

Toll Authority

Annual Report



2014-2015

Contents

Mission, Scope & Mandate	2
Message from the Minister	3
Message from the Chairman	4
Board of Directors'	6
Committees of the Board	6
Corporate Governance	7
Committees Reports	
Audit & Finance Committee Report	8
Legal Committee Report	9
Technical Committee Report	9
Board Directors' Compensation	10
Management & Staff	12
Human Resource	
Senior Staff Compensation	
Report of the Board of Directors	13-27
Audited Financials	28-38



TOLL AUTHORITY

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

Highway 2000, when it was announced in 1999, was considered by some as another project to nowhere. Then Prime Minister Patterson's vision was for Jamaica to be "driven" into the new millennium along a modern highway network. To make this vision a reality, the creative Public Private Partnerships (PPP), involving the National Road Operating and Constructing Company (NROCC) and the Toll Operators were necessary.

In the current context of driving economic development of the country, I can confidently state that, our highway network has had a positive impact on productivity and maintaining the growth agenda. This is very telling in a scenario where too many productive hours have been lost from sitting long hours in traffic and the attendant logistics deficiencies flowing from being unable to plan accurately.

I am particularly pleased that we have opened the Linstead to Moneague leg of the North-South Highway corridor. Gone are the days of an impassable Mount Rosser and long delays due to heavy vehicles using and breaking down on that thoroughfare. When the entire route from Caymanas to Ocho Rios is completed, the economic impact will be felt almost instantaneously.

The Toll Authority has over the years played an invaluable role, along with other stakeholders, in ensuring the continued safety and efficiency of these roads. At each step of the way, the team at the Authority has kept me informed with critical pieces of information which has put me in a position to make policy decisions which have redounded to the benefit of all who use the road. Congratulations are quite in order.

I look forward with great expectation to the 2015/16 period and the expansion of the toll network as we continue to make Jamaica the place of choice to live, work, raise families and do business.

Omar Davies
Minister of Transport, Works and Housing

MESSAGE FROM THE CHAIRMAN



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

According to the World Bank, “although virtual connectivity has become increasingly important today with the emergence of new communication avenues, a good and reliable transport network remains vital. This is particularly so as reducing the distance between people, markets, services and knowledge – or simply ‘getting people connected’ – is a great part of what economic growth is all about.” It is in this context that as a regulator we would like to think that we have contributed significantly during this period.

As the Government has sought to drive economic development in the country, the Toll Authority has had to balance this against other demands of the operators and the travelling public. With the advent of the Linstead to Moneague leg of the North-South Highway, and the continuing construction to complete the corridor from Caymanas to Ocho Rios, our oversight has expanded significantly. The Authority’s Inspector has been in the field ensuring that the Concessionaires observe the requisite standards necessary for a safe experience on the various legs of the thoroughfare.

Despite the increased responsibilities however, I am pleased to say that the team here at the Toll Authority has risen to the task. I look forward to the completion of the North-South leg and the continued high standards of service delivered by the East-West Team.

We are confident that the completion of the North-South connection will have a significant impact on the economy of the country and as such it is mandatory that all oversight areas are effectively executed. Failure on our part could be disastrous with long-term consequences.

We thank the commuting public for their patronage of these thoroughfares and commit to continuing our adherence to our mission of ensuring that the toll roads provide a safe and efficient way to travel.

A handwritten signature in black ink that reads "Devon M. Dick". The signature is written in a cursive style.

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

Mr. Patrick Rose –Chairman
Dr. Janine Dawkins
Mr. Guy Morris



CORPORATE GOVERNANCE

The Board of Directors and the Management of the Toll Authority continued to take a serious approach to its mandate for effective corporate governance within the organization. During the 2014/15 year, this was done with a heightened sense of accountability, as the Authority received for the first time, monitoring fees from the Jamaica North South Highway Company, provided by way of the terms of the governing Concession Agreement.

This process of accountability included continued adherence to the governing Toll Roads Act and Regulations, the Public Bodies Management & Accountability Act and the Financial Administration & Audit Act

During the year, the Board of Directors' complement remained at 9 members; they convened five (5) Board Meetings in order to conduct the business of the Authority.

