
TOLL AUTHORITY

Annual Report

2013-2014



Table of Contents

2	Mission Scope and Mandate
3	Message from the Minister
4	Message from the Chairman
5	Board of Directors
6	Corporate Governance
7	Committees' Reports
	(i) Audit & Finance Committee
	(ii) Legal Committee
	(iii) Technical Committee
9	Board Directors' Compensation
10	Management and Staff
11	Report of the Board of Directors
23	Audited Financials



Mission

To ensure that Jamaica's toll roads are effectively and efficiently developed and managed in accordance with agreed performance and safety standards, service levels and practices and assist in creating an enabling environment for all stakeholders.

Scope & Mandate

The Toll Authority's major functions are:

- To regulate the operation and maintenance of toll roads and such other facilities as may be deemed necessary on or adjacent to toll roads;
 - To monitor compliance of concessionaires with the terms and conditions of concession agreements;
- To advise the Minister on matters of general policy relating to the design, construction, safety, regulation, operation and maintenance of the toll roads in Jamaica.



Message from the Minister



Dr. the Hon. Omar Davies, MP
MINISTER

The toll road concept has greatly enhanced Jamaica's infrastructural development. Since its inception in 2002, toll roads have been expanded from the original one at the Vineyards to encompass the Spanish Town, Portmore, May Pen and more recently, Mount Rosser via the North South link.

An examination of the travel pattern of anyone traversing any of the toll roads would indicate that significant gains have been made in terms of travel time, a decrease in the use of the amount of petrol and an overall better travel experience.

One of the very significant players in keeping the toll road operational is the Toll Authority. During the 2013/2014 period, the Authority worked along with other stakeholders such as the Police, National Road Operating and Constructing Company Limited and the National Works Agency to address specific challenges and to generally increase the efficiency of toll roads.

I wish to congratulate the Authority on its commitment to institutional building and the general expansion of its knowledge base and expertise, as is evidenced in its participation in varying international infrastructural seminars and workshops.

There is no denying the importance of infrastructural development to economic growth in Jamaica and the fact that efficiently operated highways have the potential for tremendous impact. As the parent Ministry under whose auspices the Toll Authority falls, we are very proud of its achievements and pledge our support to enhance its operations in whatever way we can.

A handwritten signature in black ink, appearing to read "Omar Davies".

Dr. the Hon. Omar Davies, Mp
Minister of Transport, Works and Housing

Message from the Chairman



Devon Dick, OD, JP (Rev. Dr.)
CHAIRMAN

The toll road experience in Jamaica, by and large, continues to be a pleasant one. This is not something that has been achieved by chance.

The fact is that we place a high premium on the lives of people who happen to use these roadways. That is why, for instance, we ensure that employees of the Toll Authority, the entity that is responsible for monitoring and regulating the concessionaires, tasked with looking after the toll roads, are exposed to best practices from around the world. We take our mandate seriously and therefore employ all available means at our disposal to ensure that the standards governing these roads are upheld.

Our role by necessity is a collaborative one and we hail the work of all the other stakeholders with whom we partner to achieve the objective of a safe thoroughfare for all. We wish to assure those who use the roads that we will at all times monitor and regulate with one purpose in mind – that of ultimately making the commuting public the beneficiaries of great service.

Quite apart from the aesthetic appeal of the Vineyards, May Pen, Spanish Town and Portmore tolled thoroughfares, we are happy to announce that our monitoring and regulating efforts ensure that maintenance occur on the roads as frequently as is required. Persons who traverse them must have become quite accustomed to seeing orange cones on parts of the roadway at given points in time indicating that work is taking place while leaving enough room for regular motoring to continue. All of this speaks to strategic planning and efficient use of these corridors; a process we are delighted to be a part of.

I am pleased to be associated with the fellow board members and employees of the Toll Authority. Sure there are challenges, but none that are insurmountable and we continue to work to ensure that solutions are found for them whenever they arise.

We wish to make a commitment that as we move forward with the other legs of the North South Highway toll roads, we will be fervent in our efforts to provide thoroughfares that will be safe, pleasant and cost effective.

A handwritten signature in black ink that reads "Devon M. Dick". The signature is written in a cursive style and is placed on a light grey rectangular background.

Rev. Devon Dick — Chairman

BOARD OF DIRECTORS

Rev. Devon Dick — Chairman

Ms. Pauline Findlay — Deputy Chairman

Ms. Greta Bogues, Mr. Cosmo Brooks, Dr. Janine Dawkins, Ms. Muna Issa

Ms. Susan Lawrence, Mr. Guy Morris, Mr. Patrick Rose

COMMITTEES OF THE BOARD

Audit & Finance Committee

Ms. Greta Bogues — Chairman

Mr. Cosmo Brooks, Ms. Muna Issa, Mr. Guy Morris

Legal Committee

Ms. Pauline Findlay — Chairman

Dr. Janine Dawkins, Ms. Susan Lawrence, Mrs. Sheryl Shirley-Haynes

Technical Committee

Patrick Rose — Chairman

Dr. Janine Dawkins, Mr. Guy Morris



Corporate Governance

The Board of Directors and the Management of the Toll Authority, being mindful of its mandate and the fact that effective corporate governance is critical for the healthy operation of the organization, made every effort to implement and adhere to a strong system of accountability and transparency during the year.

This system of accountability and transparency included adherence to its governing Toll Roads Act and regulations and other pertinent pieces of legislation namely:

- Public Bodies Management & Accountability Act
- Financial Administration & Audit Act

The Board of Directors, which comprised nine (9) members, is appointed by the Minister of Transport, Works and Housing. During the year, the Directors met five (5) times in order to conduct the business of the Authority. Below is a summary of the attendance at these meetings.

