

MARITIME AUTHORITY OF JAMAICA



ANNUAL REPORT

For the year 2017-2018



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VISION STATEMENT

The Maritime Authority's vision is to elevate Jamaica's maritime status to world standards, through the provision of quality client-focused services, by making the best available use of technology and employing highly trained and motivated staff.

MISSION STATEMENT

The Maritime Authority will pursue the development of shipping and provide quality service to the Jamaican and international maritime industry, while promoting high standards of maritime competence, safety, security and protection of the marine environment.

QUALITY STATEMENT

The Maritime Authority of Jamaica (MAJ) is committed to the operation of a quality registry and to providing client-focused services to the Jamaican and international maritime industry, while promoting high standards of maritime competence, safety and protection of the maritime environment.

It is the policy of the MAJ to be responsive to the individual and collective needs of our clients, to provide quality services in support of our mission, and to provide services consistent with international conventions, rules, regulations and standards.

To achieve this, the MAJ has implemented a corporate-wide quality management system (QMS) in accordance with ISO 9001-2008, which shall serve to fulfil expectations, increase efficiency, establish controls and foster a culture committed to excellence.

Through the application of modern technology, teamwork and the participation of our highly trained and motivated staff in the use, monitoring and constant improvement of the QMS, the MAJ will provide superior services which consistently meet client expectations.



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CORPORATE PROFILE

The Maritime Authority of Jamaica (MAJ) is a statutory body established by the Shipping Act of 1998 with primary responsibility for the Jamaican maritime sector. Its core functions and legislative mandate is to develop and regulate matters relating to shipping and seafarers.

It is mandated to:

- administer the registration of ships;
- regulate the certification of Seafarers;
- regulate the safety of shipping as regards the construction of ships and navigation;
- administer policy for the development of shipping in general;
- inspect ships for the purposes of maritime safety, security and prevention of marine pollution;
- establish maritime training and safety standards; and
- make enquiries as to shipwrecks or other casualties affecting ships, or as to charges of incompetence or misconduct on the part of seafarers in relation to such casualties”.

The operations of MAJ are undertaken through the following departments:

- Directorate of Safety, Examinations and Certification (DSEC)
- Directorate of Shipping and Seafarers (DSS)
- Directorate of Legal Affairs (DLA)
- Directorate of Corporate Services (DCS)
 - Finance and Accounts
 - Information Technology
 - Human Resource Management
 - Office Management
 - Document Registry
 - Customer Service
 - Library and Document Centre



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BOARD OF DIRECTORS AND MANAGEMENT TEAM

BOARD OF DIRECTORS

Mrs. Corah-Ann Robertson-Sylvester	Chairman
Mr. William A Brown	Deputy Chairman
Mr. Peter D McConnell	Board Member
Mr. Tony Tame	Board Member
Ambassador Sheila Sealy-Monteith	Board Member
Mr. Donovan Walker	Board Member
Mr. Ian Rose	Board Member
Miss. Paula Brown	Member (Representative from MTM)
Rear Admiral Peter Brady	Director General
Mr. Bertrand Smith	Secretary

MANAGEMENT TEAM

Rear Admiral Peter Brady	Director General
Mrs. Claudia Grant	Deputy Director General
Mr. Bertrand Smith	Director, Legal Affairs
Capt. Steven Spence	Director, Safety Environment and Certification
Mr. Seymour Harley	Director, Shipping and Seafarers
Mr. Michael McFarlane	Director, Corporate Services

FINANCIAL AUDITORS:

DGS Chartered Accountants & Business Advisors



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CHAIRPERSON'S MESSAGE

The financial year ended March 31, 2018, reflected strong performance and the accomplishment of important strategic objectives for the Maritime Authority of Jamaica (MAJ). During the period, the responsibilities of the MAJ also grew exponentially in response to developments in the local and international shipping industry, and this was achieved notwithstanding severe resource constraints.

We have seen a closer association with the Jamaican shipping industry in the past year and a major thrust to increase services and regulatory oversight in all of Jamaica's maritime space while attending to the needs of the ship registry and the dynamic water sports industry.

Plans to proceed with the Public-Private Partnership for the Jamaica Ship Registry are in place while our mega-yacht registration continues to show sound growth and the Local Trade (in which foreign-flagged ships may operate legally within our maritime space) has also shown steady business. The bunkering sector has remained steady and the industry itself which must meet the International Maritime Organization's 2020 sulphur limit of 0.5%, benefitted from the International Bunker Industry Association's Conference in April 2018 held in Jamaica.

The MAJ executes its functions primarily under the Shipping Act, 1998 and can therefore only fulfil its mandate effectively with modern legislation which reflects current International Conventions particularly those of the International Maritime Organization (IMO) and the International Labour Organization (ILO). Our legislative mandate is therefore critical to the overall success and much work has been taking place to enshrine the relevant international maritime laws into our domestic legislation.

Our international maritime profile was increased again when Jamaica was elected to the IMO's Council in December 2017 for the 2018-2019 biennium after a successful bid through a vigorously coordinated candidacy, supported by the Ministry of Foreign Affairs and Foreign Trade (MFAFT), its overseas missions particularly the Jamaican High Commission in London, and the team from the Ministry of Transport and Mining and the MAJ.



Mrs. Corah Ann Robertson-Sylvester
Board Chairman
Maritime Authority of Jamaica



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In facilitating Jamaica's position as an attractive and competitive shipping and logistics hub, the Authority has assisted in facilitating ship repair investments and further developments in bunkering and crewing. Oversight of the Caribbean Maritime University (CMU) seafaring programme remains a key area of focus for the MAJ. Our role in ensuring that Jamaica trains and certifies the highest quality seafarers for the global market is a critical one and our collaborative efforts with the CMU to maintain consistently high standards for our seafarers has been rewarding as reports from shipping lines on which our seafarers are placed have been salutary.

New Fortress Energy had preliminary discussions with the MAJ regarding the feasibility of erecting an offshore marine terminal in Portland Bight at which the large LNG carriers could berth and send the product by pipeline to the JPS facility at Old Harbour Bay. The MAJ participated in their subsequent survey of the Portland Bight area which determined the feasibility of building an offshore marine terminal.

The Maritime Authority of Jamaica has continued to demonstrate its leadership within Jamaica's maritime community and its efficiency in executing its statutory responsibilities including its regulation of maritime safety and security of ships and prevention of marine pollution spanning the spectrum of vessels that operate within Jamaica's vast maritime space is salutary.

I take this opportunity to record my appreciation to the Board members and the Staff of the Authority and look forward to another productive year.

A handwritten signature in black ink, appearing to read 'CA25 Sylvester'.

Corah Ann Robertson Sylvester
Chairperson



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DIRECTOR GENERAL'S REPORT

The Fiscal year 2017/2018 represented another year of excellent performance by the Maritime Authority of Jamaica (MAJ) as it continued to deliver on its mission to elevate Jamaica's maritime status to world standards. During the period, we were fully exercised with the fulfilment of our responsibilities to regulate and develop Jamaica's maritime sector which complemented the growth of Jamaica's Logistics Hub activities.

During the year, the number of yachts in the mega yacht registry grew significantly, however, registration of large commercial vessels did not experience similar growth due primarily to reduced international marketing and promotional activity. In response, the Board of Directors approved the MAJ entering a Public-Private Partner (PPP) arrangement for an investor to promote, market and operate the Jamaica Ship Registry (JSR). Cabinet approval was given for this activity which will remain a major focus of the MAJ in the next financial year.



Rear Admiral Peter Brady (Ret'd)
Director General

Outside of the Government's subvention which accounts for 48.2% of our revenue, the JSR is the main revenue earner with 49% of inflows coming from registration and related activities. There was an overall 15% growth in the tonnage on the JSR bringing it to 243,087 Gross Tonnage (GT), largely from an additional 84 yachts and 5 ships.

Directorate of Safety, Environment and Certification (DSEC)

During the year, marine surveyors and inspectors of the Authority conducted statutory ship surveys and inspections of Jamaican ships in the exercise of Jamaica's flag State obligations. The Directorate continued to monitor the seafaring programmes at the Caribbean Maritime University (CMU) and other approved maritime training institutions in keeping with the provisions of the STCW Convention. This involved the conduct of 96 examinations leading to the issuance of Certificates of Competency (COC) for ships' masters and chief engineers and the lower operational levels.

The technical staff of the Directorate also conducted 4 marine casualty investigations and 87 port State control (PSC) inspections of foreign-flagged vessels calling at Jamaica's ports. The Caribbean MOU on port State control (CMOU) sets a target of 15% of ships that call at regional ports to be inspected. We did meet the target this year despite the reduction in the number of Convention sized (> 500 GT) vessels visiting.



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International Maritime Organization (IMO)

The MAJ is the focal point for the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships, (the IMO). During the period, the leadership of the MAJ in representing the interests of the Caribbean region and Small Island Developing States at the IMO was recognized with Jamaica's election to the IMO's governing body, its 40-member Council, for the 2018-2019 biennium.

The Directors and senior officers of the MAJ attended main Committee and select Sub Committee meetings of the IMO during the period under review and our Deputy Director General was elected Vice-Chair of the Implementation of IMO Instruments (III) Sub Committee in September 2017. Our attendance at the major technical meetings, including the Maritime Safety Committee (MSC), the Marine Environment Protection Committee (MEPC), the Legal Committee (LC) and the Technical Cooperation Committee (TCC) along with attendance at select Sub Committee meetings ensure that we participate when major decisions are to be made for the introduction of new measures and standards so that they are practicable, relevant and not over-stringent for Small Island Developing States (SIDs) and Least Developed Countries (LDCs) to implement.

We continue to derive major benefits from the IMO's Integrated Technical Cooperation Programme which assists in capacity building, provides or facilitates funding for maritime education and training for discreet technical training in the maritime and shipping disciplines and at the tertiary institutions of the World Maritime University and the International Maritime Law Institute. The Authority coordinates the IMO training and fellowships and endorses the applications for these opportunities. Several training seminars and workshops were hosted during the 2017-2018 period including a Maritime Law Seminar, funded by the Australian Maritime Safety Administration, (AMSA) and conducted by a senior Australian Justice, for Supreme Court judges and judges of the Court of Appeal in Kingston, and a seminar in Montego Bay for members of the Jamaican Bar.

Shipping Hub Activities

The MAJ continued to facilitate the establishment of new investments in the maritime sector and encourage the expansion of current maritime-related economic activities as a part of its developmental role. Bunkering is one such activity, the growth of which was only stymied by supply/demand constraints but is expected to experience further growth as the current suppliers increase their investment in the sector including the acquisition of additional storage facilities.

The MAJ continued to support the project involving the establishment of the floating dry dock at Harbour Head which is expected to advance once the financing arrangements have been finalized. The company has joined with partners from Turkey from where the floating dry dock will be sourced and the drydock will be managed with Turkish expertise.



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Seafaring continues to be a major activity for Jamaica's maritime industry with most seafarers graduating from the Caribbean Maritime University. More training berths were secured for newly trained cadets from the CMU though berths for women are still not easily identified. The MAJ through its Registrar of Seafarers continues to provide support to Jamaican seafarers.

Hydrographic Surveys

Through the United Kingdom's Commonwealth Marine Economies Programme (CMEP) and coordinated by the National Hydrographic Committee (NHC) hosted by the MAJ, Jamaica received substantial technical assistance from the UK Hydrographic Office (UKHO). The UK hydrographic team brought in the most modern survey side-scanning sonar equipment and conducted comprehensive hydrographic surveys of Kingston Harbour, the Approaches to Kingston and the entire Portland Bight. Modern navigation charts will be produced at no cost to the Jamaican government.

Financing Out-turn

The financial period 2017-2018 saw revenues from services such as ship and yacht registration, endorsements and certificates for crews, Local Trade and annual fees which grew by 3.2%. A total of \$167.98 M of our revenue, or 48.21% was provided by Government as subvention, and the remaining amount of revenue which came from operations and the fees as mentioned above was \$180.4M representing 51.79%. The amount which Government had approved for our total expenditure had to be supplemented by \$40M which we requested from the first Supplementary Estimates afforded by Government. This was necessary to cover critical expenses such as IT support and equipment, a new telephone system, promotions for the IMO election bid, and the replacement of a motor vehicle.

Outlook for 2018-2019

In the upcoming period of 2018-2019, we will continue to vigorously pursue the completion of the PPP for the JSR, identify potential investment maritime projects, solidify our position at the IMO as a Council member, and provide technical assistance and support to our Caribbean partners. We also plan to grow the mega yacht registry particularly with the introduction of a special yacht ensign which is a significant marketing tool and to engage the informal boating community and artisanal fisher-folk particularly with safety at sea sensitization.

We will continue to promote Jamaica as a major shipping centre that offers numerous services to maritime traffic and to support and facilitate major maritime investments including the acquisition and establishment of a floating dry dock. Additionally, we will continue to develop the legislative framework for consistency with international requirements.



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Recognizing that our responsibilities have increased significantly over the past decade without a commensurate increase in the size of the staff, we will seek to adopt and pursue employee engagement strategies to attract and retain more talent. These human resource strategies will include seeking permission to increase the staff complement and ensure that the organizational structure allows us to achieve strategic objectives more efficiently and effectively.

Conclusion

The work of the MAJ has continued to emphasize the importance of maritime safety and the prevention of marine pollution by ships and other vessels in Jamaica's maritime space. Implementing the international maritime conventions that provide uniform rules and standards for maritime transportation is a major focus of our responsibilities as this helps to keep our marine environment safe, secure and pollution-free, while also contributing positively to our reputation as a responsible maritime State. As over 90% of Jamaica's foreign trade goes by sea, setting and maintaining high standards will also help to attract foreign investments for further development of Jamaica as a major Shipping Centre and Logistics Hub.