Board Meeting Attendance

Name of Directors	Number of Meetings	Number of Meetings Attended
Rev. Devon Dick	5	3
Pauline Findlay	5	4
Greta Bogues	5	4
Cosmo Brooks	5	5
Dr. Janine Dawkins	5	5
Muna Issa	5	2
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

COMMITTEES' REPORTS



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 report for any special audit or examination.

The Audit and Finance Committee comprises four Board Members, including its Chairman Ms. Greta Bogues. During the year, the Committee met four (4) times and addressed the following:

- Review the Three-Year Strategic Plan & Operational Plan.
- Review the Annual Draft Budget and make recommendation for its approval.
- Finalise plans for the Authority to take over the management of its accounting function.
- Review the Audited Financial Report and make recommendations for their approval.
- Review the draft Annual Report.
- Review the Authority's expenditures.

Similar to previous reporting periods, all accounting activities were conducted by and through the Ministry of Transport, Works & Housing. However, following up on the significant adjustments of the last financial reporting period, the process, preparation and presentation of the Financials for 2014/15 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 established in April 2012. The Committee 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 policy which would have legal implications.

During the period under review, the Committee met three (3) times during which the following were addressed:

- The consideration of a request submitted by the Concessionaire for exemption from the Occupier's Liability Act.
- The review of feedback on the draft Toll Roads (Technical Designs, Operation and Maintenance) Standards Regulations and the Toll Roads (Technical Designs, Operations & Maintenance Standards) Regulations;
- Reviewing of the laws governing attendance of meetings by electronic means.

The Technical Committee Report

The Technical Committee was established 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 to give direction for the 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 optimisation of the highway. This includes matters relating to:

- a. Access and egress points
- b. Travel demands
- c. Service standards

The Technical Committee did not meet during the period under review as there was no matter for consideration.

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	28,500.00	N/A	N/A	N/A	28,500.00
2	Board Member and Member for the Technical and the Legal Committee	38,000.00	N/A	N/A	N/A	38,000.00
3	Board Member and Member of The Audit Committee	27,000.00	N/A	N/A	N/A	27,000.00
4	Board Member and Member of the Audit Committee	29,000.00	N/A	N/A	N/A	29,000.00
5	Board Member and Chairman of the Technical Committee	25,500.00	N/A	N/A	N/A	25,500.00
6	Board Member and Member for the Audit Committee	9,000.00	N/A	N/A	N/A	9,000.00
7	Board Member and Chairman for the Audit Committee	43,000.00	N/A	N/A	N/A	43,000.00
8	Deputy Chairman of the Board and Chairman of the Legal Committee	58,000.00	N/A	N/A	N/A	58,000.00
9	Board Member and Member of the Legal Committee	25,500.00	N/A	N/A	N/A	25,500.00
GRAND TOTAL						\$283,500.00

The difference between the total of \$283,500.00 shown in the above table and the sum of \$290,500.00 stated in the Profit and Loss Account in the attached financials, is due to fees paid to Mrs. Sheryl Shirley-Haynes, who though a member of the Legal Committee, is not a member of the Board.



MANAGEMENT AND STAFF

The Authority continued to carry out its core function through three staff members while the Ministry of Transport, Works and Housing provided Accounting, Procurement, Human Resource Management and Information Technology services on behalf of the Authority. The staff complement of the Authority is 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	14/15	3,536,832.41	1,683,773.39	975,720.00	-00	-00	-00	6,196,325.80
Senior Inspector	14/15	2,249,826.20	00	514,500.00	00	00	-00	2,764,126.20
GRAND TOTAL		5,786,658.61	1,683,773.39	1,490,220.00	-00	00	-00	8,960,452.00

Note:

The sum of \$7,470,432.00 referred to as Management Remuneration in Note 4 of the Audited Financial Statement comprises the following payments only:

Salary – \$5,786,658.61

Gratuity – \$1,683,773.39



REPORT OF THE BOARD OF DIRECTORS

TOLL ROADS OF JAMAICA

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

- i) Vineyards & Spanish Town & May Pen Toll Roads (T1): From Mandela Highway to May Pen—approximately 45 kilometres (includes Phase 1B ~ 12 km from Sandy Bay to May Pen); and
- ii) Portmore Toll Road (T2): Marcus Garvey to Portmore- approximately 6 kilometres.
- iii) The Linstead to Moneague North South Link - approximately 19.16 Kilometres. This was officially opened in September during the 2014/15 financial year.