Board Meeting Attendance

Name of Directors	Number of Meetings	Number of Meetings Attended
Rev. Devon Dick	5	3
Pauline Findlay	5	5
Greta Bogues	5	2
Cosmo Brooks	5	3
Dr. Janine Dawkins	5	5
Muna Issa	5	3
Susan Lawrence	5	3
Guy Morris	5	1
Patrick Rose	5	4

The three (3) Committees of the Board which are constituted as outlined below met as needed.

Board Committees

Name of Director	Audit & Finance Committee	Legal Committee	Technical Committee
Pauline Findlay		* Chair	
Greta Bogues	* Chair		
Cosmo Brooks	*		
Dr. Janine Dawkins		*	*
Muna Issa	*		
Guy Morris	*		*
Susan Lawrence		*	
Patrick Rose			* Chair

Mrs. Shirley Haynes continued to sit on the Legal Committee, as an invited external member.

Committees' Reports

Audit & Finance Committee Report

In compliance with the Public Bodies Management and Accountability (Amendment) Act and the Corporate Governance Framework for Public Bodies, the Audit & Finance Committee was constituted in April 2012.

The Audit & Finance Committee has the role and responsibilities for:

1. Advising the Board on –
 - a. The practices and procedures which will promote productivity and the quality and volume of service;
 - b. The extent to which the objectives of the Authority are being achieved; and
 - c. The adequacy, efficiency and effectiveness of the accounting and internal control structure and systems of the Authority;
2. Reviewing and advising the Board on the financial statements that are to be included in the annual report of the public body;
3. Reviewing and advising the Board on the annual auditor's report;
4. Reviewing and advising the Board on annual and midterm strategic and operational plans; and
5. Reviewing and advising the Board with respect to the content of reports for any special audit or examination.

With a complement of four Board Members, including its Chairman Ms. Greta Bogues, the Committee met once during the year; the following issues were addressed:

- Reviewing of financial reports produced by the Ministry of Transport, Works and Housing on the Authority's behalf
- Reviewing and making recommendations to the Board on matters of:
 - o Expenditures
 - o Annual budget
 - o Annual corporate plans and strategic plans

Similar to previous reporting periods, all accounting activities were conducted by and through the Ministry of Transport, Works and Housing. However, following up on the significant adjustments of the last financial reporting period, the process, preparation and presentation of the financials are in accordance with generally accepted accounting principles and international financial reporting standards. The audited accounts were prepared by the registered audit firm, Hayle & Company.

The Legal Committee Report

The Legal Committee was constituted in April 2012. It comprises four members and is chaired by Ms. Pauline Findlay, Attorney-at-Law. The Committee has the responsibility for:

1. Advising the Board on –
 - a. The legislative framework governing the Authority;
 - b. Recommendations and suggestions for amendments.
2. Reviewing the laws and related documentation.
3. Making recommendations on policies which would have legal implications.

During the period under review, the Committee met four (4) times during which the following were addressed:

- Reviewing of the draft of and making recommendations for the amendment of the Toll Roads (Returns, Report and Register) Regulations;
- Reviewing of the draft of and making recommendation for the amendment of the Toll Roads (Technical Designs, Operation and Maintenance) Standards Regulations;
- Reviewing of the issue of appointment of a Corporate Secretary;
- Reviewing of the provisions of the Concession Agreement which relates to the payment of compensation where improvement is made to an alternative road.

The Technical Committee Report

The Technical Committee was constituted in 2012 under the chairmanship of Mr. Patrick Rose. The Committee is responsible for:

1. Considering applications from the concessionaires for the closure of toll lanes and giving direction for general traffic management and safety issues.
2. Reviewing and considering all technical matters requiring the input of the Toll Authority. These include:
 - a. Technical standards
 - b. Toll road safety issues
 - c. Design related issues
3. Reviewing and considering issues relating to the use, benefit and optimization of the highway. This includes matters relating to:
 - a. Access and egress points
 - b. Travel demands
 - c. Service standards

During the period under review, the Technical Committee met three (3) times during which two applications from TransJamaican Highway Limited were considered for the installation of tyre deflation devices at the following locations:

- Freetown On-Ramp
- Freetown Off-Ramp (exit)
- Old Harbour On-Ramp
- Hill Run On-Ramp
- Hill Run Off-Ramp (exit)
- Portmore Interchange On-Ramp

Board of Directors' Compensation

Payments were made to the Board of Directors in line with the PBMA Act. Below is a summary of the payments made:

Board Member	Position of Director	Fees (\$)	Motor Vehicle Upkeep/ Travelling or Value of Assigned Motor Vehicle	Honoraria	All Other Compensation including Non-Cash Benefits as Applicable	Total \$
1	Board Chairman	21,375.00	N/A	N/A	N/A	21,375.00
2	Board Member and Member for the Technical and the Legal Committee	33,750.00	N/A	N/A	N/A	33,750.00
3	Board Member and Member of the Audit Committee	8,250.00	N/A	N/A	N/A	8,250.00
4	Board Member and Member of the Audit Committee	19,125.00	N/A	N/A	N/A	19,125.00
5	Board Member and Chairman of the Technical Committee	24,375.00	N/A	N/A	N/A	24,375.00
6	Board Member and Member for the Audit Committee	6,750.00	N/A	N/A	N/A	6,750.00
7	Board Member and Chairman for the Audit Committee	13,500.00	N/A	N/A	N/A	13,500.00
8	Deputy Chairman of the Board and Chairman of the Legal Committee	52,875.00	N/A	N/A	N/A	52,875.00
9	Board Member and Member of the Legal Committee	16,125.00	N/A	N/A	N/A	16,125.00
GRAND TOTAL						\$196,125.00

The grand total of \$196,125.00 does not include the withholding taxes.

