairman
Mr. Douglas Lindo	- Deputy Chairman
Mr. Milton Daley	- Member
Capt. Geoffrey Campbell	- Member
Dr. Janine Dawkins	- Member
Capt. Robert Chin	- Member
Dr. Kavita Johnson	- Member
Mrs. Amoy Bernard Morrison	- Member
Capt. Ricardo Lynch	- Member
Mrs. Alison Cole Philbert	- 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. 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 | (876) 926-4421
Fax: (876) 926-7580

Bankers

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

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.





JAMAICA CIVIL AVIATION AUTHORITY

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

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—

July 31, 2020

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

Dear Minister:

The Board of Directors and Executive Management team of the Jamaica Civil Aviation Authority (JCAA) are pleased to present to you, the Annual Report of the Jamaica Civil Aviation Authority (JCAA), covering the period April 1, 2019 to March 31, 2020.

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.

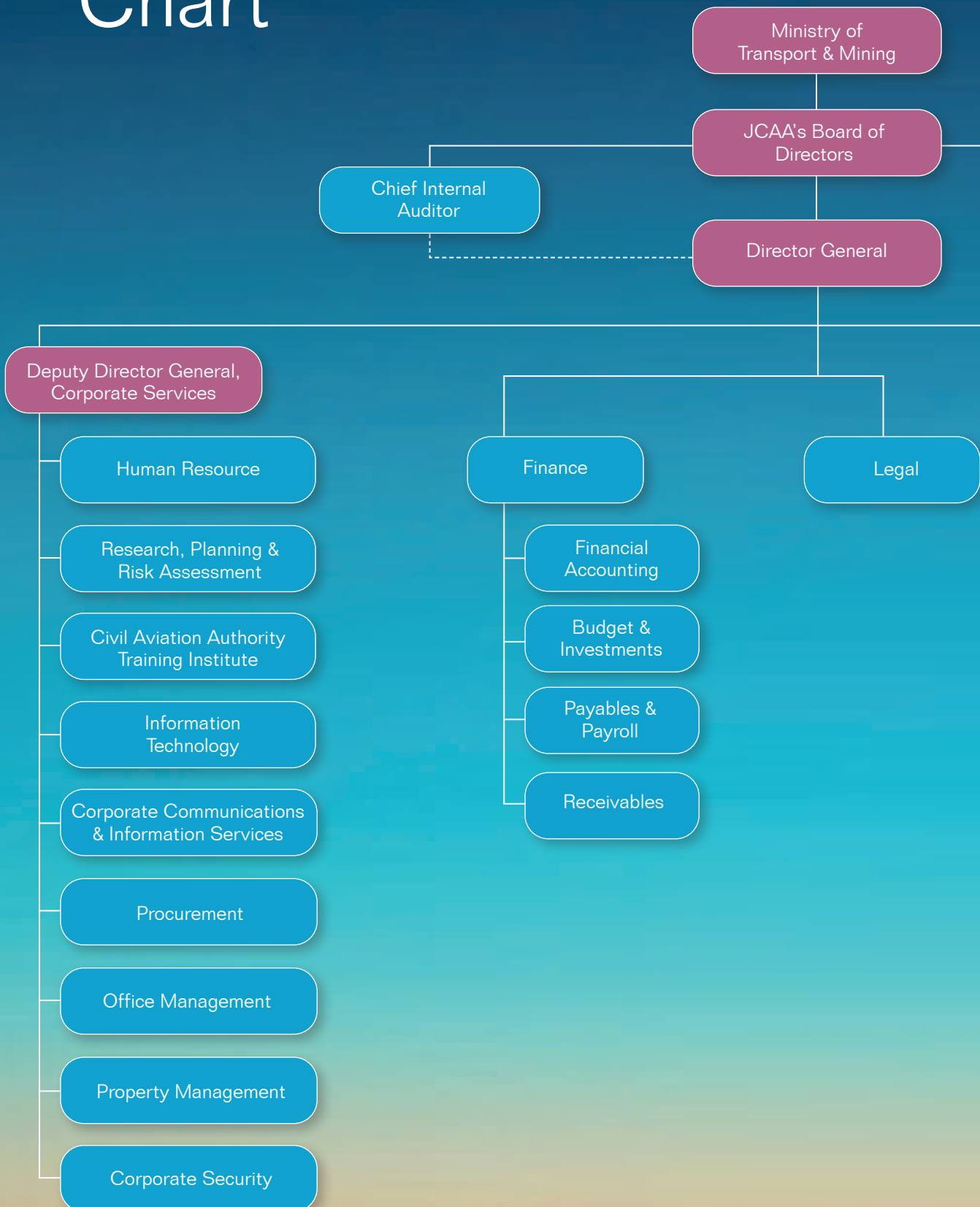
The current Annual Report also includes copies of the audited financial statements and explanatory notes.

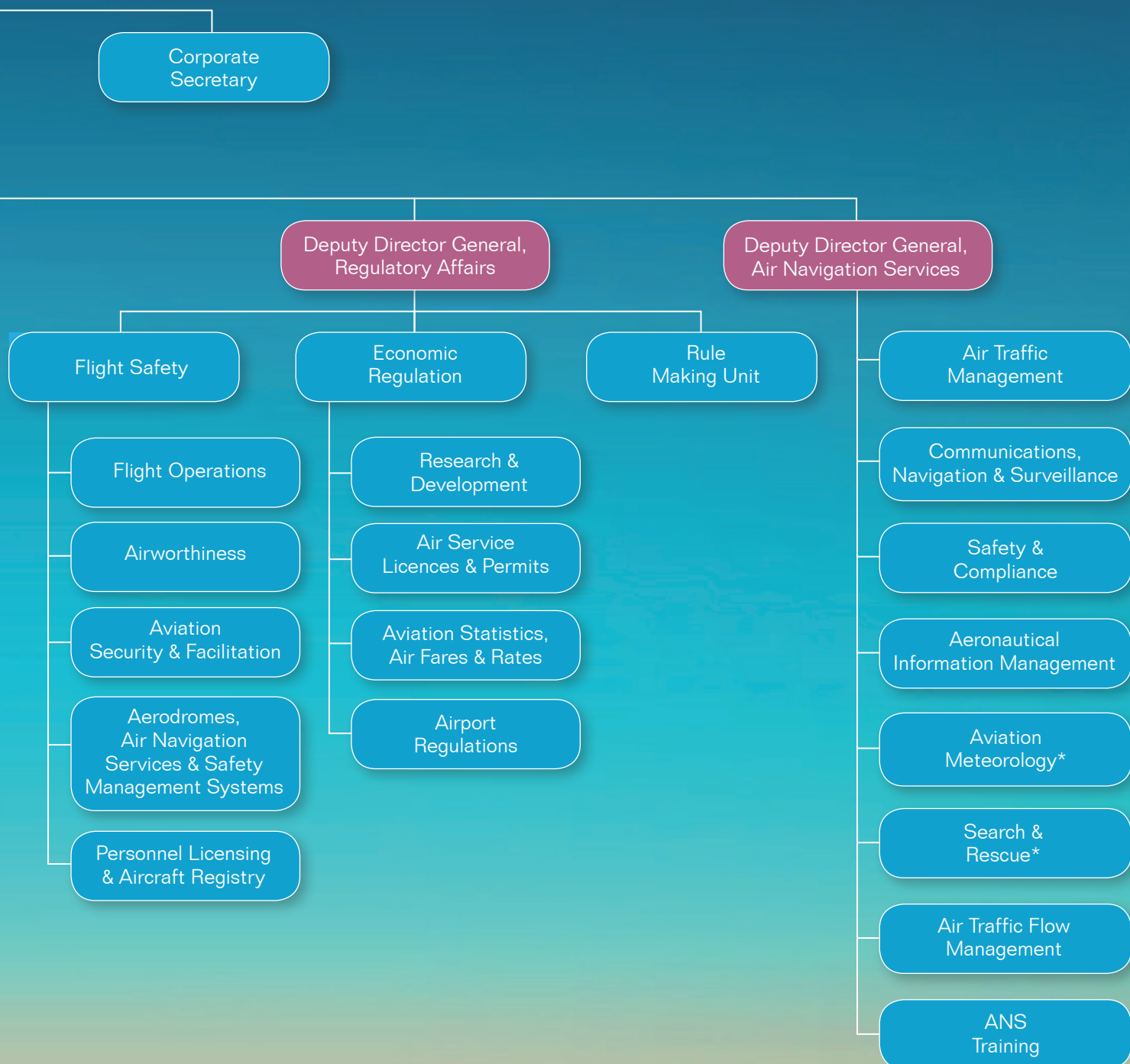
On behalf of the Board of Directors, executive management team and staff members, I wish to thank you for your ardent support of the JCAA's mandate and operations over the past year. This support has been critical, as the JCAA undertakes efforts to support Jamaica's development goals, by ensuring the safe and orderly development of our nation's aviation industry.

Sincerely yours,

Phillip Henriques
Chairman

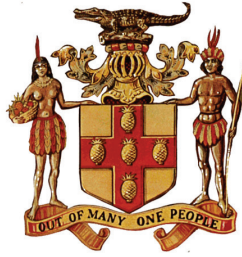
Organisational Chart





* MOU with Meteorological Office of Jamaica

* MOU with Jamaica Defence Force



Foreword by the Hon. Robert Montague, MP Minister of Transport & Mining



The 2019-20 year was a landmark one, in which industry transformation projects and global collaboration efforts helped to accelerate the achievement of nationally prioritised goals related to air transport safety, efficiency and national development. The industry's uncompromised safety focus, ongoing technological revolution, and trademark adaptability in this environment, also proved invaluable for safely managing the volatilities of the global air transport industry, and particularly, the upheaval created by the COVID-19 pandemic, since the start of the 2020 year.

At this important juncture in the development of the aviation industry, it is important to recall that the history of aviation is one of innovation, revolutionary inventions and ground-breaking perseverance. Importantly, for our industry, these experiences have all occurred within a context that has necessitated and rewarded collaboration, as one of the most productive ideals for human progress. The lessons from our historical aviation experience continue to serve us well, and we continuously collaborate and engage our partners, to navigate the complexities of the current world environment.

Industry Strengthening to Enhance our Status as a Preferred Aviation Hub

As the Jamaican government continues to allocate technical and financial resources to ensure the effective stewardship of the aviation industry to achieve its vast potential, we remain cognisant that challenges, such as the present, provide the opportunity for renewal and growth. They also provide the latitude to begin again or advance more intelligently. Thus, while the current period will be remembered for its unprecedented volatility,

Jamaica's leadership is continuing to ensure that investments and the necessary procedural and technological advancements are proactively and effectively managed to promote resilience and adaptation to 'new normals', as imperatives of survivability, regeneration and growth.

Sharing the Success of Aviation

The success of our local aviation industry remains the success of the nation and our myriad industry stakeholders. As efforts to prioritise innovation in the aviation industry continue, through a variety of air navigation services modernisation and regulatory service enhancement initiatives, we will consistently harness the industry's potential as not only an indispensable enabler of trade, development and connectivity in a global world, but as a vital mechanism for ensuring improved quality of life and survivability for all.

Aviation maintains an unmatched role in ensuring access to life-saving supplies, and the real-time delivery of high-value, time-sensitive goods that improve quality of life and access to needed resources. Accordingly, there has been growing recognition that the sustainable growth and

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development of the industry is a requirement for enabling the achievement of the United Nations 2030 Sustainable Goals. These goals, which the aviation industry currently advances, include an enhanced quality of life, poverty eradication, reduced inequalities, economic growth, continued innovation, and environmental sustainability. Moreover, as we have forcibly discerned in the final quarter of the 2019-20 year, responsible management of the aviation industry is a basic quality of life indicator, given the significant role it plays in protecting and assuring good health and well-being for our numerous stakeholders and a healthy and sustainable world and future for all.

Buoyed by the continued efforts of the JCAA and industry stakeholders, Jamaica will never renege on its tremendous responsibility to ensure the operation of a safe, efficient and reliable industry that supports and serves the needs of Jamaica and industry stakeholders.

The time for regrouping and regeneration is now, and together, we will continue to transform the local air transport sector as a formidable force for development and prosperity amidst changing environments.

Chairman's Statement & Board of Directors' Report



Mr. Phillip Henriques
Board Chairman

A Challenging, but Successful Year Preparing us for the Opportunities and Dynamism of the Future

The 2019-20 year was an extraordinarily dynamic one, characterised by transformational change, robust project and industry development activities and mission-enabling interventions, interspersed with the emergence of the COVID-19 pandemic as a Public Health Emergency of International Concern (PHEIC) in the final quarter.

While the COVID-19 pandemic paralysed activities in various sectors and overshadowed reviews of the 2019-20 year, it is important to highlight the substantial industry-positioning work and progress that was achieved in a number of important areas within the first three quarters and final quarter of the year.

As a paramount achievement, there were no accidents or incidents recorded within Jamaica's airspace or aviation sector during the financial year. This successful industry outcome was achieved in partnership with stakeholders, who were supported by the JCAA's adoption of a risk-based approach, and its ability to channel regulatory and organizational resources to ensure effective industry safety and security oversight, over the period.

Over the reporting year, the JCAA was also able to rise to the challenge of effectively harnessing innovation and technology to sustainably improve aviation standards related to safety, efficiency and environmental sustainability. The resulting operational improvements, which emanated from a number of projects, included a multi-million dollar upgrade to the Kingston Air Traffic Control Centre (KATCC) and the on-pace implementation of several air navigation and aviation safety initiatives. The latter were geared towards harmonising and elevating the standards and procedures required for implementation by every ICAO state, under ICAO's global Aviation System Block Upgrades programme and its Global Aviation Safety, Security and Air Navigation Plans.

The JCAA was, additionally, able to participate in and play a leading role in the evolution of the global air transport system by substantially completing the transition from a mainly paper- and telex-based delivery of Aeronautical Information Services to a data-driven, satellite-enabled Aeronautical Information Management Platform. The new AIM platform, over the year, facilitated and enabled real time data exchange, through the dissemination and management of critical information resources. These and other major upgrades to Jamaica's air-to-ground radio facilities, navigational aids and other communications, navigation and surveillance infrastructure helped accelerate the transformation of Jamaica's aviation industry as a world-class hub of value and virtual transport, within the global air transport industry. The projects also elevated the local industry's status as an important facilitator of development, planning and trade for Jamaica and its dependent industries, while being major cogs in efforts to improve connectivity, mobility and quality of life for all local and international stakeholders.

In this time
of challenge,
we will remain
#JCAAstrong.

Novel Paths... New Opportunities

While a 'new normal' has been envisioned for the industry and world in relation to the impact of the COVID-19 pandemic or other exogenous events, an environment characterised by change is never new but, conversely, the normal operating environment for the aviation industry. Despite the clear challenges, our aviation industry will rely on our unique history of innovation and flexibility to exploit these challenges, as opportunities to grow, reach new frontiers, and become more resilient. To this end, the JCAA continued to embrace change, while reorganising its processes and introducing technologies to ensure a performance-driven workforce. As the JCAA

pursued these initiatives, it championed the engagement and alignment of internal and external stakeholders to Jamaica's industry growth and transformation strategies, as a pre-requisite for our collective success.

Collaborating for Industry Development

Over the 2019-20 year, Jamaica remained a highly visible and influential participant in industry development fora, as we shared and demonstrated our commitment, as an ICAO Member state, to aviation and regulatory excellence, in the regional and global spheres. A notable highlight was Jamaica's assumption of a critical leadership role at ICAO's 40th General Assembly. This occurred when Jamaica's Director General of Civil Aviation, Mr. Nari Williams-Singh, was elected by delegates of the ICAO Council, ICAO's highest governing body, as President of the 40th General Assembly. At this important triennial event, the Director

General provided leadership support for the event's decision-making processes on matters of global impact. These included revisions to ICAO's Global Aviation Safety and Global Air Navigation Plans, endorsements of enhanced environmental protection initiatives, and the handling of new infrastructure development programmes, including Virtual Reality (VR) technologies to enhance aviation training methodologies.

Ensuring Organisational Accountability and Performance

Over the reporting year, the JCAA's Board of Directors and its Committees convened frequent meetings to monitor the organisation's progress towards achieving our strategic goals and objectives. Accordingly, the Board's oversight activities were targetted and

geared towards supportively ensuring that the JCAA's affairs were being conducted, managed, accounted for and monitored in accordance with the entity's policies, strategic directions, and expectations, as outlined in our Corporate and Operational Plans.

Priority Safety Target Achieved ...As JCAA's Performance is Successful or Meets Expectations for Majority of Targetted Areas

(Bar Chart to be inserted) As the JCAA continued to pursue continuous improvement initiatives, the Board recognised and commended the JCAA for its leadership and facilitation of the industry's sterling safety outcomes, which served to inhibit safety accidents and incidents over the year, despite a challenging environment. This noteworthy achievement has been elevated as a standard and benchmark for the ensuing years.

During the year under review, the JCAA monitored 382 targets. Of this number, a total of 245 or approximately 64% of targets were either achieved (37% or 142); exceeded (7% or 28); in line with phased, ongoing and/or recurrent implementation schedules (9% or 35); or were dependent on or awaiting external enablers, and therefore effectively suspended, unrated, paused or discontinued. (11%/40).

While the JCAA's performance was fair, 34% or 129 targets were at varying stages of completion and were not achieved in accordance with the defined schedule and timelines of the Authority's 2019/20 Operational Plan. The subpar performance for this group of targets was impacted, in varying degrees, by the onset of the COVID-19 pandemic in the final quarter, as well as other factors. However, given their impact on the JCAA's overall performance for the 2019-20

annum, the Board continued to spearhead and stimulate discussions related to structured processes for identifying, implementing and managing improvement opportunities. These were considered in various areas, including the enhancement of service levels, process digitisation and automation, the enhancement of project management expertise, and related deliverables.

Undoubtedly, continuous improvements in operational performance will be a critical factor in our aviation environment that is, characteristically, rapidly expanding, innovation-dependent and competitive. Against this background, our organisation must continuously lift itself against the challenges we face, or risk regression from our hard-earned status as a premier aviation hub, by our loyal and growing family of stakeholders.

THE COVID Impact

The final quarter of the financial year provided a stark reminder that the hallmark resilience of the aviation industry remains and continues to rest on its ability to respond to unprecedented and unexpected challenges, safely and expeditiously. The emergence of the COVID pandemic in the last quarter of the reporting period precipitated an implosion in the activities of the local and international aviation industries. This temporary mothballing of the industry resulted from the imposition of necessary travel restrictions to prioritise health and safety, international border closures, massive reductions in revenues for industry stakeholders and dependent industries, and a continuing slump in activities and demand among travellers and other airspace users.

While the JCAA prioritised the safety of the travelling public and their numerous host nations, in accordance with Jamaica's national Disaster Risk Management

Enforcement Measures, it nonetheless continued to perform an integral role as an essential services provider, facilitating the transport of medical and other life-sustaining supplies, as well as repatriating thousands of individuals stranded in various locations across the globe.

Air Traffic Volumes Plummet, but Decisive Actions prepare the JCAA for the Earliest, Safe Return to Full Operations

An immediate consequence of the pandemic was the plummeting of air traffic volumes, which accelerated the onset of a recession-like climate, further aggravating the downturn in the aviation sector. As travellers became more cautious, and the impact of the pandemic more serious and widespread, the downward spiral in the last quarter deflated the year's performance and passenger arrivals for the 2019-20 annum became essentially flat, with an aggregate 0.9% increase recorded, over the previous year. This result represented a major trajectory reversal of the average annual growth rate of 5.5% over the last four (4) years.

Similarly, while there were no restrictions on air cargo operations into Jamaica, there was a cataclysmic impact to the sector from reductions in economic activities across most industries, internationally and locally. As a result, both inbound and outbound air cargo movement declined by an aggregate 3% and 16%, respectively, in comparison to the previous year.

A Formidable Force in Global Efforts to Save Lives and Preserve Future Prosperity

Notwithstanding the economic and other impacts, the JCAA is pleased that its swift and decisive actions to enforce stringent safety and health standards at its facilities, as well as to provide guidance to regulated entities and other stakeholders, helped safeguard the health and welfare of team members, their families, the nation, and all

industry stakeholders.

Internally, the management of the pandemic was also commendable, with no cases of COVID-19 infections reported for team members or their families at the end of the financial year. The JCAA's and aviation industry's support was also important in the national and whole-of-government approach, which helped Jamaica to contain and reduce the rate of transmission, with the number of cases kept below 500, at the end of the financial year.

At the end of the reporting period, the JCAA also continued to ensure the availability of relevant expertise to support the work of various national authorities, which were seeking to protect lives, and, at the right juncture, safely restore livelihoods.

Outlook for Next Year

For the coming fiscal year, a total revenue of \$5.9 billion is anticipated. When compared to income for the current year, this constitutes a 31% growth. The GOJ Subvention accounts for approximately \$5.7 billion, or 96% of the overall revenue forecast.

Operating costs are forecast to reach \$5.4 billion, resulting in an operating surplus of \$565 million. For the next fiscal year, net finance income of \$86 million is anticipated, resulting in a net surplus of \$652 million. This is a \$192 million, or 42%, increase over current results.

The Authority continues to modernise its communications, navigation and surveillance systems with budgeted outlay of J\$642.56 million for the next financial year, as safety and security remain the Authority's key priorities.

The significant impact of the COVID-19 pandemic, which induced a global economic fallout, caused depressed levels of air traffic movement since mid-March 2020, and is expected to continue throughout

the next financial year. Gradual recovery is expected in subsequent years, as countries implement recovery measures to combat the global pandemic and consumer confidence increases.

In consideration of the current external global environment and factors in the Jamaican context, a gradual recovery stretching into the next financial year (prolonged U-Shape) is most likely. Air Navigation fee income is expected to gradually increase in the medium to long term. Similarly, in the same time frame, a steady growth in passenger seats sold is also anticipated in the same timeframe, as air operators' confidence levels to rise, the global economy improves, and countries reopen their borders to the international community, while forming new partnership agreements with international stakeholders.

The Road Ahead

As the JCAA pursued health and safety priorities, it also advanced discussions and stakeholder dialogue, which concentrated on recovery priorities and continued public and passenger safety. These seminal discussions were aimed at prudently and safely restoring the operational and economic viability of the air transport sector and its stakeholder entities, with recognition of the industry's wider role as a bastion and superhighway of prosperity for economies and businesses worldwide. With projections forecasting continuing

uncertainty, amidst prolonged outbreak and recessionary cycles, the JCAA continued to demonstrate acute situational awareness, and readiness for the challenges ahead. With adversity and challenges remaining our best drivers and educators, the JCAA continues to implement plans prioritising the health and safety of our team members and stakeholders, while concentrating our efforts on adaptable and innovative measures and initiatives that reduce and manage public health threats, renew confidence and reinvigorate travel activities, as we support and enable a strong and safe recovery.

In this time of challenge, we will remain #JCAAstrong.

Now more than ever, we look towards advancing various transformational initiatives geared at increasing our capacity as an agile and adept regulator, as well as a capable air navigation services provider for the industry. With the continued talent, dedication and commitment of the JCAA's team, Jamaica's aviation industry remains well-positioned to face the challenges of the future. As with any endeavour, collaboration and coordination will remain vital for a successful eradication and management of COVID-19 and other industry threats, and the JCAA will continue to collaborate with industry partners to garner the collective will, and necessary financial, material, procedural and other resources to emerge a stronger, more united and resilient industry.



Board Report on Corporate Governance For The 2019-20 Financial Year

Foreword

The Jamaica Civil Aviation Authority's Board of Directors is pleased to submit the Board Report on Corporate Governance for the 2019-2020 financial year, which ended March 31, 2020.

The Board's composition, over the review year, was impacted by various developments, including changes in the membership composition, and the regrettable passing of Member E. George HoSang. Notwithstanding the developments, the duties and responsibilities of the Board were skillfully undertaken and managed, and the year ended with a complement of ten (10) Appointed Members, pursuant to the Civil Aviation (Amendment) Act, 2015, in addition to the Director General, who served as an Ex-Officio Member.

The composition of the Board, over the 2019-20 period, was as follows:

Mr. Phillip Henriques	- Chairman
Mr. Douglas Lindo	- Deputy Chairman
Mr. Milton Daley	- Member
Mr. E. George HoSang	- Member (Until time of death in February 2020)
Capt. Geoffrey Campbell	- Member
Dr. Janine Dawkins	- Member (Ministry of Transport & Mining Representative)
Capt. Robert Chin	- Member
Dr. Kavita Johnson	- Member
Mrs. Amoy Bernard Morrison	- Member
Ms. Sue Rosen	- Member (Until Resignation in June 2019)
Mr. Marc Ramsay	- Member (Until Resignation in July 2019)
Capt. Ricardo Lynch	- Member (Assigned to fill vacancy following resignation)
Mrs. Alison Cole Philbert	- Member (Assigned to fill vacancy following resignation)
Mr. Nari Williams-Singh	- Director General, Ex-Officio Member

Mr. Leroy Lindsay, Senior Aviation Specialist, remained a resource person in the capacity of Board Invitee. Ms. Marva K. D. Gordon, Attorney-at-Law and the Authority's General Counsel and Corporate Secretary, demitted office on April 30, 2020. Ms. Nardia P. Andrews, Attorney-at-Law and the Authority's General Counsel, assumed duties as Corporate Secretary on May 1, 2020. It is to be noted that the Board is still contemplating a separation of the roles of General Counsel and Corporate Secretary.

As the governance and oversight body for the JCAA, the Board of Directors was appointed, in accordance with the Civil Aviation Act, to provide and maintain the strategic direction of the Authority, while monitoring its overall performance and key business risks. The Board also approved major capital expenditure and ensured adherence to the governance principles articulated in the GOJ's Corporate Governance Framework (CGF) for Public Bodies (2012). The Policy Guidelines, which are benchmarked against international best practices, accord, and are in alignment with, the national development goals and strategies outlined in Vision 2030: Jamaica's National Development Plan. These guidelines provided important mechanisms to strengthen the governance and accountability system of the JCAA, as a public body.

Exercising diligence & commitment to ensure the fulfilment of the JCAA's mandate

Over the year, the Board Directors employed diverse professional expertise to successfully meet the obligations placed on them under Section 6 of the Public Bodies Management & Accountability Act (PBMA). These included ensuring the efficient and effective management of the JCAA, as a public body; ensuring the accountability of all persons who manage the entity's resources; developing adequate information, control, evaluation and reporting systems within the JCAA; developing specific and measurable objectives and performance targets for the Authority; and advising the Minister on matters of general policy relating to the management of the body.

The Board also conducted its oversight activities to accord with the directives of the Ministry of Transport and Mining, the Ministry of Finance & the Public Service and, more generally, the Government of Jamaica (GOJ), as it strived to maintain the integrity, accountability, and effectiveness of the JCAA. The Chairman and Directors of the Authority also strengthened their corporate governance capacity through continued engagement in this area at all convened Board meetings to ensure continued relevance and sound decision-making for the betterment of the Authority.