Operations & Maintenance Highlights

The Condition of the Infrastructure –The East West Toll Roads (Transjamaica Highway)

Road Surface: Except for a dip at km 6+800 on the eastern section of the Vineyards toll road, the road surface remained in generally good condition. The Operator gave their undertaking that the dip will be corrected during the next phase of major maintenance repairs.

Bridges: The fence at the March Pen Bridge was heightened during the year in order to prevent stone throwing on to oncoming traffic. A similar heightening which was previously done at Bernard Lodge Bridge during the 2012/13 period has been successful in deterring stone throwing against the traffic.

Fencing: Stolen and damaged fence continued to be an issue on the toll road. The breaches in the fence provides easy access to animals and pedestrians to enter the corridor thereby creating a hazard for the motorists. There is also a very high risk factor for the pedestrians who face injury and death on these high speed motorways.

The Toll Road Operator attempted to repair and replace the fence as quickly as possible, especially in light of the liability issues arising from collision due to animals. The year 2014/15 was therefore very challenging as the quantity that was stolen/damaged was inordinately high when compared to previous years.

Table 1 below provides comparative data on the quantity of fence that has been damaged or stolen for the years 2012/13 to 2014/15. The year 2014/15 experienced a 197% increase over 2013/14 as the total jumped from a 5,547 metres to 16,485 metres. The matter of theft of the fence is reported to the police from time to time but to date no one has been apprehended by the police. Chart 1, however, provides further information with a graphical display of the quantity for the years 2010/11 to 2014/15 while Chart 2 gives a breakdown for the year 2014/15.

Damaged/Stolen Fence April 2010–March 2015

Description	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Total (m)	1358	1334	408	1053	403	217	444	163	563	192	576	634	7,345
Damaged	584	792	167	726	320	45	117	151	377	30	466	223	3,998
Stolen	774	542	241	327	83	172	327	12	186	162	110	411	3,347

Table 2 - Damaged/Stolen fences in metres–2013/2014

Description	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Total (m)	465	573	488	692	398	776	499	261	352	211	396	436	5,547
Damaged	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

Table 3 - Damaged/Stolen fences in metres–2014/15

Description	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Total (m)	391	380	280	938	315	256	557	3865	4256	1722	2070	1455	16,485
Damaged	0	0	24	743	238	69	363	3527	3934	1671	1192	702	12,463
Stolen	391	380	256	195	77	187	194	338	322	51	878	753	4,022