The members of staff at the Authority have again demonstrated their loyalty and commitment to the productive and smooth operation of our organization, and I am fortunate to have their trust, encouragement, and support. The quality of their outputs, their understanding of the limitations with which we often must work, are commendable and I unhesitatingly thank them all. Finally, I must thank the Chair and members of our Board for their strong support, guidance, and encouragement.

A handwritten signature in black ink, appearing to be 'P. Brady'.

Rear Admiral Peter Brady
Director General



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CORPORATE GOVERNANCE

The Maritime Authority, as a matter of policy, is committed to adopting best practices in Corporate Governance in all areas of its operation.

MAJ has an appointed Board of Directors which is committed to ensuring high standards of Corporate Governance. Information relating to the Board of Directors is shown below.

Name	Expertise	Length of Service	Meetings Attended
Mrs. Corah-Ann Robertson-Sylvester	Commercial Shipping	May 2016 to Present	5
Mr. William Brown	Finance	May 2016 to present	3
Mr. Peter McConnell	Boating	May 2016 to Present	4
Mr. Tony Tame	Local Fishing Industry	May 2016 to present	3
Ambassador Sheila Sealy-Monteith	International Relations	May 2016 to present	1
Mr. Donovan Walker	Attorney-at -Law	January 2017 to Present	5
Mr. Ian Rose	Marketing	January 2017 to Present	0
Ms. Paula Brown	Transport Planner MTM	September 2017 to present	4

The MAJ has been compliant with all its statutory obligations to Government and ensured that individual members of staff who are eligible to file annual returns to the “Commission for the Prevention of Corruption” have duly made their returns on time. During the period, the MAJ transitioned from ISO 9001:2008 to the 9001:2015 standard. All reporting obligations relating to international conventions to which Jamaica is a party were also met. Additionally, contributions to the IMO and the Caribbean MOU on Port State Control were duly made along with our payment for the Long-Range Identification and Tracking (LRIT) service to our service provider in the United Kingdom.



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The Board of Directors have established two committees as noted below:

Finance Committee

Membership of the committee comprised of Mr. William Brown – Chairman, Ian Rose, Rear Admiral Peter Brady, Michael McFarlane, and Ann Clarke.

The committee met on September 14, 2017, to review the drafted 2018-2019 Budget and the Audited Financial Report for 2016-2017. Both documents were approved for presentation at the next Board of Directors meeting.

Procurement Committee

Membership of the committee comprised of Ambassador Sheila Sealy-Monteith – Chairman, Michael McFarlane, Vannessia Stewart, Ann Clarke and Nadine Williams.

The committee met on August 30, 2017, to review proposals for:

- Conducting the Valuation of the Jamaica Ship Registry
- CUG Mobile Service
- Upgrading the Computer Network

Board Performance Evaluation

The MAJ did not complete a Board Performance Evaluation in the reporting period 2017-2018 as the Authority is awaiting the Performance Evaluation template that is to be developed by the Ministry of Finance and Planning to be issued/released.

Corporate Social Responsibility

The MAJ has sought to carry out its corporate social responsibility in several ways as shown below:

- Annual Christmas treat for the Reddie's Place of Safety
- Providing work experience for school leavers through the National Youth Service and Tourism Enhancement Fund initiatives
- Participate in the annual Sigma Corporate Run and the Digicel 5K run/walk events
- Attending and participating in various school's career day events



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REPORT OF THE BOARD OF DIRECTORS

JAMAICA SHIP REGISTRY (JSR)

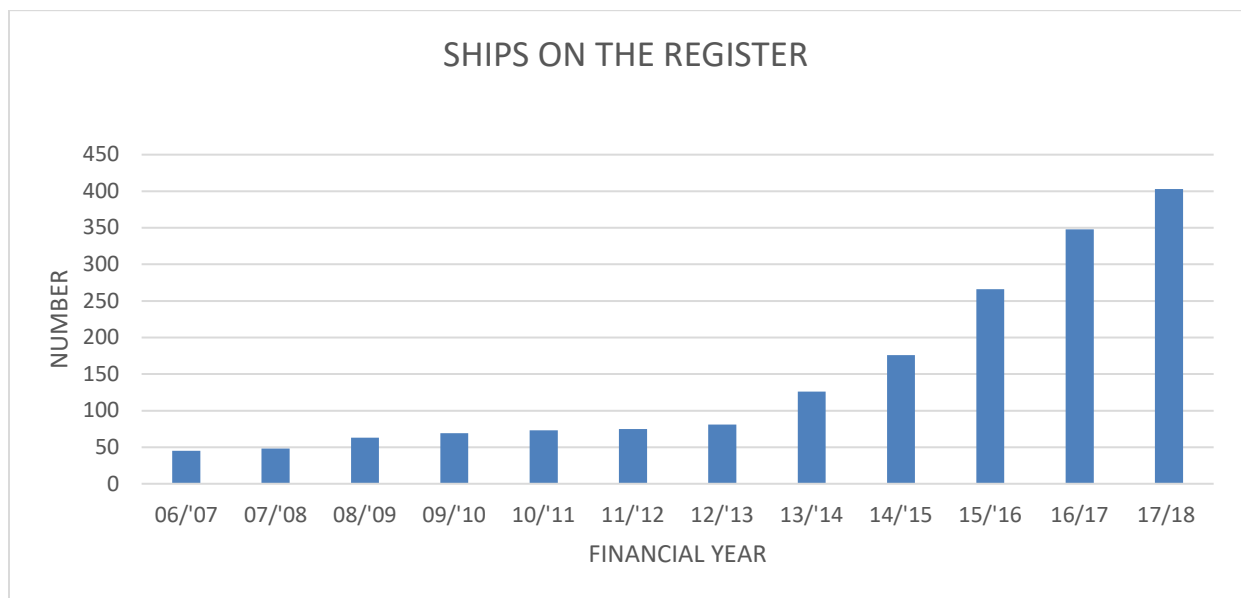
The JSR continued to record steady growth during the period under review with increases in the registration of Vessels trading internationally, Mega Yachts, and Pleasure Craft operating in Jamaican waters. Thus, the Registry achieved an overall growth of approximately 336% with the main contributor to this growth being the efforts of Mega Yacht Registries Inc based in Florida USA marketing the Yacht Registry.

One of the main thrusts of the JSR during the period was to facilitate the process of engaging a Public-Private Partnership (PPP) Investor to manage and market the JSR. International Marketing Strategies Inc. (IMS) was selected as the Transaction Advisor for the Public-Private Partnership (PPP) to engage an investor to manage, operate, and market the JSR and a pre-feasibility study was conducted by the [Nan]yang University of Singapore which confirmed that the JSR was a viable and profitable service.

Registration Activities

A total of eighty-five international vessels were registered during the period which shows a continued increase in registration of marine vessels up to 15% over the previous period. Below is a graph showing the growth trend of vessels registered over the last twelve years.

Growth in the Register 2006 – 2018



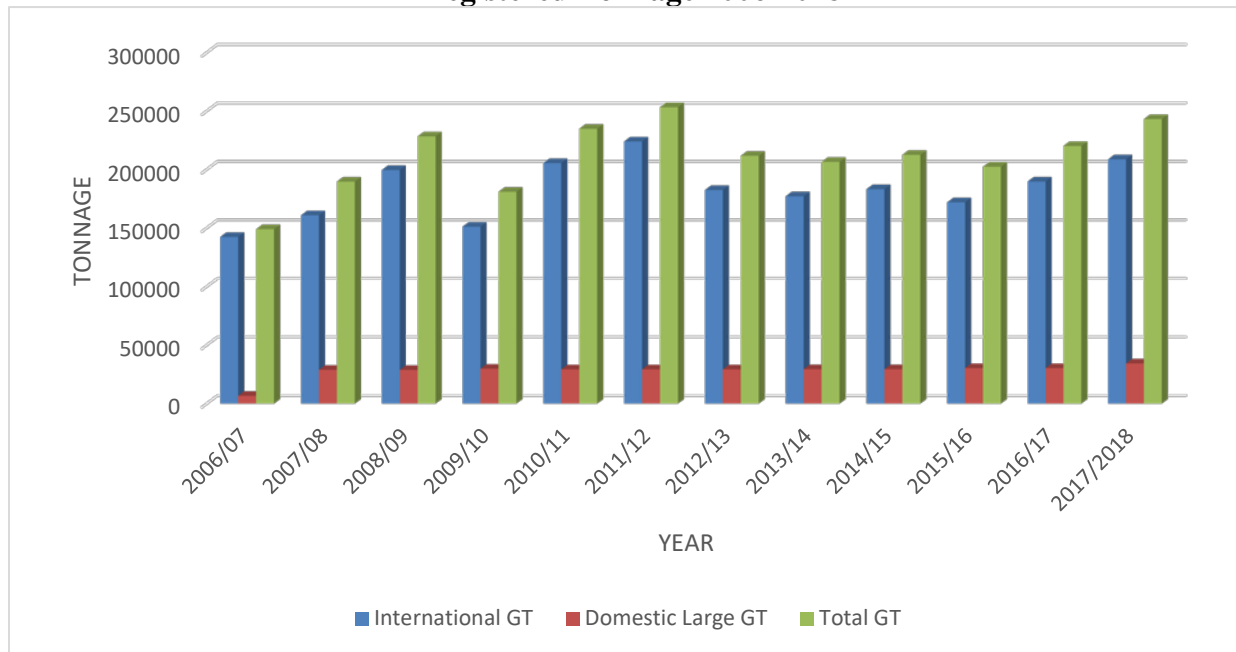


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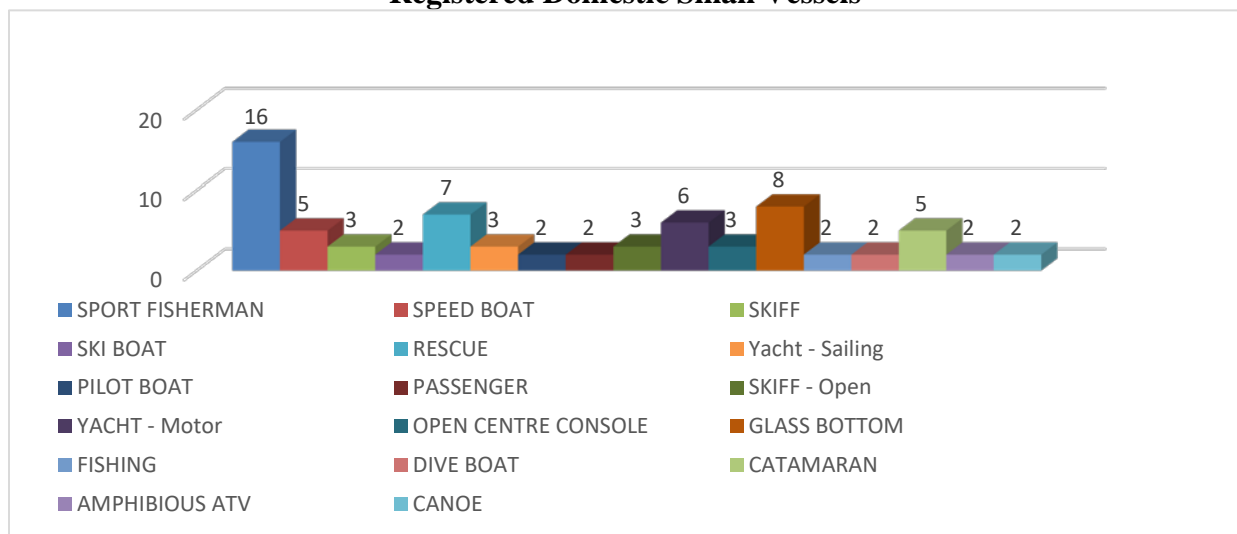
The tonnage on the Jamaica Ship Registry increased by 25% over the previous period.

Registered Tonnage 2006-2018



Registration of small domestic vessels continues to increase with a total of 1019 vessels now on the Register. These vessels are primarily moored in Jamaica and predominantly engaged in the water sports sector. The distribution of domestic small vessels registered, is provided in the graph below.

Registered Domestic Small Vessels

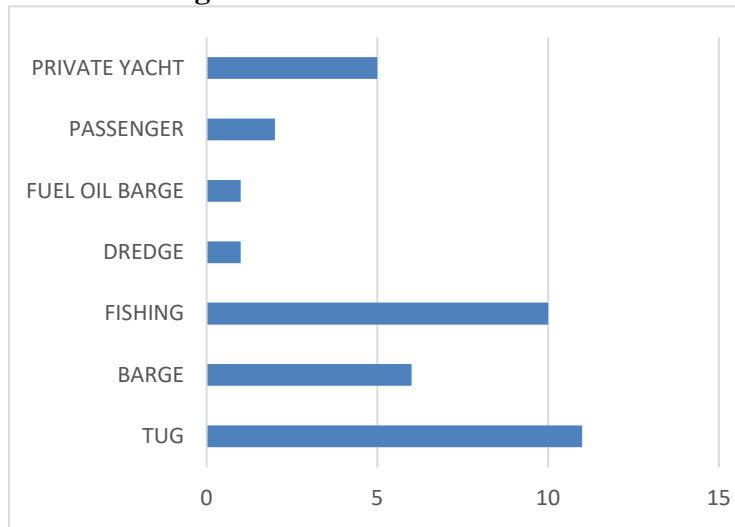




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Domestic Large Vessels



The total tonnage of domestic vessels on the international register increased by a modest 13.13% over the period, from 30,383gt to 34,374gt.