JCAA's Performance Against Targets

The following results summarise the JCAA's performance against a number of Key Performance Indicators (KPIs) and objectives, which were established for the period:

Key Performance Indicators (KPIS) for the 2019/2020 Financial Year

Key Performance Indicator		Target	Status	Details of Achievement
Strategic Goal No. 1: SAFETY AND SECURITY: To enhance safety and security in civil aviation				
1	Target Level of Safety (Aerodrome Control) KPI: # of runway incursions per year	Not more than three (3) runway incursions per year	Achieved	Two (2) runway incursions recorded
2	Target Level of Safety (Approach Control) KPI: # of AIRPROX incidents per year	Not more than three (3) AIRPROX incidents per year	Achieved	Three (3) AIRPROX incidents recorded
3	Target Level of Safety (Area Control) KPI: # of AIRPROX incidents per year	Not more than three (3) AIRPROX incidents per year	Achieved	No AIRPROX incidents recorded
4	Service Availability KPI: %-age of service availability (CNS) maintained	99.97% service availability maintained	Not Achieved	Average service availability - 99.32%
6	Safety and Security Oversight Surveillance KPI: %-age of safety and security oversight inspections conducted in accordance with Flight Safety Surveillance Plan	100% of safety and security oversight inspections conducted in accordance with Flight Safety Surveillance Plan	Not Achieved	91% (727) of safety and security oversight inspections conducted in accordance with Flight Safety Surveillance Plan
Strategic Goal No. 2: OPERATIONAL EFFICIENCY, CAPACITY BUILDING AND INNOVATION: To increase the operational efficiency of the JCAA by continuously strengthening skills, resources and processes				
7	Efficiency of Permitting and Licensing Application process KPI: %-age of applications for operations over 30 days processed within eight (8) weeks	95% of applications for operations over 30 days processed within eight (8) weeks	Not Achieved	28 of 34 applications (82%) processed within eight (8) weeks
8	Efficiency of Permitting and Licensing Application process KPI: %-age of applications for operations under 30 days processed within seven (7) days	98% of applications for operations under 30 days processed within seven (7) days	Not Achieved	143 of 151 applications (95%) processed within seven (7) days

Key Performance Indicator		Target	Status	Details of Achievement
Strategic Goal No. 3: GROWTH AND DEVELOPMENT OF AIR TRANSPORT: To facilitate the sustainable growth and development of a sound and economically viable civil aviation industry				
9	Adherence to approved budget KPI: %-age of expenditure exceeding approved Budget	0% of expenditure exceeds approved budget	Achieved	Expenditures were within approved budget limit
10	Bills Settled KPI: # of days for settlement of bills	Bills settled within 15-30 days	Achieved	21 days on average for the financial year
11	Collection of PASC Invoices KPI: %-age collection of PASC invoices	100% collection on PASC invoices	Achieved	109% collection on PASC invoices
12	Collection of Air Navigation Fees KPI: %-age collection on Air Navigation Fees invoices	95% collection on Air Navigation fees invoices	Achieved	102% collection on Air Navigation fees invoices
Strategic Goal No. 4: GOVERNANCE AND INDUSTRY ENGAGEMENT: To strengthen corporate governance within the Authority and maintain strong working relationships with local, regional and international partners				
13	Financial Reports KPI: %-age of financial reports issued on time	100% of financial reports submitted on time	Not Achieved	Monthly Management Reports were not submitted within the stipulated timeframe (Friday before meeting).
14	Turnover Rate KPI: Separation %-age per annum	Not more than 5% of employees separated per annum	Achieved	4.79% of total number of employees separated; Total staff complement as at March 31, 2020 – 313
15	IT Help Desk Tickets Average KPI: Average # of technical support tickets closed per day	Five (5) technical support tickets closed per day	Achieved	Average of six (6) technical support tickets closed per day.
Strategic Goal No. 5: A SUSTAINABLE AVIATION FUTURE THROUGH ENVIRONMENTAL PROTECTION: To facilitate the sustainable growth and development of a sound and economically viable civil aviation industry				
16	Performance-Based Navigation KPI: # of PBN routes implemented and published	Four (4) PBN routes implemented and published	Not Achieved	One (1) UP536 implemented; Approximately seven (7) were delayed due to the COVID 19 pandemic

Financial Performance

The Authority was placed on subvention, effective April 1, 2017, and the operations of the Authority were funded by the Consolidated Fund over the 2019-20 year. For the 2019-20 year, a request of \$5.4 billion was made, of which only \$4.4 billion or 81.5% was approved (inclusive of Appropriations in Aid (AIA)).

In the above context, a total income of \$4.5 billion was recorded, which was (\$1 billion or 20%) lower than budgeted projections of \$5.5 billion by \$1 billion or 24%. Operating expenditure of \$4.4 billion was recorded, resulting in an operating surplus of \$100 million. Net finance income of \$360 million was recorded, resulting in a net surplus of \$460 million for the year. This was \$21 million or 4% lower than budgeted projections.

An Entity Fulfilling its Purpose

With the JCAA designated the overarching mandate of ensuring the development of the civil aviation industry, while contributing to the growth of Jamaica, in accordance with our safety, reliability and sustainability goals, the Board of Directors provided strategic oversight in a number of areas.

These areas of strategic oversight included:

efficient and effective management and performance of the JCAA, through continued infrastructural, technological and systems development

continued compliance with ICAO's Standards and Recommended Practices and other international obligations

enhancement of regional cooperation to support safety and efficiency goals in the Kingston Flight Information Region (i.e. Jamaica's airspace)

Human Resource capacity building to strengthen the management of the Authority's resources

legislative strengthening for the Authority, through ongoing processes for holistically amending the Civil Aviation Act; and

continued implementation and enhancement of the Authority's Business Continuity Plans and Processes.

Summary of Achievements

Through the work of the Jamaica Civil Aviation Authority (JCAA), Jamaica continues to play a leading role in global efforts to engender a uniformly safe, secure, efficient and sustainable air transport industry. During the year, the JCAA continued to implement the initiatives identified in the Authority's 2019-2020 Operational Plan, which facilitated the pursuit of the JCAA's mandate and derivative strategic goals.

Through its provision of safe and efficient air traffic services, the JCAA was also able to safely direct 173,118 flights, that is 0.2% higher than the previous year's corresponding period. The Authority achieved 87% of the 198,207 air traffic movements targeted for the 2019-2020 financial year. The target was not fully achieved because a number of airlines operating from the United States reduced the number of scheduled flights to select destinations during the year. This was further compounded by several countries imposing border restrictions in mid-March, as a result of the COVID-19 pandemic. Through an average of 15,950 monthly flights, over 6,000,000 passengers were safely conveyed to their destinations.

General Advice to the Minister

Over the year, the Board advised the Minister of Transport and Mining on matters of general policy, relating to regulation and service-provision within the local, regional and international aviation industry. Under this rubric, the following were addressed by its careful oversight:

Organisational support for the processes of amending the Civil Aviation Act, by ensuring the submission of necessary updates, pursuant to ICAO SARP amendments;

Ministerial Brief related to the Authority's decision, regarding the grant of Air Services Licence, further to the facilitation of an Objection Hearing

Supporting Our National Community Through Corporate Social Responsibility

Over the period, the Board also exercised oversight with respect to the Authority's corporate social responsibility programme, as it supported the tenets of corporate social responsibility within the context of a public organization. As the Authority sought to support Jamaica's development efforts, while creating greater awareness about the roles and functions of the JCAA through the attendant publicity entitlements, support was extended for several worthy and nation-building causes. These included support of development initiatives, enrichment programmes and/or fund-raising efforts of various educational institutions, such as the Wolmers Girls School, Immaculate Conception High, Dunoon Technical High, St. Andrew High School and the Northern Caribbean University, and support of the Jamaica Police Federation's participation in international athletics; the Adult Learning Centre of Jamaica; the Jamaica Library Service and the Missionaries of the Poor.

Robust summer employment and internship programmes, which benefitted over 180 students at the high school, collegiate and university levels, also served the objectives of allowing participants to explore and discover careers of interest, while building awareness about the roles and importance of the JCAA and aviation industry.

Board Caucus

Board Caucuses were scheduled throughout the year under review, with the Director General as well as the Corporate Secretary in attendance at each Caucus, where matters submitted for the consideration of the Members were discussed.

Board Training

The Board pursued training of all Members, relevant to the conduct of the Authority's operations during the period, and was supported by the Ministry of Transport and Mining's hosting of training for all Board Members appointed to entities within its portfolio.

Board Evaluation

The Board completed its annual evaluation, after a comprehensive revision was undertaken of the evaluation instrument. The Board's Evaluation Instrument was revised by Dr. Kavita Johnson, and supported by the research of the Corporate Secretary, based on the GOJ's Board Performance Survey Instrument. The Evaluation administered permitted Members self-evaluation, as well as a review of the Board's work during the period under review.

The evaluation was administered electronically, allowing Members to complete and return the submission directly to the Corporate Secretary, using an electronic medium. The Board will also be pursuing the utilization of an electronic platform to administer and review its future evaluations.

Monthly Meetings and Attendance of the Board

Twelve (12) meetings were held during the year under review, excluding the Board Caucuses. All meetings received full or majority attendance from the Members.

The quorum for meetings remained at seven (7) persons, to require a simple majority of the membership. This quorum effectively ensured an acceptable level of inclusiveness and membership representation in the deliberations of the Board.

Board Attendance

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

Board Members' Attendance: April 2019- March 2020

Names	Number of Meetings Held	Number of Meetings Attended	Meetings Excused
Mr. P. Henriques	12	10	2
Mr. D. Lindo	12	12	–
Mr. E. G. HoSang	12	5	Member HoSang passed in February 2020
Mr. M. Ramsay	12	2	Resigned Effective July 2019
Mr. R. Chin	12	10	2
Capt. G. Campbell	12	12	–
Mrs. S. Rosen	12	1	Resigned Effective June 2019
Mr. M. Daley	12	12	–
Dr. J. Dawkins	12	11	1
Dr. K. Johnson	12	12	–
Mrs. A. Bernard Morrison	12	9	Maternity Leave Effective January 2020
Mrs. Allison Cole Philbert	12	6	Appointed August 2019
Mr. Ricardo Lynch	12	6	Appointed August 2019
Invitee Mr. L. Lindsay	12	10	2
General Counsel & Corporate Secretary Ms. Marva Gordon	12	1	Demitted Office April 30, 2019
General Counsel & Corporate Secretary Ms. Nardia Andrews	12	10	1 Assigned Effective May 1, 2019

Committees

The following outlines the Board Committees, their composition and major activities. Each Committee was supported by the Executive and Senior Management,

as required, as well as the Corporate Secretary, to ensure adherence to all corporate governance stipulations and requirements at all meetings.

Finance Committee

The Finance Committee comprised Mr. E. George HoSang (Chairman), Mr. Douglas Lindo (Acting Chairman during illness of Chairman), Mr. Robert Chin and Mr. Milton Daley.

This committee oversaw the work of the external Auditors, Binder Dijker Otte (BDO), in accordance with Government of

Jamaica (GOJ) guidelines. It also supported improvements to monthly financial reporting, enhanced revenue recovery and ensured compliance with GOJ guidelines. Key activities also focused on vesting and the regularization of land ownership, to secure boundaries and the Authority's rights and interests in its properties, while paying taxes and resolving breaches, where applicable.

Finance Committee Members' Attendance: April 2019 - March 2020

Names	Number of Meetings Held	Number of Meetings Attended	Meetings Excused
Mr. E. G. HoSang	11	5	Mr. HoSang passed in February 2020
Mr. D. Lindo	11	7	4 Mr. Lindo acted as Chair during the absence of the Chairman due to illness, and assumed full Chairmanship after the passing of Mr. HoSang
Mr. R. Chin	11	7	4
Mr. M. Daley	11	8	3
Mr. Ricardo Lynch	11	2	Assigned to Committee Effective January 2020

Audit & Risk Management Committee

The Audit & Risk Management Committee was comprised of Mr. Milton Daley (Chairman), Mr. E. George HoSang (until his passing), Capt. Geoffrey Campbell, and Mrs. Amoy Bernard Morrison.

The JCAA's Management staff representatives on the Committee comprised:

Mrs. Nichole Morgan – Deputy Director General, Corporate Services

Mr. Jason McPherson – Chief Internal Auditor

Ms. Gillian Richards – Director, Research, Planning and Risk Assessment

Ms. Shian Edwards – Director, Finance

Over the 2019-20 period, the Committee addressed and exercised oversight in relation to the following items:

- Review of the Draft Audited Financials
- JCAA's Pension Scheme
- Fixed Assets and Inventory

It also received reports and deliberated on the following activities related to the Internal Audit Department and functions:

- Special Regulatory Compliance Audit – following Aircraft Accident at Tinson Pen Aerodrome
- Engagement of a Software Consultant
- Transactions with Eclipse Employment

Agency

- The 2018-19 Audit Plan
- Staff Complement of the Audit Department
- Upgrade of the Payroll System
- Monthly Review of transactions of J\$1M and above
- Unpaid Balances on Loan Schedules
- Effective Payment Date for the Revised Board Fees
- Canteen Concessionaire arrangements
- Annual Inventory Count Report
- Fixed Assets Register
- Engagement of the External Auditor
- Write-off of balances on loan schedules
- Write-off of customer receivable accounts
- The Whistle Blowing Policy

Among the important matters reviewed by the Committee in relation to the Authority's research, planning and risk assessment activities were:

- the Risk Profile
- Risk Assessment of JCAA's Departments
- the Critical Business Risk Register
- the JCAA's Succession Plan
- Safety and Security - Intrusion at remote sites
- ATS Disruptions and Systems Availability
- Air Navigation Services (ANS) Equipment
- Risk Management Education and Awareness Strategy
- Risk Management Steering Committee
- Business Continuity Management (BCM) Policy
- Records Management Policy

Audit & Risk Management Committee Members' Attendance: April 2019 - March 2020

Names	Number of Meetings Held	Number of Meetings Attended	Meetings Excused	REMARKS
Mr. M. Daley	10	10	–	–
Mr. E. G. HoSang	10	4	–	Mr. HoSang passed February 2020 after protracted illness
Mrs. A. Bernard Morrison	10	9	1	On leave, effective February 2020
Capt. Geoffrey Campbell	10	1	–	Asked to join during absence of Member HoSang who was unwell

Human Resource Committee

The Human Resource Committee comprised Mrs. Susan Rosen (Chairperson until resignation), Dr. Kavita Johnson (appointed Chairman after former Chairman resigned), Mr. Phillip Henriques, Mr. E. George HoSang and Capt. Ricardo Lynch. 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 GOJ approvals, 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

- progress on wage and fringe benefits negotiations
- training of personnel
- Job Evaluation exercise
- employee recruitment

Human Resource Committee Members' Attendance: April 2019 - March 2020

Names	Number of Meetings Held	Number of Meetings Attended	Meetings Excused
Mrs. Sue Rosen	9	1	Tendered Resignation June 2019
Dr. Kavita Johnson	9	8	Appointed Chair July 2019
Mr. Phillip Henriques	9	6	Mr. Henriques officially joined the Committee in September 2019.
Mr. E. G. HoSang	9	3	Mr. HoSang passed February 2020
Capt. Ricardo Lynch	9	1	Assigned Effective March 1, 2020

Technical Committee

The Technical Committee comprised Mr. Douglas Lindo (Chairman) as well as Dr. Janine Dawkins, Capt. Geoffrey Campbell, Mrs. Alison Cole Philbert, and Invitee, Mr. Leroy Lindsay.

The Committee oversaw the continued thrust towards updating the Memoranda of Understanding (MOUs) with Aeronautical Telecommunications Ltd. (AEROTEL), the Meteorological Service Division, and the Jamaica Defence Force (JDF).

The Technical Committee also guided the Authority's general management of space requirements and facilities through the implementation of a Facilities Improvement Plan. The Plan included augmenting space requirements through the lease of a section of the Jamaica Employer's Federation (JEF)

building and the repurposing of facilities at 1 Rekadom Avenue, and renovation of facilities at the JCAA HQ, to house the Aeronautical Information Management (AIM) staff.

Other notable undertakings of the Committee included oversight of the transition from Aeronautical Information Services (AIS) to Aeronautical Information Management (AIM), and the review of air navigation overflight fees. A focus area, over the year, was also the continuing modernization of the JCAA's Air Navigation Services (ANS) environment and facilities with staffing upgrades, recruitment, manual development and upgrades, replacement of the DVOR/DME at the NMIA and SIA airports, as well as other facilities and systems.

Technical Committee Members' Attendance: April 2019 - March 2020

Names	Number of Meetings Held	Number of Meetings Attended	Meetings Excused
Mr. Douglas Lindo	9	9	–
Capt. Geoffrey Campbell	9	8	1
Dr. Janine Dawkins	9	5	4 Assigned to the Committee September 2019
Mrs. Allison Cole Philbert	9	3	Joined Committee January 2020

Procurement Committee

The Procurement Committee comprised Mr. Robert Chin (Chairman), Mrs. Amoy Bernard Morrison and Dr Janine Dawkins. Over the year, 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 extended to building use, equipment and systems; and the upgrade, replacement and maintenance of Jamaica's air navigation infrastructure. The Committee also oversaw routine purchases to support the JCAA's ongoing operations and ensured continued improvement in realistic and effective procurement planning and inventory management processes, as well as reporting.

Procurement Committee Members' Attendance: April 2019- March 2020

Names	Number of Meetings Held	Number of Meetings Attended	Meetings Excused
Captain Robert Chin	8	8	–
Mrs. Amoy Bernard Morrison	8	5	Maternity Leave Effective February 2020
Dr. Janine Dawkins	8	2	Assigned to Committee Effective February 2020

Regulatory Committee

The Regulatory Committee provided oversight for the management of the Authority's regulatory duties and functions. The Committee comprised Mr. Marc Ramsay (Chairman until his resignation from Board), Mr. Philip Henriques (Chairman after resignation of Mr. Ramsay), Dr. Janine Dawkins and Dr. Kavita Johnson.

The Committee provided strategic advice and direction to management, in relation to all approvals of air transportation licences and permits. It also provided oversight in relation to the JCAA's support of processes to revise the Civil Aviation Act, and the preparation of new and revised Regulations.

Regulatory Committee Members' Attendance April 2019- March 2020

Names	Number of Meetings Held	Number of Meetings Attended	Meetings Excused
Mr. Marc Ramsay	10	2	Tendered resignation July 2019
Mr. Phillip Henriques	10	7	3 Chairman, effective August 2019
Dr. K. Johnson	10	9	1
Dr. Janine Dawkins	10	9	1

Conclusion

The governance framework employed by the JCAA's Board of Directors, over the 2019-20 year, provided the context within which the Authority was able to operate and achieve its strategic objectives in the areas of transparency, as well as ethical, accountable and evidence-based decision-making.

Throughout this year, the JCAA was enabled and equipped to achieve its main objectives, while effectively managing risks, key stakeholder relationships, and fulfilling its mandate,

Board of Directors



Mr. Phillip Henriques
Board Chairman



Mr. Douglas Lindo
Deputy Chairman



Dr. Janine Dawkins
Board Member



Capt. Robert P. Chin
Board Member



Mrs. Alison Cole Philbert
Board Member



Mr. Milton Daley
Board Member



Capt. Geoffrey Campbell
Board Member



Mrs. Amoy Bernard Morrison
Board Member



Capt. Ricardo Lynch
Board Member



Dr. Kavita Johnson
Board Member



Mr. E. George Hosang
Board Member

Profile of the JCAA's Directors



Mr. Phillip Henriques – Chairman

Mr. Phillip Henriques is a successful and commercially astute business leader, who has amassed years of experience within Jamaica's commercial sector.

Mr. Henriques' distinguished appointments include his substantive assignment as Managing Director of Kingston Industrial Agencies Limited – a position he has held since 2002. He also serves as Chairman of several institutions, including the CHASE Fund, a premier funding agency and government department of the Office of the Prime Minister, which has been impactfully supporting Jamaica's national development efforts in the areas of Culture, Health, Arts, Sports and Early Childhood Education.

In recognition of his outstanding dedication and contribution to Public Service, Mr. Henriques was awarded the National Honour of Order of Distinction in the rank of Commander (CD) in 2018. Chairman Henriques' professional qualifications include a B.Sc. in Business Administration and an MBA in Finance from Nova University, Florida. An avid sports enthusiast, Mr. Henriques is a member of the Kingston Cricket Club. Recreationally, he also enjoys tennis, squash, golfing, boating and cricket.



Mr. Douglas Lindo – Deputy Chairman

Mr. Douglas Lindo is the co-owner and Managing Director of Bellindo Ltd., one of the country's leading manufacturers of designed metal products for the commercial and residential sectors. For the past eight years, he has been a member of the adjunct faculty of the Mona School of Business & Management at the University of the West Indies, where he co-ordinates and serves as a lecturer for the 'New Ventures and Entrepreneurship' module. Under the auspices of his other company, Windward Holdings, he also provides consultancy services on a range of entrepreneurship-related projects.

Mr. Lindo is a director at Eco San Caribbean, a manufacturer of environmentally-friendly cleaning solutions for the commercial and industrial sector. Mr. Lindo's business prowess and contribution are widely recognized and he is a recipient of the Private Sector Organisation of Jamaica's '50 Under-Fifty Business Leaders Shaping Jamaica's Future' award. He was also awarded the 2012 Young Entrepreneur Award, for his contribution to the field of entrepreneurship.

Mr. Lindo has an M.B.A. (Finance) from the University of the West Indies and is currently pursuing a Doctorate of Business Administration (DBA), with a focus on entrepreneurship.



Dr. Janine Dawkins – Board Member

Dr. Janine Dawkins is a government technocrat and transportation professional, who has wide-ranging expertise in transportation engineering, planning, policy and legislation.

A Graduate of the Immaculate Conception High School, she holds a BSc. in Civil Engineering from the University of the West Indies, St. Augustine, Trinidad, an MS in Civil Engineering (Transport) from the Georgia Institute of Technology in Atlanta, USA, and a Ph.D. in Civil Engineering (majoring in Traffic Operations and City Planning). In 2005-2006, she participated in the Hubert Humphrey Fellowship mid-career professional development programme at the Massachusetts Institute of Technology (MIT) and, most recently, pursued studies to obtain a Bachelor of Laws (LL.B) from the University of London in 2016.

Her responsibilities span all modes of transport (land, air and sea) as well as the mining portfolio, and she provides technical and policy advice on various aspects of planning and operations related to these areas. Dr. Dawkins represents the Ministry on the Boards of the Jamaica Civil Aviation Authority, the Island Traffic Authority and the Port Authority of Jamaica. She is also a member of the Board of Clarendon Alumina Production and serves on the National Accreditation Committee, responsible for implementation of the International Ship and Port Facility Security (ISPS) Code.



Capt. Geoffrey Campbell – Board Member

Captain Campbell is a Jamaican aviator who has a long and distinguished career as a pilot, captain and air transport executive at the highest level of the local and regional air operating industry. Educated at the Florida Air Academy in Melbourne, Florida, Capt. Campbell was licensed as an Airline Transport Pilot by the US Federal Aviation Administration (FAA), the UK's Civil Aviation Authority (CAA), the Jamaica Civil Aviation Authority (JCAA) and the Trinidad & Tobago Civil Aviation Authority (CAA). Capt. Campbell was licensed to fly the Airbus' A300, A310, A319, A320, A321, A330, and the Boeing 727 and 737 aircraft.

Captain Campbell's vast expertise and skills have been profitably utilized in various regional, international and local aviation contexts, with assignments as Captain, Chief Flight Instructor, Vice President, Training & Standards Director, Flight Operations Director, and finally, Vice President of Operations, over an approximate 30-year career with Jamaica's former national airline. He also served as Executive Manager, Flight Operations, for the Kingston hub of Caribbean Airlines, over the period May 2010 – April 2014.

Capt. Campbell further expanded his expertise by undertaking courses, including the Flight Operations, Management Certificate from the International Air Transport Association (IATA), in Geneva, Switzerland. He also received certification and training as a Class Rating Instructor (CRI), Synthetic Flight Instructor (SFI) and Type Rating Instructor (TRI) from the UK CAA-approved ATP ACADEMY, in Dibden, Southampton, UK.



Mrs. Amoy Bernard-Morrison – Board Member

Mrs. Amoy Bernard-Morrison is an Attorney-at-Law who was called to the Jamaican Bar in 2017. She has been employed in the Public Service for over fifteen (15) years and currently serves as the Director of Academic Affairs at the Caribbean Regional Drug Law Enforcement Training Centre (REDTRAC), a Division of the Ministry of National Security.

Prior to being employed at REDTRAC, Mrs. Bernard-Morrison was employed to the Ministry of Water and Housing. She also spent a number of years as a High School Teacher and has tutored at the University of the West Indies and other institutions. In addition to her legal training and qualifications, Mrs. Bernard-Morrison holds a Master of Science degree in Government - International Relations specialization, a Bachelor of Science degree in International Relations and Political Science, and an Advanced Teaching Diploma (Hons.) from the Mico University College.

Mrs. Bernard-Morrison has a passion for service, which has been displayed at both the local and national levels. She served as a member of the Board of Directors of the Social Development Commission from 2007-2011, and the Institute of Sports in 2012. A National Volunteer, who has served at several National Sporting Events, Mrs. Bernard-Morrison is a Christian, who has been serving her church for a number of years, including her current service as Deacon in her Church. She is a Track and Field enthusiast.



Capt. Robert Chin – Board Member

Capt. Robert Chin is an accomplished business and security executive, who has accumulated multi-disciplinary expertise in Commercial Banking, Retail Distribution, Private Security and National Security at the strategic level over twenty-three (23) years. Presently the Managing Director of Asura Security Company, Capt. Chin has contributed to the success of various organisations through appointments as Managing Director and General Manager of Prime Guard Loss Prevention Limited, Manager -Administration, Training & Personnel at Protection and Security Limited, as well as his stellar performance as a Sales Agent at VB Williams Realty Company Limited.

His advanced expertise in the field of security has been utilized within the military and he has planned, organized and conducted training for Jamaica Defence Force (JDF) recruits, new security officers, existing security officers, and potential and incumbent security supervisors. In this capacity, his human resource responsibilities extended to over seven hundred (700) members of staff.

Capt. Chin's core commercial finance and business strategy skills were developed through a mix of educational pursuits and professional achievements. He holds a B.Sc. degree in Accounting and Management Studies from the University of the West Indies (UWI), a Masters degree in Business Administration (with a focus on International Management) from the Florida International University (FIU), a Diploma in Business Administration (Finance) and Certificate in Business Administration from the University of Technology (UTECH), and a Certificate in Management Studies from the Institute of Management and Production (IMP), among other qualifications.



Mrs. Allison Georgette Philbert – Board Member

Mrs. Allison Georgette Cole Philbert has served as CEO of Digicel Jamaica since August 1, 2019. Following her appointment, she has led the company's transformation to a Digital Operator to include reworking business activities, processes and models to fully engage customers at every touchpoint of the customer experience. Mrs. Cole Philbert's vast industry experience, spanning nearly 20 years in telecommunications, has allowed her to leverage, develop and deliver simple, innovative and customer-centric solutions that meet the needs of customers.

Prior to joining Digicel, Mrs. Cole Philbert served as Regional President for Verizon, New England. She led the team responsible for the deployment of an extensive fibre infrastructure in Boston that laid the groundwork for 5G implementation, Smart Cities and Internet of Things (IoT).

A St. Hugh's alumna, she holds an MBA from Georgetown University, having pursued a Bachelor of Science in Computer Engineering, as well as a Master's in Telecommunications at The George Washington University.

Mrs. Cole Philbert is married with two children. She is passionate about creating universal access to broadband services and the advancement of women in Science, Technology, Engineering and Mathematics (STEM)



Mr. Milton Daley – Board Member

Mr. Milton Daley is a management specialist, finance executive and veteran insurance professional who currently serves as Chairman and Chief Executive Officer (CEO) of Genesis Insurance Brokers Limited. His core competencies, which have evolved from expertise gained in the finance and insurance industries, include Financial Management, Accounting, Production & Operations Management, Risk Management, Strategic Management and Planning.

Among Mr. Daley's leadership assignments, which span a total of 25 years in the insurance industry and 39 years in the Finance and Accounting sector, are appointments as Group Financial Controller at Y.P. Seaton & Associates Ltd., Chief Finance Manager at Jamaica Commodity Trading Company Ltd. and Executive Chairman at Duke Insurance Brokers Ltd., with responsibility for Finance and Administration.