Management and Staff

The Authority continued to carry out its core function through a secretariat comprising of three staff members. Other functions such as Accounting, Procurement, Human Resource Management and Information Technology were provided by the Ministry of Transport, Works and Housing. The staff complement of the Authority is three (3), broken down as follows:

Mrs. Joan Fletcher – Toll Administrator/CEO
 Mr. Graeme Patrick – Senior Toll Inspector
 Ms. Laura McPherson – Administrative Secretary

Senior Executive Compensation

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Chief Executive Officer	13/14	3,520,714.31	-00	932,814.00	-00	-00	-00	4,453,528.31
Senior Inspector	13/14	2,187,599.65	1,107,844.30	514,500.00	-00	*946,775.63	-00	4,756,719.58
GRAND TOTAL		5,708,313.96	1,107,844.30	1,447,314.00	-00	*946,775.63	-00	9,210,247.89

Note:

- *Includes the sum of \$659,510.00 for Mileage for on the job travel and \$287,265.63 for vacation leave, employer's contribution to Health Card & vaccinations for overseas travel.
- The sum of \$7,103,424 referred to as Management Remuneration in Note 3 of the Audited Financial Statement comprises the following payments only:

\$5,708,313.96
 \$ 1,107,844.30
 \$ 287,265.63

Report of the Board of Directors

Toll Roads of Jamaica

During the year under review, the Jamaican toll roads comprised two distinct sections:

- i) Vineyards & Spanish Town & May Pen Toll Roads (T1): From Mandela Highway to May Pen — approximately 45 km (includes Phase 1B ~ 12 kilometres from Sandy Bay to May Pen); and
- ii) Portmore Toll Road (T2): Marcus Garvey to Portmore — approximately 6 kilometres.

The Linstead to Moneague North South Link, which is approximately 19.16 kilometres, was under construction to be opened during the 2014/15 financial year.

Operations & Maintenance Highlights

The Condition of the Infrastructure

Road Surface: The eastern section of the Vineyards toll road was repaired at the end of the financial year. The corresponding road marking repairs were 98% completed due to a shortfall in material. The material was ordered for works to be completed during the first quarter of the 2014/2015 year.

Bridges: All bridges are in good structural condition. The fence at the Bernard's Lodge Bridge has proven successful in deterring stone throwing on to the oncoming traffic. The fence has also maintained well.

Fencing: There were instances of the fence being breached and stolen. This practice allows animals and pedestrians to enter the corridor. Independent investigations conducted by the Operators of the toll road have revealed that sections of the fence were stolen and sold. The matter has been submitted to the Police. This situation, however, continues to be a source of concern as:

- Animals are a hazard to the motorists
- Pedestrians are at risk on the high speed motorway
- The fence replacement costs are high.

Table 1 and Chart 1 & 2 below provide data on the quantity of fence that has been damaged or stolen.

Table 1 - Damaged/Stolen Fences in M

Description	Damaged and Stolen Fence 2013/2014												
Damaged	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
	63	408	86	135	105	421	319	61	121	89	186	33	2,027
Stolen	402	165	402	557	293	355	180	200	231	122	210	403	3,520
Total	465	573	488	692	398	776	499	261	352	211	396	436	5,547
Damaged and Stolen Fence 2012/2013													
Total 2012/2013	1358	1334	408	1053	403	217	444	163	563	192	576	634	7,345