Chart 1 – Fence Replacement April 2010-March 2015

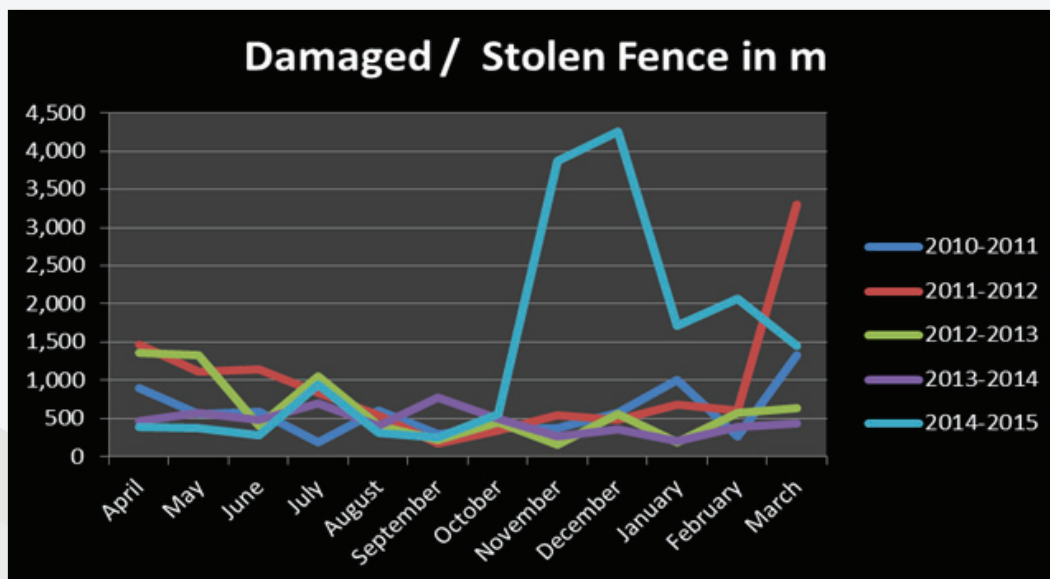
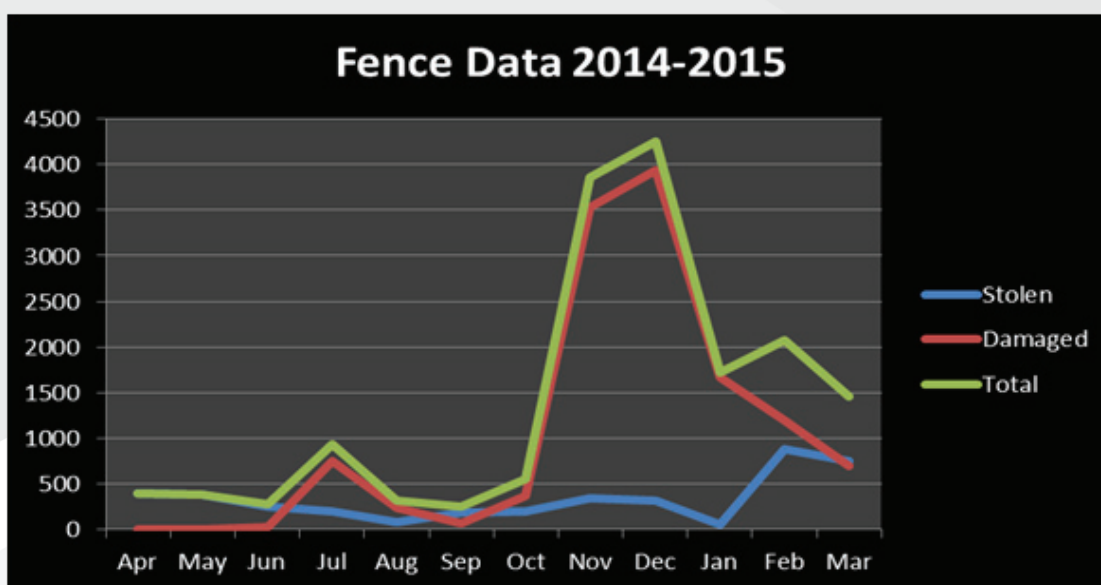


Chart 2 – Fence Data April 2014 - March 2015



Solar Lights: During the 2012/2013 financial year, the Operator installed solar lights in selected areas along the Vineyards, Spanish Town, May Pen and Portmore toll roads. Several of these lights were vandalised and their batteries stolen during the said year. All of those vandalised, except for those at the Mandela Highway exit ramp and the Spanish Town entry ramp were replaced by the Operator during this year under review; the replacement for these two outstanding ramps were, however, ordered and shipped to be installed early 2015/16. This will be monitored by the Toll Authority

Drainage: The drainage structures are in good functional condition.

Road Markings & Signs: Theft and vandalism of the signs continued to be a problem on the toll road. A number of large signs were stolen beginning at the Dyke Road roundabout and along T1 to the Bernard Lodge Bridge. The matter has been brought to the attention of the police but no one has been arrested or charged. This replacement exercise is very costly for the Toll Road Operator.

The road markings on T2 are in need of repairs; these repairs are scheduled to be done during early 2015/16 financial year.

The Condition of the Infrastructure—The North South Toll Roads (Jamaica North South Highway)

Road Surface: The Mount Rosser leg was opened in September during the year, thereby being operational for seven months. The road surface is in good condition.

Bridge: All bridges are in good condition with no observed issue.

Fencing: Similarly to the East West toll road, the Operator of the North South toll road was also faced with the issue of stolen fence. As sections of stolen fence is replaced, it is soon removed by thieves. From the opening of

the Mount Rosser leg in September to the end of the financial year, 4,386 metres of fence was reported stolen. Below in Table 4 is a monthly tabulation of the reported theft.