Mr. Daley is currently the Chairperson of the Audit & Risk Management Committee of the JCAA's Board. He was educated at the University of the West Indies, Mona where he obtained an Upper Second Class Honours Degree in Management Studies, as well as a Master's degree in Business Administration, with a major in Finance. Mr. Daley is also a Business graduate of the College of Art, Science and Technology, which currently operates as the University of Technology.



Capt. Ricardo Lynch – Board Member

Captain Ricardo Lynch is a management professional with strong analytical skills and expert knowledge regarding the provision of excellent customer and managerial services.

An accomplished Aviator with over 290,220 total flight hours, Captain Lynch is a proud graduate of the Epic Flight Academy in New Smyrna Beach, Florida. He has been employed as Chief Pilot to Cool Corporations Limited in Ocho Rios, St. Ann, for the past 6 years, a position which has utilized his communication, problem-solving and detail-oriented skills and abilities in resolving customer-related issues quickly and efficiently. He has also led efforts to conduct safety inspections, evaluate and correct regulatory deficiencies and ensure compliance with all regulations.

Captain Lynch is an Olympian who represented Jamaica in the 2008 Olympics in Beijing, China, where he obtained a world ranking of 4th in the UCI Track Cycling World Cup. He is also a trained coach who coached the team from the Jamaica Cycling Federation, which participated in the 2014 Commonwealth Games in Glasgow, Scotland. Captain Lynch received accreditation from the Union Cycliste Internationale (UCI), which is the world governing body for sports cycling.



Dr. Kavita Johnson, PhD. – Board Member

Dr. Kavita Johnson is a Lecturer and Head of the Political Science Unit at the University of the West Indies' (UWI) Department of Government. Through her work in several areas of specialization, including International Relations, Caribbean Politics and Development, Comparative Foreign Policy, and Chinese and Japanese Foreign Policy and Politics, Dr. Johnson has developed an excellent track record of fostering and encouraging student learning and development.

She has served as a Member of the Security Oversight Committee (SECURIPOC) of the Ministry of National Security, and as a Member of the Society of Latin American Studies (SLAS), Association for Asian Studies (AAS) and Caribbean Studies Association (CSA). Her expertise has been generously shared in various contexts through Papers presented at Seminars and Academic Conferences including the Caribbean Studies Association (CSA) 43rd Annual Conference, in Havana, Cuba, the Society for Latin America Studies (SLAS) Annual Conference, Manchester U.K. and the Department of International Area Studies, Graduate Seminar, University of Tsukuba, Japan.

Dr. Johnson holds a PhD in Political Science from the University of Tsukuba, Japan, an M.Sc in Government (International Relations) from the University of West Indies (Mona) and a B.Sc (Hons.) International Relations and Political Science (UWI, Mona).



Mr. E. George Hosang – Board Member

Mr. E. George Hosang is a highly respected business executive and business leader, who currently serves as Managing Director and CEO of Alpha Construction Company Limited, a civil and general contracting firm. His professional career has spanned periods of progressive assignments as Manager for the Head Office branch of the Jamaica National Building Society, General Manager for First Jamaica National Bank (now First Global Bank), Executive Director of Blaise Trust Company Limited, and Managing Director / CEO of First Metropolitan Building Society / First Metropolitan Finance Company Limited.

Mr. Hosang's many service appointments include assignments as Member of the Council of the Jamaica Institute of Management, Member of the Jamaica Institute of Bankers, Justice of Peace for the parishes of Kingston and St. Andrew, Chairman of the Self Start Fund (HEART Trust/NTA), and former Director on the Boards of the National Housing Corporation Limited, the Jamaica Broadcasting Corporation Limited, the Jamaica National Building Society, the Agricultural Credit Bank and Wigton Wind Farm Limited.

Mr. Hosang possessed a penchant for service and utilised his non-routine hours impactfully with various activities, primarily as a member of the Lay Magistrates Association (St. Andrew Chapter), the Police Officers Club, the Kingston Cricket Club and the Liguanea Club.

Executive Management Team



Mr. Nari Williams-Singh, JP
Director General



Mrs. Nichole Morgan
Deputy Director General,
Corporate Services



Mr. Rohan Campbell
Deputy Director General,
Regulatory Affairs



Mr. Carl Gaynair ¹
Deputy Director General,
Air Navigation Services

Note: 1 Retired May 1, 2019.

Senior Management Team



Mr. Michael Hepburn
Director,
Economic Regulation



Ms. Janet Henry
Director,
Human Resource



Mr. Howard Greaves ¹
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



Mr. Donald Shaw
Director,
Safety & Compliance



Ms. Nardia P. Andrews ³
General Counsel & Corporate
Secretary



Mrs. Jacene Richards-Harris
Director,
Public Procurement



Mr. Derrick Grant
Director,
Comm., Nav. & Surveillance



Mr. Christopher Chambers
Director,
Aeronautical Info. Mgmt.



Ms. Marva Gordon ²
General Counsel &
Corporate Secretary

Note: 1 Currently acting as Deputy Director General, Air Navigation Services | 2 Demitted office April 30, 2019. | 3 Assumed Corporate Secretary duties May 1, 2020.

Director General's Report



The 2019-20 financial year was a defining and eventful one, which ushered in the transition to a new decade, while clearly outlining and accentuating the growing requirements of the fast approaching second decade of the current millennium. These requirements continued to include the drive for innovation, digital transformation, adaptability to change, agility, and restructured business and organisational processes, as the JCAA sought to better meet the needs and requirements of myriad stakeholders, while responding to exogenous events.

The developments of the year, which included the outbreak of the COVID-19 pandemic, as well as increasing affirmations of corporate environmental responsibility also underscored the need for our industry and other businesses worldwide to further elevate the welfare and engagement of internal and external stakeholders, as a fundamental pillar of corporate strategy. These priorities continued to require strong environmental activism, prioritisation of robust employee welfare, empowerment and corporate social responsibility programmes and the development of programmes and partnerships that demonstrated awareness that the health and success of businesses and industries are dependent on the existence of healthy and supportive local and global communities.

Guided by the transformational requirements of the international aviation industry, as well as lessons learnt from the preceding years, the JCAA balanced projects to accelerate the transformation and modernisation of the civil aviation industry, while more effectively managing capacity and demand within Jamaica's Air Traffic Management (ATM) environment.

Equally important was a variety of related projects and initiatives for improving service delivery, reducing fuel-burn and operating costs for air operators; and implementing programmes to continuously improve the safety and quality of travel for the flying public. Together,

these initiatives allowed the JCAA to play a leading role in global efforts to engender a uniformly safe, healthy, secure, efficient and sustainable air transport industry for all stakeholders.

Multimillion Dollar Upgrade to Kingston Air Traffic Control Centre

Over the reporting year, the JCAA facilitated the achievement of a number of major milestones for Jamaica's aviation industry. Following the completion of a major US\$17 million upgrade to the physical and technological infrastructure of the Kingston Air Traffic Control Centre (KATCC), Jamaica's ability to provide safe, efficient and expeditious air navigation services to its many stakeholders, was enhanced when the upgraded centre was opened by the Most Honourable Prime Minister Andrew Holness on December 18, 2019. This project, which subsumed an important component of the JCAA's ongoing modernisation programme, ensured the implementation of modern, state-of-the-art voice communication, automation, air traffic control and global positioning equipment and technologies at the Centre. The installations and upgrades positively impacted system-wide service delivery and reliability, for the benefit of local and international aviation stakeholders. Additionally, the upgrade undoubtedly contributed to the record zero-accident safety performance, which was achieved within Jamaica's aviation sector over the year, given the Centre's status as the nucleus of Jamaica's air navigation services' operations.

Transition to Digital, Real-time and data-enabled Aeronautical Information Management

A further achievement in modernising Jamaica's aviation infrastructure emanated from the JCAA's substantial completion

of the evolutionary project, geared at transitioning its aeronautical information services from a paper-based and predominantly static system to a real-time, dynamic, satellite-based and integrated aeronautical information management platform. Over the year, there was full occupation and operationalisation of the new Aeronautical Information Management (AIM) Centre, with the relevant equipage, technologies, staffing and successful integration of all systems and processes. While the onset of the COVID-19 pandemic delayed the conduct of the Final Site Acceptance Test (FSAT), the state-of-the-art centre routinely facilitated the exchange of real-time, quality-assured, digital aeronautical data, to support safety, reliability, efficiency and data-driven decision-making in local and global air transport operations.

Designing Safer, Greener, More Efficient, and Capacity-enabled "skyways"

During the 2019-20 year, the JCAA concentrated significant resources on advancing various projects aimed at modernising Jamaica's airspace. Our airspace, which continued to act as the backbone of our air transport system, was reviewed and harnessed as the "virtual", invisible, but critical infrastructure of routes and "skyways", that are governed by regulations and restrictions to enable the safe and efficient movement of aircraft, by diverse users.

With the primary objectives being safety, environmental protection, efficiency and increased airspace capacity, the JCAA advanced with the implementation of Performance Based Navigation as an imperative deliverable of ICAO's Global Air Navigation Plan. The implementation and redesign of routes undertaken over the

year, set the groundwork for the expansion of the structure and capacity of the existing route network, while increasing safety and efficiency. The latter was achieved by creating unilateral or “one-way” corridors, while conversely, eliminating ‘opposite directional’ traffic, in an important sector of our airspace. These actions have also allowed for further safe reliance on the precise and satellite-enabled form of Performance-based air navigation to increase safety and efficiency margins in the complex and sometimes congested airspace while, reducing the workload of Air Traffic Controllers.

Sustaining Aviation for Generations to Come



Students of Wolmer's Girls School tour the upgraded Kingston Air Traffic Control Centre (KATCC).

Guided by the mantra which states that “he who inspires the youth, assures a bright future”, the JCAA embarked on the continuation of an even more enriching youth engagement programme, consisting of air navigation facility tours, participation in numerous school career days and attendance at expositions, fairs and other fora, as resources and schedules permitted. The upgraded Kingston Air Traffic Control Centre and the towers at Jamaica’s main international airports became meccas of allure and budding interest for many bright,

enquiring and impressionable minds, which received unique opportunities to observe the conduct of air traffic control and other industry activities at various JCAA sites. The youth engagement programme continued to be prioritised by the JCAA, over the year, in accordance with the thrust to support sustainable development for the aviation industry, by exploiting the potential to attract skilled human resources to the local and global aviation industries.

The JCAA also achieved tremendous publicity and public education outcomes regarding its mission, mandate and projects, through a mix of social and traditional media, outdoor advertising, the website and other digital media. These initiatives proved integral, as the JCAA sought greater penetration and connection to its target audiences, to ensure a supportive and harmonious environment for the conduct of operational activities.

Regional Partnerships and Collaboration



The Hon. Robert Montague, Minister of Transport and Mining (right) signs the Caribbean Aviation Safety and Security Oversight System (CASSOS) Headquarters Agreement at the Jamaica Pegasus Hotel, Kingston, Jamaica on February 21, 2020.

During the year, Jamaica signed an agreement to remain host of the regional headquarters for the Caribbean Aviation

Safety and Security Oversight System (CASSOS) - the Regional Safety Oversight Organisation (RSOO) of the Caribbean Community and Common Market (CARICOM).

This development further solidified Jamaica's role as a regional and international leader in the air transport industry, as CASSOS pursued opportunities to facilitate the growth and development of regional aviation through training, resource-sharing, and the harmonisation of policies. The location of the headquarters also positioned Jamaica to exploit the added opportunities that the presence of international organisations provide, as Jamaica actively pursued its foreign policy and regional and international engagements. It also presented an avenue for the continued sharing of the unique wonders and culture of our island with regional and other partners, while increasing conference and other tourism earnings. The CASSOS Headquarters will continue to be located at the Authority's 4 Winchester Road facility.

Commitment to Service Excellence

As a critical enabler for enhancing industry support and achieving the JCAA's strategic objectives, the JCAA continued to concentrate significant resources on projects and activities aimed at improving the service experience provided to stakeholders, as a critical priority. Over the period, the Authority sought to ensure access to some of the latest and best productivity and collaboration tools available, through a number of projects and initiatives. These included the implementation of an enterprise-wide Office 365 technology programme; a Learning Management System for the Civil Aviation Authority Training Institute (CAATI); optimisation of the Great Plains Financial Accounting software; the implementation of Phase 3 of an enterprise-

wide Closed-Circuit Television (CCTV) system; and the implementation of an IT Disaster Recovery Plan, as a critical means of enabling business continuity in the event of an incident.

With our industry stakeholders being the top priority and facilitators of a safe, efficient, secure and sustainable industry, the JCAA also pursued a customer-focussed strategy, geared at leveraging technology to increase the convenience, expand our offerings, reduce access costs and generally improve the customer service experience for all stakeholders. To this end, efforts were advanced to enable the acquisition of a Civil Aviation Regulatory Oversight – Software Platform (CARO-SP), with the project document submitted and gaining the approval of the Public Investment Management Committee of the Government of Jamaica in February 2020. At the end of the financial year in March 2020, the project was being tabled before the Public Expenditure Division of the Ministry of Finance & the Public Service for approval, before being sent to the ICT Sector Committee of the Public Procurement Commission and, ultimately, the Cabinet Office for approval. A notable benefit of the Civil Aviation Regulatory Oversight – Software Platform will be its multi-functional ability to capture, monitor and analyze business critical data to support decision-making and predictive risk management in the Regulatory Affairs Division. Accordingly, the implementation of this software platform will promote and greatly increase the efficiency of the JCAA's regulatory activities, as it enhances the safety of Jamaica's air transport environment.

Other Important Safety & Efficiency Enhancements

Air Traffic Services (ATS)-Interoperability Data Communication (AIDC)

As the JCAA continued to strengthen its service and safety culture, the organisation continued to invest in and exploit technologies and regional arrangements that transformed the delivery of core services to our stakeholders.

Further to the ICAO initiative for enhancing the safety, efficiency and performance of the global air navigation system by having interoperable systems and automatic data exchange, the JCAA advanced with the implementation of the Air Traffic Services (ATS) Interoperability Data Communication (AIDC) facility, with its regional partners.

With the TopSky ATM system already providing the technical functionalities to enable AIDC, Phase I of the programme was successfully implemented, with the system now poised to interconnect, and improve coordination between regional Air Traffic Service Units (ATSUs), through automated data communication between the various Air Traffic Services (ATS) facilities.

As the JCAA advanced with efforts to implement AIDC within the Kingston Flight Information Region (KIN FIR), end-to-end technical operability and operational testing was successfully completed with Cuba in September 2019, with the automation system between Cuba and Jamaica now automatically handing off messages, and facilitating increased and improved communication between the Air Traffic Service Units (ATSUs). An ICAO “Go-Team” visited the JCAA in February 2020 to observe Phase I of the scheduled AIDC test.

Following the introduction of AIDC, there has been ongoing sensitization of Air Traffic

Controllers (ATCs) on the new system.

As progress is made with the continued implementation of AIDC, a number of efficiencies will continue to be realised. These include the bidirectional exchange of data between the aircraft and the ATC system, as well as between ATC systems; reduction of Controller workload; a reduction in the number of read-back, audio and navigation errors; and the gradual replacement of the ATS speech services as a main coordination tool.

Improvement of Air Traffic Services (ATS) Voice Link Facilities

Other achievements, over the year, included efforts to procure Node IV of the ATS Voice Link Improvement services, namely Mejoras a los Enlaces de Voz ATS (MEVA IV), as the IP-based, satellite network facilitating real-time communication and the safe transitioning of aircraft between adjacent Flight Information Regions (FIRs). The JCAA advanced efforts to secure the system, with procurement activity beginning in the second quarter of the 2019/2020 Financial Year.

Through the continued efforts of the JCAA's Engineering and Maintenance Services (EMS) Department, the JCAA's air navigation services environment was also positioned for further enhancement with prospects for imminent safety and efficiency gains through the implementation of Controller-Pilot Data-Link Communications (CPDLC). CPDLC is an ICAO-championed technological platform that will allow Controllers to direct and confine data messages to an individual aircraft, thus eliminating message interference or misunderstanding between ATC centres, pilots or other air operators. At the end of the year, all routers and end equipment were installed by the service provider, ARINC/

Rockwell Collins. Consultation remained ongoing with ATM service provider, Thales, to provide Internet Protocol (IP) addresses and other critical information. At the end of the reporting period, the JCAA was on track to engage in live testing with airlines by the end of the First Quarter of the 2020-2021 financial year.

Landing, Departure & En-Route Navigation Made Even Safer With Replacement Of Primary Navigational Aid

Following the award of a contract for the replacement of the Doppler Very High Frequency Omnidirectional Range (DVOR) at the Norman Manley and Sangster International Airports (NMIA and SIA) to Intelcan Technosystems Inc., civil works to install the new system at the NMIA began on September 16, 2019. The installation of the foundational structure, termed the counterpoise, and the antenna for the DVOR was completed in December 2019. A successful Site Acceptance Test (SAT) was conducted in January 2020 and onsite training was ongoing for operations and maintenance personnel during the January – March quarter of the 2019-2020 financial year. The necessary flight check inspections were also conducted to ensure the optimal calibration and safety of the system.

The DVOR for the Sangster International Airport (SIA) was also received. However, as a result of a number of developments, installation of the DVOR at the SIA site has been delayed. Commissioning of that system is anticipated for the 2020-2021 Financial Year.

Other imminent safety enhancements, which have been spearheaded by the JCAA, include a Low-Level Wind Shear Alert system at the Norman Manley International Airport (NMIA), and the

related procurement of an Automated Weather Observing System (AWOS), which will be implemented to alert airspace users to important weather phenomena. Subject to the receipt of approval from the Government of Jamaica's Cabinet Office, the project is scheduled to be completed within the 2020-21 financial year.

Optimising the Flow of Air Traffic within Jamaica's Airspace

The JCAA has also continued to proactively balance air traffic demands, while optimising air capacity via its Air Traffic Flow Management Unit, which was established at the Kingston Air Traffic Control Centre (KATCC) to enhance Jamaica's air traffic scheduling capabilities. Over the year, the Unit successfully assisted the air traffic control units to minimize delays and congestion, increase safety and throughput, and lower operational costs through fuel savings, while providing scheduling predictability.

Opening Our Skies as an Avenue of Increased Trade, Tourism and Growth



Members of Jamaica's delegation to the ICAO Air Services Negotiation Event (ICAN 2019) pose with state officials from the Republic of Rwanda, following the signing of an Air Services Agreement between Jamaica and the Republic of Rwanda on December 2, 2019 in Aqaba, Jordan.

The expansion of Jamaica's Air Services Agreements (ASAs) continued to be an important strategy for positioning Jamaica as a hub of choice to a growing number of countries and regions across the world. These agreements were pursued, as we created and sought to grow direct air links with Africa, North and South America, Asia, and the Caribbean.

During the year under review, representatives of the Economic Regulation Department supported the Government of Jamaica's Air Policy Objectives by participating in twelve (12) negotiation meetings at ICAO's Air Services Negotiation Event (ICAN 2019) held in Aqaba, Jordan in December 2019. This resulted in the expansion and update of Jamaica's air services network through the signing of:

- one (1) Air Services Agreement with the Republic of Rwanda
- four (4) Memoranda of Understanding (MOU) and the initialling of four (4) accompanying ASAs with the Sultanate of Oman, The Republic of Cyprus, The Republic of Senegal and The Federal Republic of Germany
- six (6) Agreed Minutes (AM) with the Kingdom of Morocco, Malaysia, the Co-operative Republic of Guyana, the Hashemite Kingdom of Jordan, Federal Republic of Nigeria and the United Kingdom
- two (2) courtesy discussions were also held with the AFCAC and the Republic of Haiti

At the end of the reporting period, Jamaica had Air Services Agreements (ASAs) with more than 60 countries and territories, with each having mutual possession of the flexibility to develop and maintain new routes and services to and from Jamaica.

Positioning to Build "from the Ground Up" -

Maintaining Safety as the primary Building Block of our Industry

The emergence of the COVID-19 pandemic as one of the most serious global health calamities faced by the human civilisation, in the final quarter of the 2019-20 year, was a stark reminder of the aviation industry's operating premise that life never gets easier. Instead, it requires us to become stronger and more resilient every day.

As the pandemic spread rapidly throughout the world, while posing enormous health, economic, social and environmental challenges, our industry led the charge to prioritise the health and safety of stakeholders, as governments everywhere took action to restrict movement and other freedoms to contain the spread of the virus. While the pandemic suspended certain liberties, it did not, however, take away our power and freedom to respond or take action.

Accordingly, while there were incalculable losses and disruptions to lives and the global economy – characterised by plummeting air traffic movements and revenues across the aviation industry, the industry held firmly to its rock solid foundation of safety, as our core value, culture, and priority.

Acting in accordance with national and international protocols regarding the outbreak of communicable diseases, the JCAA undertook proactive and protective measures to promote and ensure enhanced response strategies. These included enhanced screening and sanitisation processes; the use of touchless technologies, biometrics and innovative solutions, where feasible; coordination with relevant health authorities; and the implementation of national health and safety guidelines, based on Jamaica's

Disaster Risk Management Enforcement Measures and the Ministry of Health's pandemic response procedures. The internal protective measures were many and also included an enhanced cleaning and sanitisation regime; constant and regular communication with team members through weekly advisories; the engagement of medical experts to assist with temperature and symptom screening exercises; closure of the gym and after-care facilities; and the deployment of contactless faucets, hand sanitiser dispensers and appropriate Personal Protective Equipment (PPE) to protect staff reporting for essential onsite duties.

While Jamaica and the aviation industry achieved measured success from our innate ability to adjust to prevailing conditions, the aviation industry continued to apply the highest operational and mitigation standards in accordance with the ICAO-led Collaborative Arrangement for the Prevention and Management of public health events in civil aviation (CAPSCA) and the further guidance received from ICAO's Governing Council's Aviation Recovery Task Force (CART).

Rebound, Rebirth And Continued Growth

As we gaze into the future with optimism, a lot will depend on the duration of the pandemic and the success of containment efforts. We are, however, proud of the value that continues to be created by Jamaica's air transport industry, and are confident that the strong reputation for service and quality which we have earned, will augur well for the earliest and strongest recovery and growth of the local aviation industry.

As the JCAA addressed the challenges and opportunities of the sector within the current environment, we remained confident about our ability to create a

desirable future, by working collaboratively to assure a safe, resilient, efficient and sustainable air transport industry for the years ahead.

While we await the removal of the dark COVID-19 pandemic cloud, the outlook for Jamaica's civil aviation industry remains bright and promising. Indeed, accompanying the inherent and emergent challenges of aviation are numerous opportunities, which the JCAA and our stakeholders are exhorted to seize, as we align the Authority's and industry's operations with the Government of Jamaica's strategic objectives.

I conclude by thanking the JCAA's board members, executive management team and JCAA team members for their diligent support, guidance, cooperation and commitment, which allowed us to fulfil the substantial objectives of our 2019-20 operational plan. My gratitude is also extended to the Minister for Transport and Mining, The Hon. Robert Montague, for his sterling, visionary and enthusiastic support of the JCAA's and industry's operations.

While challenging times have created some turmoil in aviation and other industries, I am proud that we have continued to create long-term value for all stakeholders, based on our strong reputation for safety, service and quality. I remain confident about our imminent rebirth, transformation and a strong rebound, as we continuously enhance our industry to ensure safe, healthy, and sustainable air transport for all stakeholders.



Divisional Reports



Regulatory Affairs



Flight Safety

Overview

During the 2019-2020 period, the JCAA's Flight Safety Department (FSD) continued to perform an effective role as the regulatory body, ensuring the safety of the local air transport industry, despite varying challenges.

In the year under review, there were:

- Six (6) active Air Operators
- Three (3) active Approved Maintenance Organizations
- Three (3) active Approved Training Organizations
- Three (3) International Airports
- Three (3) Public Domestic Aerodromes
- Thirteen (13) Private Licensed Domestic Aerodromes
- Six (6) Certified Aviation Security Services Providers
- Four (4) Certified Security Handling Agents
- Three (3) Dangerous Goods Handlers Certificate Holders
- One (1) Air Navigation Service Provider
- Sixteen (16) Certified Aviation Security Instructors
- One Hundred and Forty-One (141) Pilots (various categories)
- One Hundred and Twenty-One (121) Aircraft Maintenance Engineers
- Ninety-Two (92) Air Traffic Controllers
- Six (6) Flight Dispatchers

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

Major Initiatives

Safe Regulation and Monitoring of Unmanned Aerial Vehicles (UAV)

Over the period, the Flight Safety department concentrated significant effort and resources on the management of oversight of remotely or autonomously operated aircraft, commonly referred to as Unmanned Aircraft Systems (UAS) or drones. The Authority continued to receive various requests for the utilization of drones for a variety of purposes, including recreation, entertainment, filming, virtual broadcasts, and agricultural surveillance. Applications were processed and the JCAA continued to promote the safe use of drones through social and traditional media messaging and other industry forums, while working with the Ministry of Transportation and Mining along with the Attorney Generals Department to craft regulations that will safely integrate this new technology into the Jamaican aviation landscape.

Despite the gazetting process for legislation governing the licensing, registration, maintenance, or operation of UAVs not being completed, the JCAA published guidelines for the safe operation of UAVs and required the issuance of a permit for commercial operations under current legislation (CARs Part IX). Applications for such permits grew exponentially over the reporting period. There was a 22% increase in the permits granted in this financial year when compared with the previous financial year. This is attributed to the media campaign and forums held during the financial year.

Human Resource Developments

There was a net neutral count of personnel in the Flight Safety Department with two (2) separations from the department and two (2) persons joining the staffing complement for the financial year. At the end of the financial year, the department had vacancies in the following areas:

- [Aerodromes Inspector \(2\)](#)
- [Air Navigation Safety Inspector \(1\)](#)
- [Flight Operations Safety Inspector \(2\)](#)

Efforts continue to fill these vacancies with suitably qualified candidates in the coming financial year, to reduce the departments current 18% vacancy rate. With the rapid evolution of the aviation sector, there remained the need for new positions, which will be developed in the upcoming financial year. These positions include Dangerous Goods Safety Inspector and Drones Officer.

Training

During the 2019-2020 financial year, the Flight Safety Department remained committed to its safety oversight mandate, by ensuring the availability of an inspectorate that was fully trained in all technical areas,

as required for the effective oversight of the aviation system.

There were 88 training interventions, inclusive of conferences, seminars, workshops, meetings, forums and training courses, which were attended by 23 members of the Flight Safety Department. 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 Organization (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

Surveillance activities, which subsume a significant portion of the Flight Safety Department's oversight functions, were planned and executed, based on a risk assessment model. The inspections conducted by the Flight Safety Department were as follows:

Activities	Target	Achieved
Air Worthiness Inspections (including Base, Line, Records, Training and Ramp inspections)	184	203
Operations Inspections (including Base, Line, Records, Training, Ramp and Proficiency checks)	251	218
Security (including Tests, Audits, Surveys and Inspections)	257	242
Air Navigation Service Providers (ANSP) Inspections (including Air Traffic Services, Aeronautical Information Management, Meteorology, Search and Rescue and Communication, Navigation Surveillance)	53	31
Aerodromes Inspections	44	29
Civil Aviation Medical Examiners Audits	12	12

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

Personnel Licences

Under Jamaica's aviation regulatory framework, four (4) sets of airmen require licences. These are, namely, Pilots, Flight Dispatchers, Aircraft Maintenance Engineers and Air Traffic Controllers. Licenses issued or renewed for the financial year are as follows:

Licenses	Issued	Renewed	Total
Pilots	12	84	96
Flight Dispatchers	0	0	0
Aircraft Maintenance Engineers	0	98	98
Air Traffic Controllers	11	98	109

To support the issuing of these licenses, the following exams were conducted by the Personnel Licensing Unit Certifications for 2019-2020:

Exams	Delivered
Written	17
Oral	14
Skill-Based	3

Certifications for 2019-2020

During the period under review, enquiries were made by several companies which were interested in Certification. Many of these companies, however, are yet to commence the certification process after the initial meetings with the JCAA personnel. The following companies followed through and have been certified or are now in the Certification process:

- Norman Manley International Airport (Aerodrome Certification - Completed)
- Jamaica Civil Aviation Authority (JCAA) Air Navigation Service Provider – (Application phase)
- Aviation School of the West Indies
- (Approved Training Organization -Application phase)
- Port Security Corps (Aviation Security Provider – Completed)
- King Alarm (Aviation Security Provider – Document Evaluation phase)
- Shalk Security (Aviation Security Provider – Document Evaluation phase)
- Bright Future Aviation (Approved Training Organization – Formal Application)

Regional & International Partnerships

The JCAA Flight Safety Department continued its active participation in Caribbean Aviation Safety and Security Oversight System (CASSOS), the Regional Safety Oversight Organisation. This forum continued to facilitate cooperation and collaboration among member States to enhance regional safety and security oversight activities. The latter was achieved through data sharing, mutually-reinforcing processes for ensuring compliance with international standards, and the sharing of technical resources and expertise personnel.