Tugs are the primary type of vessels registered at 31%. Fishing (including Sport Fishing) vessels represents the next major category accounting for 28% of the domestic large vessels registered.

Deputy Registrars

The JSR continues to rely upon the output of its Representatives strategically appointed in the maritime centres, as the source of increasing tonnage/numbers on the Jamaica Ship Registry. Deputy Registrars (DR) and Representatives currently serve the JSR in six (6) regions, five of which are mentioned below:

- **Florida, the Caribbean, and the Mediterranean Area**

The DR, Florida, engaged in March 2013, continues to be the most active representative of the JSR with the number of vessels registered by his efforts, adding some seventy (70) vessels to the Register in the period of review.

- **Northern and Southern China and Taiwan**

The Representative for Northern and Southern China continues to be active in the registration of convention ships in the region.

- **Ukraine and Turkey**

The scope of representation of the DR for Ukraine was recently expanded to include Turkey. The expansion of the geographical range of representation was to facilitate the Representative's entry into the Turkish market. The Representative remains hopeful that construction to enable the expansion will be completed within the next period.

- **Malta**

Five (5) vessels on the Register are attributed to the efforts of the Representative for Malta. The Representative provides Jamaica as an option in a suite of Registries, offered to Clients. The Representative currently explores ways of further serving the JSR and Jamaica through an appointment as Honorary Consul.



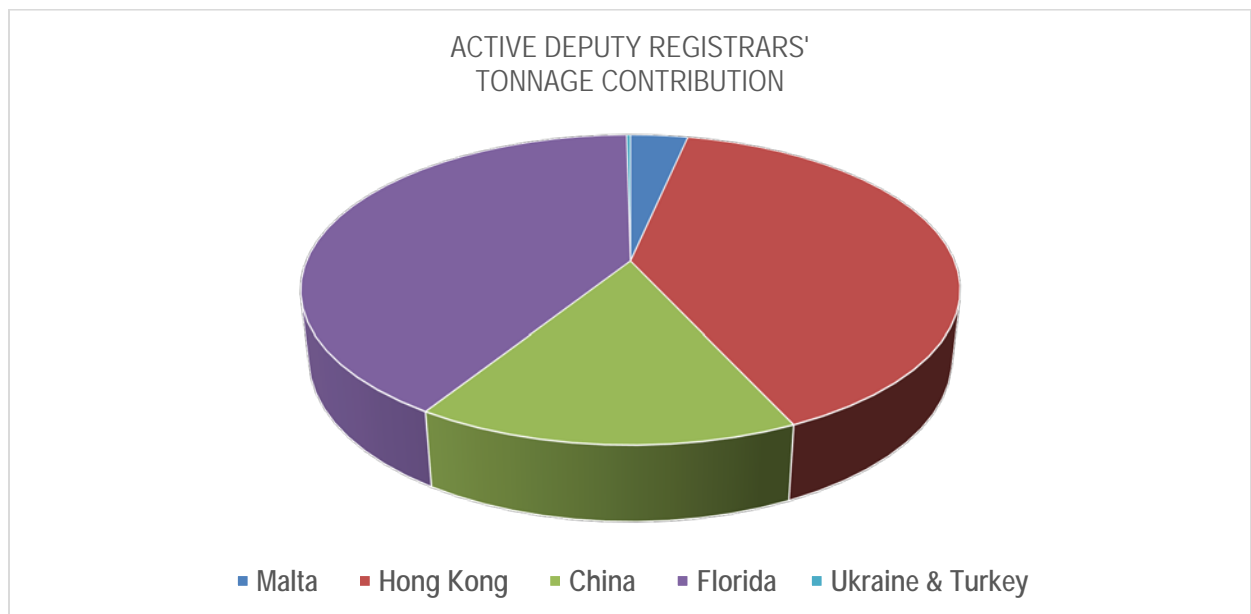
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- **Hong Kong**

The Representative continues to court potential vessels for the JSR from that market.

The contribution of each active DR in this regard is provided in the figure below:



Local Trade Activities

A total of thirty-three (33) certificates were issued for vessels involved in Local Trade activity over the year. The vessels are primarily involved in bunkering and dredging operations and the supply of LNG to the Jamaican market.

SEAFARER ENGAGEMENT AND WELFARE

The welfare of the Jamaican seafarers and seafarers aboard Jamaican flagged vessels is of primary importance to the Authority. In fulfilment of this obligation, the Registrar of Seafarers continues to provide support to seafarers in pursuit of employment opportunities by assisting with identifying opportunities for the engagement of seafarers and maintaining records of persons so engaged.

The assistance of the MAJ was sought on behalf of a Filipino crew onboard the Liberian vessel the M/Y “SPICA” while in the Port of Kingston. The crew complained of salaries being outstanding for as many as four months, in some cases. With the intervention of the MAJ, the matter was resolved, and the crew paid their outstanding wages.



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The Registrar continued over the period, to receive and address complaints of Seafarers primarily onboard Jamaican Yachts mainly pertaining to unpaid salaries and issues of repatriation.

The Authority also assisted seafarers onboard foreign vessels calling at ports in Jamaica with welfare and repatriation matters.

SHIP INSPECTION AND SURVEYS

Further to its mandate under the Shipping Act, 1998 to regulate ship safety including the construction of ships and navigation, extensive flag and port State surveys and inspections were conducted. These activities ensured that Jamaican and foreign ships operating in Jamaican waters adhered to international and domestic rules and standards for maritime safety, security, and the prevention of marine pollution.

The Directorate of Safety, Environment and Certification (DSEC) established programmes to protect the safety of life and property at sea, as well as to protect the marine environment, consistent with the prudent and responsible development of Jamaican shipping. In fulfilment of its mandate, the MAJ relied on inhouse marine surveyors and inspectors and a global network of ship surveyors to carry out surveys and inspection of vessels for maritime safety and pollution prevention measures, examination and certification of seafarers and the investigation of accidents and casualties at sea and for compliance with the domestic legislation and international standards.

To ensure the protection of the marine environment the Directorate is responsible for conducting:

- Port State Control inspections
- Flag State inspections
- Local trade inspections
- Inspection of tourism/water sports vessels
- Marine Casualty Investigations
- Examination and Certification of seafarers

Port State Control Inspections

Port State Control (PSC) inspections are conducted on marine vessels calling at Jamaican ports to ensure that they are operating at international standards of maritime safety, pollution prevention and seafarer welfare. PSC also helps to keep sub-standard ships out of Jamaican waters and the wider Caribbean.

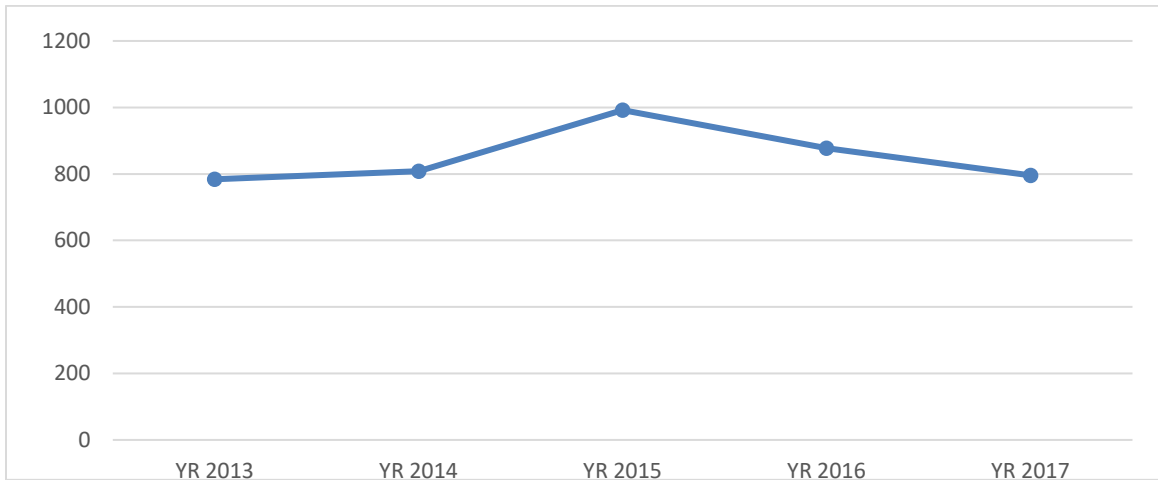
The number of PSC inspections conducted is proportionate to the number of vessels calling at Jamaican ports and, in particular, the number of first-time calls by foreign ships. Since 2015 there has been a decline in the number of first-time visits by foreign-flagged ships and during the period under review, the total number of ship visits decreased by 9% when compared to the previous period (See Diagram below).



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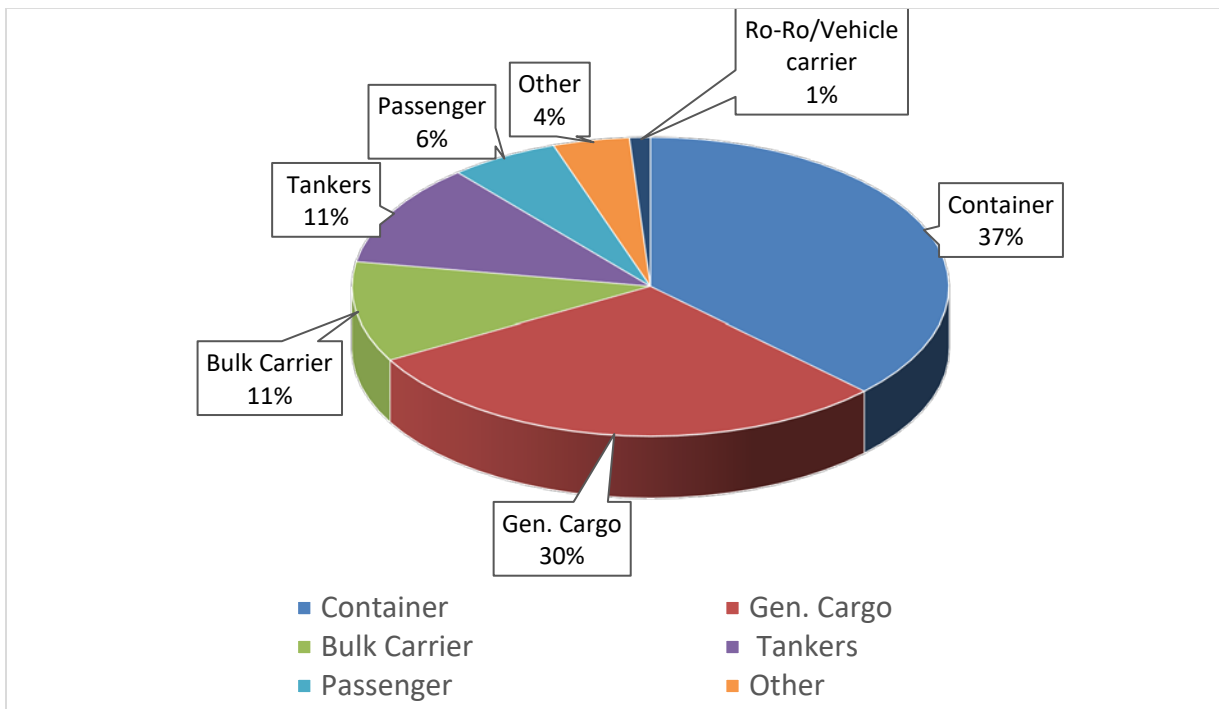
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Ships visits to Major Ports in Jamaica



Containerized cargo accounts for 37% of the total number of flagged ship visits, followed by General Cargo 30%, Bulk 11% and Tankers 11% as represented in the pie chart below

Types of Ships that visited Major Ports in Jamaica





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As a result, primarily of a reduction in vessels calls and an increase in the number of repeat calls by vessels to Jamaica and the need for inspectors to address a higher number of maritime emergencies and conduct a higher volume of small vessel safety inspections the number of PSC inspections fell below target. Notwithstanding Jamaica exceeded the minimum mandatory requirement of 15% inspections of ships calling at the Jamaican ports as required by the CMOU on PSC in the calendar year 2017.

The table shows the comparisons of PSC Inspections over eight years:

Period	Target	Actual
2010/2011	144	166
2011/2012	144	102
2012/2013	192	141
2013/2014	141	150
2014/2015	121	163
2015/2016	144	180
2016/2017	150	162
2017-2018	150	77

Over the reporting period, thirty-three (33) of the ships inspected had deficiencies and two (2) vessels were detained due to serious safety deficiencies and sub-standard conditions onboard the vessels. The deficiencies noted are in the categories below:

- Safety of Life at Sea (SOLAS)
- Lifesaving appliances
- Load line
- Fire safety measures
- Certificates and Documents
- Emergency Systems



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Flag State Inspections

During the period, the Authority met its target for the conduct of sixteen (16) Flag State Inspections, that is, inspections on Jamaican registered vessels.

The table shows comparisons of Flag State inspections over eight years:

Period	Target	Actual
2010/2011	20	20
2011/2012	20	19
2012/2013	16	12
2013/2014	16	22
2014/2015	17	17
2015/2016	17	18
2016/2017	16	22
2017-2018	16	16

Local Trade Inspections

Local Trade inspections are conducted on foreign-flagged ships that have permission to operate in Jamaica's territorial waters. They are rigidly inspected to ensure that they maintain high safety and environmental protection standards as required by the relevant International Conventions. The inspections also serve to verify that the crew are properly trained, managed, and accommodated.

Among these vessels are the foreign-registered tankers engaged in bunkering and numerous foreign tugs that are periodically engaged in operations exclusively in Jamaican waters.

Over the period, thirty-eight (38) local trade inspections were completed which was twice the target set by the Authority.