Chart 1 – Damaged and Stolen Fence for 2013/2014

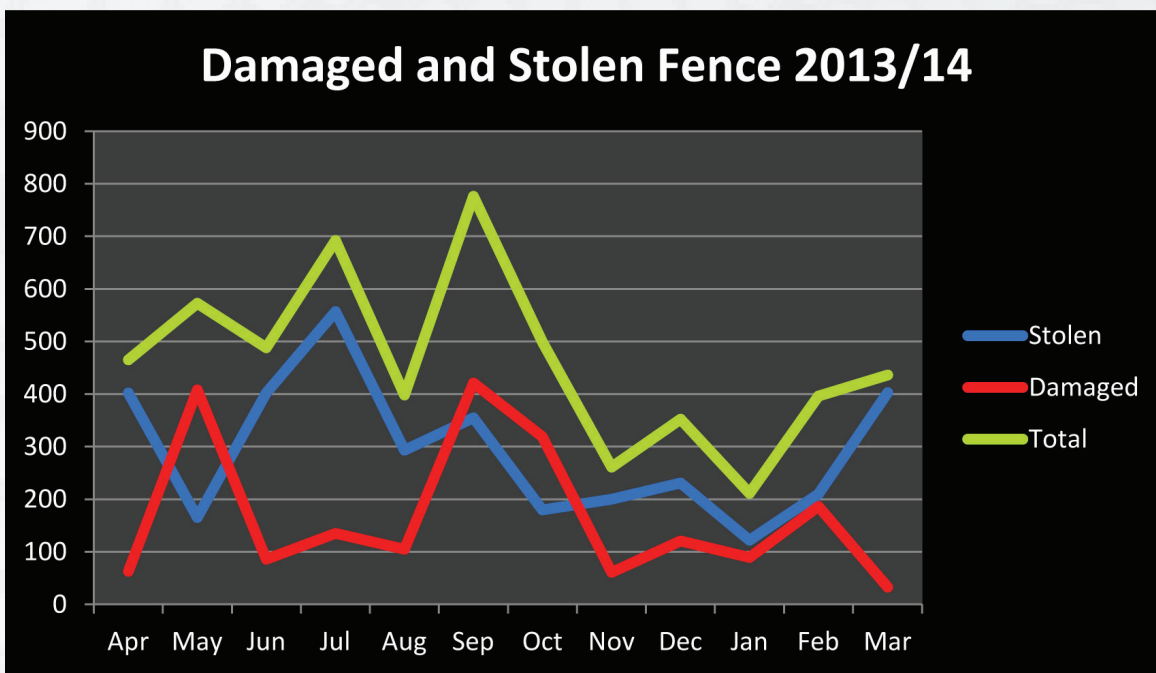
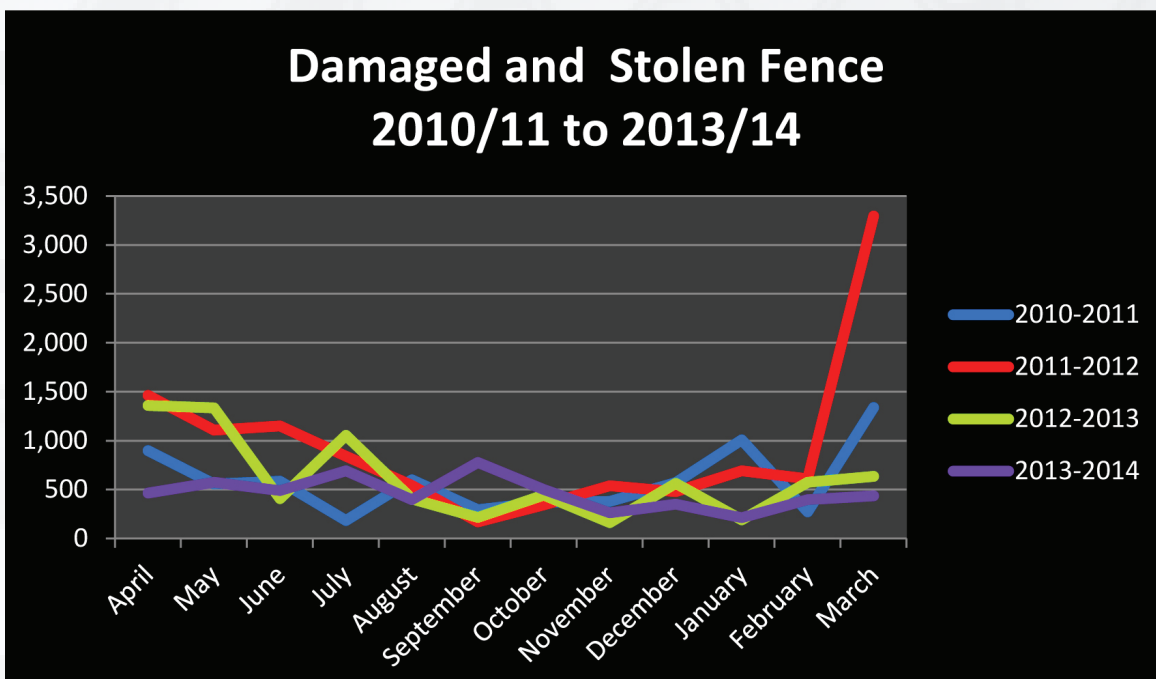


Chart 2 – Damage and Stolen Fence for Years 2010/2011 to 2013/2014



Solar Lights: During the previous financial year (2012/2013), the Operator installed solar lights in selected areas along the Vineyards, Spanish Town, May Pen and Portmore toll roads. The lights were all commissioned and were operational during that period; however, several of these lights were vandalized and their batteries stolen.

At the end of the year, solar lights were functional only on the Portmore toll road, Halse Hall Interchange and at the Old Harbour Interchange due to theft in the other areas. The Operator indicated its intent to pursue a locking mechanism in order to secure the batteries.

Road Marking & Signs: All road markings and reflectors were maintained in good condition. The Operator’s scheduled inspections for road markings and signs were carried out in November 2013 and there were no outstanding matters reported. The theft of signs continued during the year. The maintenance and replacement programme was therefore ongoing. These exercises were monitored by the Toll Authority.

Toll Road Safety

Driving against the one way: Regulations for the installation of tyre deflation devices, “The Toll Roads (Tyre Deflation Device) Regulations”, became effective in March 2013. During the year, the Authority processed applications from TransJamaican Highway Limited for devices to be placed in several locations. Approval was given and orders made for devices to be placed at the following locations:

- Old Harbour On-Ramp
- Freetown On-Ramp
- Freetown Off-Ramp
- Portmore Interchange On-Ramp
- Hill Run On-Ramp
- Hill Run Off -Ramp

Traffic control management & safety in public domain: The following were observed:

- During the repair exercise and maintenance works, adequate temporary signs and traffic cones are used to guide motorists safely
- Adequate and appropriate signs to inform motorists of upcoming exits, tollbooths and merge lanes
- Toll lane indicator signs were easily seen from afar
- Public safety was threatened by stone throwing at Savannah Cross Bridge and across the carriageway.

Collision: There were 238 collisions for the financial year April 2013 to March 2014: this is 22% higher than the 2012/13 year. This resulted from an increase in the number of major collisions from 83 to 106 and minor collisions from a total of 112 to 130. Fatalities also increased by 266%. Fatalities for March was the second highest for the year, with January experiencing the highest at 4.

Table 2 - Collisions for the Period April 2013 to March 2014 Compared With 2012/13 & 2011/12

Period	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2011/12													
	19	31	17	17	15	17	19	14	23	13	18	18	221
2012/13													
	12	16	20	10	16	17	16	15	21	18	13	21	195
2013/14													
	13	28	23	20	20	11	25	22	18	26	13	19	238
Fatality													
2013/14	0	0	0	0	0	0	1	2	1	4	0	3	11

Below is Table 3 which provides a clear picture of the numbers and classification of collisions since 2007. The year 2007/2008 had the highest fatalities, with 2013/2014 being very close with a total of 11.