The JCAA functioned in the following capacities during the financial year:

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

The JCAA worked with neighbouring jurisdictions to enhance the safety of the regional air transportation industry. Support was provided in conducting Aerodrome and Aviation Security audits around the region. Jamaica also received assistance from Guyana in area of Flight Operations Inspections in rotorcraft operations and from Trinidad and Tobago in the area of Rotorcraft maintenance.

Accident Investigations

There were no incidents or accidents recorded during the financial year.



Economic Regulation

Air Service Licences and Permits

The Licences and Permits Unit of the Economic Regulation department facilitated air transport commence by processing licences and permits and fostering increased air operations into the island, through the granting of overflight and landing clearances to aircraft. The number of applications processed for licences and permits, over the year, was 185, which is an 8% increase over last year's figure of 173. There was also a 2% increase in the processing of applications within the guaranteed service standards time, from 90% in 2019 to 92% in the current period.

Additionally, the department processed another 250 requests for overflight and landing clearances of state aircraft, involving the transportation of heads of state, diplomatic missions, customs and immigration personnel. This represented a 3.8% decline in requests over the previous period.

The achievements of the Licences and Permits Unit occurred against the background of a completely manual system, which performed below optimum productivity levels, as well as the retirement of one member of staff at the end of the third quarter and recruitment of a new staff member at the end of the fourth quarter.

In order to improve the unit's performance in all functions, the department embarked on a project to digitise the workflow process, to offer operators the opportunity to make the applications through a secure online platform. On completion of this digital platform, aircraft and other documents will be uploaded and stored for future reference. Verifications, validations, approvals and printing of final documents will also be digitally integrated and auditable. The project, which is ongoing, is expected to be

completed, tested and fully operational by the second quarter of 2020.

During the period under review, the department also facilitated three enquiries for the formation of new Jamaican registered airlines. No formal application was received.

Supporting the Government of Jamaica's Air Policy Objectives

In pursuit of the Government of Jamaica's liberalised air policy directives, the JCAA continued to support the Ministry of Transport & Mining (MTM) and other government agencies in collaboratively negotiating Air Services Agreements (ASAs). These ASAs facilitate direct air connectivity to other States regionally and internationally. They also benefit the Jamaican economy and more specifically the aviation industry, Jamaica's tourism product and other business and trade interests.

Accordingly, representatives of the Economic Regulation Department participated in twelve (12) negotiation meetings at the ICAO Air Services Negotiation Event (ICAN 2019) held in Aqaba, Jordan in December 2019. Jamaica's participation resulted in the signing of one (1) Air Services Agreement with the Republic of Rwanda. Eleven (11) other signings were completed. These included four (4) Memoranda of Understanding (MOUs) with the initialling of accompanying Air Services Agreements; six (6) Agreed Minutes and one (1) Record of Discussion. The delegation also facilitated a courtesy meeting with the president of the African Civil Aviation Commission (AFCAC), to further Jamaica's aspiration towards an ICAO Council Seat in 2022. The department also provided technical input for ongoing negotiations with Germany, Cyprus, Malaysia, Guyana, United Kingdom, Senegal, Jordan and Curacao.

Airport Regulation

In fulfilment of Section 11 of the Airports (Economic Regulation) Act, 2002 the Authority continued the review of the airport charges and conditions at the Norman Manley and Sangster International airports for the 5-year period, January 1, 2020 to December 31, 2024.

In accordance with the established schedule, a draft determination was issued in April 2019. This facilitated another round of consultations with the Ministry of Transport & Mining, airport operators at the Norman Manley and Sangster International Airports, airlines and their representative organisation, the International Air Transport Association (IATA). Stakeholders were invited to provide comments to the draft determination, which were taken into consideration, before issuing the final determination.

The final determination reports of airport charges and conditions were issued in June 2019, along with an economic model that will allow the Authority to make any adjustments for over- or under-recovery of airport charges. A request was made of the Minister of Transport and Mining in respect of the discharge of his duties, under Section 12(4) of the Civil Aviation Act, to indicate whether he believes any matter in the report was against the public interest, commercial interest or interest of any person. The foregoing was completed, in addition to consultations with airport operators and airlines, before introducing the new airport charges. The new charges became effective January 1, 2020 for the Sangster International Airport and April 1, 2020 for Norman Manley International Airport.

Environmental Stewardship

In support of the international aviation community's environmental stewardship efforts aimed at reducing CO² emissions, as promulgated under ICAO's Resolution A39-3, states are required to implement the provisions of Annex 16 (Environmental Protection), Volume IV - Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). The major task undertaken by Jamaica for the reporting period was the drafting of national regulations to guide industry participation.

The JCAA commenced the preparation of the request for the issuing of drafting instructions and made steady progress in the early months of the 2019-20 year. However, this progress was slowed in the third and fourth quarters due to the release of a number of guidance materials throughout the period. These included the CORSIA Emissions Unit Eligibility Criteria; the 2019 Version of the ICAO CORSIA CO² Estimation and Reporting Tool (CERT); the ICAO Airline Handbook on CORSIA; Environmental Technical Manual, 2nd edition; and the Emissions and Verification Standardized Templates. These documents were reviewed and have positively impacted the work that was already completed. Another guidance material, CORSIA Central Registry (CCR) was received in March 2020 and will also be reviewed. Notwithstanding these guidance material releases, the work is approximately 60% complete.

Aviation Statistics Aircraft and Passenger Movement

On aggregate, aircraft movements at the Norman Manley and Sangster International Airports declined by 712 or 1.1% (Figure 1), as a result of reduced travel activity caused by the COVID-19 Pandemic. This is against the background of consistent growth over the previous two periods of 4.97%.

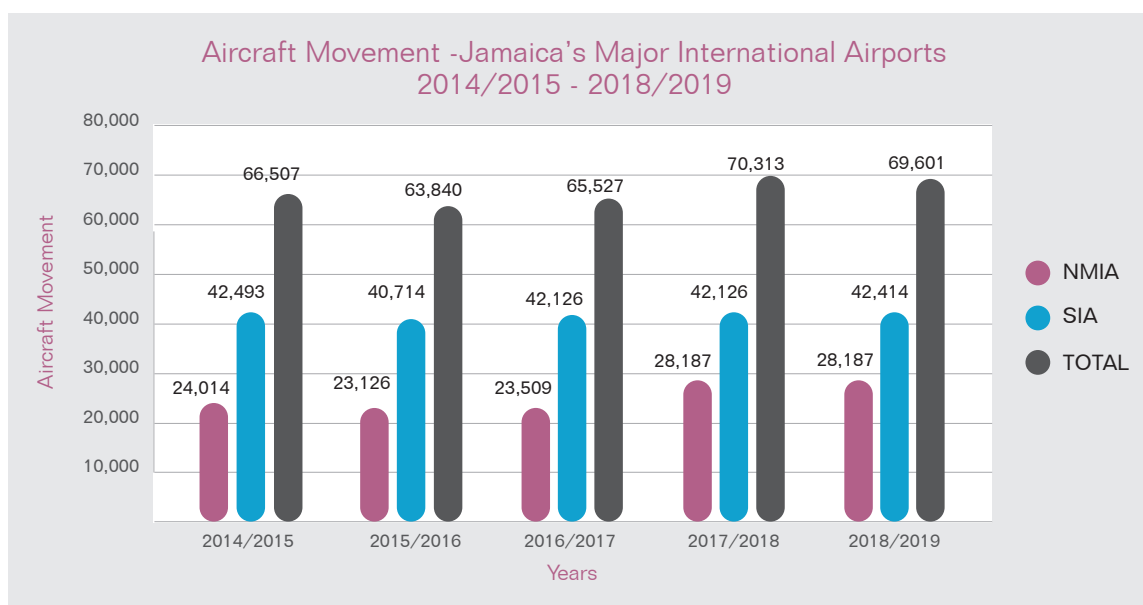


Figure 1

Aggregate Passenger movement over the period was flat, recording a 0.9% increase (Figure 2). This compares to an average annual growth rate of 5.5% over the previous four periods, demonstrating, again, the effects of the pandemic on air travel.

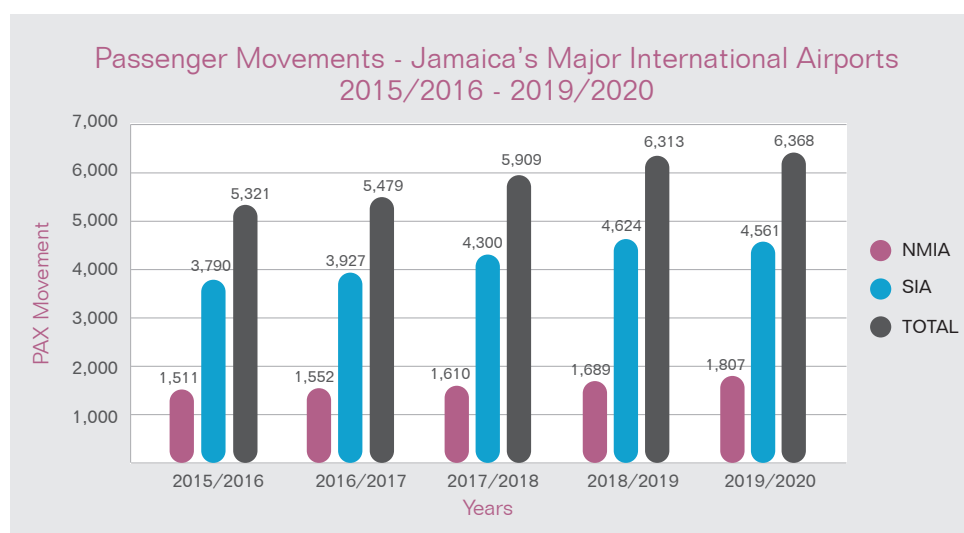


Figure 2

The pandemic started affecting Jamaica's local air transport industry in March 2020, when passenger arrivals reduced on aggregate by 56%, when compared to March 2019 (Figure 3). For the comparable period in 2019, passenger arrivals increased by 14%. The graph below shows trend lines approaching zero growth – an unsurprising development, given the impact of the pandemic on air travel activities.

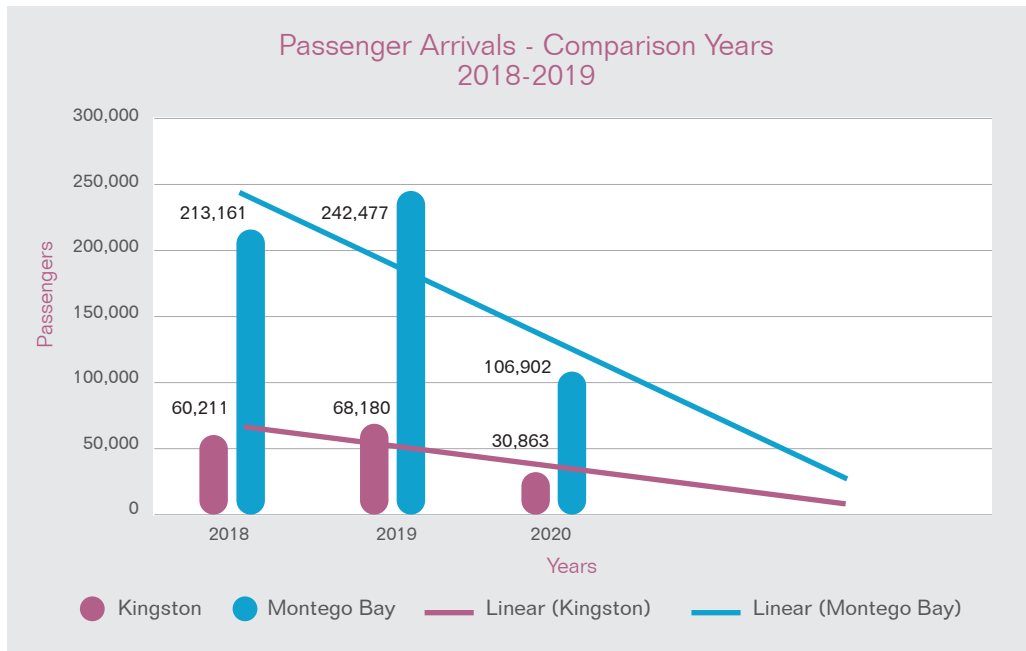


Figure 3.

Passenger arrivals from Jamaica's main world markets reduced in March 2020, ranging from a low of 18% to a high of 75% in Latin America (Figure 4). Reductions in the Canadian market of 60%, and 54% in the USA and UK markets were also recorded. The Caribbean recorded a 46% decline.

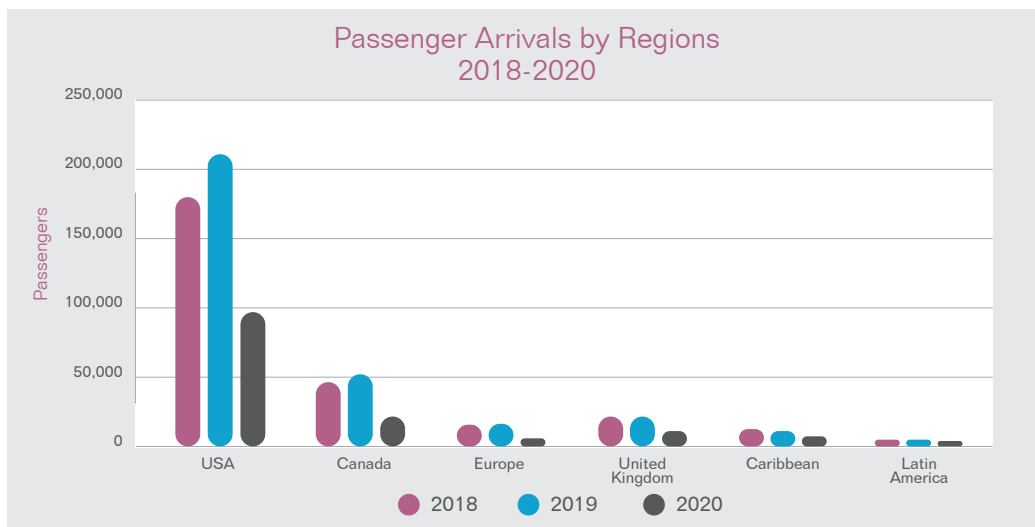


Figure 4.

Air Cargo Movement

Inbound air cargo movement declined by 3% (Figure 5), although there were no restrictions on air cargo operations into Jamaica. This was mainly due to a pandemic-induced reduction in world production and trade, with China being the heaviest hit in the early stages of the pandemic. In comparison, there was a 12% average annual growth over the previous 4 years.

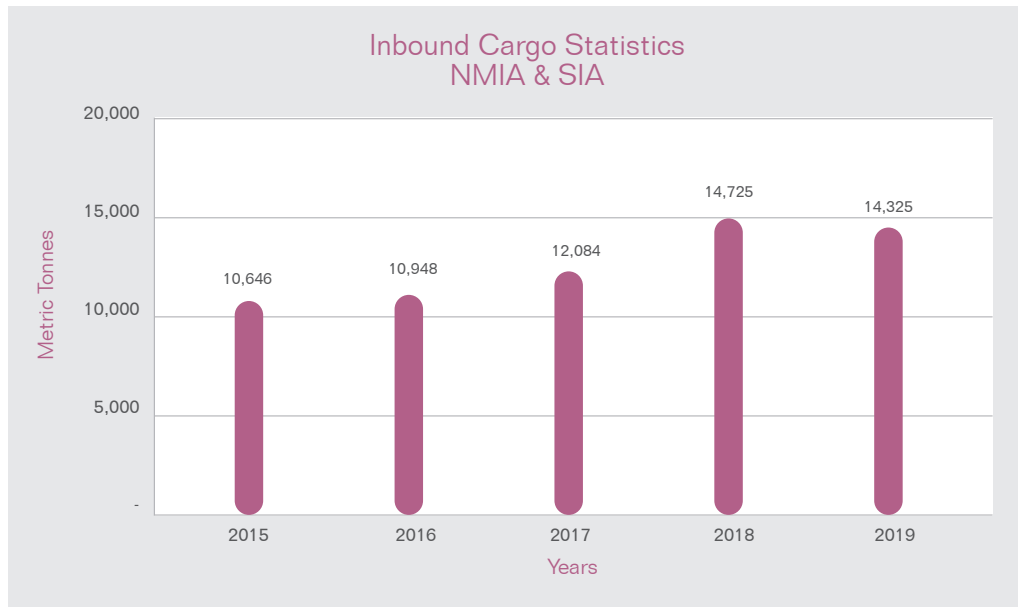


Figure 5.

Outbound air cargo movement experienced a more significant decline of 16% (Figure 6), in comparison to average annual growth of 2% over the previous 4 years.

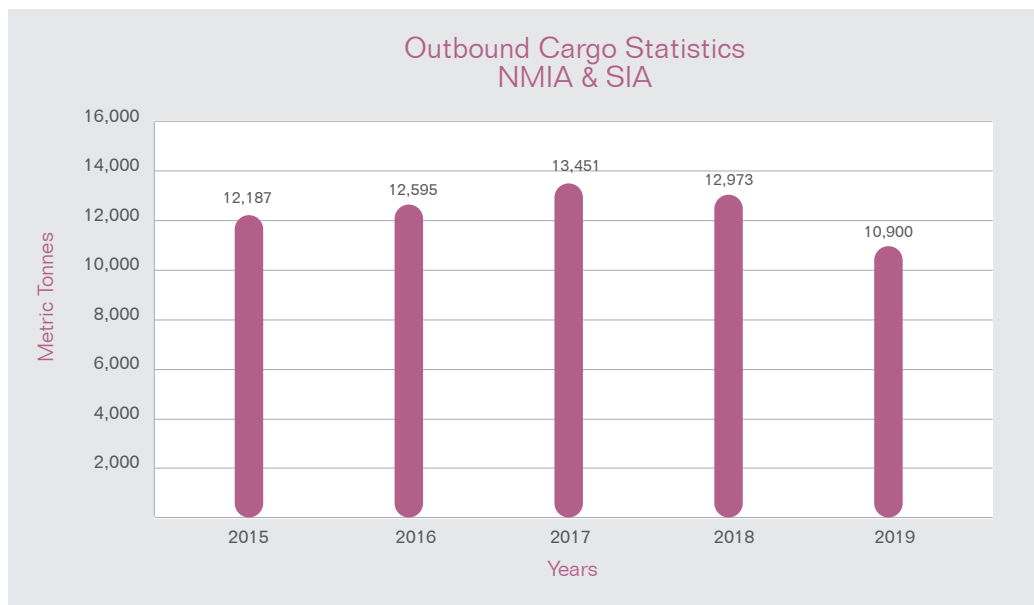


Figure 6.

Air Navigation Services



As the JCAA concentrated efforts and resources on various strategies to support the development of Jamaica's air transport industry, while achieving key safety, growth and efficiency objectives, the modernisation of our Air Navigation Services (ANS) infrastructure continued during the 2019-2020 fiscal year. This was achieved primarily through the upgrading of major ANS infrastructure, such as the navigational aids, Air-to-Ground radio facilities at Ayr Hill in Trelawny, and the high voltage systems at the Winchester Road corporate offices. These were major undertakings, which were all successfully executed without causing disruptions in the services provided to the flying public.

Extensive Air Traffic Services (ATS) Interoperability Data Communication (AIDC) testing was conducted with Cuba under Phase 1 of the project, geared at ensuring the safe, automatic hand-off of aircraft using the North American Common Coordination Interface Control Document (NAM-ICD) protocol. The NAM-ICD protocol, which the region is collaborating to implement, aims to create an interface for the automated exchange of flight data beyond the North American region, into the Caribbean and the Gulf of Mexico, as it lays the foundation for an eventual interconnection between the automation systems of adjacent states.

As we pursued the above objectives, a Go-Team from the ICAO Regional office participated in the AIDC tests. The ICAO GO-Team, which has been providing technical and multidisciplinary assistance, is expected to provide a report containing a gap analysis, expert advice, recommendations on best practices and guidance to move to the next phase of testing. With operational testing successfully completed with Cuba in September 2019, and the automation system between Cuba and Jamaica now

automatically handing off messages, while facilitating improved communication between the Air Traffic Service Units (ATSUs), it is anticipated that Jamaica and Cuba can 'go live', after all the Kingston Air Traffic Control Centre (KATCC) staff is fully trained.

At the end of the reporting period, the collaborating entities were anticipating the next step, which will be the commencement of testing with Panama and Columbia, using the Asia-Pacific (APAC) protocol, as soon as testing with Cuba is completed. AIDC is positioning Jamaica and adjacent states for major benefits, including the bidirectional exchange of data between the aircraft and the ATC system, as well as between ATC systems; the reduction of Controller workload; a reduction in the number of read-back, audio and other coordination errors; and the gradual replacement of the ATS speech services as a main coordination tool.

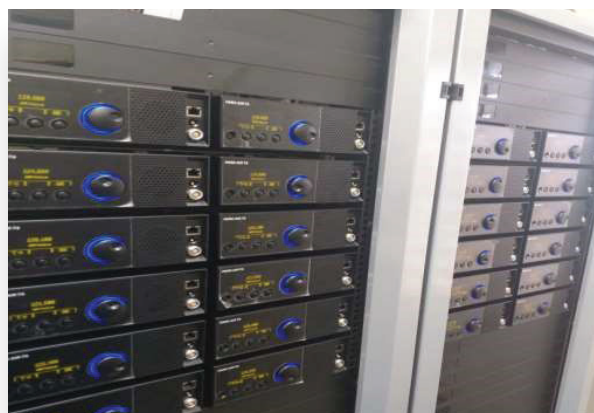
Alignment with Global priorities and plans

As the JCAA continued to work to ensure Jamaica's alignment with ICAO's Global Air Traffic Management Operational Concept (Doc 9854), the Authority continued to play its part in ensuring that, through its participation, the timetable for the ICAO Aviation System Block Upgrade (ASBU) is maintained. The implementation of the required enhancements under the ICAO's ASBU programme continued to be important for promoting common enhancements of the industry's safety, efficiency and operational performance standards, while enabling the harmonisation of Air Traffic Management improvement programmes and removing barriers to future aviation efficiency and environmental gains.

Communication Radio Network

The microwave radio network performed satisfactorily over the period under review, as the major link transmitting audio and data for the Air-to-Ground radio network, from key sites such as Ayr Hill, Kempshot and Catherine's Peak back to the Kingston Air Traffic Control Centre.

All the Air-Ground radios at the Ayr Hill site were upgraded from Series II Parkair radios to Series III. The new installations are digital, state-of-the-art radios with improved sensitivity and enhanced audio quality.



New Digital Air-Ground radio network.

Improvement of CNS Infrastructure

During the period under review, the major task of upgrading the High Voltage system at the JCAA was undertaken and completed, without affecting the critical air traffic services we provide. This was a major undertaking, which included the replacement of the HV transformer, switch gears and all associated cabling, due to obsolescence.

The project, which involved extensive civil works, also included the replacement of a 3-core cable, used to provide power for the Kingston Air Traffic Control Centre (KATCC), with a 4-core cable. The new cable has enabled more efficient use of energy within the Centre, which operates on a 24-hour basis.



Fig.2 New Transformer



Fig.3 Old Transformer

The Installation of a new HV transformer was a major plank of the project.



New Distribution Panel



Old Distribution Panel

Reconstructed and redesigned HV switch gear room with new switch gears (above left) .

Upgrading NMIA DVOR Navigational Aid

The DVOR at the NMIA was upgraded to include the counterpoise infrastructure and antenna system shown below:



Upgraded DVOR at the Norman Manley International Airport

Implementation of Crash Alarm System at the NMIA & SIA Towers

A new crash alarm system was installed at the NMIA and SIA towers, respectively. This system will improve the overall safety of operations at the airports. A unique feature of the new system is that first responders, such as the Fire Brigade and Police, can be

alerted without alarming the entire airport. The system was designed and implemented by a Jamaican company. The network diagram below in Fig. 5 shows the general layout.