The Table shows comparisons of Local Trade Inspections over eight years:

Period	Target	Actual
2010/2011	12	13
2011/2012	10	9
2012/2013	10	10
2013/2014	10	13
2014/2015	10	19
2015/2016	10	29
2016/2017	10	31
2017/2018	16	38



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Small Vessel Safety Inspections

Small vessels include those operating in the local tourism water sports industry as well as commercial fishing vessels and private pleasure crafts. These inspections play a very important role in ensuring the safety of locals and visitor utilizing those vessels.

During the period one thousand nine hundred and twelve (1,912) small vessels were inspected. This was an increase of six hundred and four (604) vessels when compared to the previous year and more than the target.

In summary, 1912 vessels (new and renewals) were inspected, of which one thousand four hundred and sixty-four (1,464) were non-motorized and four hundred and forty-eight (448) were motorized.

The Table shows comparisons of Small Vessel Safety Inspections over eight years:

Period	Target	Actual
2010/2011	1,200	1,870
2011/2012	1,300	1,189
2012/2013	1,300	1,254
2013/2014	1,300	1,173
2014/2015	1,300	1,663
2015/2016	1,300	1,438
2016/2017	1,350	1,308
2017/2018	1,400	1,912

Marine Casualty Investigations

The Directorate conducted 4 marine casualty investigations during the reporting period. They are as follows:

- Tug Bayou Bull – Sank in Ocho Rios
- Jet Ski Collision in Lime Cay
- Marine Police and a diver in Montego Bay
- Caribbean Queen M/V collided with another vessel in Kingston

Following the investigations, the Authority made recommendations and implemented measures to reduce the likelihood of recurrence of these incidents.

Examination and Certification of Seafarers

Mandated through the Shipping Act, the MAJ regulates the certification of seafarers and establishes maritime training and safety standards. All nautical and marine engineering subjects taught at the Caribbean Maritime University (CMU) have the oversight of the MAJ to ensure that the standards are in keeping with the levels required by the IMO's "International Convention on Standards of Training, Certification and Watchkeeping for Seafarers" (STCW Convention).



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The MAJ, therefore, monitors the delivery of lectures at the CMU, conducts examinations and certifies the officers with international Certificates of Competency (COCs) in the nautical and marine engineering disciplines up to the level of Masters and Chief Engineers. The Authority also validates and certifies (endorses) foreign trained seafarers who work on Jamaican flagged ships.

During the period, the following activities were conducted:

- STCW Certificates of Competence (COC) revalidated – 43
- STCW COCs, new issued – 26
- Certificate of Proficiency – 357

The table below shows the examinations and certifications conducted over eight years:

Period	COC Revalidated	COC New	Endorsement attesting further training	Certificate of Proficiency
2010/2011	13	52	52	0
2011/2012	22	19	60	0
2012/2013	18	50	62	0
2013/2014	29	66	51	0
2014/2015	26	31	41	0
2015/2016	44	53	11	127
2016/2017	151	70	0	874
2017/2018	43	26	0	357

It is to be noted that “Endorsement attesting to further training” has been phased out and replaced by “Certificate of proficiency”.

Examination for the Issuance of COC

During the period, ninety-six (96) examinations were conducted by the Authority for CMU students and other candidates in a range of subject areas. The areas covered were:

- Engineering
- Navigation
- Maritime law



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The examinations conducted for COC over eight years are shown in the table below:

Period	Target	Actual
2010/2011	245	498
2011/2012	440	652
2012/2013	440	699
2013/2014	440	617
2014/2015	440	588
2015/2016	440	528
2016/2017	440	562
2017/2018	300	96

Examinations conducted for 2017-2018 was less than the target. This reduction resulted from the CMU changing its programme from a yearly examination and licensing period to a four-year degree programme. Students are therefore opting to engage in the Work /Study programme during the summer rather than sit examinations. At the request of the students and the CMU, the examinations for the Summer term 2017 was postponed until January 2019.

Reciprocal Recognition Endorsements

The Authority has formal agreements with several countries for the reciprocal recognition of seafarer certification. This facilitates recognition and endorsement of certificates of seafarers who are not Jamaican nationals, employed on Jamaican ships and likewise Jamaica seafarers serving aboard foreign ships. During the financial year, 345 Reciprocal Recognition Endorsements were issued to foreign seafarers engaged onboard Jamaican registered ships as well as Jamaican seafarers trained abroad.

Endorsements issued over eight years are shown below:

Period	Target	Actual
2010/2011	120	142
2011/2012	120	333
2012/2013	120	207
2013/2014	120	222
2014/2015	120	208
2015/2016	120	347
2016/2017	120	333
2017/2018	400	345



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Coxswain Licenses

The Authority also tests and issues local boat handlers with coxswain licenses. For the year, two hundred thirty-seven (237) coxswain licenses were issued to boat handlers. This is an increase of eighty-three (83) when compared with the previous year.

A total of one hundred and fourteen (114) coxswain examinations were conducted over the reporting period: an increase of twenty-one (21) examinations over the previous period.

Coxswain licenses issued since 2010 are shown below:

Period	Target	Actual
2010/2011	120	103
2011/2012	120	162
2012/2013	120	157
2013/2014	120	120
2014/2015	120	212
2015/2016	120	161
2016/2017	120	154
2017/2018	150	237

DEVELOPING JAMAICA AS A SHIPPING CENTRE

Pursuant to its developmental mandate, the Authority continues in its thrust to make Jamaica a maritime shipping centre, with the aim of generating employment through a range of economic activities.

The development of Jamaica as a shipping hub commenced when the National Development Plan – Vision 2030 was completed. This led to a study “The Development of a framework for Positioning Jamaica as a Shipping Hub” commissioned by the Commonwealth Secretariat on behalf of the MAJ which was completed in 2010. The Study recommended that crewing, dry-docking and bunkering activities should be pursued as a first step or level one in the thrust to develop the Country’s maritime cluster. Since that time, sector-specific studies have been completed on bunkering in 2012 and dry-docking in 2015 and the recommendations are being implemented.

Bunkering

The specific sector study on bunkering highlighted that if Jamaica could increase the volume of bunkers supplied to vessels calling at Jamaica ports after transiting the Panama Canal. If achieved, Jamaica would benefit from an induced economic impact of US\$3.1 billion and generate about 900 job opportunities. Currently, there are four operators in the bunkering industry which are experiencing moderate growth. The demand for bunker fuel is outstripping supply from local sources. This has increased the volume of bunkers imported and greater investment in tank farms.



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Recognizing the importance of bunkering to the maritime industry and to garner more interest to the industry, an MOU was concluded with the International Bunkering Industry Association (IBIA) for Jamaica to host a Bunkering Conference with the theme “Fuelling a New Era in the Caribbean” in April 2018. The major players in the global bunkering industry are expected to be in attendance to ignite more enthusiasm in the local industry. The Authority has drafted an Operational Policy and Safety Guidelines document for the local industry and will be monitoring the bunkering activities to ensure compliance with the safety standards.

Dry Docking

The shipping hub study also highlighted dry-docking operations as an area to be developed in Jamaica. It is identified as the third “low hanging fruit” of the 2010 study. Significant strides were made for the establishment of the dry-docking operations at Harbour Head, Kingston. German Ship Repair Jamaica Ltd, a company with local and German interest commissioned three vessels to do preparatory work for the dry dock operations. The above investors continue their efforts to identify investment funds to pursue the project which has already received the necessary approvals and permits.

Arrangements have also been made with Caribbean Maritime University and HEART to facilitate the training of welders to meet the standards of ship repairs. The Authority has commenced a review of the legislative framework required to ensure ship repairs activities are conducted to international standards.

Crewing

Oversight of the CMU seafaring programme remains a key area of focus for the MAJ and during the period seafarer throughput of the CMU increased and with the establishment of the allied crewing agency, the Caribbean Maritime Crewing Agency, Jamaica was able to place more certified crews on reputable foreign-flagged ships particularly with EXMAR Shipping Company and United Bulk Carriers (UBC).

LEGISLATION ACTIVITIES

The MAJ executes its functions primarily under the Shipping Act, 1998 and can therefore only fulfil its mandate effectively with modern legislation which reflects current International Conventions particularly those of the International Maritime Organization (IMO) and the International Labour Organization (ILO). The legislative mandate of the MAJ is therefore critical to its overall success.

During the financial year, the MAJ sought to develop and update its legislative framework to reflect the IMO standards particularly those governing maritime safety, the prevention of pollution by ships including air pollution, and rules and standards for the training and certification and the ILO standards for the welfare of seafarers. Of particular importance the Shipping (Medical Examination) (Amendment) Regulations 2015 and the Shipping (Training, Certification, Safe



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Manning, Hours of Work and Watchkeeping) (Amendment) Regulations, 2016 were published in the Jamaica Gazette. Considerable work was also done on the Shipping (Welfare of Seafarers and Maritime Labour Competence Certificate) Regulations 2016 which we expect to be finalized shortly.

The Directorate also provided advice in relation to the development of the legal framework for the regulation of the shipping industry in Jamaica and the administration of the Jamaica Ship Registry. This involved the incorporation of treaties into national legislation and providing legal advice in areas such as ship registration and mortgages, pollution prevention and seafarer welfare.

Significant progress was made with the following legislation:

- Amendments to the Shipping Act to incorporate the Maritime Labour Convention;
- The Shipping (Medical Examinations) (Amendment Act) 2015;
- The Shipping (Training, Certification, Safe Manning Hours of Work and Watchkeeping) (Amendment) Regulations, 2016;
- Amendments to the Shipping Act to increase the penalties regulations made under the Shipping Act; and
- The Shipping (Registration of Ships) (Amendment) Regulations, 2016 which incorporates the visiting yachts cruising permit scheme

The Ballast Water Management Bill 2016 which incorporates the International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 (Ballast Water Management Convention) was approved by the Legislation Committee and subsequently tabled in Parliament in December 2017.

Of note, during the period Jamaica presented its instrument of accession to the Ballast Water Management Convention and the Maritime Labour Convention 2006.

The Directorate operates as the focal point for the GEF/UNDP/IMO Project which provides support for legal, policy and institutional reforms on the implementation of the MARPOL Annex VI which regulates air emissions from ships. During the period, the following reports were prepared:

- National Maritime Energy Efficiency Strategy
- Legal Report and draft legislation



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Maritime Law Seminar – Judiciary

The Government of Australia through the Australian Maritime Safety Authority (AMSA) supported the visit of Professor Sarah Derrington, a maritime law Professor, who conducted a sensitisation session on Admiralty Jurisdiction and Procedure on November 17 & 18, 2017 at the UWI Headquarters. The weekend session was attended by the Chief Justice and 33 Judges of the Supreme Court and Court of Appeal. The Supreme Court Registrars were also in attendance.

Professor Derrington was also invited to make a presentation to members of the Jamaican Bar Association on the practice of Admiralty Law during the Annual Bar Conference in Montego Bay.



Professor Sarah Derrington (2nd left) visiting with Chief Justice the Honourable Mrs. Justice Zaila McCalla (centre). Others pictured (left to right): Rear Admiral (Ret'd) Peter Brady, Director General, MAJ; the Honourable Mrs. Justice Vinette Graham-Allen; Bertrand Smith, Director Legal Affairs, MAJ.



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Official Visit

The Ambassador of Sweden to Jamaica, H.E. Ms Elisabeth Eklund, called on Rear Admiral (Ret'd) Peter Brady at the Ocean Boulevard offices. The Ambassador also met with the Director of Legal Affairs, Mr. Bertrand Smith, and Ms. Abigail Bryan who had recently completed an MSc in Maritime Affairs at World Maritime University (WMU) in Sweden.

The Ambassador visited the Authority on behalf of the Swedish Government. Her objective was to discuss Jamaica's position on Green House Gas (GHG) emissions and to seek Jamaica's support for the adoption of a GHG strategy to be tabled at the next meeting of the IMO Marine Environment Protection Committee (MEPC) – a subsidiary body of the International Maritime Organization Council.

INTERNATIONAL MARITIME ORGANIZATION ACTIVITIES

A delegation headed by the Minister of Transport and Mining attended the 30th session of the IMO Assembly at which Jamaica was elected to Category C of the governing body of the IMO, the Council, in December 2017 for the 2018-2019 biennium. This followed a successful campaign, through a vigorously coordinated candidacy, coordinated by the MAJ with the support of the Ministries of Transport and Mining (MTM) and Foreign Affairs and Foreign Trade (MAFFT) and its overseas missions, particularly the Jamaican High Commission in London.

The MAJ as the focal point for the IMO in Jamaica continued to maintain its presence and representation at the International Maritime Organization (IMO). During the period under review by attending the MAJ attended meetings of the IMO Council meetings, the Maritime Safety Committee (MSC), the Marine Environment Protection Committee (MEPC), the Technical Cooperation Committee (TCC) the Legal Committee (LC) and the Sub Committee meetings of, the Human Element Training and Watchkeeping (HTW), Navigation Communications and Search and Rescue (NCSR) and Implementation of IMO Instruments (III).



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Jamaica's Delegation which attended the 30th Session of the IMO Assembly



Minister of Transport and Mining, Hon. Lester ‘Mike’ Henry (centre), with members of the Jamaican delegation to the 30th Session of the International Maritime Organization’s General Assembly, held at IMO headquarters in the UK on December 1. Others (from left) are Mrs. Corah Ann Robertson-Sylvester; Dr. Janine Dawkins; High Commissioner, H.E. Seth George Ramocan; Mr. Bertrand Smith; Deputy High Commissioner, Mrs. Angella Rose-Howell; Ms Tanya Bedward, Mrs. Jody Munn-Burrow [Barrow]; Rear Admiral (Rt’d.) Peter Brady; and Counsellor at the High Commission, Ms. Carol Lee-Lea. In front is Ms. Juliet Mair.