Table 3 — Classification of Collisions — Annual Comparison: 2007/08 to 2013/14

Classification of Collisions							
Collisions	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Minor Collisions	180	184	109	143	76	83	108
Major Collision	43	36	105	137	145	112	130
Total	223	220	214	280	221	195	238
Classification of Injury							
Light	42	53	34	32	32	18	49
Serious	43	44	45	29	53	76	55
Fatality	15	5	5	4	6	3	11

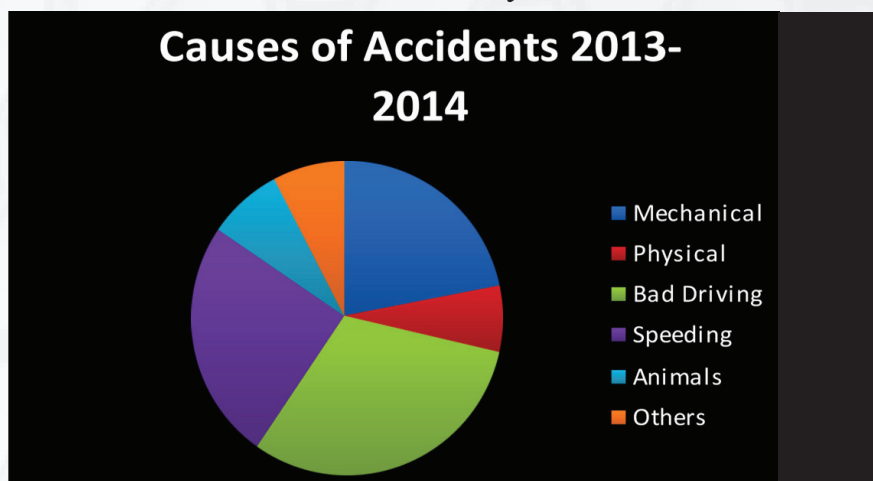
Table 4 below outlines the causes for the collisions. For the 2013/2014 year, bad driving & speeding were identified as the most frequently causes for collisions on the toll road.

Table 4 –Identifiable Causes of Collisions for 2013/2014

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
Mechanical	-	6	11	3	3	5	4	6	6	3	1	4	52
Physical	2	1	1	3	1	-	2	1	-	2	3	1	17
Bad Driving	7	9	4	9	7	4	5	6	6	8	3	3	71
Speeding	2	8	2	3	5	1	8	8	6	7	3	9	62
Animals	1	2	2		1	1	6	1	-	3	2	0	19
Other	1	2	3	2	3	-	-	-	-	3	1	2	17

Chart 3 below provides a graphical representation the causes of these collisions.

Chart 3 – Causes of Collisions





Usage Performance

Table 5 & Chart 4 below provide details on the usage at the Vineyards, Spanish Town, Portmore and May Pen Toll Plazas since the 2006/2007 financial year. The table reveals that between 2006/2007 and 2013/2014, traffic using the Vineyards, Spanish Town and Portmore Plazas has fluctuated with the highest usage being in 2007/2008. Since the last financial year, Vineyards fell by 5.2%, Spanish Town by 9.7% and Portmore by 2.2%. The year 2013/2014 was the first full year of operation for the May Pen Plaza as that segment was opened in August during the 2012/2013 financial year.

Table 5 — Daily Average Traffic by Toll Plaza

Plaza	Daily Average Traffic by Plaza							
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Vineyards	11,051	12,118	11,722	10,674	9,793	10,305	10,148	9,619
Spanish Town	6,130	5,906	5,169	5,028	5,125	5,244	5,282	4,766
Portmore	33,611	38,627	37,025	35,006	33,254	32,797	31,884	31,195
May Pen	-	-	-	-	-	-	6,913	7,523
TOTAL	50,792	56,651	53,916	50,708	48,172	48,346	54,227	53,103

Chart 4 – Daily Average Traffic by Plaza

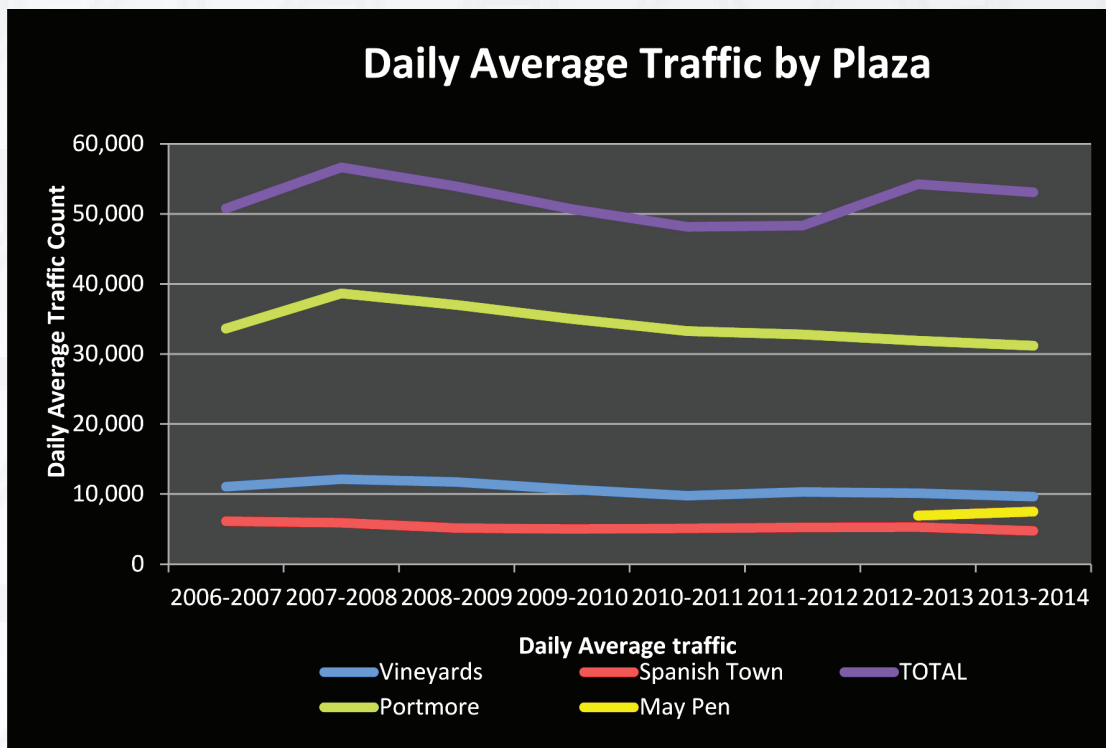


Table 6 below provides data on toll roads usage and the toll rate of increase at each plaza as at July 2013. Table 6 also provides the toll rates approved in July 2013.