Table 4 – Stolen Fence on the Mount Rosser Toll Road Sept 2014–March

Description	Stolen Fence 2014/15 in Metres						
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Quantity	2031	-	1116	660	135	300	144

Drainage: Drainage along the leg is generally good. Minor ponding has, however, been observed in the work zone at the Moneague roundabout.

Road Markings & Signs: Road markings are generally good except for some raised pavement markers which are not up to specifications and the blacked-out road markings at the Linstead roundabout, which was poorly done.

The National Works Agency identified several signs which were not done to specifications. These were brought to the attention of Jamaica North South Highway Company Limited, the Toll Operator and the National Road Operating Constructing Company, the Concessionaire, with a requirement for the correct signs to be manufactured.

Toll Road Safety–The East West Toll Roads (Transjamaica Highway)

Collision: There were 187 collisions for the financial year 2014/15: this is 22% below the figures for 2013/14 year and 8% below the lowest previous figure which was 195 in 2012/13. Fatalities also decreased from 11 in the previous year to 5 in 2014/15.

Table 5 – Collisions for the Period 2014/2015 Compared With the Years 2007/2008 to 2013/2014

Collisions	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Minor Accident	180	184	109	143	73	83	108	92
Major Accidents	43	36	105	137	145	112	130	95
Total	223	220	214	280	218	195	238	187

Table 6 -Classification of Injury for the Period 2014/2015 Compared With the years 2007/2008 to 2013-2014

Classification	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Light	42	53	34	32	32	18	49	12
Serious	43	44	45	29	53	76	55	33
Fatality	15	5	5	4	6	3	11	5

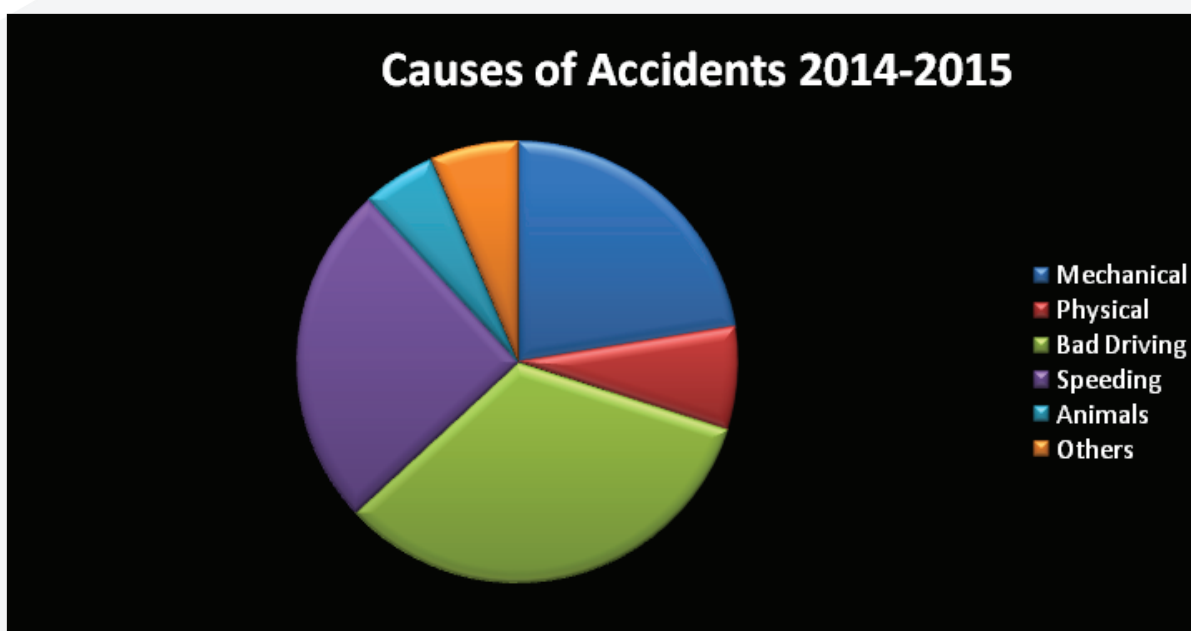
Table 7 below outlines the causes for the collisions for the year. Bad driving & speeding were identified as the most frequently derived causes for collisions on the toll road.