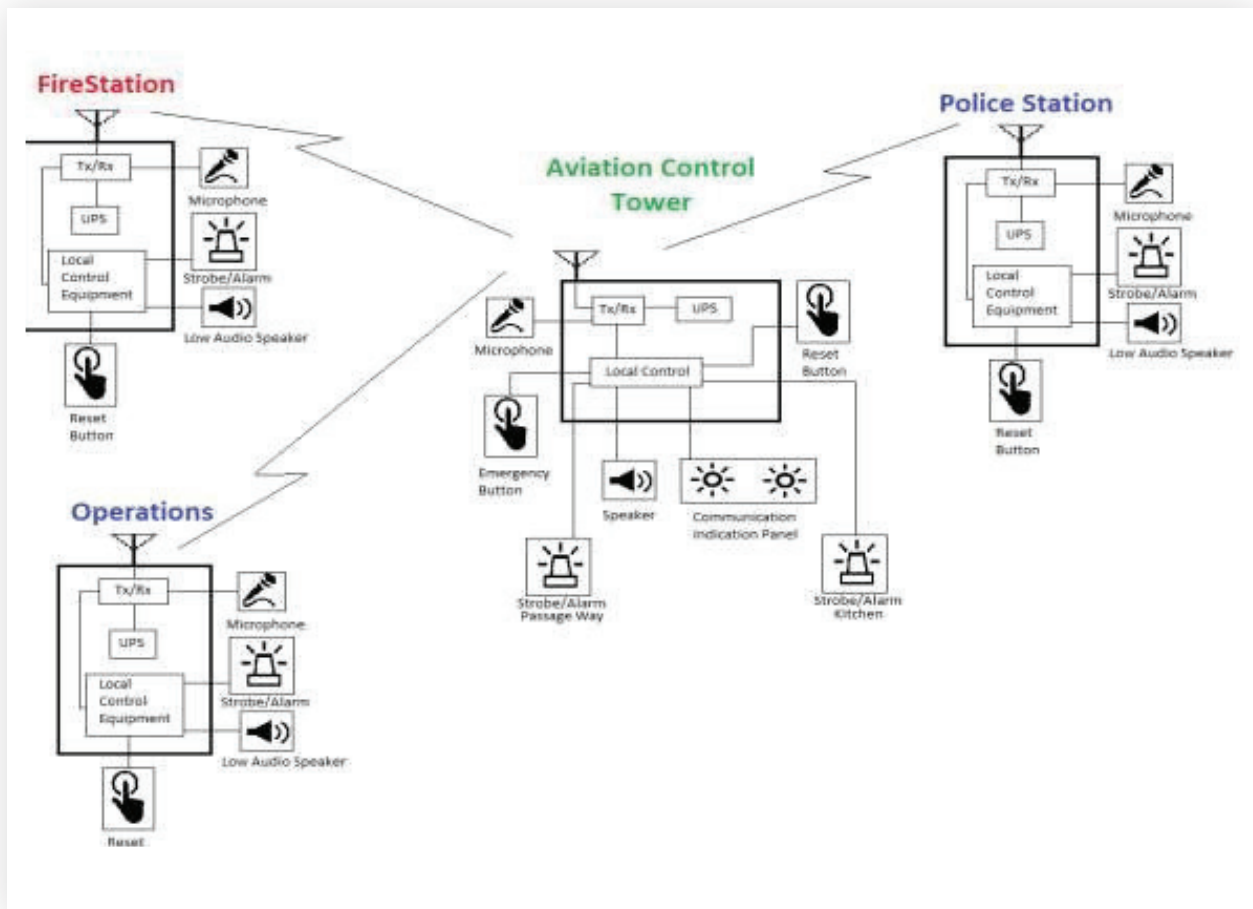
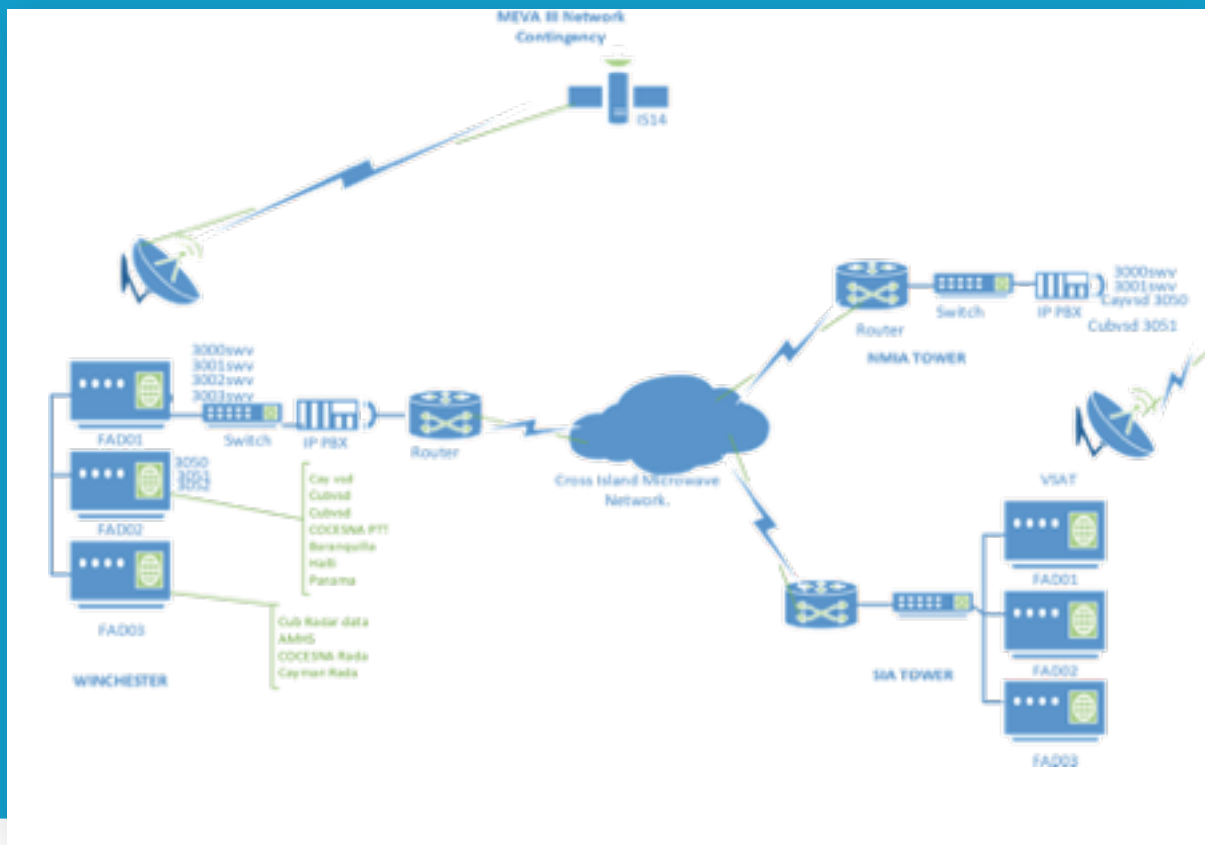


Fig. 5 Network Diagram

Implementation of AWOS at the Ian Fleming International Airport (IFIA)

During the period under review, a new Airport Weather Observation System (AWOS) was installed and commissioned at the Ian Fleming International Airport. This was a collaborative effort between the JCAA, NMIA Airports Ltd. and the Meteorological (MET) Office of Jamaica.

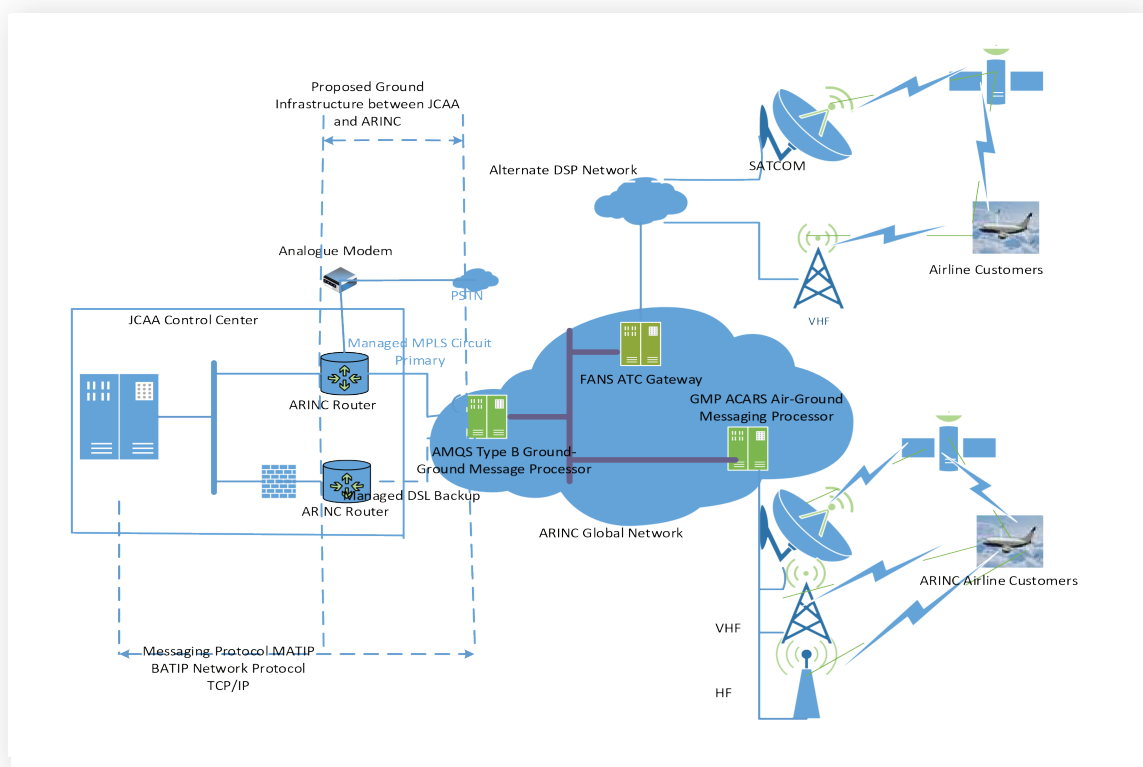
The AWOS data will be transmitted to the Kingston Air Traffic Control Centre (KATCC), via the fibre optic network that was recently established between the AEROTEL's Point of Presence (PoP), the NMIA radar and, finally, the equipment room in the KATCC.



Future Air Navigation Services (FANS-1)

The implementation and commissioning of the “Topsky” automation system from Thales Air Systems propelled the Authority into the future, in terms of the vast array of new services, which the JCAA can now provide to the aviation industry. One such service is the Controller Pilot Data Link Communication (CPDLC) capability, which will give Air Traffic Controllers and Pilots the option of communicating via text message exchanges, rather than through traditional voice communication. (See high level network diagram below.)

CPDLC has several distinct advantages, including reduced congestion in voice channels, and reduced susceptibility to static noises that plague audio communication, as a result of the suboptimal modulation technique. Work is well advanced to facilitate the implementation of CPDLC, as end-to-end equipment was installed and preliminary tests were conducted between the service provider, ARINC Inc., and the JCAA’s Communications, Navigation & Surveillance (CNS) systems, during the period under review. As soon as the final integration and configuration into “Topsky” automation system is completed, testing with a selected airline will commence.



The GOJ Energy Efficiency Conservation Programme (EECP)

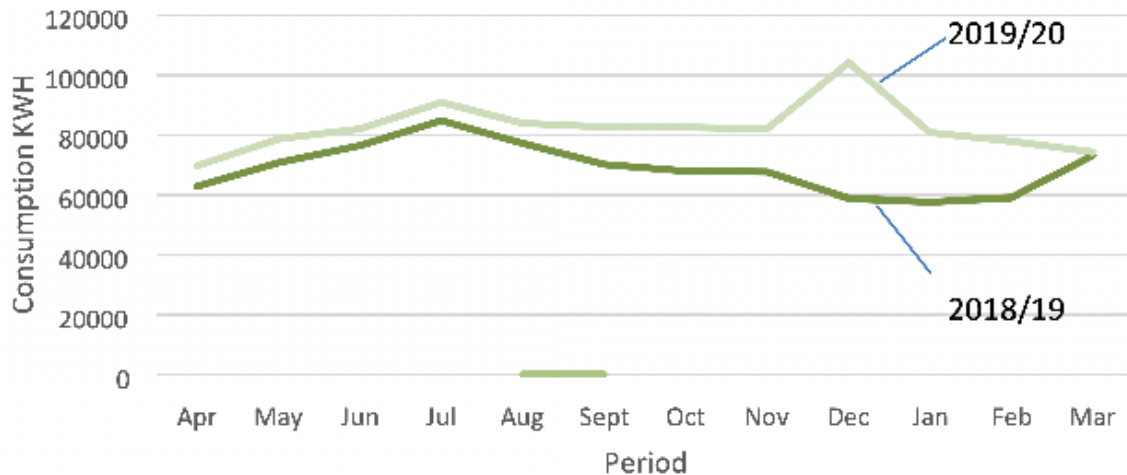
The Energy Efficiency Conservation Programme (EECP) programme was completed, with the final phase of the project constituting the application of “cool roof” technology on all the buildings at the JCAA's Winchester Road corporate office.

With the completion of the referenced installations, there has been enhanced focus on implementing an energy savings programme, with the “buy-in” and support of all internal stakeholders.



Fig.9

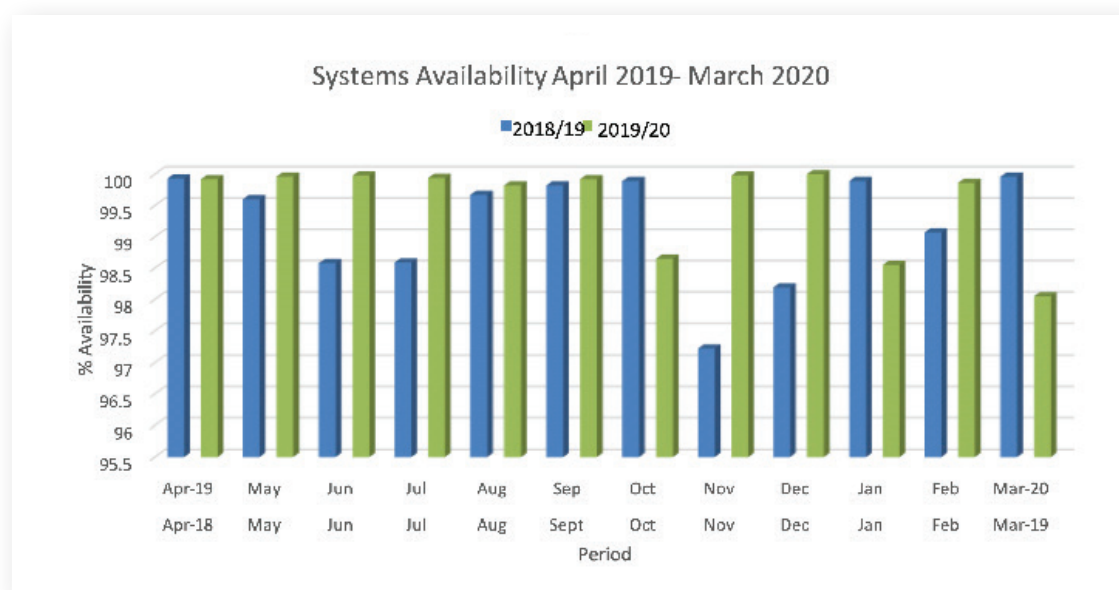
Consumption Trend Comparison Analysis 2019/2020



The consumption comparison between the 2018-2019 and 2019-2020 period shows an overall increase in the latter period, with an average 9.96% increase recorded in April 2019 when compared to the April 2018 period, and a noticeable spike occurring between November 2019 and December 2019. The spike in December 2019 of 43%, when compared with the previous 2018 period, was due mainly to the failure of the energy efficient Variable Refrigerant Flow (VRF) system on the Civil Aviation Authority Training Institute (CATTI) building. As a result, the old, inefficient system had to be put back online to provide cooling. The overall increase in energy consumption at the Winchester Road Corporate Office was also expected, as the new Aeronautical Information Management (AIM) Centre, which operates on a 16-hour basis, was brought online, during the period under review.

Equipment Maintenance

The improvement in CNS equipment availability performance continued during the period under review, when compared with the 2018-19 period. As a result of a number of factors, there was a noticeable falloff in performance during the October 2019, January 2020 and March 2020 periods. The significant fall off in availability performance for March 2020 was, for instance, due to a combination of factors, such as the failure of the NMIA radar and the extended failure of the Catherine's Peak Air-to-Ground (A-G) radio repeater site.



Transition from AIS to AIM

The transition from a paper-and telex-based Aeronautical Information System (AIS) to the data-driven, satellite-enabled Aeronautical Information Management (AIM) platform was another critical project, which was substantially completed during the 2019-20 financial year. While there was great advancement of this evolutionary project to ensure concordance with national and international standards, as well as global aviation plans, the AIM project was 97% completed at the end of the year.

Finalisation of the project, which is expected to occur in the 2020-2021 year, was impeded by a number of challenges, including the effects of the COVID-19 pandemic, as well as system complexity and workflow adaptation issues. As a result of restrictions related to the COVID-19 pandemic, for instance, the Final Site Acceptance Test and supplementary On-The-Job Equipment Training remained outstanding, having been deferred several times as a result of coronavirus-related travel restrictions.

Among the myriad AIM project achievements were system installation and interoperability; full occupancy of the new AIM Centre; completion of the initial, specialized Integrated Display System (IDS) On-The-Job Training for all team members; and the installation of an Aeronautical Information Exchange Model (AIXM) 5.1 database system.

Over the year, the JCAA's AIM team also sought to resolve issues, which arose with the workflow configuration for the We-Publication (We-Pub) software, a web-based application that allows AIM units to automatically generate ICAO-compliant Aeronautical Information Publications (AIP) from data stored in the aeronautical database. In accordance with these efforts, a small delegation of AIM personnel visited the Italian Civil Aviation Authority, ENAV S.p.A, and observed the IDS We-Pub system in operation. The visit was empowering, as the group discussed corrective strategies and interventions, while benefitting from experts and users' advice, regarding best practices.

Several notable accomplishments were also generated through the work of the Obstacle Evaluation and Procedures Development (OEPD) unit of the AIM Department. The OEPD Unit generated several charts and procedures, such as those predicated on the Sangster International Airport's (SIA's) and Norman Manley International Airport's (NMIA's) Very High Frequency (VHF) Omnidirectional Range (VOR) with Distance Measuring Equipment (DVOR/DME). The unit also developed new, amended and realigned routes for inclusion in the relevant Integrated Aeronautical Information Package (IAIP). Obstacle evaluation exercises also continued and involved restructuring of the on-line application process. A simplified version of general workflows for static and dynamic data was, further, developed and was being redesigned by the Database Unit to afford greater efficiency.

Other highlights, over the year, included the preparation and review of a draft AIM contingency and business continuity plan; the signing of a Notice to Airmen (NOTAM) Contingency Letter of Agreement (LOA) between Jamaica and Curacao; and the preparation of documents and manuals required for AIM certification, such as the

Manuals of Operation (MANOPS), Letters of Agreement (LOAs), Unit Manuals and the Safety and Quality Manuals.

Further accomplishments included:

- the completion of the Instrument Flight Procedure charts (Ottawa/Rome) by the JCAA/IDS team
- on-going creation of aerodrome charts by the JCAA, with assistance from IDS (Ottawa/Rome)
- initial updating and cleaning of the database system by IDS, with the processes scheduled to be repeated before the Final Site Acceptance Test (FSAT), to install the latest version of the suite
- implementation and importation of workflow configurations into the JCAA's system by IDS
- the ongoing consolidation of AIM network personal computers (PCs) with JCAA corporate infrastructure

Training

Training activities intensified during the year, as several AIM team members participated in specialized AIM courses to broaden their knowledge and narrow identified skills-gaps.

A synopsis of all training activities, conducted over the 2019-2020 year, is outlined below:

Specialized Areas of Training	No. of Participants	Status
Aerodrome/Air Traffic Services Reporting Office (AD/ARO)	Two (2)	Successfully completed
Obstacle Evaluation	Two (2)	Successfully completed
AIS Publications	Four (4)	Successfully completed
Database Maintenance	Four (4)	Successfully completed
Electronic Aeronautical Information Publication (E-AIP)	Six (6)	Successfully completed
Charting	Six (6)	Successfully completed
Electronic Terrain and Obstacle Data (E-TOD)	Nine (9)	Successfully completed
Flight Procedure Design and Airspace Management (FP-DAM)	Four (4)	Successfully completed
AIM Tech Maintenance	Three (3)	Successfully completed

Other Courses		Status
AIM Overview Course	Five (5)	Successfully completed
AIM Operator Supervisor Course	Seven (7)	Successfully completed
Planning Extension	Four (4)	Successfully completed
ICAO Trainair Plus Safety Management Systems	Eight (8)	Successfully completed
PANS AIM Workshop (Mexico City)	Two (2)	Successfully completed
Understanding & Interpreting ISO 19001:2015 (BSJ)	Two (2)	Successfully completed
Fatigue Risk Management System for ANSPs	Two (2)	Successfully completed
Documentation Requirements for 19001:2015 (BSJ)	One (1)	Successfully completed
CNS ATM	Three (3)	Successfully completed
ATS Inter-Facility Data Communication	One (1)	Successfully completed
Advanced PANS OPS (Montreal)	Three (1)	Successfully completed
IATA Aviation Internal Auditor Course	Two (2)	Successfully completed
Human Factors in Aviation	Two (2)	Successfully completed

In addition, the following on-line courses were considered critical and were attended/completed by most team members:

- ICAO Fundamentals of Air Transport System Course – All except four (4) persons have completed this course.
- ICAO Performance Based Navigation Course – Only two (2) AIM team members are yet to complete both courses.

A number of training deliverables were not achieved due to promotions and resultant staff deficiencies in the NOTAM and AD/ARO units. Despite the challenges, a Training Needs Analysis and draft training and development plans for each AIM position were completed. Several initiatives were, also, undertaken to ensure business continuity, while facilitating staff training.

Performance-Based Navigation

PBN remained a key element of our regional aviation plans. Collaboration with stakeholders continued, over the period, concerning matters relative to the Global Air Navigation Plan, of which PBN is a component. As part of this on-going project and agreement at the 10th South American (SAM) Meeting on Air Traffic Services (ATS) Routes Network Optimization in Bogota, Colombia in June 2019, new RNAV route (UP536) was implemented in the West Sector of the Kingston FIR.

The information was published on September 19, 2019 in AIRAC AIP Amendment 02/19, which came into effect on December 5, 2019. Other charts and procedures showing several new and realigned routes have been produced and included in AIRAC AIP Amendment 01/20. The latter routes took effect on June 8, 2020.

The above developments resulted in parallel, uni-directional airways, linking Cuba, Jamaica and Barranquilla. Other

benefits have included:

- further expansion of our existing route network with Cuba and Barranquilla
- air traffic growth based on new design
- increased safety by eliminating opposite directional aircraft climbing or descending the same route
- reduction in the workload of Air Traffic Controllers

Four (4) routes were drafted and updated to also link traffic from Cuba, Jamaica and Barranquilla. These were:

- UM779 – Northbound
- UL417 – Northbound
- UP406 – Southbound
- UP525 – Southbound

Arising from ICAO Electronic Bulletin 2020/21 concerning a request to limit information provided under the Aeronautical Information Regulation and Control (AIRAC) System, implementation dates for regional airspace changes were deferred, until further notice. The target date for implementation was tentatively set for November 5, 2020.

Among the regional Performance Based Management Meetings in which the AIM department members participated were:

- the 5th North American/Caribbean (NAM/CAR) Air Navigation Implementation Working Group (ANI/WG) Meeting in Mexico City from May 27 – 31, 2019
- the 10th South American (SAM) Meeting on Air Traffic Services Routes Network Optimization in Bogota, Columbia from June 17 – 21, 2019 and

Preparations Underway To Optimise Flight Operations In Jamaica's Airspace Through Continuous Climb And Continuous Descent Operations

The AIM department undertook efforts to verify new Continuous Descent and Continuous Climb Operations (CDO/CCO) information, over the period. This was enabled through the department's participation in meetings with the Air Traffic Management (ATM) unit to address concerns with regard to Terminal Manoeuvring Area (TMA) operations and arrivals and departures, arising from enroute airspace agreements. Of note, terminal airspace reconfiguration was being assessed with respect to traffic flow

and integration with ATM. The planned flight check exercise did not materialise, due to the need for further assessment of the routing structure by adjoining the FIR to the south. The CCOs and CDOs for the terminal airspace were, therefore, postponed until the first quarter of 2020-2021 to facilitate additional training of the flight procedures design team. The target date for publication of CDO and CCO procedures for the new RNAV is October 2021.

Other Activities

Development of Master Plan

A draft Master Plan was developed during the first quarter and submitted to the Deputy Director General, Air Navigation Services (DDGANS) for review.

Exploratory discussions were also held with personnel from the Information Technology (IT) Department, with regard to establishing a software solution to enable the full automation of the Integrated Aeronautical Information Package (IAIP) subscription and distribution processes.

Sangster Runway Expansion Project

The Director of Aeronautical Information Management (AIM) attended several meetings regarding the planned extension of Sangster International Airport runway and associated projects. Discussions were focussed on shoreline protection, taxiway extension and the relocation of Navigational Aids, as well as relevant changes to Annexes and other related documents. Given the COVID-19 situation, however, the project, like several others, was placed on hold.

Obstacle Evaluation – Kingston/St. Andrew Metropolitan Area

During the year, the Obstacle Evaluation and Procedures Development (OEPD) unit was asked to review and devise an action plan on building height and density in various sections of Kingston and St. Andrew, as proposed by the Town and Country Planning Authority. Using NEPA-provided, polygon shaped files of the communities under review, a comparison

was made against Annex 14 Obstacle Limitation Surface (OLS) of the NMIA to establish acceptable heights. A graphical image is shown overleaf:



Discussions continued and the Obstacle Evaluation Specialist commenced processes to devise a map, outlining safe heights in the Kingston/St. Andrew Metropolitan Area.

Operational Highlights

TYPES/ CATEGORIES	TOTAL SENT		PERCENTAGE VARIANCE
	2018- 2019	2019- 2020	
Flight Plans	1475	2186	47%
NOTAMs:	631	562	11%
A Series	571	505	
C Series	60	57	

The number of Notices to Airmen (NOTAMs) and Flight Plans dispatched, were higher than the previous year.

NOTAMs Disseminated & Operational Matters

562 NOTAMs were disseminated, and of that number, 505 were A-Series, and 57 C-Series. Most NOTAMs were specific to the following activities:

- Drone operations
- Rescue and Firefighting Services category change
- Taxiway Closure
- Aircraft Stand Closure
- Departure and arrival procedures associated with the commissioning of the DVOR at the Norman Manley International Airport (NMIA)
- Travel Restrictions induced by COVID-19

The Unit continued to see improved levels of accuracy and response times in the dissemination of NOTAMs.

There was a significant 64% reduction in staffing, due to promotions and reassignments to other AIM units and the Department started preparations to facilitate the hiring of additional staff, to maintain operations and achieve given mandates.

Handling of Flight Plans and Other Operational Matters

A total of 2186 Flight Plans were handled over the period. To strengthen our systems, AD ARO Officers continued to assist, as necessary, to minimize and eliminate errors and measures were being developed to outline how flight plans should be handled by ATC, especially when the AMHS is unserviceable.

Over the reporting period, the JCAA also completed the renovation of office spaces to accommodate the AD/ARO Manager and Specialist on January 13. The process included installation of equipment and associated apparatus.

Publications

Over the year under review, the Publications Unit continued processes to streamline and restructure its distribution and subscription procedures, in collaboration with the IT Department. A fillable Aeronautical Information Package (AIP) Purchase and Subscription form is now available in PDF format. The subscription/distribution list was updated and new subscribers added, after correspondence was sent, encouraging agencies to subscribe to AIP Jamaica.

AIP Amendments, including AIRAC, were also published to treat with changes in airspace structure; new, amended and realigned routes; and navigational aids such as the Sangster International Airport (SIA) and Norman Manley International Airport (NMIA) Doppler Very High Frequency (VHF) Omnidirectional Range (DVOR) with Distance Measuring Equipment (DVOR/DME).

During the last quarter, there was a noticeable increase in published AICs. A significant portion of that amount

was geared towards national policies/ procedures applicable to COVID-19. The contents included restricted countries with confirmed cases and travel limitations of certain passenger flights in and out of Jamaica, and were based on frequent updates and directives issued by the Prime Minister. Of note, list of all valid AICs has been incorporated in the monthly NOTAM Checklist and Summary.

Equipment

The upgrade and switch-over of the Aeronautical Message Handling System (AMHS) to the new server was completed on August 6 by IDS and Communications, Navigation and Surveillance (CNS) personnel.

An AIM equipment Status Logbook was implemented in February to track and record the status of all equipment through daily routine checks of hardware and software systems.

Mural

A Mural for the AIM Centre is being acquired. The initial prototype was rejected, and further work was done on redesigning the painting scenery. A quotation subsequently received from the vendor, was placed on hold by the Procurement Department because of COVID-19 issues.

In the context of numerous challenges encountered throughout the year, commendations are in order for the JCAA's AIM team. The tremendous teamwork through collaboration, cooperation and support within the JCAA, its subsidiary AEROTEL, and external partners contributed immensely to the pursuit of digital AIM - an era guided by safety, quality and interoperability.

Corporate Services



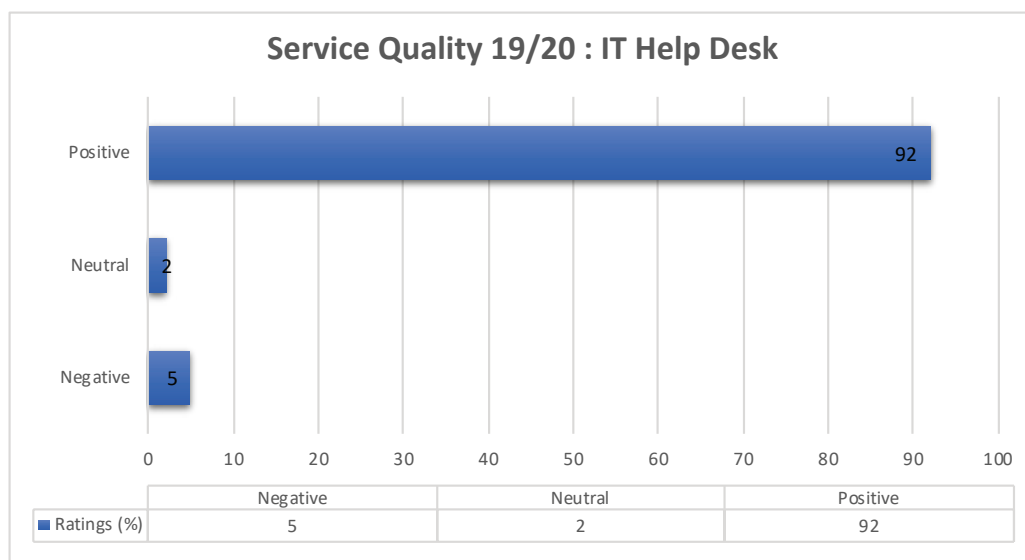
THE JAMAICA CIVIL
AVIATION AUTHORITY

Information Technology (IT)

As the JCAA sought to collate and utilise data as a core driver of organisational decision-making and strategy, the demand for data-driven solutions and digitisation continued to influence the work of the IT Department, during the 2019-20 reporting period. Timely access to data, data consistency across platforms and the desire to spend greater time on analysis rather than, simply, data collection, were common themes presented in the IT Survey feedback by executives and Heads of Departments.