Table 6 - Rate of Toll Increase & Usage Growth 2013-2014 T1 & T2

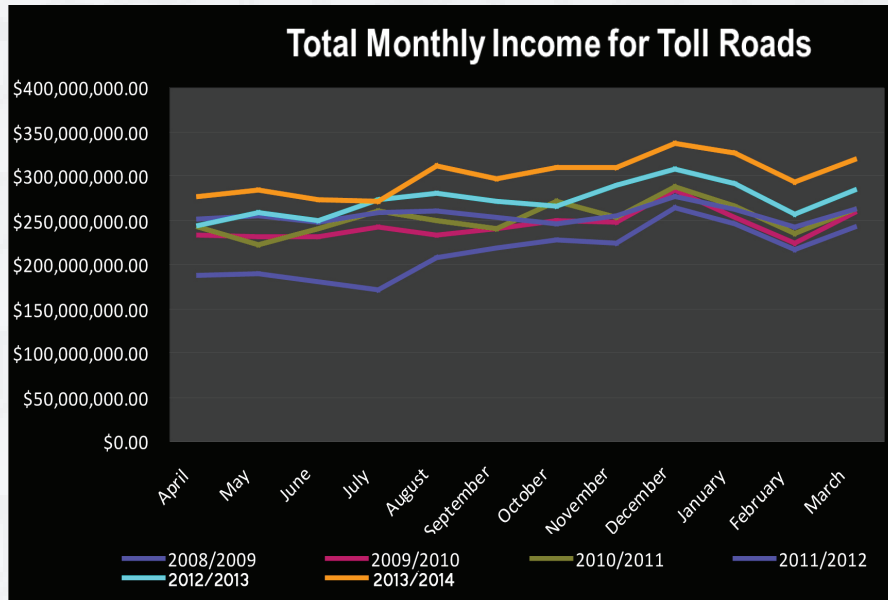
Plaza	Average rate of Toll Increase			Annual Rate of Usage Growth		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
Vineyards	14.81%	16.22%	12.86%	-6.13%	-3.92%	0.46%
Spanish Town	22.22%	23.08%	20.00%	-10.33%	-7.92%	-4.87%
Portmore	15.38%	15.00%	15.38%	-1.90%	-2.88%	-3.83%
May Pen	16.67%	22.22%	11.11%			
Plaza	Toll Rates (JMD\$) as at July 2013					
	Class 1	Class 2	Class 3			
Vineyards	\$310	\$430	\$790			
Portmore	\$150	\$230	\$450			
Spanish Town	\$100	\$130	\$300			
May Pen	\$70	\$110	\$200			



Toll Revenues

Toll revenues continue to grow as evidenced from Chart 5 below. These provide comparative graphical data for the annual toll revenues collected between April 2009 and March 2014. Revenues for the May Pen segment are included for the period of its operation from the opening in August 2012 to March 2013 and for the financial year ending March 2014.

Chart 5 - Total Income for Toll Roads - T1 & T2



Review of the Operator's Inspection Compliance

One of the functions of the Toll Authority under Section 5 of the Toll Roads Act is to monitor the compliance of the “concessionaires with the terms and conditions of concession agreements”. One area critical for monitoring is the requirement for the Operator to provide timely inspection and the provision of reports and follow-up actions. This is required under the Operation and Maintenance Specifications in Part 2, Schedule 3 of the Agreement with TransJamaican Highway. The table below summarizes the Operator's inspecting and reporting schedule, set out as deliverables to the Toll Authority for 2013-2014:

Table 7 – TJH Inspection Report Status

Bridge and Structure Maintenance					
Requirements: Concession Agreement	Description	Highway	Scheduled Inspection Date	Completed	Date Report Received
Sch 3, Pt2, clause 2.4	Biannual Inspection (include drainage, embankments, slope and rock cut)	T1 & T2	Jun-13	yes	9/2/2013
		T1 & T2	Jan-14	yes	3/26/2014
Sch 3, Pt2, clause 2.4	Comprehensive inspection carried out every 5 years	T1 & T2	Not due	--	--
Highway Equipment and Other Maintenance					
Requirements: Concession Agreement	Description	Highway	Scheduled Inspection Date	Completed	Date Report Received
Sch 3, Pt2, clause 2.6	Biannual Inspection (including drainage, embankments, slope and rock cut)	T1 & T2	Jun-13	yes	9/2/2013
		T1 & T2	Jan-14	yes	3/26/2014
Sch 3, Pt2, clause 2.6	Annual Inspection (including pavement markings, road studs, traffic signs)	T1 & T2	Nov-13	no	Schedule was amended and inspection deferred to 2014/2015

Key Performance Targets

Driven by its mandate to monitor the concessionaires' compliance with the terms and conditions of the concession agreement, the Toll Authority embarked on the programmes outlined in Table 9 below. Also included are the forecasted targets for the 2014/2015 year. The data revealed that the Authority achieved all its targets.