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The Jamaican Delegation paid a visit to IMO Secretary General Kitack Lim.



Left to right: H.E. Mr. Seth Ramocan, High Commissioner; Mrs. Corah Ann Robertson Sylvester, Chairman MAJ; IMO Secretary-General Kitack Lim; Hon L. Michael Henry, Minister of Transport and Mining; Rear Admiral (Ret'd) Peter Brady, Director General, Maritime Authority of Jamaica; Dr. Janine Dawkins, Chief Technical Director, Ministry of Transport and Mining

A celebratory function was hosted by the Minister at the Ministry of Transport and Mining, to show appreciation to the Jamaican team involved in the “*Jamaica for IMO Campaign*”, and the country’s ultimate success in the election to the IMO Council.

The Deputy Director General of the MAJ, Mrs. Claudia Grant, was elected as Vice-Chair of the Implementation of IMO’s Instruments (III) Sub Committee at its 4th session in September 2017. The MAJ has been representing Jamaica at this Sub Committee since the Authority’s establishment in 2001. The appointment as Vice-Chair brings much recognition to Jamaica and the Maritime Authority of Jamaica and it signals the commitment Jamaica offers to the implementation of IMO regulations and conventions. This meeting is also attended by the Secretary-General of the Caribbean MOU on Port State Control. This Sub Committee is the medium by which the IMO assists Flag States with improving their systems and capacity to implement the various IMO Conventions, Codes and Guidelines. The Sub Committee’s mandate recently broadened from its focus on flag State implementation to also embrace port and coastal State obligations.



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The Director General of the MAJ of Jamaica, Rear Admiral (Ret'd) Peter Brady, was reappointed to the board of governors of the World Maritime University (WMU) in Malmo, Sweden. The appointment was made by the International Maritime Organization (IMO) Secretary-General Kitack Lim in February 2018 for two years, ending in February 2021. The appointment is a testament to Jamaica's leadership as a maritime state in the international shipping sector.

Maritime Awareness Week

Under the theme “*IMO Connecting ships ports and people*” the MAJ, along with key partners in the maritime industry, celebrated World Maritime Day through a week of national activities between September 24-28, 2017.

The week of activities was marked by a church service at Swallowfield Chapel on September 24, 2017, where Admiral Peter Brady delivered the industry message.



Maritime Industry Representation at the Church Service at Swallowfield Chapel



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Rear Admiral Peter Brady (Ret'd) officially opened Maritime Awareness Week on Monday, September 26 in a ceremony held at the Caribbean Maritime University. Additionally, the Authority participated in the two-day exhibition held at the Caribbean Maritime Institute on September 26-27, 2017. The Authority manned booths which included the giveaway of branded items and interacted with students and other interested parties.

The MAJ also participated in World Maritime Day celebrations, the highlight of which was Charter Day, when the Caribbean Maritime Institute officially transitioned to Caribbean Maritime University in a ceremony held at the National Arena on Thursday, September 28, 2017.

International Day of the Seafarer

The MAJ celebrated the IMO designated Day of the Seafarer on June 25 under the theme *“Seafarers Matter”*.

To celebrate seafarers in Jamaica, representatives of the MAJ visited Captains and crew vessels of six vessels (Jamaican and international) in two ports where expressions and tokens were presented to seafarers for their dedication to their job and their invaluable contributions.



Members of the Authority's Staff visiting with Seafarers at the Aegean Pier



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Rear Admiral Peter Brady (Ret'd) and other staff members met with seafarers at a function at the offices of the MAJ on Monday, June 26, 2017, where seafarers shared their experiences and were presented with tokens of appreciation.



Rear Admiral Peter Brady (Ret'd), Director General, addressing Seafarers at the Authority's Offices



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Seafarer Kimone Claire, Officer of the Watch, (centre) relating her experiences at sea while Rushene Reece, cadet, (left) and Delon Daley, Officer of the Watch, (right) look on.

Representatives from the Authority and CMU participated in a Sail Past to pay tribute to one of Jamaica's dedicated seafarers who became ill while at work and died at the hospital on Saturday, June 24 – a day before the Day of the Seafarer.



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Representatives of the MAJ and the CMU participated in the Sail Past on “Day of the Seafarer” for a Seafarer who died a day before

OTHER ACTIVITIES

MAJ 16th Anniversary and Awards Function

The MAJ reached a significant milestone in Jamaica’s history with the marking of sixteen years of existence in April 2017. As Jamaica’s maritime administration, over the years the MAJ has remained committed to its mandate by pursuing the development of shipping and regulatory matters relating to merchant shipping and seafarers.

To commemorate this milestone the MAJ hosted a special anniversary and awards dinner on September 6, 2017, where Rear Admiral (Ret’d) Peter Brady specially recognized the professional, unstinting, loyal, dedicated, and efficient efforts of the MAJ team whose steadfastness, especially during difficult times, has made Jamaica among the best maritime nations globally. The MAJ also recognized the work of its partners both at the government and private sector levels who contributed to its growth throughout the years.



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Rear Admiral Peter Brady, Director General MAJ, addresses the attendees at the MAJ 16th Anniversary Dinner and Awards Function

These include our parent Ministry and Minister whose support has been tremendous. Other partners such as: Caribbean Memorandum of Understanding, Ministry of Foreign Affairs and Foreign Trade, Caribbean Maritime University, Port Authority of Jamaica, National Environment Protection Agency, Jamaica Customs Agency, Tourism Product Development Company, the Jamaica Defence Force, Jamaica Constabulary Force Marine Division, Fisheries Division, Spectrum Management Authority, Shipping Association of Jamaica, Kingston Wharves Limited, Lannaman and Morris, Jamaica Producers, Harren and Partner, Marine Pilots, Aegean, and the host of others. He thanked them for their support and continuing interest in our viability and said that, as Jamaica's focal point for the UN specialized agency with responsibility for shipping, the IMO, the Authority understands its mission and intends to continue its contribution to Jamaica's maritime advancement and success.



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Mrs. Corah Ann Robertson-Sylvester, Chairman Board of Directors MAJ, making her address at the MAJ 16th Anniversary and Awards Function



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The MAJ on this special occasion recognized and awarded eighteen staff members who served with the Authority for ten years and over.



Staff Members who were awarded Long Service Awards

As part of the anniversary activities, the MAJ published a special 16th Anniversary Supplement in the Jamaica Observer on Wednesday, October 4, 2017, through the generous sponsorship of its industry partners who extended tremendous support during its sixteen years of service to Jamaica.



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Hydrographic Surveys

During the period Jamaica received substantial technical assistance from the UK Hydrographic Office (UKHO) to conduct hydrographic surveys of Kingston Harbour and Portland Bight. This assistance was provided through the United Kingdom's Commonwealth Marine Economies Programme CMEP) and coordinated by the National Hydrographic Committee (NHC) chaired by the MAJ.



Participants of the Stakeholders Meeting held with the Hydrographic Surveyors

The data obtained from the surveys will be used to update the respective nautical charts of Jamaica, which will now allow the production of current, accurate data to ensure ships are offered a high level of confidence when entering Jamaican waters.



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Workshops and Training Seminars

The MAJ seeks to ensure that its officers and other related personnel in the industry are educated in new initiatives and updated maritime procedures with their attendance at workshops and training seminars.

The major in which we participated during the period were as follows:

- **IMO Workshop on the Implementation of IMO Model Course 4.05 on Energy Efficient Operation of Ships**

The IMO through the GEF-UNDP-IMO Global Maritime Energy Efficiency Partnership Project sponsored the workshop for teaching staff from maritime training/education institutions and other country experts engaged in seafarer training with an interest in the education and training of seafarers in low carbon-energy efficient ship operations.

- **Regional Workshop on Ballast Water Management: GloBallast Partnerships Project**

Jamaica is designated as a Lead Partnering Country in the Wider Caribbean Region under the project. The workshop focused on regional cooperation for the ratification and implementation of the Ballast Water Management Convention, 2004.

- **Regional Workshop on Flag and Port State Inspections**

This workshop was aimed at facilitating the exchange of information between Caribbean Flag and Port State Inspectors within and outside the Caribbean as well as between Caribbean administrations.

PUBLIC RELATIONS

Overview

Public Relations is a vital element that supports all the directorates of the MAJ with management and coordination of publicity activities, and in so doing, promote and ultimately increase awareness of the MAJ in the local and international environment. During the reporting period, much work was done to continue highlighting the activities of the Authority through press coverage of various events, including workshops, seminars, and exhibitions locally and overseas.

Some significant events included spearheading Maritime Awareness Week activities, with support from other companies within the maritime industry. The MAJ also hosted Day of the Seafarer activities which brought awareness to the significant contribution seafarers make to enhance the everyday lives of persons across the world, and to economies around the world.



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The MAJ's relationship with Elaborate Communications continued to generate awareness for the Authority, with the provision of PR opportunities through articles and press releases. This coverage on the international market saw MAJ appearing in such publications as Matrix Maritime Media, Hellenic Shipping News Worldwide, Shipping and Marine Events, All About Shipping, Entorno Inteligente and The Seafarer Times.

Newsletters

The MAJ published the JSR quarterly newsletter, designed to bring awareness to the work of the MAJ and the Jamaica Ship Registry. The newsletter also provided pertinent information to ship owners, captains, and cadets.

Advertising

- **Print Media**

The MAJ sponsored a full-colour quarter-page, corporate advertisement, in the World Maritime Day supplement published by the Daily Observer on September 28, 2017.

- **Electronic Media**

The MAJ co-sponsored a Nationwide programme, *Cliff Hughes On-Line*, which, broadcasted live from the CMU, Thursday, April 27, 2017. This broadcast is to engage community colleges and other tertiary institutions across the island. The MAJ sponsorship package included opening and closing credits, station promotions and twenty 30-second commercial spots, during and after the broadcast. The MAJ also received an additional two weeks of commercial spots which commenced May 29th, 2017.

- **Power 106**

Power 106FM hosted a live broadcast from the Ken Wright Pier, where the Mini cruise vessel/sailboat *Star Flyer* was docked on its visit to Jamaica in February 2018. The MAJ sponsored the broadcast, in turn creating a positive public relations profile in the marketplace. This sponsorship also created an opportunity to share with the public, the role of the MAJ and the impact of Jamaica's election to the IMO Council for the 2018/2019 biennium. Through this sponsorship, the MAJ was afforded a 15-minute interview during the live broadcast, and commercial spots during and after the broadcast.

Calendar

The MAJ calendar has become a sought-after item in the local and international markets. It serves as an effective tool in keeping the Authority's name in front of clients, the media and industry partners. During the period fifteen thousand (1500) calendars were printed and distributed showcasing the various areas of responsibility of the MAJ.



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HUMAN RESOURCE AND STAFF WELFARE

The MAJ currently has forty-four members of staff, nine less than its authorized complement. The Government of Jamaica restrictions on filling vacant posts have prevented the MAJ from expanding its staff complement to meet the demands of its expanded roles and growth in the maritime industry.

Training and Development

The MAJ encourages the improvement of its staff through further training and development. Non-technical staff members are being assisted to capitalize on training opportunities through both internal and external facilities. During the period, training and development opportunities were extended to staff in the form of workshops, seminars, and courses in their related field.

Some of the training included:

- Organisational Management held at Management Institute for National Development.
- Specialized Training on the Inspection of Passenger Ships
- Technical Standing Work Group - Bonaire

The Authority facilitated the award of a scholarship from the Sasakawa Peace Foundation to Miss. Abigail Bryan, Examination Officer, to pursue a master's degree in Maritime Affairs at the World Maritime University (WMU) in Malmo Sweden. Ms Bryan completed an MSc in Maritime Affairs, specialising in Maritime Education Training,



Miss. Bryan at her Graduation Ceremony with her degree from WMU

Jamaica is one of the countries with the highest number of WMU alumni in the region.



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Staff Welfare and Wellness Program

The Authority continued to encourage staff to lead a healthy lifestyle and to participate in the annual 5K run/walks. During the reporting period members of staff participated in the Digicel Foundation 5K Run/Walk, Sagicor Foundation Sigma Run and Guardian 5K Run/Walk.

The staff also benefited from publications being circulated on emerging health issues and trends, which also provided guidance on how to improve health and overall quality of life. Additionally, the MAJ recognizes the importance of comrade among the staff and during the period several social activities were held in recognition of various milestones and achievements of staff members.

INFORMATION SYSTEMS

The MAJ's operations have increased significantly and became more complex and therefore requires its network architecture to be improved to meet the demands. This is a process of continuous improvement based on assessments of the MAJ's requirements. Additionally, the development and procurement of software are being pursued to ensure consistency in the organisation's operations.

Maintenance and Expansion of Computer Networks

The implementation of new servers and network storage devices (SAN, NAS) required that new network switches be installed to cope with the increased speed of processing and backing up data. The switches were procured and installed, and this allowed the MAJ to:

- properly segment the network to reduce overall network congestion, while offering better security against malware possibly spreading unchecked and,
- support the changing of the PBX (telephone system) which is set to commence shortly.

For the period, three Tablet/PCs, three laptops and a mobile printer were procured to support the work of surveyors and inspectors and improve efficiency in service delivery.

The MAJ is seeking to procure a new telephone system and it is expected that this will be completed early in the new fiscal year.

Software Development and Procurement

Software development continues to be an essential element of the IT Department's programme in support of marketing the JSR and ensuring other critical functions of the MAJ meet global standards. As the Authority has sought to widen its marketing programme and promote the registration of ships through the JSR, it is paramount that the organization maintains the appropriate IT infrastructure to meet the expected demands.