There were several important changes to the structure of the IT department, which helped to enhance the efficiency and productivity of the team. One important development related to staff augmentation for the Infrastructure Unit, which came to a successful completion when a new permanent member of staff joined in May. There was also continuing progress regarding the development of the structure for the Applications Unit.

The IT Help Desk processed 1,733 support requests (tickets) during the period, which represented an 18% decrease from the previous year. Each ticket offered the user an opportunity to rate the service delivered by the IT Team. This year our Service Quality was measured at 92% positive, thereby demonstrating a 3% increase. Over the reporting period, 15% of all tickets submitted were rated for service quality. This measurement, as shown below, include works to support the Finance Department of AEROTEL.



The IT Infrastructure team delivered several important wins for the Authority this year. The wholesale adoption of the Microsoft Office 365 service was a yearlong and gradual shift from the legacy, on-premises system to the cloud-based version. This project culminated with training on February 6, approximately five (5) weeks

before COVID-19 changed history. The Microsoft Office 365 project has proven to be a resounding success, as the Authority was able to pivot to a dramatic “work from home” approach, during the pandemic lock-down period. Supported by the IT Department, the usage of Microsoft Teams also skyrocketed overnight, as the

Authority transitioned to online meetings. Other achievements by the Infrastructure team included the setup of the CCTV systems for the Security Department in June, the first external Penetration Test in October and support for the build-out of the AIM Centre and relocation of the Finance Department.

Major works in progress included the implementation of offsite server backups to improve our disaster recovery plan. Finally, closer collaboration with the CNS Department led to the elimination of a major corporate risk during the period.

Implementation of Learning Management System

The IT Applications unit also delivered noteworthy changes to the Authority. The Learning Management System was successfully deployed to the CAATI and Flight Safety Departments. The Learning Management System was used to host

the first ever Digital Exams for Personnel Licences (PEL) on February 27, 2020. Additionally, the ANS Division oversaw the building of a custom-built database application called ATMED PRO using WordPress. This system was commissioned in April and allows the ANS Management and the ATCs to better manage the renewal of licences.

A big focus for the Apps Team was the Finance Department and improving their usage of the Great Plains system. A joint Finance & IT Team attended the October 2019 staging of the annual Great Plains User Group (GPUG) conference held in Orlando, Florida. The opportunity for training and networking laid the foundation for improvement work planned for the Great Plains system. The Receipt printing database, in use for the past fourteen (14) years, was finally retired. This function was integrated into Great Plains and resulted in several reporting efficiencies.

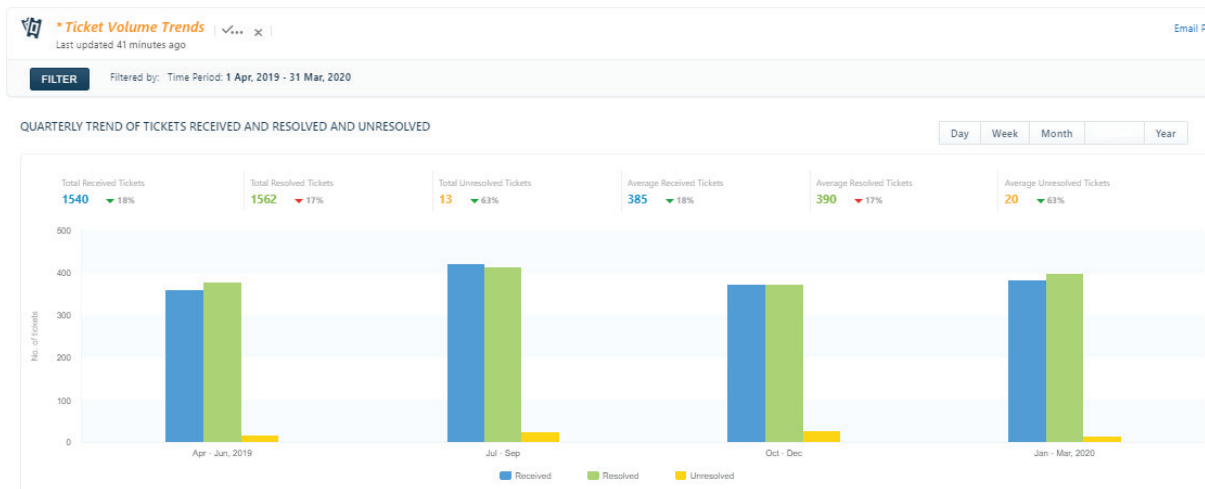


Figure 3 IT Help Desk Annual Results

Figure 4 Annual Report of Support Requests

Human Resource



The Human Resource (HR) Department continued to fulfil its mandate of supporting the corporate goals by fulfilling the Authority's workforce needs through ongoing recruitment to fill mission-critical vacancies, facilitating human capital development and the implementation of initiatives to sustain a stable, healthy and productive workforce.

Staff Movement

The Authority continued to experience a favourable staff turnover rate of 4.79% for the 2019-2020 period, with a complement of 313 employees as at March 31, 2020. The table below illustrates the staff movements, which occurred during the period:

ACTION	NUMBER OF PERSONS
Employment <ul style="list-style-type: none"> • Permanent • Contract 	17 1
Promotion <ul style="list-style-type: none"> • Management • Air Traffic Control Staff • Administrative & Other Staff 	2 3 11
Resignation	3
Retirement	10
Other (Expiration of Contract/ Termination/Death)	2

Training & Development

The training and development goal of ensuring that staff members in every Department were exposed to some developmental activity was achieved.

In keeping with the JCAA's vision of providing an appropriate environment for the growth, development and professionalism enhancement of staff, one hundred and seventy-one (171) employees completed training online locally, thirty-three (33) employees attended overseas training courses and fifty-two (52) employees attended Workshops/Meeting/Seminars/Conferences overseas.

Local training courses included:

- Fatigue Risk Management Systems (FRMS) for ANSPs
- Aviation Security Crisis Management
- Enterprise Risk Management
- Risk Management & Hazard Identification
- Leadership & Emotional Intelligence
- Safety Management Systems

- Budget Preparation & Management
- State Protocol and Business Etiquette
- Supervisory Management
- Understanding & Interpreting ISO 9001:2015
- Cyber Security
- Emergency Planning & Crisis Management
- Fundamentals of the Air Transport System (Online)
- Performance-Based Navigation for Air Traffic Controllers (Online)
- Sustainable Procurement Training
- Advance Standby Generator Maintenance
- Foundations of Communication, Navigation, Surveillance/Air Traffic Management (CNS/ATM)
- Stress Management for a Healthy Lifestyle
- Basic Air Traffic Flow Management (ATFM)
- Aviation Internal Auditor
- Human Factors in Aviation
- Housekeeping Skills Programme
- Customer Service

Overseas training/meeting/conference included:

- Factory Training & Factory Acceptance Test
- Aviation Crisis Management Programme
- ICAO-Endorsed Government Aviation Safety Inspector
- Basic & Advanced Procedures for Air Navigation Services – Operations
- Safety Oversight Inspector
- International Air Law for Lawyers & Legal Professionals
- Behavioural Analysis, Passenger Screening & Insider Threat Management
- Extended Diversion Time Operations (Airworthiness)
- Aviation Security Professional Management
- ICAO National Inspector
- Aircraft Accident Investigation
- Air Traffic Flow Management (ATFM) and Collaborative Decision-Making (CDM)
- Security Audit & Quality Control
- AIM Equipment Training
- Civil Aviation Medical Examiner's Refresher

- Training
- ICAO Aviation Data & Analysis
- Airport Safety and Operations Forum
- Air Traffic Services Inter-Facility Data Communication (AIDC) Implementation Meeting
- Air Navigation Implementation Working Group Performance-Based Navigation (PBN) Implementation Task Force Meeting
- Airworthiness Safety Seminar
- Civil Aviation Training Centres Working Group Meeting
- Air Traffic Services (ATS) Routes Network Optimization Meeting
- Air Navigation Implementation Working Group Search & Rescue Implementation Task Force Meeting
- Risk Management

Employee/Labour Relations

The industrial relations climate was active during the year. A collaborative management approach was adopted to amicably address matters when they arose and to pre-empt others before they escalated. The Authority engaged the external conciliatory process to settle disputes expeditiously, where necessary, in order to maintain a stable working environment.

The 2017/2019 Wage and Fringe Benefits Claims were settled for two (2) of the four (4) Unions/Staff Associations and an Interim Agreement was signed with a third group. The Claim for the fourth group was successfully settled in the previous year.

Internal Equity

In keeping with ongoing efforts to ensure transparency and equity in its human resource practices, the Authority initiated a job evaluation exercise in order to establish some internal equity within the respective job categories. An external consultant was engaged to facilitate this job evaluation exercise, in consultation with the respective

internal stakeholders. The goals of this exercise were as follows:

- To conduct a systematic job analysis of the duties, tasks and responsibilities assigned to each job
- To conduct a mapping of the essential skills, knowledge and competencies needed by an individual to adequately perform the job
- To review and update the job descriptions for the existing and newly defined positions within the Authority and recommend new competencies and skills to support the Authority's strategies
- To determine the size/weight of each role in relation to all others within the Authority
- To conduct a benchmarking exercise and provide a benchmark for appropriate salary packages and salary scales for the existing and newly defined positions to ensure alignment of remuneration, functions and grade levels within the organization; and
- To develop a Mathematical formula to maintain JCAA salaries at market level

The exercise began in May 2019 and was scheduled to end in August 2019. At the end of the Financial Year, four of the six goals were completed. The Authority continues the consultative process with stakeholders regarding the outcome of this process.

Staff Benefits/Welfare Initiatives

The Authority continued to provide a comprehensive suite of staff benefits in keeping with the thrust for total well-being. These benefits included loan facilities to enable the achievement of the financial goals of staff members, health insurance and other welfare initiatives. During the period, the uptake for motor vehicle loans also increased significantly, due

to improvements in negotiated benefits, particularly for Travelling Officers to enable the acquisition of vehicles for the execution of official duties.

Group Health Insurance

The JCAA continued to take a holistic approach to the total well-being of employees through the maintenance of a Group Health Insurance Scheme for employees and dependents. In partnership with the Insurance Provider, other complementary activities were promoted during the year to facilitate a sustained approach to employee wellness. These included the promotion of a Supplemental Benefits programme offered to employees and their dependents, as an extended benefit to the Group by the Health Insurance Provider.

Wellness

The JCAA sought to improve the health and well-being of staff by facilitating their active engagement in five (5) major road races, five (5) health educational forums, an annual Staff Retreat, Christmas Party and various initiatives to build camaraderie, organizational synergy and teamwork. Employee wellness was also enhanced with the maintenance of the Headquarters' part-time Gym Instructor's contract and by partnering with the canteen concessionaire to provide healthy meal options for staff. The contract for the provision of staff gym facilities in Montego Bay was also renewed.

Annual Wellness checks were facilitated to provide staff with information on the state of their health and various other initiatives were implemented to address the seven (7) dimensions of Wellness.

Corporate/Business-House Sporting Competitions

Joint JCAA/ AEROTEL sporting teams in Netball, Football and Basketball were supported throughout their participation in the respective competitions. The sports season was a successful one, with all teams performing creditably. The JCAA/

AEROTEL Football Team was crowned runner-up champions and Most Improved Team in the 2019 New Kingston Sports Association (NKSA) 6-A-Side Football Competition.

Staff Social Interaction

The JCAA continued to stage opportunities for staff to interact with each other and hosted periodic events for social interactions during the year.



Members of the Joint JCAA/ AEROTEL Football Team.

Education Assistance

The JCAA continued to assist staff in their personal quest for self-development by providing education loans, grants and scholarships and by allowing for reimbursement of tuition fees paid for various Degrees.

Occupational Safety and Health (OSH)

Work on the Occupational Safety and Health (OSH) programme continued throughout 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.

Inspections were conducted at the Air Traffic Control Towers and the JCAA Headquarters (HQ), with an environmental assessment being effected for a section of the HQ.

The Civil Aviation Authority Training Institute (CAATI)



During the 2019-2020 reporting period, the Jamaica Civil Aviation Authority Training Institute (CAATI) continued its provision of aviation training for JCAA personnel, as well as external clients and stakeholders of the local and regional aviation industries.

CAATI's primary mandates of human capital development, capacity building and enhanced innovation continued to be cost-effectively realized, during the period under review. CAATI conducted or was otherwise involved in the delivery of fifteen (15) courses over the period. Some courses were internal to the CAATI, while others were CAATI-delivered International Civil Aviation Organization (ICAO) courses, and contracted courses from the International Air Transport Association (IATA) and other bodies.

While initially created as an entity geared primarily towards being an effective training institution and cost saver for Air Traffic Control (ATC) training, CAATI's role has since expanded, based on its current international accreditations, to encompassing more general training for the JCAA's workforce and the local industry. The JCAA was able to realise significant cost savings and greater operational efficiencies by hosting training at its Winchester Road location, and was also able to derive income from the training of candidates from the regional aviation industry, over the year.

A total of 117 participants were trained by CAATI over the 2019-20 year. Of this number, 100 were JCAA employees – an achievement which supported the JCAA's human resource development and capacity building efforts. In addition to the stated numbers, 40 individuals received training under the IATA Fatigue Risk Management Systems (FRMS) for ANS Providers course and the IATA Internal Auditor Course.

Human Resource Development at CAATI

During the period under review, CAATI filled two positions. These were for Quality Manager and Head Course Developer. These positions were an addition to previous appointments of a Head Instructor, Course Developer and Technical Assistant. The filling of these positions were timely, and addressed the immediate human resource needs for CAATI.

Additionally, the JCAA's Human Resource Department outlined several mandatory training requirements for the new CAATI recruits, especially in the area of aviation training. These courses included the Abbreviated Aerodrome Control Course, the CORSIA CO2 Emissions course, the Aerodrome Refresher Course, Aerodrome Control Course, ICAO Training Instructor Course (TIC) Parts 1 & 2, IATA Fatigue Risk course, the Aerodrome Control Refresher Course (contingency participants), Training Developer's Course (TDC), ICAO Online Management System, Safety Management Systems for Practitioners (SMSXP) and an IATA Internal Auditor Course. Training courses in Post Training Evaluation (PTE) and Training Needs Analysis (TNA) were also scheduled in the latter part of the period under review, but were postponed, due to the COVID-19 pandemic.

Innovation in 2019 – 2020

The CAATI acquired and began using various state-of-the-art technologies to enhance the training environment and improve outcomes. These technologies included the Smartboard, the Learning Management System, the latest offerings from Microsoft Office 365 and the Thales Simulators for Air Traffic Control.

The new Thales ATC Simulator replaced the computer-based simulation that was formerly used. The retired simulation system was capable of replicating radar targets, but possessed limited realism and functionality. This challenge is now addressed.

ICAO TRAINAIR PLUS Programme (TPP) Symposium

The ICAO TRAINAIR PLUS (TPP) Symposium was held in New Delhi, India from December 4–6, 2019 under the theme “Innovative Training for New Horizons”. The symposium explored how training should integrate innovation to address the opportunities and challenges faced by the aviation training community. CAATI was represented by Director General, Mr. Nari Williams-Singh, CAATI Quality Manager, Dr. Kerry-Ann Barrett and Deputy Board Chairman, Mr. Douglas Lindo.

The CAATI compiled and presented an overview of the training institution at the symposium, along with other ICAO TPP schools, as it supported efforts to promote the standardization of training among TPP members.

ICAO recognized the JCAA training institution’s commitment to the presentation of high-quality training and encouraged other TPP training institutions to utilize high-quality courses. Accordingly, the CAATI was awarded a prize for the highest number of imported Standardized Training Packages (STPs) in 2018.

ATO Certification & TRAINAIR PLUS Membership

During the period under review, CAATI submitted the relevant documents to

the Flight Safety Department (FSD), as required for maintaining its Approved Training Organisation (ATO) certification. Certification as an Approved Training Organisation was renewed and will expire in September 2020.

CAATI maintained the required training activity levels to remain a member of ICAO TRAINAIR PLUS (TPP). The CAATI TPP membership will expire in 2021 and the requisite activities were employed to maintain a favourable assessment.

During the year under review, ICAO’s TPP division commenced a 1-year trial period for the introduction of a new performance-based assessment system, starting December 2019. Based on the new assessment requirements, CAATI has been undertaking various improvement initiatives to strengthen its human resource capacity building and course development efforts.

Additionally, CAATI worked with the ICAO TRAINAIR Plus Steering Committee (TPSC) to propose areas of adjustment to facilitate appropriate assessment processes for CAATI and other regional training institutions. These proposals were mostly focused on outlining required adjustments to the new ICAO assessment structure, to create avenues for receiving credits for locally created and hosted courses, as well as for developing and updating internal courses. As per ICAO’s guidelines, the proposals are being reviewed for possible implementation.

ICAO Collaboration and Support

Numerous meetings were convened remotely, throughout the period, with members of the ICAO TRAINAIR PLUS’

executive, other training institution directors and the ICAO TRAINAIR PLUS Steering Committee. These meetings focused on training collaborations that were hosted at CAATI, adjustments to facilitate aviation training at Civil Aviation Training Centres (CATC), and improving the performance and category credits of the CATCs. Important meeting recordings were shared with CAATI team members to assist them in the conduct of their roles and functions at the JCAA's training institute.

Renovation of CAATI Spaces

The CAATI team undertook substantial work on refurbishing the Course Production Room, Classrooms and Simulator Room. In keeping with the efficiency requirements related to maximizing the use of the JCAA's resources, CAATI facilities were updated to provide multi-purpose functionality.



Financial Statements

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INDEPENDENT AUDITORS' REPORT

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 59, which comprise the Group's and Authority's statement of financial position as at 31 March 2020, 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 2020, 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.

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.

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 be 'BDO', is written over a faint, large, light-blue rectangular stamp.

Chartered Accountants

13 July 2020

JAMAICA CIVIL AVIATION AUTHORITY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME

YEAR ENDED 31 MARCH 2020


	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
INCOME:			
Passenger aviation service fee	6(i)	230,813	225,877
GOJ subvention	6(ii)	4,361,292	4,211,425
Appropriation in aid -	6(iii)		
Communication fees		327,181	326,100
Other operating income	7	<u>189,869</u>	<u>159,703</u>
Amount recognised as income		<u>5,109,155</u>	<u>4,923,105</u>
EXPENSES:			
Administrative and other operating expenses	8	<u>(5,011,306)</u>	<u>(4,057,877)</u>
OPERATING SURPLUS		97,849	865,228
Net finance income	9	<u>446,732</u>	<u>93,490</u>
SURPLUS BEFORE TAXATION		544,581	958,718
Taxation	10	<u>-</u>	<u>35,645</u>
SURPLUS FOR THE YEAR		<u>544,581</u>	<u>994,363</u>
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss -			
Remeasurement of employee benefits obligation	22(f)	(196,825)	(153,967)
Unrealised loss on financial instruments		(5,577)	-
Gain on revaluation of property, plant and equipment - adjustment		<u>986,943</u>	<u>15</u>
		<u>784,541</u>	<u>(153,952)</u>
TOTAL COMPREHENSIVE INCOME		<u>1,329,122</u>	<u>840,411</u>

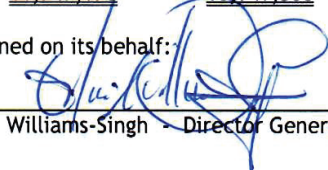
JAMAICA CIVIL AVIATION AUTHORITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 MARCH 2020

	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	11	1,569,315	2,643,627
Short term investments	12	2,526,000	1,624,448
Receivables	13	850,057	795,916
Other assets	14	55,349	46,713
Due from related party	15	-	1,446
		<u>5,000,721</u>	<u>5,112,150</u>
NON-CURRENT ASSETS:			
Property, plant and equipment	16	6,613,566	5,747,020
Financial asset at fair value through other comprehensive income	17	17,082	-
Long-term investments	18	96,732	90,196
Right-of-use assets	19(a)	19,069	-
		<u>6,746,449</u>	<u>5,837,216</u>
Total assets		<u>11,747,170</u>	<u>10,949,366</u>
<u>LIABILITIES AND RESERVES</u>			
CURRENT LIABILITIES:			
Payables	20	959,410	1,240,948
Current portion of lease liability	19(b)	5,976	-
Due to related party	15	14,962	-
		<u>980,348</u>	<u>1,240,948</u>
NON-CURRENT LIABILITIES:			
Deferred income	21	106,686	119,696
Lease liability	19(b)	13,920	-
Post employment benefit obligation	22	787,865	531,557
		<u>908,471</u>	<u>651,253</u>
RESERVE:			
Capital reserve	23	629,340	629,340
Revaluation reserve	24	1,754,484	767,541
Fair value reserve	25	(5,577)	-
Retained earnings		<u>7,480,104</u>	<u>7,660,284</u>
		<u>9,858,351</u>	<u>9,057,165</u>
Total liabilities and reserves		<u>11,747,170</u>	<u>10,949,366</u>

Approved for issue by the Board of Directors on 13 July 2020 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 2020

	<u>Note</u>	<u>Share Capital \$'000</u>	<u>Fair Value Reserve \$'000</u>	<u>Revaluation Reserve \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total \$'000</u>
BALANCE AT 31 MARCH 2018		629,340	-	767,526	7,587,939	8,984,805
Impact of initial application IFRS 9		-	-	-	(193,867)	(193,867)
BALANCE AT 1 APRIL 2018		<u>629,340</u>	<u>-</u>	<u>767,526</u>	<u>7,394,072</u>	<u>8,790,938</u>
TOTAL COMPREHENSIVE INCOME						
Surplus for the year		-	-	-	994,363	994,363
Other comprehensive income:						
Gain on revaluation of property, plant and equipment		-	-	15	-	15
Remeasurement of employee benefits obligation	22	-	-	-	(153,967)	(153,967)
		-	-	15	840,396	840,411
TRANSACTION WITH OWNERS						
Special distribution	26	-	-	-	(574,184)	(574,184)
BALANCE AT 31 MARCH 2019		<u>629,340</u>	<u>-</u>	<u>767,541</u>	<u>7,660,284</u>	<u>9,057,165</u>
TOTAL COMPREHENSIVE INCOME						
Surplus for the year		-	-	-	544,581	544,581
Other comprehensive income:						
Revaluation of property, plant and equipment				986,943	-	986,943
Unrealised loss on financial instruments		-	(5,577)	-	-	(5,577)
Remeasurement of employee benefits obligation		-	-	-	(196,825)	(196,825)
TOTAL COMPREHENSIVE INCOME		<u>-</u>	<u>(5,577)</u>	<u>986,943</u>	<u>347,756</u>	<u>1,329,122</u>
TRANSACTION WITH OWNERS						
Normal distribution		-	-	-	(14,615)	(14,615)
Special distribution	26	-	-	-	(513,321)	(513,321)
		-	-	-	(527,936)	(527,936)
BALANCE AT 31 MARCH 2020		<u>629,340</u>	<u>(5,577)</u>	<u>1,754,484</u>	<u>7,480,104</u>	<u>9,858,351</u>

JAMAICA CIVIL AVIATION AUTHORITY

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2020

	2020	2019
	<u>\$'000</u>	<u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Surplus for the year	544,581	994,363
Items not affecting cash resources -		
Effects of exchange rate translation	(34,240)	(25,446)
Depreciation	467,668	388,392
Depreciation adjustment	38	-
Deferred taxation written off	-	(27,786)
Amortisation of right of use assets	6,185	-
Amortisation of deferred income	(13,010)	(13,010)
Interest expense on right of use assets	1,598	-
Interest income	(109,906)	(71,394)
Gain on disposal of property, plant and equipment	(2,959)	(2,269)
Employee benefits obligation	<u>(12,005)</u>	<u>32,361</u>
	847,950	1,275,211
Changes in operating assets and liabilities:		
Other assets	(8,636)	(16,665)
Short term investments	(836,603)	-
Receivables	(5,679)	(116,265)
Payables	(296,231)	(354,192)
Due from related parties	<u>16,408</u>	<u>(6,993)</u>
	(282,791)	781,096
Taxation paid	<u>-</u>	<u>(3,453)</u>
Cash (used in)/provided by operating activities	<u>(282,791)</u>	<u>777,643</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Financial assets at fair value through other comprehensive income	(22,659)	-
Short term investments	-	44,563
Interest received	98,896	86,233
Investments, net	(6,536)	1,181
Acquisition of property, plant and equipment	(349,401)	(846,132)
Proceeds from sale of property, plant and equipment	<u>5,051</u>	<u>2,349</u>
Cash used in investing activities	<u>(274,649)</u>	<u>(711,806)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distribution to Ministry of Finance	(527,936)	(574,184)
Principal paid on right of use assets	(4,778)	-
Interest paid	<u>(1,598)</u>	<u>-</u>
Cash used in financing activities	<u>(534,312)</u>	<u>(574,184)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(1,091,752)	(508,347)
Effects of exchange rate translation	17,440	(1,520)
Cash and cash equivalents at beginning of year	<u>2,643,627</u>	<u>3,153,494</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 11)	<u>1,569,315</u>	<u>2,643,627</u>

JAMAICA CIVIL AVIATION AUTHORITY

AUTHORITY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2020

	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
INCOME:			
GOJ subvention	6(ii)	4,361,292	4,211,425
Appropriation in aid -	6(iii)		
Communication fees		17,340	15,313
Other operating income	7	<u>113,782</u>	<u>130,805</u>
Amount recognised as income		<u>4,492,414</u>	<u>4,357,543</u>
EXPENSES:			
Administrative and other operating expenses	8	<u>(4,392,458)</u>	<u>(3,587,234)</u>
OPERATING SURPLUS		99,956	770,309
Net finance income	9	<u>359,828</u>	<u>80,909</u>
SURPLUS FOR THE YEAR		<u>459,784</u>	<u>851,218</u>
OTHER COMPREHENSIVE INCOME:			
Item that will not be reclassified to profit or loss -			
Revaluation of property, plant and equipment		986,943	-
Remeasurement of employee benefits obligation	22(f)	<u>(164,753)</u>	<u>(141,543)</u>
		<u>822,190</u>	<u>(141,543)</u>
TOTAL COMPREHENSIVE INCOME		<u>1,281,974</u>	<u>709,675</u>