Table 8 - Programmes for Monitoring the Operation & Maintenance of the Toll

MAINTENANCE MONITORING PROGRAMMES	2013/2014			Target for 2014/2015
	Target	Actual	% Achieved	
Request, inspect and review Developer's Timetable of programmed operational and maintenance activities	1	1	100%	2
Inspect, review works and records on activities carried out under Developer's Timetable of programmed activities	4	4	100%	8
Review results/reports on Operator's inspections Follow-up on expected actions	Ongoing	8 Reports received and reviewed	8	100%
Verify whether there is any case of serious hazard requiring emergency repairs	Ongoing	8	Ongoing	Ongoing
Review and verify whether measures taken by the Operator are adequate	Ongoing	8	Ongoing	Ongoing
OPERATIONS MONITORING PROGRAMMES	2013/2014			Target for 2014/2015
	Target	Actual	% Achieved	
Garner info from road users	Ongoing	Ongoing	Ongoing	
Inspect Operators register of written queries/complaints to determine level of successfully determined complaints	12	12	100%	24
Review traffic levels data	12	12	100%	24
Review frequency of accidents and incidents	12	12	100%	24
Determine & identify shortcomings in signs or equipment which affect the convenience and safety of traffic	Ongoing	5 identified 5 rectified	-	Ongoing
Review policing activities and efficiency of strategies and measures	4	4	100%	8

Critical to the Authority's monitoring mandate is the level, type and frequency of inspections carried out by the Authority's Inspector. As such, the inspection targets serve to ensure that the Authority carries out its mandate. Table 10 below, which provides the information on the inspection deliverable, reveals that there was 100% achievement of all targets.

Table 9 - Inspection Targets for the Toll Road

INSPECTION PROGRAMMES	Inspections 2013/2014			Target for the next year (2014/2015)
	Target	Actual	% Achieved	
Conduct routine inspection of infrastructure	72	72	100	72
Conduct service level reviews	12	12	100	12
Review Operator's report against observations	12	12	100	12
Inspection of employee safety practices	72	72	100	72
Inspect traffic control management and safety in the public domain	72	72	100	72
Review effectiveness of general safety systems and equipment	72	72	100	72
Investigate, verify and research claims and complaints — assist in initiating conciliation and resolution	ongoing	ongoing		ongoing



Institutional Building

The Senior Toll Road Inspector, along with representatives from the Ministry of Transport, Works and Housing and several other agencies, attended the 2013 Seminar on Infrastructure and Planning from October 10-30, 2013, held in Beijing, China. This Seminar focused on presenting information on how China transformed its economy in pursuit of attaining development. It was made clear that in order to attain the status of a developed country, the road network and related infrastructure must be expanded and improved. Due to worldwide financial constraints to fund these expansions, the recommended alternative is the development and operation of toll roads by way of public-private partnerships governed by the terms of concession agreements.

Financial Performance

An initial budgetary sum of \$12,469,000.00 was approved for the start of the 2013/14 financial year. However with the passing of the subsequent supplementary estimates the budgetary sum reflected an upward adjustment to \$12,979,000.00; this was further supplemented to allow for the payment of gratuity to the Senior Inspector resulting in a total income of Fourteen Million, Sixty Two Thousand and Six Hundred and Thirty One Dollars (\$14,062,631.00) being issued for the year.

Expenditure as reflected in the attached Statement of Comprehensive Income stood at Fourteen Million Two Hundred and Seventy Eight Thousand and Three Hundred and Thirty Dollars (\$14,278,330.00). This resulted in an Operating Loss of Two Hundred and Fifteen Thousand and Six Hundred and Ninety Nine Dollars (\$215,699.00) for the year.

Financial Forecast For 2014/15

The Toll Authority budget allocation continued to be a line item within the Ministry of Transport, Works and Housing's budget. The sum of \$14,623,000 is approved for the 2014/15 financial year. This is \$2.1M above that initially approved for 2013/14. This was due to an increase in the sum allocated for employee compensation and capital items.

With the opening of the North South leg of Highway 2000, the Toll Authority will begin to receive a monitoring fee of US\$250,000 per annum as provided by the Concession Agreement signed between the Government of Jamaica and China Harbour Engineering Company.



Toll Authority
Financial Statements
31 March 2014

Toll Authority
Financial Statements
31 March 2014

Index

	<u>Page</u>
Auditor's Report to the Members	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Notes to the Financial Statements	5 to 8

Independent Auditor's Report
to the Members of
the Toll Authority

We have audited the financial statements of the Toll Authority ("the Authority"), set out on pages 2 to 8, which comprise the balance sheet as at 31 March 2014, the income statement, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and consistently applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion, the financial statements, which have been prepared in accordance with International Financial Reporting Standards, give a true and fair view of the financial position of the Authority as at 31 March 2014, and of its financial performance for the year then ended.


Chartered Accountants

February 12, 2015

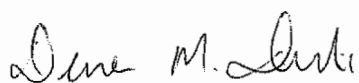
Toll Authority
Statement of Comprehensive Income
Year ended March 31, 2014

	<u>Note</u>	<u>2014</u>	<u>2013</u>
		\$	\$
INCOME			
Warrants received	5	14,062,631	11,471,000
		<u>14,062,631</u>	<u>11,471,000</u>
EXPENDITURE			
Accounting		147,500	120,000
Advertising & promotions		63,095	
Audit		30,000	30,000
Board meeting expense		305,051	309,000
Communication charges		307,130	308,722
Cleaning & sanitation		65,300	3,699
Depreciation		50,703	100,284
Legal & Professional fees		0	1,795
Loss on disposal of fixed assets		3,161	
Miscellaneous expenses		0	24,028
Office rent		1,117,980	1,103,911
Postage and courier service		13,300	12,300
Printing, stationery & office supplies		110,046	91,718
Repairs & maintenance		68,977	18,458
Salaries and related costs		9,717,049	7,460,754
Subscription		29,811	19,405
Training seminar & workshop		153,743	64,682
Travelling, upkeep & subsistence		2,095,484	2,051,152
		<u>14,278,330</u>	<u>11,719,908</u>
Operating Surplus/(Loss)		(215,699)	(248,908)
Profit/(Loss) before tax	3	<u>(215,699)</u>	<u>(248,908)</u>
Taxation	6	0	0
Net Profit/(Loss) for the year after taxation		<u>(215,699)</u>	<u>(248,908)</u>