Table 7 - Identifiable Causes for Collisions for 2014/2015

Classification	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
Mechanical	1	1	3	3	6	1	6	6	5	2	2	6	42
Physical		1	1	1	1	-	1	2	1	3	2	1	14
Bad Driving	5	5	4	4	4	5	7	6	6	3	5	8	62
Speeding	3	3	6	1	7	2	4	3	5	6	3	4	47
Animals	-	2	1		2	-	3	1	-	-	-	1	10
Other	2		3	1	1	1	-	1	-	1	1	1	12

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

Chart 3 - Causes of Accidents



Driving against the one way: In March of 2013, regulations for the installation of tyre deflation devices, “The Toll Roads (Tyre Deflation Device) Regulations”, became effective, and immediately following thereon, devices were installed at the following six (6) ramps.

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

During the 2014/15 year, the Toll Authority inspected and re-certified these devices as required by the regulations. The installation of these devices has proven to be generally effective in preventing the previous incidences of motorists driving against the one-way.



There are, however, the occasional few who with the use of some apparatus, mainly, two pieces of board (which they store in their motor vehicle), force the teeth of the device down and drive over the board. A few tyres have been damaged.

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

- Adequate and appropriate signs to inform motorists of upcoming exits, tollbooths and merge lanes.
- Toll lane indicator signs were easily seen from afar.
- The fence was heightened at the March Pen Bridge to protect motorists from stone throwing from the bridge.
- All tyre deflation devices are in good condition;

Toll Road Safety -The North South Toll Roads (Jamaica North South Highway)

Collision: Seventeen collisions occurred on the Mount Rosser toll road between September and March of 2014/15. Though there was no fatality, there were three injuries. Table 9 provides the data on the identifiable causes for these collisions (see table 8).

Table 8 –Collision on Mount Rosser Between September 2014 and March 2015

Description	Collisions on Mount Rosser Sept 2014 to March 2015						
	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Collision	7	2	2	1	3	1	1
Injury	0	0	1	0	0	2	0
Fatality	0	0	0	0	0	0	0

Table 9 – Causes of Collisions on Mount Rosser Between September 2014 and March 2015

Causes	Identifiable Causes of Collisions						
	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Tyre blowout	0	0	1	0	0	1	0
Driver error	1	0	1	0	0	0	0
Mechanical failure	1	0	0	0	0	0	0
Animals	2	0	0	0	1	0	0
Driver fatigue	0	0	0	0	0	0	0
Speeding	0	2	0	0	0	0	1
Speeding on wet	1	0	0	1	1	0	0
Visibility	0	0	0	0	0	0	0
Overtaking	0	0	0	0	0	0	0
Equipment	2	0	0	0	1	0	0
Spills/Obstruction	0	0	0	0	0	0	0
Total	7	2	2	1	3	1	1

Traffic control management & safety in public domain: Though the signs to inform motorists of the upcoming tollbooth and roundabouts are adequate, there are several signs (including some at the plaza) which are in need of revision.

Raised pavement markers which were installed by China Harbour Engineering Company are also not up to the required standards. These are to be addressed during the 2015/16 year. Guard rails and guard rail ends terminals are also missing in some areas.

Usage Performance—The East West Toll Roads (Transjamaican Highway)

Tables 10 & 11 provide the details on the actual usage at the Vineyards, Spanish Town, Portmore and May Pen plazas for the years 2014/15 and 2013/14.

Table 12 shows the daily average usage at the same plazas for nine consecutive years beginning in 2006/07: during this period, traffic using the Vineyards, Spanish Town, Portmore plazas, has fluctuated with the lowest usage in 2010/11 and the highest in 2007/08. Since the last financial year, usage at the Vineyards, Spanish Town, Portmore and May Pen plazas fell by 0.08%, 1.51%, 3.98% and 0.24%, respectively.