JAMAICA CIVIL AVIATION AUTHORITY
AUTHORITY STATEMENT OF FINANCIAL POSITION

31 MARCH 2020

	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	11	1,338,435	2,458,631
Short term investments	12	2,013,144	1,134,118
Receivables	13	736,537	714,735
Other assets	14	28,604	23,923
Due from related party	15	<u>17,201</u>	<u>17,679</u>
		<u>4,133,921</u>	<u>4,349,086</u>
NON-CURRENT ASSETS:			
Property, plant and equipment	16	6,241,899	5,367,255
Right-of-use assets	19(a)	<u>19,069</u>	<u>-</u>
		<u>6,260,968</u>	<u>5,367,255</u>
Total assets		<u>10,394,889</u>	<u>9,716,341</u>
LIABILITIES AND RESERVES			
CURRENT LIABILITIES:			
Payables	20	864,995	1,179,837
Current portion of lease liability	19(b)	5,976	-
Due to related parties	15	<u>45,560</u>	<u>48,273</u>
		<u>916,531</u>	<u>1,228,110</u>
NON-CURRENT LIABILITIES:			
Lease liability	19(b)	13,920	
Deferred income	21	106,686	119,696
Post employment benefit obligation	22	<u>719,500</u>	<u>498,936</u>
		<u>840,106</u>	<u>618,632</u>
RESERVES:			
Capital reserve	23	629,340	629,340
Revaluation reserve	24	1,524,092	537,149
Retained earnings		<u>6,484,820</u>	<u>6,703,110</u>
Total liabilities and reserves		<u>8,638,252</u>	<u>7,869,599</u>
		<u>10,394,889</u>	<u>9,716,341</u>

Approved for issue by the Board of Directors on 13 July 2020 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 2020

	<u>Note</u>	<u>Share Capital \$'000</u>	<u>Revaluation Reserve \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total \$'000</u>
BALANCE AT 31 MARCH 2018		629,340	537,149	6,752,404	7,918,893
Impact of initial application IFRS 9		-	-	(184,785)	(184,785)
BALANCE AT 1 APRIL 2018		<u>629,340</u>	<u>537,149</u>	<u>6,567,619</u>	<u>7,734,108</u>
TOTAL COMPREHENSIVE INCOME					
Surplus for the year		-	-	851,218	851,218
Other comprehensive income					
Remeasurement of employee benefits obligation	22	-	-	(141,543)	(141,543)
		-	-	709,675	709,675
TRANSACTION WITH OWNERS					
Special distribution	26	-	-	(574,184)	(574,184)
BALANCE AT 31 MARCH 2019		<u>629,340</u>	<u>537,149</u>	<u>6,703,110</u>	<u>7,869,599</u>
TOTAL COMPREHENSIVE INCOME					
Surplus for the year		-	-	459,784	459,784
Other comprehensive income:					
Revaluation on property, plant and equipment			986,943		986,943
Remeasurement of employee benefits obligation	22	-	-	(164,753)	(164,753)
		-	986,943	295,031	1,281,974
TRANSACTION WITH OWNERS					
Special distribution	26	-	-	(513,321)	(513,321)
BALANCE AT 31 MARCH 2020		<u>629,340</u>	<u>1,524,092</u>	<u>6,484,820</u>	<u>8,638,252</u>

JAMAICA CIVIL AVIATION AUTHORITY

AUTHORITY STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2020

	2020 <u>\$'000</u>	2019 <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Surplus for the year	459,784	851,218
Items not affecting cash resources -		
Effects of exchange rate translation	(40,004)	(10,216)
Depreciation	436,902	358,958
Depreciation - adjustment	38	-
Amortisation of deferred income	(13,010)	(13,010)
Amortisation of right of use assets	6,185	-
Interest expense on right of use assets	1,598	-
Interest income	(88,726)	(56,886)
(Gain)/loss on disposal of property, plant and equipment	(2,403)	80
Employee benefits obligation	<u>55,811</u>	<u>29,420</u>
	816,175	1,159,564
Changes in operating assets and liabilities:		
Other assets	(4,681)	(6,358)
Short term investments	(879,026)	84,265
Receivables	15,061	(128,924)
Payables	(312,050)	(346,104)
Due from related parties	<u>(2,235)</u>	<u>(61,589)</u>
Cash (used in)/provided by operating activities	<u>(366,756)</u>	<u>700,854</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	78,271	69,818
Acquisition of property, plant and equipment	(326,733)	(801,251)
Proceeds from disposal of property, plant and equipment	<u>4,495</u>	<u>-</u>
Cash used in investing activities	<u>(243,967)</u>	<u>(731,433)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distribution to Ministry of Finance	(513,321)	(574,184)
Principal paid on right of use assets	(4,778)	-
Interest expense paid	<u>(1,598)</u>	<u>-</u>
Cash used in financing activities	<u>(519,697)</u>	<u>(574,184)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(1,130,420)	(604,763)
Effect of exchange rate translation	10,224	125
Cash and cash equivalents at beginning of year	<u>2,458,631</u>	<u>3,063,269</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 11)	<u>1,338,435</u>	<u>2,458,631</u>

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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".

- (c) The Authority is exempt from income tax under Section 6(m) of the Civil Aviation Act. The subsidiary, Aeronautical Telecommunications Limited being a fully owned Government company's falls within the definition of a public body and is therefore exempt from paying Income Tax on its income under Section 12 (i) (b) of the Income Tax Act.

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 and financial instruments measured at market value. 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 and the Jamaica Civil Aviation (Amendment) Act 1995.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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 group has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following new standards, interpretations and amendments are immediately relevant to its operations:

The group has adopted the following new and amended standards and interpretations as of 1 April 2019:

IFRS 16, 'Leases', (effective for accounting periods beginning on or after 1 January 2019). The new standard eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Leases are now recorded in the statement of financial position by recognizing a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognized lease assets and financial liabilities. An optional exemption exists for short term and low-value leases. The accounting by lessors will not significantly change.

Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Upon adoption of IFRS 16 the lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

New, revised and amended standards and interpretations that became effective during the year (cont'd)

The adoption of IFRS 16 from 1 April 2019 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. Management has decided it will apply the modified retrospective adoption method, and therefore, the revised requirements are not reflected in the prior year financial statements.

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

The following new standard, amendment and interpretation, which is not yet effective and has not been adopted early in these financial statements, will or may have an effect on the Group's future financial statements:

Amendments to IAS 1 and IAS 8 on the definition of material (effective for accounting periods beginning on or after 1 January 2020). These amendments to IAS 1, 'Presentation of Financial Statements', and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. The adoption of this standard is not expected to have a significant impact on the group.

The group is assessing the impact that this standard and amendment will have on the financial statements when it is adopted.

(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.

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(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 recognized 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.

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%

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

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

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

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.

(i) Classification

The group classifies all its financial instruments at initial recognition based on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

The group classifies its financial assets as those measured at amortised cost and fair value through other comprehensive income.

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

Policy applicable after 1 April 2019 (cont'd)

(i) Classification (cont'd)

Amortised cost (cont'd)

The group's financial assets measured at amortised cost comprise trade and other receivables, short and long term investments and cash and cash equivalents in the statement of financial position. 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 fair value. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturities of three months or less.

Fair value through other comprehensive income (FVOCI)

The group has made an irrevocable election to classify its investments in global bonds at fair value through other comprehensive income rather than through profit or loss as the group considers this measurement to be the most representative of the business model for those assets. They are carried at fair value with changes in fair value recognized in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

The group's financial assets measured at FVOCI are its investments securities which includes equity instruments in the statement of financial position.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date - the date on which the group commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized 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.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments (cont'd)

Policy applicable after 1 April 2019 (cont'd)

(ii) Recognition and measurement (cont'd)

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

(iii) Impairment

The group assesses on a forward-looking basis the expected credit losses (ECL) associated with its instruments carried at amortised cost.

Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses (ECL).

During this process the probability of the non-payment of the trade receivables is assessed by taking into consideration historical rates of default for each segment of trade receivables as well as the estimated impact of forward looking information. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within the statement of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the association provision.

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: payables and lease liability.

(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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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
31 MARCH 2020

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) Revenue recognition

Sale of goods/services

Revenue is recognised at a point in time in the amount of the price expected to be received by the group for goods supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods passes to the customer.

Interest income

Interest income is recognised in profit or loss using the effective interest method. The “effective interest rate” is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instruments to its gross carrying amount.

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(j) Revenue recognition

Interest income (cont'd)

When calculating the effective interest rate for financial instruments, the group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

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.

(k) Leases

Policy applicable after 1 April 2019

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

IFRS 16 was adopted 1 April 2019 without restatement of comparative figures. For an explanation of the transitional requirements that were applied as at 1 April 2019, see Note 28. The following policies apply subsequent to the date of initial application, 1 April 2019.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(k) Leases (cont'd)

Policy applicable after 1 April 2019 (cont'd)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(k) Leases (cont'd)

Policy applicable after 1 April 2019 (cont'd)

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Nature of leasing activities (in the capacity as lessee)

The periodic payment is fixed over the lease term. The group leased premises. Leases of premises comprise only fixed payments over the lease terms.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(k) Leases (cont'd)

Policy applicable after 1 April 2019 (cont'd)

Nature of leasing activities (in the capacity as lessee) (cont'd)

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

Policy applicable before 1 April 2019

(i) As lessee:

Lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to the statement of income on a straight-line basis over the period of the lease.

(ii) As lessor:

Where assets are leased under finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable over the term of the lease in a manner which reflects a constant periodic rate of return on the net investment in the lease.

(l) Inventories

In light of the rapid change in technology, the group opted not carry any inventory of spares; instead it procures spares as the need arise.

(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.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(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.
- (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.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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.

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). |

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NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2020

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

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

(i) Fair value estimation (cont'd)

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.

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)
Investments (note 17)

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.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

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

(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.

(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) Allowance for impairment losses on trade receivables

Allowances for doubtful accounts were established using the total credit sales as at 31 March 2020. For all credit sales, a payment pattern was determined for customers within this segment. Based on the incurred loss analyses over delinquent accounts, the credit history, risk profile of each customer and aging of receivables, customers were placed in aging buckets and a default risk percentage calculated for each bucket. Such allowances are determined upon origination of the trade receivable based on a model that calculates the expected credit loss (ECL) of the trade receivables.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

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

(iv) Allowance for impairment losses on trade receivables (cont'd)

Under this ECL model, the group segments its trade receivable in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience over the last 12 months and analysis of future delinquency, that is applied to the balance of the trade receivables.

The historical loss rates were adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has also identified and assessed the change in the industry in which it sells its goods and has included its impact on historical loss rate percentage.

The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 365 days or more past due. The use of assumptions make uncertainty inherent in such estimates.

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.

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.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(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
- Lease liability

(b) Financial instruments by category

Financial assets

	Group			
	At amortised cost		Fair value through other comprehensive income	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash and cash equivalents	1,569,315	2,643,627	-	-
Short term investments	2,526,000	1,624,448	-	-
Long term investments	96,732	90,196	-	-
Financial assets at fair value through other comprehensive income	-	-	17,082	-
Receivables	<u>646,040</u>	<u>643,635</u>	<u>-</u>	<u>-</u>
Total financial assets	<u>4,838,087</u>	<u>5,001,906</u>	<u>17,082</u>	<u>-</u>

	Authority	
	Amortised Cost	
	2020 \$'000	2019 \$'000
Cash and cash equivalents	1,338,435	2,458,631
Short term investments	2,013,144	1,134,118
Receivables	<u>555,188</u>	<u>538,519</u>
Total financial assets	<u>3,906,767</u>	<u>4,131,268</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 liabilities

	<u>Group</u>		<u>Authority</u>	
	<u>Financial Liabilities at Amortised Cost</u>			
	2020	2019	2020	2019
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Payables	716,521	1,007,299	666,274	966,818
Lease liability	<u>19,896</u>	<u>-</u>	<u>19,896</u>	<u>-</u>
Total financial liabilities	<u>736,417</u>	<u>1,007,299</u>	<u>686,170</u>	<u>966,818</u>

(c) 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.

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:

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NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(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>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<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	730	-	-
Cash and cash equivalents	8,338	14,884	6,767	13,472
Short term investments	16,054	11,329	12,259	7,442
Receivables	5,643	6,611	4,659	5,453
Payables	(2,641)	(2,425)	(2,483)	(2,274)
	<u>28,124</u>	<u>31,129</u>	<u>21,202</u>	<u>24,093</u>

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

Foreign currency sensitivity

The following table indicates the sensitivity of surplus 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, long and short term investments, receivables and payables and adjusts their translation at the year-end for 6% (2019 - 4%) depreciation and a 2% (2019 - 2%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

Group

		Effect on Surplus before Tax		Effect on Surplus before Tax
	% Change in Currency Rate	31 March 2020	% Change in Currency Rate	31 March 2019
	<u>2020</u>	<u>\$'000</u>	<u>2019</u>	<u>\$'000</u>
Currency:				
USD	-6	223,620	-4	153,585
USD	<u>+2</u>	<u>(74,540)</u>	<u>+2</u>	<u>(76,793)</u>

Authority

		Effect on Surplus before Tax		Effect on Surplus before Tax
	% Change in Currency Rate	31 March 2020	% Change in Currency Rate	31 March 2019
	<u>2020</u>	<u>\$'000</u>	<u>2019</u>	<u>\$'000</u>
Currency:				
USD	-6	168,581	-4	118,823
USD	<u>+2</u>	<u>(56,194)</u>	<u>+2</u>	<u>59,412</u>

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) 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 2020 - J\$132.5275 - US\$1.00

At 31 March 2019 - J\$123.5735 - 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.

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) 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 wire transfer.

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, investments and cash and cash equivalents in the statement of financial position.

Trade receivables expected credit losses

The impairment requirements of IFRS 9 are based on the Expected Credit Loss (ECL) model. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.

For trade receivables and contract assets that do not have a financing component, it is a requirement of IFRS 9 to recognize a lifetime expected credit loss. This was achieved in the current year by the development and application of historical data relating to trade receivables and write-offs, as well as forecasting payment probabilities based on historical payment pattern.

The trade receivables were analyzed in compliance with IFRS 9 and the amount presented in the financial statements appears reasonable and in compliance with the required standard.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables expected credit losses

The group estimates expected credit losses (ECL) on trade receivables using a provision matrix based on historical credit loss experience. Based on the incurred loss analyses over delinquent accounts, the credit history, risk profile of each customer and aging of receivables, customers were placed in aging buckets and a default risk percentage calculated for each bucket of customers. The following table provides information about the ECLs for trade receivables as at 31 March 2020.

Authority

2020			
<u>Aging</u>	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Default Rate</u> <u>%</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
Current	547,681	40	220,413
1 -30 days	3,367	92	3,098
31 - 60 days	24,611	99	24,242
61 - 90 days	26,914	99	26,636
Over 90 days	<u>133,981</u>	100	<u>133,981</u>
Total	<u>736,554</u>		<u>408,370</u>

2019			
<u>Aging</u>	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Default Rate</u> <u>%</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
Current	491,198	12	58,944
1 -30 days	92,061	53	48,415
31 - 60 days	16,291	91	14,825
61 - 90 days	12,227	95	11,616
Over 90 days	<u>157,979</u>	100	<u>157,979</u>
Total	<u>769,756</u>		<u>291,779</u>

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables expected credit losses (cont'd)

Group

2020			
<u>Aging</u>	<u>Gross Carrying Amount \$'000</u>	<u>Default Rate %</u>	<u>Lifetime ECL Allowance \$'000</u>
Current	547,681	40	220,413
1 - 30 days	37,929	15	5,847
31 - 60 days	61,561	44	26,992
61 - 90 days	35,466	76	26,844
Over 90 days	<u>226,867</u>	93	<u>210,372</u>
Total	<u>909,504</u>		<u>490,468</u>
2019			
<u>Aging</u>	<u>Gross Carrying Amount \$'000</u>	<u>Default Rate %</u>	<u>Lifetime ECL Allowance \$'000</u>
Current	491,198	12.1	59,187
1 - 30 days	121,050	57.9	70,142
31 - 60 days	40,436	47.5	19,221
61 - 90 days	18,245	84.6	15,476
Over 90 days	<u>228,945</u>	85.4	<u>195,519</u>
Total	<u>899,874</u>		<u>359,545</u>

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables expected credit losses (cont'd)

Movements on the provision for expected credit loss of trade receivables are as follows:

	Group		Authority	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
At 1 April	359,545	248,397	291,779	186,756
Adjustment to expected credit				
Losses on adoption of IFRS 9	-	193,867	-	184,785
Provision for expected credit loss	130,923	(79,665)	116,591	(79,762)
Receivables written-off	-	(3,054)	-	-
At 31 March	<u>490,468</u>	<u>359,545</u>	<u>408,370</u>	<u>291,779</u>

The creation and release of provision for expected credit losses receivables have been included in expenses in profit or loss. Except wherein the expected credit losses relates to receivables collectible, which is payable to GOJ consolidated fund, then such expected credit losses 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. Expected credit losses 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	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Air Navigation and				
AFTN Fees	521,174	538,083	430,324	437,767
Passenger Air Service				
Charges	268,432	311,772	268,432	311,772
Other	<u>119,898</u>	<u>50,019</u>	<u>37,798</u>	<u>20,217</u>
	909,504	899,874	736,554	769,756
Expected credit losses	<u>(490,468)</u>	<u>(359,545)</u>	<u>(408,370)</u>	<u>(291,779)</u>
	<u>419,036</u>	<u>540,329</u>	<u>328,184</u>	<u>477,977</u>

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) 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>			<u>Authority</u>		
	<u>Within 1</u> <u>Year</u> <u>\$'000</u>	<u>1 to 5</u> <u>Years</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>	<u>Within 1</u> <u>Year</u> <u>\$'000</u>	<u>1 to 5</u> <u>Years</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
31 March 2020						
Payables	716,521	-	716,521	666,274	-	666,274
Lease liability	<u>7,180</u>	<u>15,000</u>	<u>22,180</u>	<u>7,180</u>	<u>15,000</u>	<u>22,180</u>
Total financial liabilities (contractual maturity dates)	<u>723,701</u>	<u>15,000</u>	<u>738,701</u>	<u>673,454</u>	<u>15,000</u>	<u>688,454</u>

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(iii) Liquidity risk (cont'd)

	<u>Group</u> <u>Within 1</u> <u>Year</u> <u>\$'000</u>	<u>Authority</u> <u>Within 1</u> <u>Year</u> <u>\$'000</u>
31 March 2019		
Payables	<u>1,096,520</u>	<u>1,056,639</u>
Total financial liabilities (contractual maturity dates)	<u><u>1,096,520</u></u>	<u><u>1,056,039</u></u>

6. INCOME:

(i) Passenger Aviation Fee

This represents fees charged by the subsidiary.

(ii) 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.

(iii) Appropriation-in-aid

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

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

7. OTHER OPERATING INCOME:

	Group		Authority	
	2020	2019	2020	2019
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Permit application fees	1,941	2,252	1,941	2,252
Licence fees	444	1,148	444	1,148
Examination fees	131	192	131	192
Equipment rental and maintenance	76,186	34,843	-	-
Miscellaneous	51,545	62,942	30,932	46,587
Regulatory fees	46,612	45,316	46,612	45,316
Transfer from deferred income (note 21)	13,010	13,010	13,010	13,010
Technical support	-	-	20,712	22,300
	<u>189,869</u>	<u>159,703</u>	<u>113,782</u>	<u>130,805</u>

8. ADMINISTRATIVE AND OTHER OPERATING EXPENSES:

Total administrative, selling and other expenses:

	Group		Authority	
	2020	2019	2020	2019
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Audit fees	6,200	5,401	3,750	3,081
Depreciation	467,668	388,392	436,902	358,958
Amortisation of right-of-use assets	6,185	-	6,185	-
Expected credit losses, net	124,218	(126,527)	108,650	(126,624)
Salaries, wages and statutory contributions	2,544,140	2,165,607	2,154,330	1,904,645
Staff welfare	457,806	366,492	452,850	340,224
Utilities	118,879	118,641	103,719	101,415
Repairs and maintenance	114,107	100,976	112,724	92,076
JDF search and rescue	-	3,597	-	3,597
Other	1,172,103	1,035,298	1,013,348	909,862
	<u>5,011,306</u>	<u>4,057,877</u>	<u>4,392,458</u>	<u>3,587,234</u>

JAMAICA CIVIL AVIATION AUTHORITY
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31 MARCH 2020

9. NET FINANCE INCOME:

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Interest on long term and short term investments	109,906	71,394	88,726	56,886
Foreign exchange gains	<u>336,826</u>	<u>39,253</u>	<u>271,102</u>	<u>24,023</u>
	446,732	110,647	359,828	80,909
Finance cost:				
Foreign exchange losses	<u>-</u>	<u>(17,157)</u>	<u>-</u>	<u>-</u>
Net finance income	<u>446,732</u>	<u>93,490</u>	<u>359,828</u>	<u>80,909</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%.

	<u>Group</u>	
	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Provision of prior year tax charge	-	(7,859)
Deferred taxation - written off	<u>-</u>	<u>(27,786)</u>
Taxation credit in income statement	<u>-</u>	<u>(35,645)</u>

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2020

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:

	<u>Group</u>	
	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Surplus before taxation	-	890,581
Less exempt income (the Authority)	-	(890,581)
	<u>-</u>	<u>-</u>
Taxation @25%	-	-
Adjusted for the effects of:		
Difference between depreciation and capital allowances	-	-
Deferred taxation - written off	-	(27,786)
	<u>-</u>	<u>(27,786)</u>
Provision of prior year tax charge	-	(7,859)
	<u>-</u>	<u>(7,859)</u>
Taxation credit in income statement	-	(35,645)

11. **CASH AND CASH EQUIVALENTS:**

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash and bank balances -				
Foreign currency accounts	154,304	501,280	154,304	430,787
Jamaican currency current accounts	14,107	249,540	14,107	212,128
Short term deposits	1,288,599	1,891,630	1,168,855	1,814,619
Cash in hand	<u>112,305</u>	<u>1,177</u>	<u>1,169</u>	<u>1,097</u>
	<u>1,569,315</u>	<u>2,643,627</u>	<u>1,338,435</u>	<u>2,458,631</u>

JAMAICA CIVIL AVIATION AUTHORITY
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12. SHORT TERM INVESTMENTS:

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Resale agreements	<u>2,526,000</u>	<u>1,624,448</u>	<u>2,013,144</u>	<u>1,134,118</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:

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade	909,504	899,874	736,554	769,756
Less allowance for Expected credit losses	(490,468)	(359,545)	(408,370)	(291,779)
	419,036	540,329	328,184	477,977
Staff loans and advances	178,861	118,871	167,485	111,003
Prepayments	84,014	67,880	75,977	60,542
Other receivables	63,005	28,937	59,750	27,031
Due from GOJ Consolidated fund (Note 20)	26,725	-	26,725	-
Fixed assets clearing	<u>78,416</u>	<u>39,899</u>	<u>78,416</u>	<u>38,182</u>
	<u>850,057</u>	<u>795,916</u>	<u>736,537</u>	<u>714,735</u>

14. OTHER ASSETS:

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Inventories	27,507	22,997	27,507	22,997
Withholding tax	<u>27,842</u>	<u>23,716</u>	<u>1,097</u>	<u>926</u>
	<u>55,349</u>	<u>46,713</u>	<u>28,604</u>	<u>23,923</u>

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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15. **RELATED PARTY TRANSACTIONS AND BALANCES:**

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(a) Key management compensation:				
Directors' fees	6,096	7,297	3,262	3,687
Salaries and other short-term benefits	<u>303,703</u>	<u>313,118</u>	<u>226,900</u>	<u>208,935</u>
(b) Year end balances arising from transactions with related parties:				
	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Due (to)/from -				
Aeronautical Telecommunications Limited				
MOU and PASC	-	-	(45,560)	(48,273)
	-	-	(45,560)	(48,273)
Aeronautical Telecommunications Limited				
Communication fees	-	-	32,163	16,233
Caribbean Aviation safety and Security Oversight System	(14,962)	1,446	(14,962)	1,446
	(14,962)	1,446	17,201	17,679
	(14,962)	1,446	(28,359)	(30,594)
Aeronautical Telecommunications Limited				
Income:				
Technical support revenue	-	-	20,713	22,300
Communication fees	-	-	17,340	15,313
	-	-	38,053	37,613
Expenses:				
Technical service expense	-	-	74,501	76,362

JAMAICA CIVIL AVIATION AUTHORITY

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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/valuation -					
1 April 2018	2,518,345	1,744,665	98,957	2,319,853	6,681,820
Additions	-	454,201	39,328	352,603	846,132
Transfer	-	2,186,917	-	(2,186,917)	-
Disposal	-	(300)	(7,429)	-	(7,729)
31 March 2019	2,518,345	4,385,483	130,856	485,539	7,520,223
Additions	9,883	61,927	21,413	256,178	349,401
Revaluation	-	986,943	-	-	986,943
Transfer	-	27,097	-	(27,097)	-
Disposal	-	(960)	(17,379)	-	(18,339)
31 March 2020	<u>2,528,228</u>	<u>5,460,490</u>	<u>134,890</u>	<u>714,620</u>	<u>8,838,228</u>
Depreciation -					
1 April 2018	359,145	966,590	66,740	-	1,392,475
Charge for the year	55,123	314,467	18,802	-	388,392
Eliminated on disposal	-	(235)	(7,429)	-	(7,664)
31 March 2019	414,268	1,280,822	78,113	-	1,773,203
Charge for the year	55,188	393,844	18,636	-	467,668
Eliminated on disposal	-	(778)	(15,469)	-	(16,247)
Adjustment	(45)	105	(22)	-	38
31 March 2020	<u>469,411</u>	<u>1,673,993</u>	<u>81,258</u>	<u>-</u>	<u>2,224,662</u>
Net Book Value -					
31 March 2020	<u>2,058,817</u>	<u>3,786,497</u>	<u>53,632</u>	<u>714,620</u>	<u>6,613,566</u>
31 March 2019	<u>2,104,077</u>	<u>3,104,661</u>	<u>52,743</u>	<u>485,539</u>	<u>5,747,020</u>

JAMAICA CIVIL AVIATION AUTHORITY

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

Authority

	Land & Building \$'000	Equipment, Furniture & Fixtures \$'000	Motor Vehicles \$'000	Work-in Progress \$'000	Total \$'000
At cost/valuation -					
1 April 2018	2,297,645	1,598,153	50,634	2,319,853	6,266,285
Additions	-	438,801	9,847	352,603	801,251
Transfer from WIP	-	2,186,917	-	(2,186,917)	-
Disposal	-	(222)	-	-	(222)
31 March 2019	2,297,645	4,223,649	60,481	485,539	7,067,314
Revaluation	-	986,943	-	-	986,943
Disposal	-	(960)	(15,541)	-	(16,501)
Transferred from WIP	-	27,097	-	(27,097)	-
Additions	8,706	40,436	21,413	256,178	326,733
31 March 2020	2,306,351	5,277,165	66,353	714,620	8,364,489
Depreciation -					
1 April 2018	354,943	951,719	34,581	-	1,341,243
Charge for the year	51,706	298,751	8,501	-	358,958
Eliminated on disposal	-	(142)	-	-	(142)
31 March 2019	406,649	1,250,328	43,082	-	1,700,059
Charge for the year	51,827	377,240	7,835	-	436,902
Eliminated on disposal	-	(778)	(13,631)	-	(14,409)
Adjustment	652	(590)	(24)	-	38
31 March 2020	459,128	1,626,200	37,262	-	2,122,590
Net Book Value -					
31 March 2020	1,847,223	3,650,965	29,091	714,620	6,241,899
31 March 2019	1,890,996	2,973,321	17,399	485,539	5,367,255

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 computer, equipment, furniture and fixtures were revalued by Delano Reid and Associates on an open market value basis at 31 March 2020. 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 24).

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
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17. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:

This represents Global equity funds that are held with Sagicor Investments Jamaica Limited and JN Fund Managers Limited by the company and carried at fair value.