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- **Online Payment**

During the period under review, the MAJ's Online Payment Facility was upgraded to allow customers to pay online for Registration, Safety inspections and Endorsements services.

- **Website Development**

The MAJ has commenced the process of improving its online presence. One such step is by developing a MAJ specific website to supplement the existing JSR website which does not reflect all the activities of the Organisation.



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FINANCIAL REVIEW

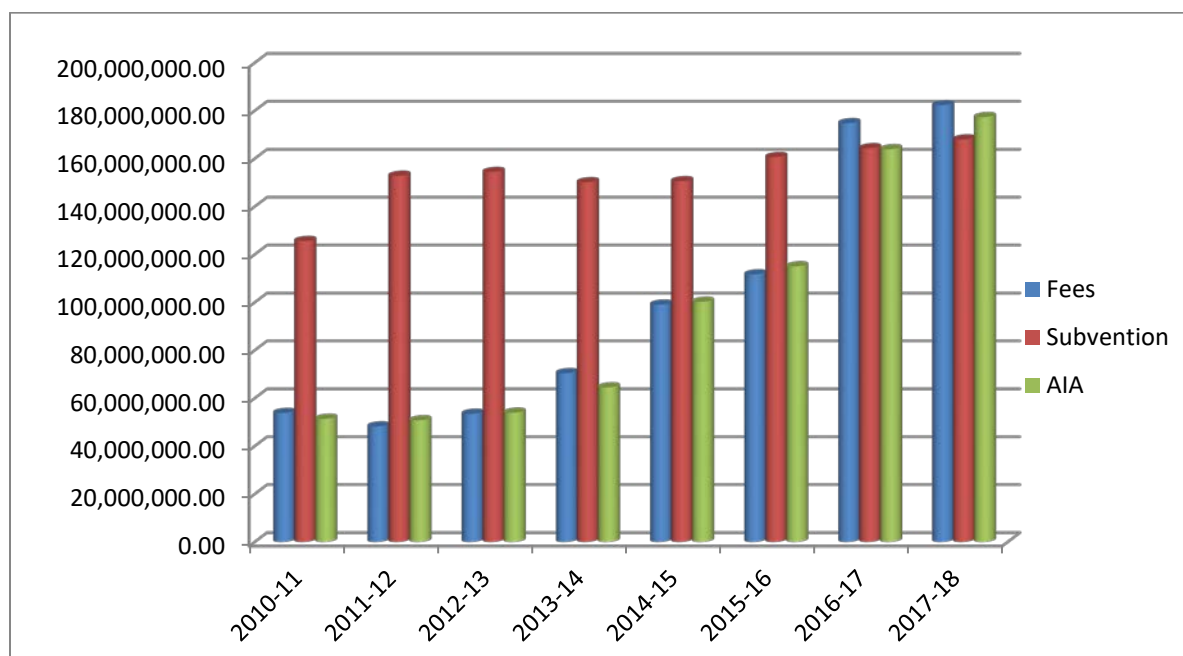
There was an improvement in the financial performance of the Authority during the fiscal period April 01, 2017, to March 31, 2018. The budget approved by parliament was \$298.19 million which had been revised through the Supplementary Estimates to \$338.59. A total of \$167.98 was allocated from Government revenues and \$178.76 was approved to be earned by the Authority.

The revenue from fees grew by \$5.66 million to \$180.42 million or 3.25% over the 2016-2017 financial year. For the year ended March 31, 2018, the operating surplus stood at \$50.89 million resulting in a net surplus of \$51.23 million after including net finance income. This reflects a 21.51% decrease in profits when compared to the previous year's performance as a result of a significant decrease in our Finance Income due to the revaluation of the Jamaican dollar. Expenditure increased by 5.68% for the period.

Income

The MAJ is funded mainly by the Government of Jamaica subvention and income from services being 48.22% and 51.78% respectively. Revenue for the reporting period amounted to \$348.40 million. Of this amount, fees earned from services amounted to \$180.42 million which is .93% more than the budgeted figure of \$178.76 million. The Appropriation in Aid (AIA) reported for the period amounted to \$177.29 million. The Subvention received amounted to \$167.98 million which is slightly above the \$164.3 million received during the previous financial year.

The chart below shows the Revenue performance over the last eight years



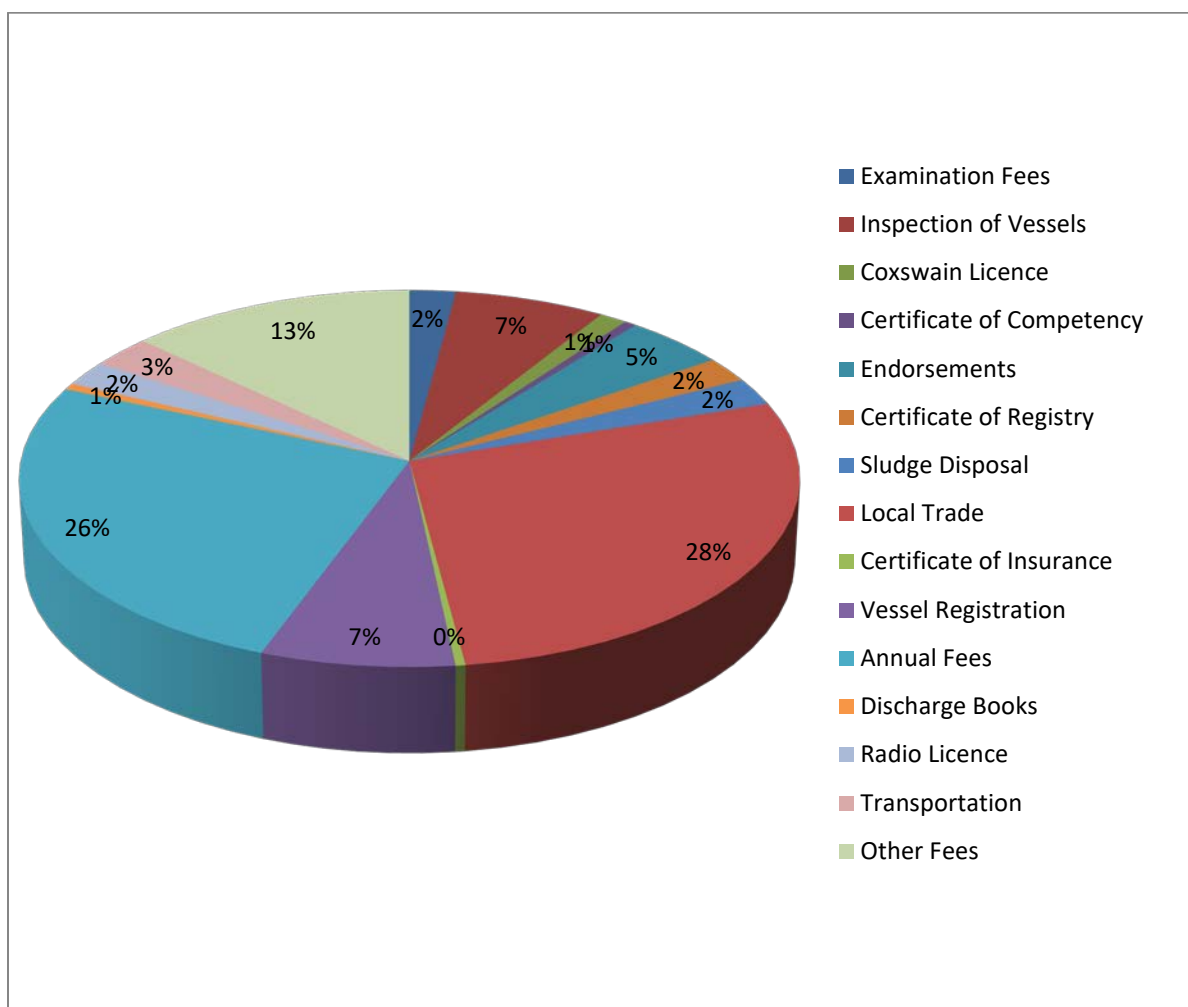


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The above chart shows that fees from operations have consistently increased over the years while the AIA showed a similar trend. The Subvention from the Government reflects a marginal increase over the past three years and is surpassed by both the fees and AIA for the past two years. The Authority is projecting that fees from services will increase to \$181.5 million for the 2018/2019 financial year based on performance during the 2017/2018 financial year. It is estimated that the Authority will also receive approximately \$171 million from the Ministry of Finance as support for remuneration expenses.

The chart below gives a pictorial view of the categories of revenue



Of the total revenue, Local Trade was the main revenue earner capturing 28%. Annual Fees was the second major source of income with 26% of total revenue. This resulted from recording-breaking vessel registrations during the previous two financial years that set the stage for increased annual fees.



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Expenditure

The Authority expended \$297.51 million for the reporting period against a revised budget of \$338.59 million. This was indicative of the Authority spending within its budget and exercising a conservative method of spending in line with the requirements of the Ministry of Finance.

Expenditure for the 2018/2019 financial year is projected to be \$352.52 million.

The Maritime Authority of Jamaica Projected Profit and Loss Statement for the 2018/2019 Financial Year is shown below.

	J\$
Revenue	
Subvention	171,001,000.00
Service Income	181,517,000.00

Total Income	352,518,000.00

Less Expenditure	
Salary, Wages and Traveling	244,669,000.00
Rental	14,902,000.00
Public Utilities	3,528,000.00
Purchase of Goods and Services	54,479,000.00
Contributions	3,275,000.00

Total Expenses	320,853,000.00

Surplus	31,665,000.00
	=====

Note: The surplus shown above will be used to purchase Capital Goods as per the Estimate of Expenditure.

Audited Financial Statements for F/Y 2017/2018 are presented on page 48 as Appendix 1.



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ANNUAL REPORT 2017-2018

PLANS FOR 2018/2019

Jamaica Ship Registry

- Completion of the Public-Private Partnership to engage an investor to manage and market the JSR.
- Establishing a framework for the regulation of unregistered vessels domiciled in Jamaican waters.

Ship Inspections

- Commencement of inspections of large passenger (cruise) ships.

Shipping Centre Development

- Finalize the Operational Policy and Safety Guidelines for the Bunkering Industry.
- Facilitate the establishment and operation of dry-docking in Jamaica
- In collaboration with the CMU implement strategies to secure internships at sea for Cadets to obtain the required qualifying sea-time.

Strengthen the Legal Framework

The Authority will continue to strengthen the legal framework for the regulation and development of the maritime sector. Priority areas will include the promulgation of:

- Legislation to incorporate the Maritime Labour Convention 2006 (MLC 2006); and
- Marine environment protection legislation incorporating the major IMO conventions addressing prevention, response, liability, and compensation for ship source pollution.

Increase Revenues

During the new financial year, the MAJ will seek to increase its revenue by:

- Pursuing additional registration of international vessels;
- Targeting unregistered vessels in the fishing and tourism sectors;
- Licensing foreign vessels which operate commercially in Jamaican waters; and
- Pursuing the registration of yachts domiciled in Jamaican waters.

Accomplishing these plans will strengthen the efforts of the MAJ to become self-sufficient and facilitate the drive to expand the contribution of the maritime sector to the Jamaican economy.



MARITIME AUTHORITY OF JAMAICA

ANNUAL REPORT 2017-2018

During the Financial Year, the emoluments of the Senior Executives and the Board of Directors are shown in the tables below:

Senior Executive Compensation

Name and Position of Senior Executive	Year	Salary \$	Gratuity or Performance Incentive \$	Travel Allowance or Value of Assigned Motor Vehicle \$	Pension or Other Retirement Benefits \$	Other Allowances \$	Non-Cash Benefits \$	Total \$
Rear Admiral Peter Brady, Director General	2017/18	7,794,586.80	1,948,646.70	8,733,000.00				18,476,233.50
Claudia Grant, Deputy Director General	2017/18	6,912,269.99	1,691,790.00	1,341,624.00				9,945,683.99
Bertrand Smith, Director Legal Affairs	2017/18	6,767,162.75	1,691,790.00	1,341,624.00				9,800,576.75
Seymour Harley, Director, Shipping & Policy Research	2017/18	5,591,400.63		1,341,624.00	279,570.03			7,212,594.66
Capt. Steven Spence, Director Safety, Environment and Certification	2017/18	8,837,164.70	2,218,668.65	1,341,624.00				12,397,457.35
Michael McFarlane, Director, Corporate Services	2017/18	5,222,479.42	1,243,447.44	707,448.00				7,173,374.86
Total		41,125,064.29	8,794,342.79	14,806,944.00				65,005,921.11

Notes on the Senior Executives Compensation Table:

Director of Shipping and Policy Research is a member of the MAJ's staff pension fund and is not paid gratuity.



MARITIME AUTHORITY OF JAMAICA

ANNUAL REPORT 2017-2018

Board of Directors' Compensation

Name and Position of Director	Fees \$	Motor Vehicle Upkeep/Traveling Or Value of Assignment of Motor Vehicle \$	Honoraria \$	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total \$
Corah Ann Robertson-Sylvester, Chairman	75,000.00				75,000.00
William Brown, Deputy Chairman	27,000.00				27,000.00
Peter McConnell, Board Member	36,000.00				36,000.00
Tony Tame, Board Member	27,000.00				27,000.00
Paula Brown, Board Member	36,000.00				36,000.00
Ambassador Sheila Sealy-Monteith, Board Member	9,000.00				9,000.00
Donovan Walker, Board Member	45,000.00				45,000.00
Ian Rose, Board Member	0.00				0.00
Total	255,000.00				255,000.00

Note:

- Mr. Ian Rose did not attend any of the Board meetings during the year and eventually resigned.
- The amount of \$255,600.00 reflected in the Financial Statement includes \$600.00 for a refund of parking fees to Directors.