Toll Authority
Statement of Financial Position
31 March 2014

	<u>Note</u>	<u>2014</u>	<u>2013</u>
		\$	\$
ASSETS			
Non-current assets			
Property, plant and equipment	7	202,235	240,164
Total Assets		<u>202,235</u>	<u>240,164</u>
EQUITY AND LIABILITIES			
Accumulated Surplus/(Deficit)		(136,542)	79,157
Current liabilities			
Payables	8	338,777	161,007
		<u>202,235</u>	<u>240,164</u>

The financial statements were approved by the Board of Directors on February 12, 2015.



Board Chairman



Chief Executive Officer

Toll Authority
Statement of Changes in Equity
Year ended March 31, 2014

	Accumulated <u>Surplus</u> \$	<u>Total</u> \$
Balance at April 1, 2011	0	0
Surplus of Income	328,065	328,065
Balance at March 31, 2012	<u>328,065</u>	<u>328,065</u>
Loss for year	<u>(248,908)</u>	<u>(248,908)</u>
Balance at March 31, 2013	79,157	79,157
Loss for the year	<u>(215,699)</u>	<u>(215,699)</u>
Balance at March 31, 2014	<u><u>(136,542)</u></u>	<u><u>(136,542)</u></u>

Toll Authority
Notes to the Financial Statements
31 March 2014

1. IDENTIFICATION

Toll Authority was created by Section 4 of the Toll Roads Act, 2002, as a Statutory body and falls under the Ministry of Transport, Works and Housing.

The principal activity is to regulate the operation and maintenance of toll roads and such facilities, as may be deemed necessary on, or adjacent to toll roads. To monitor compliance of concessionaires with the terms and conditions of concession agreements and to advise the Minister on matters of general policy relating to the design, construction, safety, regulation, operation and maintenance of toll roads in Jamaica.

2. SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Preparation**

These financial statements have been prepared in accordance with, and comply with International Financial Reporting Standards (IFRS), and comply with the requirements of the Industrial and Provident Societies Act.

The financial statements have also been prepared on the historical cost basis. The preparation of financial statements in conformity with IFRS, requires the use of certain critical estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Authority.

(b) Property, plant and equipment

All property, plant and equipment are recorded at historical or deemed cost, less any subsequent depreciation and subsequent impairment losses.

Depreciation is charged on the straight-line basis.

The rates used are:

Furniture, fixtures and equipment	straight line-basis	10%
Computer hardware	straight line-basis	20%

(c) Impairment losses

An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable value. At each balance sheet date, the Society reviews the carrying value of its tangible and intangible assets, to determine whether these assets have suffered an impairment loss.

Toll Authority
Notes to the Financial Statements
31 March 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Impairment Losses

If the recoverable value of an asset is estimated to be less than its carrying amount, the carrying value of the asset is reduced to its recoverable value, where an impairment loss subsequently reverses, the carrying value of the asset is increased to its revised estimate of its recoverable amount.

(d) Taxation

The Toll Authority being an entity created by Statutory, is exempt from taxation.

(e) Payables

Payables are recorded at cost.

(f) Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise.

(g) Fair Value

Fair value is the amount that an asset could be exchanged between knowledgeable willing parties in an arm's-length transaction.

The fair value of the society's financial instruments is deemed to approximate their carrying value, due to the short-term nature of their maturities.

Toll Authority
Notes to the Financial Statements
31 March 2014

2.SIGNIFICANT ACCOUNTING POLICIES (continued)

3.STATUTORY DISCLOSURE

The surplus of expenditure for the year is arrived at after charging

	<u>2014</u>
	\$
Audit fees	30,000
Depreciation	50,703
Management remuneration	<u>7,103,424</u>

4.STAFF COSTS

	<u>2014</u>
	\$
Management remuneration	7,103,424
Other staff cost	2,278,187
Statutory contributions	<u>335,437</u>

The Toll Authority has 3 employees at the year end

Toll Authority
Notes to the Financial Statements
31 March 2014

5. WARRANTS ISSUED

Warrants approved for the year were \$12,979,000 (2013 - \$12,583,000), of which \$14,062,631 (2013 - \$11,471,000) was disbursed.

6. TAXATION

Taxation is not applicable. See Note 2(d).

7. PROPERTY, PLANT AND EQUIPMENT

	<u>Computer</u>	<u>Office Equipment</u>	<u>Furniture & Fixtures</u>	<u>Total</u>
	\$	\$	\$	\$
Cost				
April 1, 2013	740,000	166,299	332,944	1,239,243
Additions		15,935		15,935
Disposal		34,006		34,006
March 31, 2014	<u>740,000</u>	<u>148,228</u>	<u>332,944</u>	<u>1,221,172</u>
Depreciation				
April 1, 2013	740,000	106,572	152,507	999,079
Charge		17,409	33,294	50,703
Disposal		30,845		30,845
March 31, 2014	<u>740,000</u>	<u>93,136</u>	<u>185,801</u>	<u>1,018,937</u>
Net Book Value 2014	<u>0</u>	<u>55,092</u>	<u>147,143</u>	<u>202,235</u>
Net Book Value 2013	<u>0</u>	<u>59,727</u>	<u>180,437</u>	<u>240,164</u>

8. PAYABLES

	<u>2014</u>	<u>2013</u>
	\$	\$
Accruals	<u>338,777</u>	<u>161,007</u>
	<u>338,777</u>	<u>161,007</u>

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