18. LONG-TERM INVESTMENTS:

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

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Long term investments	<u>96,732</u>	<u>90,196</u>	<u>-</u>	<u>-</u>

19. RIGHT-OF-USE ASSETS:

(a) Right-of-use assets:

	<u>Group and Authority</u>	
	<u>Premises</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>
Adoption of IFRS 16	25,254	25,254
Amortization	(6,185)	(6,185)
At 31 March 2020	<u>19,069</u>	<u>19,069</u>

(b) Lease liability:

	<u>Premises</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>
Adoption of IFRS 16	25,254	25,254
Interest expense	1,598	1,598
Accrued lease expense	(580)	(580)
Lease payments	(6,376)	(6,376)
At 31 March 2020	19,896	19,896
Less current portion	(5,976)	(5,976)
	<u>13,920</u>	<u>13,920</u>

JAMAICA CIVIL AVIATION AUTHORITY
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20. PAYABLES:

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade	109,740	95,248	68,435	58,033
Other payables	321,622	271,534	321,622	271,534
Retention	16,377	18,398	16,377	18,398
Statutory contributions	568	40,210	568	40,210
Accruals	458,818	452,012	447,301	428,116
Due to consolidated fund	-	352,252	-	352,252
Other	<u>52,285</u>	<u>11,294</u>	<u>10,692</u>	<u>11,294</u>
	<u>959,410</u>	<u>1,240,948</u>	<u>864,995</u>	<u>1,179,837</u>

BALANCE DUE (FROM)/TO CONSOLIDATED FUND:

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Gross billings		
Air navigation fees	2,452,262	2,462,694
Passenger aviation service charge	<u>3,008,807</u>	<u>3,170,343</u>
	5,461,069	5,633,037
Balance at beginning of the year	352,252	130,375
Less amount remitted	<u>(5,840,046)</u>	<u>(5,411,160)</u>
Balance at end of year	<u>(26,725)</u>	<u>352,252</u>

The balance due to the consolidated fund is accounted for on the accrual basis, however, remittances are made when amounts are collected.

21. DEFERRED INCOME:

	<u>Group and Authority</u>	
	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at 1 April	119,696	132,706
Transfer to profit or loss (note 7)	<u>(13,010)</u>	<u>(13,010)</u>
Balance at 31 March	<u>106,686</u>	<u>119,696</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
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22. 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.

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

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Present value of funded obligation	(5,073,237)	(4,876,929)	(4,606,594)	(4,465,489)
Fair value of plan assets	<u>4,285,372</u>	<u>4,345,372</u>	<u>3,887,094</u>	<u>3,966,553</u>
Amount recognised in Statement of financial position	<u>(787,865)</u>	<u>(531,557)</u>	<u>(719,500)</u>	<u>(498,936)</u>

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

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	(4,876,929)	(4,126,976)	(4,465,489)	(3,780,939)
Benefits paid	530,817	111,465	527,001	106,339
Interest cost	(335,015)	(307,337)	(306,346)	(281,573)
Current service costs	(200,932)	(172,978)	(181,777)	(155,758)
Members contributions	(132,040)	(116,815)	(117,628)	(104,463)
Annuities purchased during the year	(345,699)	(52,105)	(345,699)	(52,105)
Remeasurement loss	<u>286,561</u>	<u>(212,183)</u>	<u>283,344</u>	<u>(196,990)</u>
	<u>(5,073,237)</u>	<u>(4,876,929)</u>	<u>(4,606,594)</u>	<u>(4,465,489)</u>

JAMAICA CIVIL AVIATION AUTHORITY

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

(c) Movement in plan assets:

	Group		Authority	
	2020	2019	2020	2019
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Fair value of plan assets at beginning of the year	4,345,372	3,781,747	3,966,553	3,452,966
Members contributions	132,040	116,815	117,628	104,463
Employer contributions - Current year	168,323	156,446	151,627	141,865
Interest income on plan assets	277,611	291,508	280,685	266,046
Benefits paid	(530,817)	(111,465)	(527,001)	(106,339)
Annuities purchased during the year	345,699	52,105	345,699	52,105
Remeasurement gain/(loss)	(452,856)	58,216	(448,097)	55,447
	<u>4,285,372</u>	<u>4,345,372</u>	<u>3,887,094</u>	<u>3,966,553</u>

	Group		Authority	
	2020	2019	2020	2019
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Plan assets consist of the following:				
Equities	1,382,572	1,404,546	1,251,140	1,286,052
Mortgage and real estate	802,617	910,000	722,961	833,228
Fixed income	227,279	536,779	203,382	491,496
Money market investments	69,104	97,261	61,138	89,056
Foreign currency investments	651,936	614,281	588,212	562,457
Global Markets Fund	229,767	233,204	201,888	213,530
Purchased annuities	700,312	365,997	676,415	328,578
Adjustment	(69,166)	(39,483)	(69,166)	(41,834)
CPI Indexed Fund	<u>290,951</u>	<u>222,787</u>	<u>251,124</u>	<u>203,990</u>
	<u>4,285,372</u>	<u>4,345,372</u>	<u>3,887,094</u>	<u>3,966,553</u>

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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22. POST EMPLOYMENT BENEFIT OBLIGATION (CONT'D):

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

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of the year	(531,557)	(345,229)	(498,936)	(327,973)
Employer contribution - current year	168,323	156,446	151,627	141,865
Net income/(expense) recognised in profit or loss and other comprehensive income	(424,631)	(342,774)	(372,191)	(312,828)
Balance at end of the year	(787,865)	(531,557)	(719,500)	(498,936)

(e) The amounts recognised in profit or loss:

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current service cost	200,932	172,978	181,777	155,758
Interest cost	335,015	307,337	306,346	281,573
Interest income on plan assets	(308,141)	(291,508)	(280,685)	(266,046)
	<u>227,806</u>	<u>188,807</u>	<u>207,438</u>	<u>171,285</u>

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

(f) Amounts recognised in other comprehensive income:

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Remeasurement loss on obligation	439,931	372,760	407,098	347,383
Remeasurement gain on assets	<u>(243,106)</u>	<u>(218,793)</u>	<u>(242,345)</u>	<u>(205,840)</u>
	<u>196,825</u>	<u>153,967</u>	<u>164,753</u>	<u>141,543</u>

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

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Expense recognised in statement of comprehensive income	59,484	32,361	55,811	29,420
Expense recognized in other comprehensive income	<u>196,825</u>	<u>153,967</u>	<u>164,753</u>	<u>141,543</u>
	<u>256,309</u>	<u>186,328</u>	<u>220,564</u>	<u>170,963</u>

(h) Actuarial assumptions:

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Discount rate	6.5%	7.0%	6.5%	7.0%
Future salary increases	3.5%	6.5%	3.5%	6.5%
Inflation	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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22. POST EMPLOYMENT BENEFIT OBLIGATION (CONT'D):

(i) Sensitivity analysis:

	<u>Group</u>		<u>Authority</u>	
	<u>Decreased by</u> 1%	<u>Increased by</u> 1%	<u>Decreased by</u> 1%	<u>Increased by</u> 1%
Change in defined benefit obligation resulting from a 1% increase/(decrease) in the discount rate	<u>838,316</u>	<u>(645,461)</u>	<u>770,028</u>	<u>(591,945)</u>
Change in defined benefit obligation resulting from a 1% increase/(decrease) in salary	<u>(267,729)</u>	<u>279,535</u>	<u>(250,572)</u>	<u>260,458</u>

23. CAPITAL RESERVE:

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

24. REVALUATION RESERVE:

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

25. FAIR VALUE RESERVE:

This represents the net unrealized deficit on market value movement of global equity funds at fair value through other comprehensive income. The investments are not impaired and the recorded deficit is based on short term fluctuations in market prices (note 17).

JAMAICA CIVIL AVIATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

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26. 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:

	<u>Group</u>		<u>Authority</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Normal distribution	14,615	-	-	-
Special distribution	<u>513,321</u>	<u>574,184</u>	<u>513,321</u>	<u>574,184</u>
	<u>527,936</u>	<u>574,184</u>	<u>513,321</u>	<u>574,184</u>

27. COMMITMENTS:

(a) Lease commitments

The Authority has lease commitments as follows:

- (i) To MBJ 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 J\$588,529,063. This also includes Air Traffic Flow Management equipment and construction of a new building to house the Air Traffic Controllers and other members of the Air Navigation Services Division.

JAMAICA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

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28. CONTINGENCIES:

There are two claims which have been brought against the Authority in respect of damages for alleged breach of contract. The likely exposure is \$14,737,560 and US\$90,000 plus interest at the rate of 25% per annum from March 2005 plus interest on damages for loss of goodwill at such rate as the court deems just.

No provision has been made in the financial statements in relation to these claims.

29. EFFECTS OF CHANGES IN ACCOUNTING POLICIES:

The group adopted IFRS 16 with a transition date of 1 April 2019. The group has chosen not to restate comparatives on adoption of the standards, and therefore, the revised requirements are not reflected in the prior year financial statements. Details of the impact this standard is given below.

IFRS 16 Leases

Effective 1 January 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. (US\$5,000). IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained.

Transition Method and Practical Expedients Utilised

The group adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 April 2019), without restatement of comparative figures. The group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 April 2019.

JAMAICA CIVIL AVIATION AUTHORITY

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29. EFFECTS OF CHANGES IN ACCOUNTING POLICIES (CONT'D):

Transition Method and Practical Expedients Utilised (cont'd)

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- (a) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (b) Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date;
- (c) Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application; and
- (d) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the group previously classified leases as operating based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the group recognizes right-of-use assets and lease liabilities for most leases. However, the group has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of IFRS 16, the group recognised right-of-use assets and lease liabilities as follows:

Classification under IAS 17	Right-of-use assets	Lease liabilities
Operating leases	Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.	Measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate as at 1 April 2019. The group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 7%.

JAMAICA CIVIL AVIATION AUTHORITY

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30. SUBSEQUENT EVENT:

Impact of COVID-19

In March 2020, The World Health Organization (WHO) declared the novel Coronavirus (COVID-19) outbreak and subsequently the Jamaican Government declared Jamaica a disaster area on 13 March 2020. The pandemic and the specific measures implemented to control its spread via human transmission has resulted in business disruption, slowed economic activities and business operations.

This could have significant negative financial effects on Jamaica Civil Aviation Authority depending on factors such as:

- The duration and spread of the outbreak
- The restrictions and advisories from government
- The effects on the financial markets and securities markets
- The effects on the overall economy, all of which are uncertain and cannot be estimated reliably at this time.

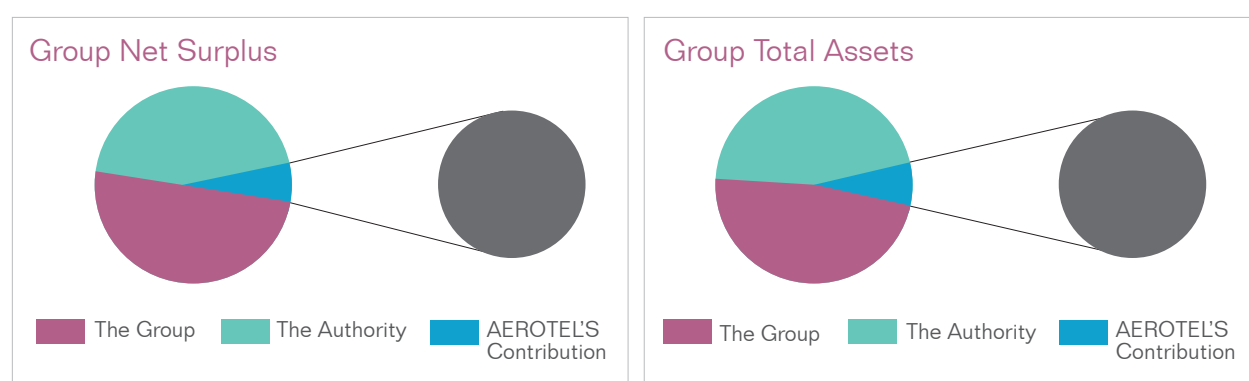
The COVID-19 event also exposes Jamaica Civil Aviation Authority to several risks, including liquidity, market and credit risk as well as operational risks related to unknown business interruption costs and possible disruption of mission critical services.

Jamaica Civil Aviation Authority has performed its business impact analysis under multiple scenarios as part of its business continuity and contingency planning. As at 31 March 2020, there was no evidence of widespread human-to-human transmission at that time. There was also no evidence of adverse effects on economic activity and businesses as at that date which were directly related or attributed to COVID-19. However, at the date of the authorizing of the financial statements, despite the evidence of business disruption and business risks, Jamaica Civil Aviation Authority is unable to determine a reliable estimate of the financial impact of the COVID-19 event on its profitability, capital adequacy and financial position.

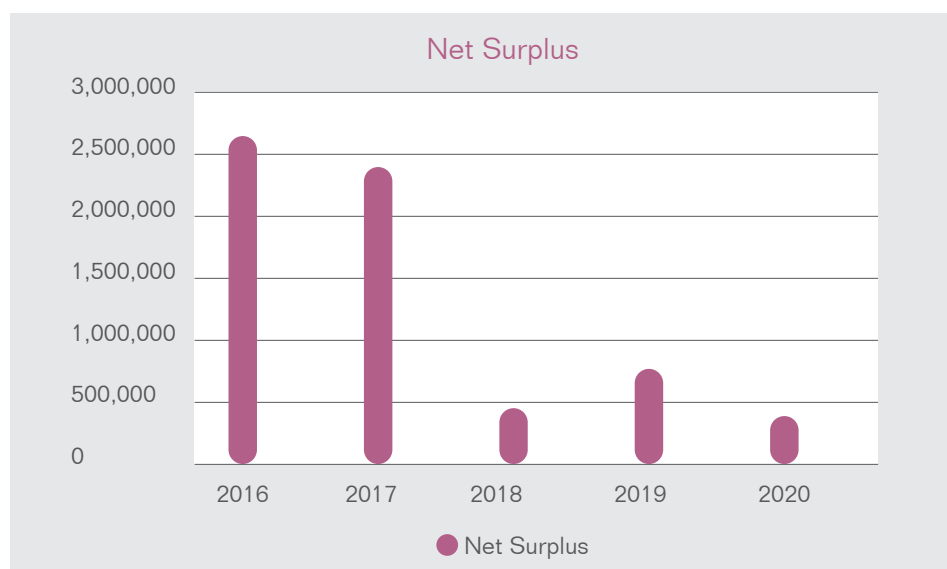
Explanatory Notes to the Financial Statements

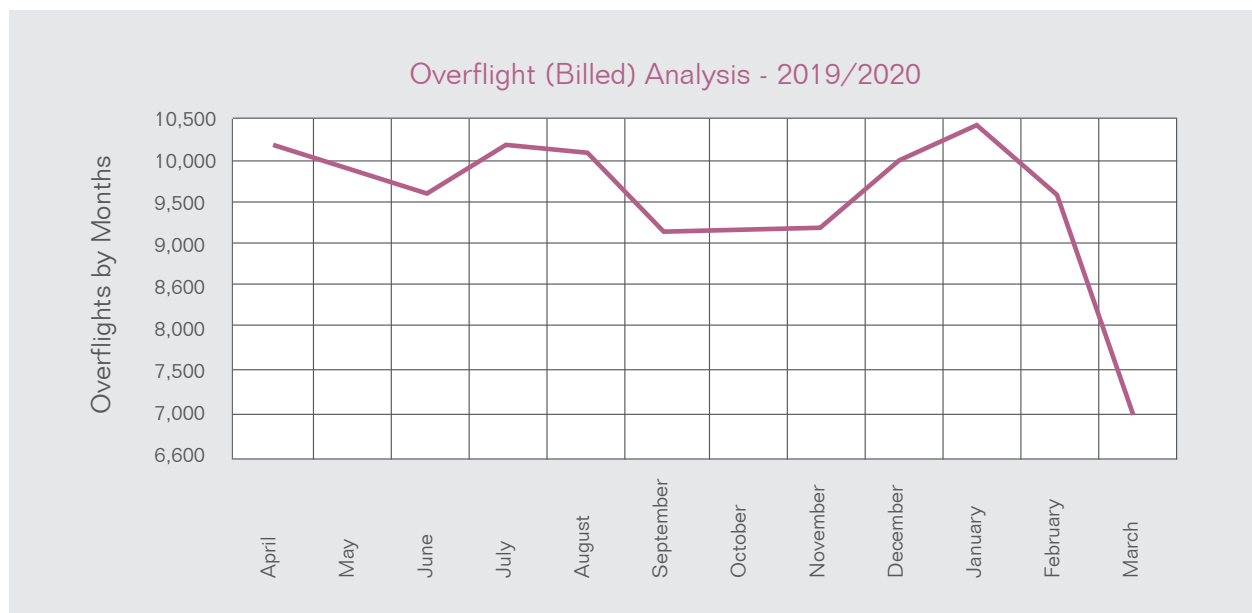
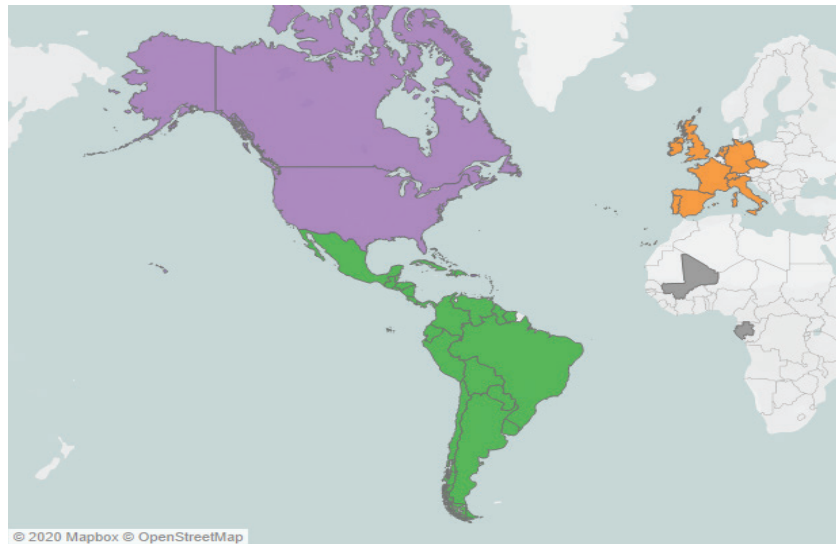
The financial statements incorporate those of The Jamaica Civil Aviation Authority (The Authority) and its subsidiary, Aeronautical Telecommunications Limited (AEROTEL). The consolidated results indicate a net surplus of J\$554.58 million, of which AEROTEL reported a loss of J\$84.80 million. 2020's results compare unfavourably to the preceding year's surplus of J\$994.36 million.

The Group's total assets closed the year at J\$11.75 billion, up J\$787.80 million from 2019's out-turn of J\$10.95 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.

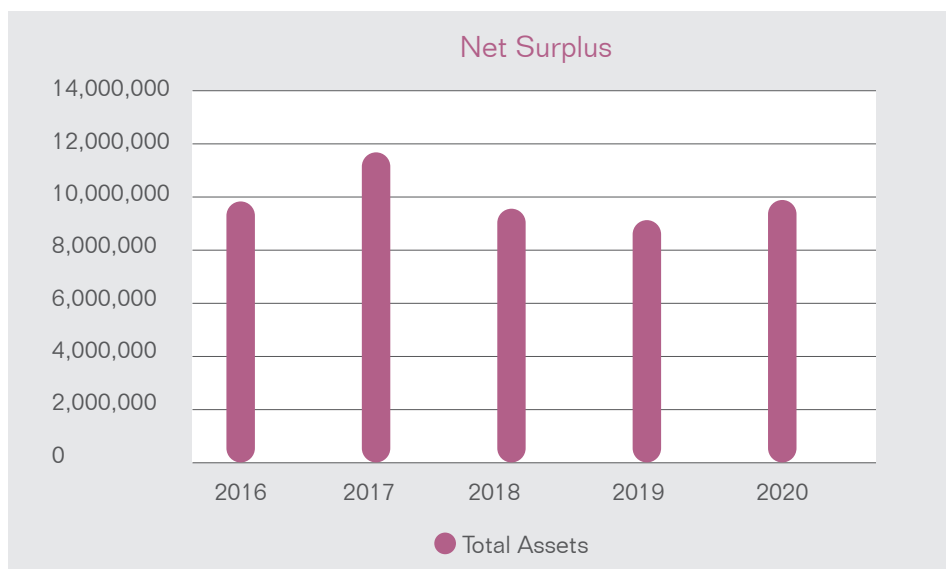




For the twelve months ended March 31, 2020, the Authority recorded a net surplus of J\$459.78 million as compared to J\$851.22 million for the previous financial year ended March 31, 2019. The J\$391.43 million (46%) decrease in net surplus is attributable to an increase in operating expenses of J\$805.22 million and a reduction in net finance income of J\$391.43 million.

The Authority's two main sources of income (Air Navigation Fees and Passenger Aviation Service Charge (PASC)), totalling J\$5.46 billion, were transferred to the Consolidated Fund and replaced by J\$4.36 billion, received as subvention from the Government.

Air Navigation Fees fell by J\$10.43 million to J\$2.45 billion for the year ended March 31, 2020. The marginal decrease in income is attributable to decreased activity (mainly in



overflight movements) within the Kingston Flight Information Region (KFIR), derived from the impact of the COVID-19 pandemic in mid-March 2020.

Passenger Aviation Service Charges (PASC) are directly aligned to the number of passenger seats sold. Of the total seats sold, 85% were from North America, 10% from Europe and 5% from South America. At March 2020, total PASC revenue was recorded at \$3.01 billion, a decrease of 5% or \$161.54 million over the \$3.17 billion recorded in 2019. The decrease resulted from foreign exchange losses of 64% or J\$103.93 million, with the remaining 36% or J\$-57.60 million resulting from decreased activity, with passenger seats decreasing to 6,128,339 from 6,247,421 over the previous year.

Assets, Reserves and Liabilities

Total assets at year-end was J\$10.39 billion, an increase of \$678.55 million or 7% when compared with the 2019 year-end balance of J\$9.72 billion. The increase relates to a revaluation of the Authority's property, plant and equipment during the year. Total current assets decreased by 5% and include liquid assets of J\$3.35 billion

this year, compared to J\$3.59 billion last year. Total non-current assets recorded a net increase of J\$893.71 million or 17%.

Current liabilities decreased by 25% and include accounts payables of J\$864.99 million this year, compared to J\$1.18 billion last year. This includes J\$287.27 million payable to the MET and AEOTEL for uncollected Passenger Aviation Service Charge as per the Memorandum of Understanding (MOU) between the entities. Total non-current liabilities recorded a net increase of J\$221.47 million or 36%. The main contributor was an increase in employee benefits of J\$220.56 million or 44%, resulting from an increase in the company's pension that contributed to a decline in the value of pension fund's assets.

Overall, growth is positive and financial performance is good. Return on assets for the year is four per cent (4%) (2019: 9%). Liquidity, as measured by the current ratio is 5 times current liabilities this year (2019: 4 times).

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

JAMAICA CIVIL AVIATION AUTHORITY

DIRECTORS COMPENSATION 2019/2020

Name and 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 (\$)
Mr. Phillip Henriques Chairman	443,900.00	37,107.00	-	-	481,007.00
Mr. Douglas Lindo Deputy Chairman	407,200.00	18,417.00	-	-	425,617.00
Capt. Geoffrey Campbell Board Member	265,000.00	35,620.20	-	-	300,620.20
Capt. Robert Chin Board Member	326,855.00	11,352.00	-	-	338,207.00
Mr. Milton Daley Board Member	370,800.00	102,406.80	-	-	473,206.80
Dr. Janine Dawkins Board Member	315,400.00	8,512.00	-	-	323,912.00
Dr. Kavita Johnson Board Member	350,100.00	28,879.20	-	-	378,979.20
Mrs. Amoy Bernard-Morrison Board Member	236,600.00	47,941.60	-	-	284,541.60
Capt. Ricardo Lynch Board Member	153,600.00	3,880.80	-	-	157,480.80
Mrs. Allison Cole Philbert Board Member	132,700.00	13,444.20	-	-	146,144.20
Mr. E. George HoSang Board Member	189,600.00	9,492.00	-	-	199,092.00
Mr. Marc Ramsay Board Member	45,147.40	2,772.00	-	-	47,919.40
Ms. Susan Rosen Board Member	25,500.00	-	-	-	25,500.00
TOTAL	3,262,402.40	319,824.80	-	-	3,582,227.20

SENIOR EXECUTIVE COMPENSATION FOR YEAR APRIL 1, 2019 TO MARCH 31, 2020

Postion of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Mr. Nari Williams-Singh Director General	2019/2020	19,245,644	-	120,000	1,924,564	313,442	-	21,603,651
Mr. Rohan Campbell Deputy Director General Regulatory Affairs	2019/2020	16,304,435	-	120,000	1,630,443	216,862	-	18,271,740
Mrs. Nichole Morgan Deputy Director General Corporate Services	2019/2020	16,569,688	-	120,000	1,656,969	392,328	-	18,738,985
Mr. Carl Gaynair Deputy Director General Air Navigation Services	2019/2020	1,686,100	-	10,000	168,610	1,230,165	-	3,094,875
Mrs. Marva Gordon General Counsel**	2019/2020	792,927	-	141,429	79,293	513,709	-	1,527,358
Mrs. Nardia Andrews General Counsel	2019/2020	7,529,367	-	1,630,296	752,937	1,478,334	-	11,390,934
Ms. Shian Edwards Director, Finance	2019/2020	9,529,606	-	1,697,148	952,961	520,991	-	12,700,706
Mr. Noel Ellis Director, Flight Safety	2019/2020	13,313,230	-	1,697,148	1,331,323	299,424	-	16,641,125
Mr. Michael Hepburn Director, Economic Regulation	2019/2020	8,942,175	-	1,697,148	894,217	590,077	-	12,123,618
Ms. Gillian Richards Director, Research, Planning & Risk Assessment	2019/2020	8,490,391	-	1,697,148	849,039	982,293	-	12,018,870
Ms. Janet Henry Director, Human Resource	2019/2020	8,917,941	-	1,697,148	891,794	1,932,914	-	13,439,797
Mr. Douglas Williamson Director, Information Technology	2019/2020	8,009,686	2,365,156	1,634,434	-	1,179,164	-	13,188,440
Mrs. Jacene Richards Harris Director, Public Procurement	2019/2020	2,080,189	-	1,697,148	208,019	2,282,861	-	6,268,217
Mr. Howard Greaves Director, Air Traffic Management	2019/2020	12,630,018	-	1,697,148	1,263,002	3,901,691	-	19,491,858
Mr. Donald Shaw Director, Safety & Compliance	2019/2020	12,058,085	-	1,697,148	1,205,809	100,013	-	15,061,055
Mr. Derrick Grant Director, Engineering and Maintenance	2019/2020	12,292,088	-	1,697,148	1,229,209	1,058,899	-	16,277,343
Mr. Christopher Chambers Director, Aeronautical Information Management	2019/2020	12,058,085	-	1,697,148	1,205,809	100,013	-	15,061,055
TOTAL		170,449,654	2,365,156	20,747,639	16,243,997	17,093,180	-	226,899,626

Notes:

- Other Allowances include acting allowance, clothing allowance for all, contingency and Operations Facility Premium paid to Deputy Director General, Air Navigation Services and Director, Air Traffic Management for maintaining valid Air Traffic Control rating and for working when there is an industrial action, respectively. Also included are project premiums (paid to the Director of Human Resource and to the Director of Engineering and Maintenance) and mileage and toll reimbursed.
- The \$120,000 allocated to the 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). Deputy Director of ANS retired at the end of April 2019, hence one month's compensation.
- Other Allowances for the General Counsel include corporate secretaria duties, laundry allowance, library and robing allowances.
- No pension contribution is made for the Chief Information Officer, as he was on contract and receives a 25% gratuity payment. However, his contract ended December 4, 2019 and he was placed on staff. This decision was finalized April 2020, hence pension contribution incurred in said period.

**Demitted office on April 30, 2019

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
AIRPROX	Aircraft Proximity
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	Universal Safety Audit Programme-Continuous Monitoring Approach
IFSET	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
UNFCCC	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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