FINANCIAL REPORT FOR THE YEAR ENDED MARCH 2018



MARITIME AUTHORITY
OF JAMAICA

FINANCIAL STATEMENTS
MARCH 31, 2018

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INDEPENDENT AUDITORS' REPORT

1

To the Members of
MARITIME AUTHORITY OF JAMAICA

Report on the Financial Statements

Opinion

We have audited the financial statements of Maritime Authority of Jamaica ("the authority"), set out on pages 3 to 24, which comprise the statement of financial position as at March 31, 2018, statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of Maritime Authority of Jamaica (the "Authority") as at March 31, 2018, and of its financial performance, and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 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.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal controls 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 Authority'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 Authority, or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Authority's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of the financial statements.

DIRECTOR: DION G. STAPLE, FCCA, FCA.

To the Members of
MARITIME AUTHORITY OF JAMAICA

Report on the Financial Statements (Cont'd)

Auditors' Responsibility for the Audit of the Financial Statements cont'd

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

- 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 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 controls.
- 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 Authority'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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.

DGS Chartered Accountants & Business Advisors

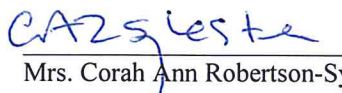
December 14, 2018

DGS Chartered Accountants and Business Advisors
6 Leinster Road, Kingston 5, Jamaica, W.I.

Statement of financial position
As at March 31, 2018

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS			
Cash and cash equivalents		123,086,082	106,277,101
Accounts receivable and prepaid expenses	3	42,865,737	37,880,720
Inventories	4	2,540,379	3,210,752
Taxation recoverable		<u>1,280,084</u>	<u>719,464</u>
		<u>169,772,282</u>	<u>148,088,037</u>
CURRENT LIABILITIES			
Bank overdraft	5	-	462,124
Accounts payable and provisions	6	<u>52,422,774</u>	<u>44,447,870</u>
		<u>52,422,774</u>	<u>44,909,994</u>
NET CURRENT ASSETS		117,349,508	103,178,043
NON-CURRENT ASSETS			
Property, plant and equipment	7	24,990,141	18,925,891
Investments	8	<u>99</u>	<u>99</u>
		<u>\$ 142,339,748</u>	<u>122,104,033</u>
ACCUMULATED FUND			
Accumulated surplus	Page 5	<u>\$ 142,339,748</u>	<u>122,104,033</u>

The financial statements, set out on pages 3 to 24, were approved by the Board of Directors on November 8, 2018 and signed on its behalf by:

 Chairman
 Mrs. Corah Ann Robertson-Sylvester

 Director General
 Rear Admiral Peter Brady

The accompanying notes form an integral part of the financial statements.

Statement of comprehensive income
For the year ended March 31, 2018

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
INCOME			
Subvention	9 (a)	167,981,000	164,313,999
Singapore income	9 (b)	5,756,799	11,422,494
Germany income	9(c)	14,191,229	21,022,726
Service income		<u>160,473,260</u>	<u>142,318,184</u>
		<u>348,402,288</u>	<u>339,077,403</u>
EXPENDITURE			
Advertising and promotion		9,642,981	5,059,967
Audit fees		632,500	575,000
Bank charges		1,148,459	1,421,792
Board members fee		255,600	368,000
Cleaning and sanitation		790,313	660,844
Consultancy expenses		4,644,327	438,800
Courier services and transportation		2,210,709	2,069,454
Depreciation		6,355,827	5,169,031
Entertainment		215,012	58,372
Examination and certificates expenses		1,169,051	257,252
GCT irrecoverable		3,103,568	3,421,517
Grants and subscriptions		3,223,210	2,501,635
Impairment losses, net		-	1,866,585
Insurance		2,516,020	2,343,819
Licenses and permits		1,886,865	7,962,566
Long range identification tracking audit expenses		451,735	951,352
Long range identification tracking expenses		405,738	335,325
Membership expenses		238,536	10,013
Miscellaneous expenses		121,242	190,776
Motor vehicle expense		880,358	920,013
Overseas travel		6,336,139	4,368,189
Parking fees		983,090	702,960
Rental expense		13,181,032	13,173,902
Repairs and maintenance		1,616,303	4,208,212
Salaries, wages and related expenses	10	216,830,367	204,398,356
Seminar and training		12,720,178	11,347,693
Singapore expense		-	573,392
Stationery and office supplies		2,712,521	3,074,992
Surveillance audit		638,022	473,675
Telephone expenses		<u>2,600,262</u>	<u>2,612,055</u>
Total expenses		<u>297,509,966</u>	<u>281,515,541</u>
Operating surplus		50,892,322	57,561,863
Finance income	11	2,723,935	7,712,605
Financed cost	11	(2,382,306)	-
Net surplus, being total comprehensive income			
for the year	12	<u>\$51,233,951</u>	<u>65,274,468</u>

The accompanying notes form an integral part of the financial statements.

Statement of changes in accumulated fund
March 31, 2018

	<u>Notes</u>	<u>Accumulated surplus</u>	<u>Total</u>
Balance as at March 31, 2016		56,829,565	56,829,565
Net surplus, being total comprehensive income for the year		<u>65,274,468</u>	<u>65,274,468</u>
Balance as at March 31, 2017		122,104,033	122,104,033
Transferred to consolidated fund	13	(30,998,236)	(30,998,236)
Net surplus, being total comprehensive income for the year		<u>51,233,951</u>	<u>51,233,951</u>
Balance as at March 31, 2018		\$ <u>142,339,748</u>	<u>142,339,748</u>

The accompanying notes form an integral part of the financial statements.

Statement of cash flows
March 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus	51,233,951	65,274,468
Adjustments to reconcile surplus for year to net cash used by operating activities:		
Depreciation	6,355,827	5,169,031
Interest income	(2,723,935)	(7,712,605)
	54,865,843	62,730,894
Changes in net current assets:		
Accounts receivable and prepaid expenses	(4,985,017)	(17,723,558)
Inventories	670,375	(1,221,080)
Accounts payable and provisions	<u>7,974,904</u>	<u>1,388,366</u>
Cash generated from operations	58,526,105	45,174,622
Interest received	2,723,935	7,712,605
Taxation withheld at source	(560,620)	(471,628)
Net cash inflows from operating activities	<u>60,689,420</u>	<u>52,415,599</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, being net cash outflow from investing activities	(12,420,079)	(4,073,466)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transferred to consolidated fund	(30,998,236)	—
Net increase in cash and cash equivalents	17,271,105	48,342,133
Cash and cash equivalents at the beginning of the year	<u>105,814,977</u>	<u>57,472,844</u>
Cash and cash equivalents at the end of the year	<u>\$123,086,082</u>	<u>105,814,977</u>
Cash and cash equivalents comprise:		
Cash and bank balances	6,709,742	8,625,324
Short-term deposits	116,376,340	97,651,777
Bank overdrafts	—	(462,124)
	<u>\$123,086,082</u>	<u>105,814,977</u>

Notes to the financial statements
March 31, 2018

1. The Authority

Maritime Authority of Jamaica (“the Authority”) is incorporated and domiciled in Jamaica, and is a body corporate established in accordance with the Shipping Act of 1988 (“the Act”). The principal place of business is situated at 2nd Floor, The Office Centre Building, 12 Ocean Boulevard, Kingston Jamaica.

The principal activities of the Authority are to pursue the development of shipping and to regulate matters relating to merchant shipping and seafarers.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements, as at and for the year ended March 31, 2018 (reporting date), are prepared in accordance with International Financial Reporting Standards (“IFRS”) and their interpretations, as issued by the International Accounting Standards Board (IASB).

New, revised and amended standards and interpretation effective during the year

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Authority has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, applicable to its operations. The nature and effects of the changes are as follows:

IAS 1, *Presentation of Financial Statements*, effective for accounting periods beginning on or after January 1, 2017, has been amended to clarify or state the following:

- Specific single disclosures that are not material do not have to be presented even if they are minimum requirements of a standard;
- The order of notes to the financial statements is not prescribed;
- Line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material;
- Specific criteria are now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI; and
- The presentation in the statement of OCI of items if OCI arising from joint ventures and associates accounted for using the equity method follows the IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.

Notes to the financial statements
March 31, 2018

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(a) Statement of compliance (cont'd)

New, revised and amended standards and interpretation effective during the year (cont'd)

Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation*, are effective for accounting periods beginning on or after January 1, 2017. –

The amendment to IAS 16, *Property, Plant and Equipment* explicitly state that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.

The amendment to IAS 38, *Intangible Assets* introduces a rebuttable presumption that the use of revenue-based amortisation methods is inappropriate for intangible assets.

New revised and amended standards and interpretations in issue but not yet effective

Improvements to IFRS 2012-2014 cycle contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2018. The main amendments applicable to the Authority are as follows:

IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

Notes to the financial statements
March 31, 2018

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(a) Statement of compliance (cont'd)

New revised and amended standards and interpretations in issue but not yet effective (cont'd)

IFRS 15, *Revenue from Contracts with Customers* is effective for periods beginning on or after January 1, 2018. It replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmed*, and IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*.

The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

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

There will be new qualitative disclosure requirements to describe the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

IFRS 16, *Leases*, which is effective for annual periods beginning on or after January 1, 2019, eliminates the current dual accounting model for leases, which distinguishes between on-balance sheet leases and off-balance sheet leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Authorities will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest, the total lease expense will be higher in early years of a lease even if and a lease has a fixed regular cash rentals. Optional leases exemption will apply to short-term loan leases and now value items with value of US \$5,000 or less.

Lessor accounting remains similar to current practice, as the lessor will continue to classify leases as finance and operating leases. Finance lease accounting will be based on IAS 17 lease accounting, with recognition of net investment in lease comprising lease receivable and residual asset. Operating lease accounting will be based on IAS 17 operating lease accounting.

Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

The Authority is assessing the impact that these amendments will have on its financial statements.

Notes to the financial statements
March 31, 2018

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(a) Basis of preparation:

The financial statements are prepared on the historical cost basis.

(i) Functional currency

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

(ii) Use of estimates and assumptions

The preparation of the financial statements to conform to IFRS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date, and the income and expenditure for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and future periods, if the revision affects both current and future periods. The areas involving a higher degree of judgment in complexity or areas where there are significant assumptions or estimates are discussed below:

Allowance for impairment losses on receivables:

Management makes judgements about the indicators of impairment in determining the amounts to be recorded for impairment allowance on accounts receivable. Management considers whether there has been objective evidence that there may be a measurable decrease in the expected future cash flows from receivables, such as, default or adverse economic conditions. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(iii) Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in the presentation in the current year.

(c) Revenue recognition:

Revenue is recognized in the statement of comprehensive income when the Authority establishes a right to receive it and it can be reliably measured.

Subvention

Grants that compensate for operating expenses are recognised on the accrual basis.

Service income

Revenue from the provision of services is recognised as the service is provided.

Notes to the financial statements
March 31, 2018

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(d) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances, including short-term deposits and other monetary investments with maturity ranging between one and three months from the acquisition date, and other financial instruments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term commitments.

(e) Accounts receivable:

Accounts receivable are stated at cost less impairment losses (see note 2j).

(f) Inventories:

Inventories are valued at the lower of cost, determined on the first in first out basis, and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expense.

(g) Accounts payable:

Accounts payable are stated at amortised cost.

(h) Provisions:

A provision is recognised in the statement of financial position when the Authority has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Property, plant & equipment:

(i) Owned assets

Items of property, plant & equipment are stated at cost less accumulated depreciation and impairment losses (see note 2j). Costs include all amounts incurred in taking the asset to its current location and condition. Subsequent expenditure is only capitalised when it is probable that future economic benefits will flow to the Authority.

The gain or loss arising on disposal of assets is the difference between the proceeds and the net carrying amount, and is recorded in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for separately.

Notes to the financial statements
March 31, 2018

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(i) Property, plant & equipment cont'd:

(i) Owned assets (cont'd)

(ii) Depreciation

Depreciation is computed on the straight-line basis at annual rates estimated to write off the property, plant & equipment over their expected useful lives to their residual values as follows:

Lease improvement	2.5%
Computer equipment	20%
Equipment	20%
Furniture, fixtures and fittings	20%
Motor vehicles	20%
Software	33 1/3%

(j) Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Authority has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(k) Finance income materially represents interest earned from short term deposits and foreign exchange gains on investments and receivables balances denominated in United States Dollar.

Interest income:

Interest income is recognised on a straight-line basis in accordance with the terms of the transaction using the effective interest method.

Foreign exchange gains:

Foreign exchange gains are recognised from the translation of foreign currency into the functional currency at appropriate exchange rates.

Notes to the financial statements
March 31, 2018

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(l) Impairment:

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

An impairment loss is recognised whenever the carrying amount of an asset, or group of operating assets, exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Objective evidence that financial assets are impaired include default or delinquency by a borrower, restructuring of a loan or advance by the Authority on terms that the Authority would not otherwise consider, adverse changes in the payment status of the borrowers or issuers, indications that a debtor or issuer will enter into bankruptcy, or observable data indicating that there is measurable decrease in expected cash flows from the Authority's financial assets.

(m) Financial instruments:

A financial instrument is any contract that gives rise to financial assets of one enterprise and a financial liability or equity instrument of another enterprise. For these financial statements, financial assets have been determined to include cash and cash equivalents, investments and accounts receivable. Similarly, financial liabilities include bank overdraft, and accounts payable.

(i) Recognition:

Management initially recognises financial assets on the trade date, which is the date that the Authority becomes a party to the contractual provisions of the instrument.

(ii) Derecognition:

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, the rights to receive the contractual cash flows on the financial asset are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Retained or created interest in transferred financial assets is recognised as a separate asset or liability. A financial liability is derecognised when its contractual obligations are discharged, cancelled or expired.

Notes to the financial statements
March 31, 2018

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(m) Financial instruments cont'd:

(iii) Classification

Management determines the classification of financial assets and liabilities at the time of acquisition and takes account of the purpose for which they were acquired.

Management classifies financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and include the Authority's trade receivables and cash and cash equivalents.

Trade receivables are initially recorded at the fair value of the consideration given including any transaction costs, and are subsequently measured at amortised cost.

The Authority considers trade receivables to be impaired when there is objective evidence of impairment as a result of one or more loss events that occurred after the date of initial recognition and the loss event has an impact on the estimated recoverable amounts of trade receivables that can be reliably estimated.

An impairment allowance is established if there is objective evidence based on observable data that management will not be able to collect all amounts outstanding.

Non-derivative financial liabilities are classified as other financial liabilities.

(iv) Measurement:

A financial asset or financial liability is measured initially at fair value, plus transaction costs that are directly attributable to its acquisition or issue.

Subsequent to initial recognition financial assets classified as loans and receivables are measured at amortised cost, using the effective interest method.

Subsequent to initial recognition non-derivative financial liabilities are measured at amortised cost, using the effective interest method.

(n) Foreign currency transactions:

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaica dollars at the exchange rates prevailing at the statement of financial position reporting date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

Notes to the financial statements
March 31, 2018

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(o) Related party

A related party is a person or entity that is related to 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 Authority (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 Authority of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the 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);

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

3. Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses represent:

	<u>2018</u>	<u>2017</u>
Trade receivables	31,551,004	27,908,333
Prepaid expenses	3,665,055	3,583,636
Other receivables	<u>13,029,884</u>	<u>11,768,957</u>
	48,245,943	43,260,926
Less allowance for impairment losses	<u>(5,380,206)</u>	<u>(5,380,206)</u>
	<u>\$ 42,865,737</u>	<u>37,880,720</u>

4. Inventories

This represents seafarer's certificate of competency on hand as at March 31, 2018.

Notes to the financial statements
March 31, 2018

5. Bank overdraft

This represented the book balance for one of Authority's bank account stated net of unrepresented cheques and late lodgements. The actual balance included on the bank statement as at March 31, 2018 is Nil (2017: \$2,818,137).

6. Accounts payable and provisions

Accounts payable and provisions represent:

	<u>2018</u>	<u>2017</u>
Trade payables	8,048,679	5,676,655
Accrued vacation leave	25,507,545	20,932,646
Accrued gratuities	12,331,617	13,141,905
Other accrued expenses	4,446,134	2,607,865
Other payable and accruals	<u>2,088,799</u>	<u>2,088,799</u>
	<u>\$ 52,422,774</u>	<u>44,447,870</u>

Notes to the financial statements
March 31, 2018

7. Property, plant & equipment

	<u>Leasehold improvement</u>	<u>Equipment</u>	<u>Furniture fixtures & fittings</u>	<u>Motor vehicles</u>	<u>Computer software</u>	<u>Computer equipment</u>	<u>Total</u>
Cost:							
March 31, 2016	10,309,951	10,055,226	6,802,250	5,794,027	6,713,297	13,531,165	53,205,916
Additions	-	390,403	131,234	-	1,002,148	2,549,681	4,073,466
March 31, 2017	10,309,951	10,445,629	6,933,484	5,794,027	7,715,445	16,080,846	57,279,382
Additions	135,686	-	194,766	8,732,795	537,754	2,819,078	12,420,079
March 31, 2018	10,445,637	10,445,629	7,128,250	14,526,822	8,253,199	18,899,924	69,699,461
Depreciation:							
March 31, 2016	1,100,093	6,349,892	5,770,068	5,794,024	5,733,461	8,436,924	33,184,462
Charge for the year	291,049	1,230,085	456,196	-	825,245	2,366,456	5,169,031
March 31, 2017	1,391,142	7,579,977	6,226,264	5,794,024	6,558,706	10,803,380	38,353,493
Charge for the year	373,048	1,236,038	371,773	1,601,012	608,157	2,165,799	6,355,827
March 31, 2018	1,764,190	8,816,015	6,598,037	7,395,036	7,166,863	12,969,179	44,709,320
Net book values:							
2018	\$ 8,681,447	1,629,614	530,213	7,131,786	1,086,336	5,930,745	24,990,141
2017	\$ 8,918,809	2,865,652	707,220	3	1,156,740	5,277,467	18,925,891
2016	\$ 9,209,858	3,705,334	1,032,182	3	979,836	5,094,241	20,021,454

Notes to the financial statements
March 31, 2018

8. Investments

This represents the par value of 99% of the shares of Maritime Technical Service (Jamaica) (MTSJ) Limited. This subsidiary is not consolidated as the financial position, performance and cash flows of MTSJ are considered immaterial.

9. Operating income

Operating income represents:

	<u>2018</u>	<u>2017</u>
(a) Subvention- Ministry of Transport and Works	167,981,000	164,313,999
Service income	<u>160,473,260</u>	<u>142,318,184</u>
	<u>328,454,260</u>	<u>306,632,183</u>
Less: expenses		
Administrative costs	(297,509,966)	(281,515,541)
Finance income	2,723,935	7,712,605
Finance cost	<u>(2,382,306)</u>	<u>-</u>
	<u>(297,168,337)</u>	<u>(273,802,936)</u>
Surplus for the year	31,285,923	32,829,248
(b) Singapore income		
Singapore office	5,756,799	11,422,494
(c) Germany income		
Germany office	<u>14,191,229</u>	<u>21,022,726</u>
Net surplus for the year	<u>\$ 51,233,951</u>	<u>65,274,468</u>

10. Salaries and other related costs

Staff costs represent:

	<u>2018</u>	<u>2017</u>
Salaries and wages	112,491,676	108,710,015
Senior executive staff remuneration - salaries and wages	41,125,064	38,261,761
- gratuity	8,794,345	8,076,898
Employer contribution	10,637,736	10,257,309
Pension contribution	3,827,927	3,667,147
Motor vehicle upkeep allowance	19,215,959	19,847,788
Gratuities	6,096,194	8,879,700
Anniversary and award function	2,392,560	-
Provision for vacation leave	4,574,898	947,300
Staff welfare	3,236,035	1,353,941
Meal allowances	3,779,974	3,809,809
Other staff costs	<u>658,000</u>	<u>586,688</u>
	<u>\$ 214,437,808</u>	<u>204,398,356</u>

Notes to the financial statements
March 31, 2018

11. Finance income

Finance income comprises the following:

	<u>2018</u>	<u>2017</u>
Interest income	2,723,935	2,160,989
Foreign exchange gain	<u>-</u>	<u>5,551,616</u>
	<u>\$ 2,723,935</u>	<u>7,712,605</u>

12. Net surplus

Net surplus is stated after charging:

	<u>2018</u>	<u>2017</u>
Depreciation	6,355,827	5,169,031
Impairment losses	<u>-</u>	<u>1,866,585</u>

13. Consolidated fund

Based on The Financial Administration and Audit Act 2018, the authority is required to remit service income to the Government of Jamaica any amount of their budget. The amount was calculated as follows:

Actual service income	166,008,518
Budgeted service income	<u>(135,010,282)</u>
	<u>\$ 30,998,236</u>

14. Taxation

The Authority has been granted exemption from income tax under section 21 (1) of the schedule to the Shipping Act of 1998.

15. Financial instruments

(a) Fair value of financial instruments:

- (i) 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.

Where such instruments exist, they are valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

Notes to the financial statements
March 31, 2018

15. Financial instruments cont'd

(a) Fair value hierarchy cont'd

- (ii) The carrying value reflected in the financial statements for cash and cash equivalents, accounts receivable, bank overdraft, and accounts payable are assumed to approximate to their fair value due to their short term nature. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realisation or discounts on settlement. Loans and other non-current items are carried at their contracted settlement values or reflect the ability to effect set-offs in the amounts disclosed.

(iii) Fair value hierarchy

The Authority measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - fair value measured based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - fair value measured based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Financial instruments risks:

The Authority has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk and cash flow risk. Information about the Authority's exposure to each of the above risks, the Authority's objectives, policies for measuring and managing risk is detailed below.

The directors have overall responsibility for the establishment and oversight of the Authority's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the Authority, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Authority's activities.

Notes to the financial statements
March 31, 2018

15. Financial instruments (cont'd)

(c) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge and cause the other party financial loss.

The Authority manages the credit risk by placing funds in secure financial institutions. In relation to accounts receivable, management has a rigorous policy on credit approval and follow-up of receivables.

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

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	123,086,082	106,277,101
Accounts receivable	<u>42,865,737</u>	<u>37,880,720</u>
	<u>\$ 165,951,819</u>	<u>144,157,821</u>

Cash and cash equivalents are placed with reputable financial institutions that are believed to have minimal risk of default.

Credit is only granted to customers with good credit history. The Authority's exposure to credit risk is mainly influenced by the individual characteristics of each debtor. Management has established a credit policy under which all new customers are assessed for creditworthiness before credit terms are offered. Management's assessment includes reviewing the financial position of the debtor and obtaining suitable references. Sales limits are established and reviewed periodically. Any excess over the limit requires the approval of the Director General.

The aging of accounts receivable at the reporting date and the related loss allowance are as follows:

	<u>2018</u>		<u>2017</u>	
	Gross	Impairment	Gross	Impairment
0-30 days	12,690,945	-	7,122,987	-
Past due 31-60 days	9,938,318	-	2,656,488	-
Past due 61-90 days	2,819,157	-	8,577,557	-
More than 90 days	<u>6,102,584</u>	<u>(5,380,206)</u>	<u>9,551,301</u>	<u>(5,380,206)</u>
	<u>\$ 31,551,004</u>	<u>(5,380,206)</u>	<u>27,908,353</u>	<u>(5,380,206)</u>

The movement in the allowance for impairment in respect of accounts receivable during the year was as follows:

	<u>2018</u>	<u>2017</u>
Balance at beginning of year	5,380,206	3,513,618
Increase/(reduction) in bad debt provision	<u>-</u>	<u>1,866,588</u>
Balance at end of year	<u>\$ 5,380,206</u>	<u>5,380,206</u>

Notes to the financial statements
March 31, 2018

15. Financial instruments (cont'd)

(c) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

Management manages market risk by maintaining bank accounts in foreign currency.

(i) 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.

As at March 31, 2018, the Authority had no significant exposure to this risk.

(ii) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Authority incurs foreign currency risk primarily on purchases, sales and deposits that are denominated in the United States Dollars.

The net foreign currency financial assets in their nominal values at year end were as follows:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	870,620	806,346
Accounts receivable	249,584	206,862
Accounts payable	(15,891)	(7,558)
	<u>\$ 1,104,313</u>	<u>1,005,650</u>

Exchange rates for the US dollar, in terms of Jamaica dollars were as follows:
JAD

At March 31, 2018	\$ 125.98
At March 31, 2017	\$ 128.67

Notes to the financial statements

March 31, 2018

15. Financial instruments (cont'd)

(d) Market risk (cont'd):

(ii) Foreign currency risk (cont'd):

Sensitivity analysis

The following table details the Authority's sensitivity to a 10% strengthening or 5% weakening of the United States dollar against the Jamaica dollar and the resultant net exchange gains/ (losses) based on the foreign currency assets at year end. These percentages represent management's assessment of the reasonably possible change in foreign currency rates. This analysis assumes that all other variables, in particular interest rates, remain constant.

	<u>2018</u>	<u>2017</u>
10% Devaluation of J\$		
Gain on United States dollar (US\$)	\$13,912,135	12,939,698
5% Revaluation		
Loss on United States dollar (US\$)	\$ (6,956,068)	(6,469,849)

There has been no change as to how management monitors or manages market risk.

(e) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the Authority will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funds through an adequate amount of committed credit facilities.

The contractual maturity of accounts payable and bank overdraft are within six months.

There has been no change as to how management monitors or manages liquidity risk.

(f) Cash flow risk:

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The Authority manages this risk by generally ensuring that cash flows relating to monetary financial assets and liabilities are matched.

(g) Operational risk:

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the entity's processes, personnel, technology, infrastructure and external factors, other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Notes to the financial statements

March 31, 201815. Financial instruments (cont'd)

(g) Operational risk cont'd:

The Authority's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

(h) Business risk:

Business risk is defined as the risk to the Authority arising from changes in its business, including the risk that the Authority may not be able to carry out its business plan and its desired strategy. The main business risks identified are the risk of failure of management and the risk of policy change from government rendering the Authority's business model infeasible. To counter this, the Authority has a good governance structure.

16. Lease commitment

As at March 31, 2018, the Authority had a Supplemental lease, (2017: \$2,073,371 which expires in April 2018).

Amounts charged to profit or loss as expense totalled \$13,181,032 (2017: \$13,173,902).

17. Related party

The Authority has a related party relationship with its subsidiary, other companies under common ownership of directors, as well as with its Directors and senior management. The Directors and senior management of the Authority are collectively referred to as "key management personnel". The following income and expenses were recognised in the statements of comprehensive income during the year:

	<u>2018</u>	<u>2017</u>
Ministry of Transport and Works- Subvention	167,981,000	164,313,999
Key management personnels	<u>(56,133,351)</u>	<u>(52,552,603)</u>

18. Capital management

The Authority's capital consists of accumulated surplus. The Board's strategy is to maintain a strong capital base to support the future development of its operations. The Authority is not subject to any externally-imposed capital requirements. There were no changes to capital management during the year.