Table 10 - Actual Usage at Toll Plazas 2014/2015

Month	Vineyards	Spanish Town	Portmore	May Pen
Apr	281,393	135,742	908,165	216,214
May	292,787	143,019	961,633	223,505
Jun	277,825	134,961	918,484	213,422
Jul	297,074	136,024	906,272	230,822
Aug	305,550	130,188	832,865	242,221
Sep	260,041	137,851	872,915	196,813
Oct	269,559	138,767	891,072	206,505
Nov	274,422	139,082	881,130	209,928
Dec	346,831	155,179	967,373	266,925
Jan	315,518	156,303	952,211	240,258
Feb	274,967	141,700	856,136	208,844
Mar	313,363	163,620	981,074	237,666
Total	3,509,330	1,712,436	10,929,330	2,693,123

Table 11 - Actual Usage at Toll Plaza – 2013/2014

Month	Vineyards	Spanish Town	Portmore	May Pen
Apr	301,589	148,742	966,430	224,700
May	305,336	153,840	996,958	227,204
Jun	297,581	144,896	957,275	226,340
Jul	298,460	141,357	924,860	232,371
Aug	308,568	132,311	897,583	245,322
Sep	263,823	141,262	915,159	200,257
Oct	275,237	148,389	954,339	209,856
Nov	276,170	146,678	952,793	212,103
Dec	331,378	146,596	978,755	257,661
Jan	300,559	150,648	985,436	229,120
Feb	261,300	138,486	892,652	198,369
Mar	292,285	145,531	960,163	223,185
Total	3,512,286	1,738,736	11,382,403	2,686,488

Table 12 - Daily Average Traffic by Toll

Plaza	Daily Average Traffic by Plaza								
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014- 2015
Vineyards	11,051	12,118	11,722	10,674	9,793	10,305	10,148	9,619	9,614
Spanish Town	6,130	5,906	5,169	5,028	5,125	5,244	5,282	4,766	4,691
Portmore	33,611	38,627	37,025	35,006	33,254	32,797	31,884	31,195	29,943
May Pen	-	-	-	-	-	-	6,913	7,523	7,378
TOTAL	50,792	56,651	53,916	50,708	48,172	48,346	54,227	53,103	51,626



Chart 4 – Average Daily Traffic by Plaza

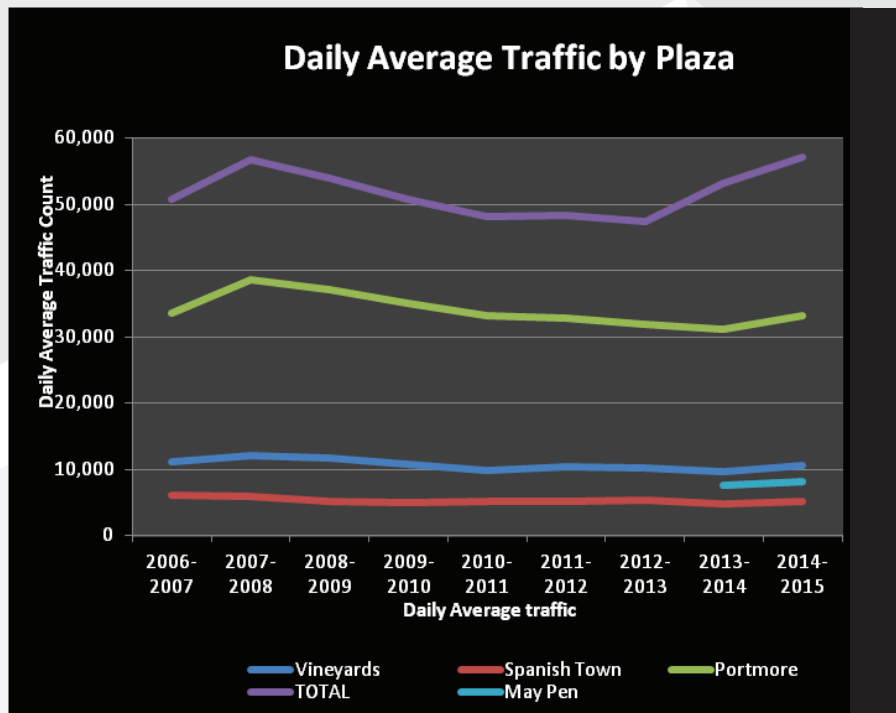


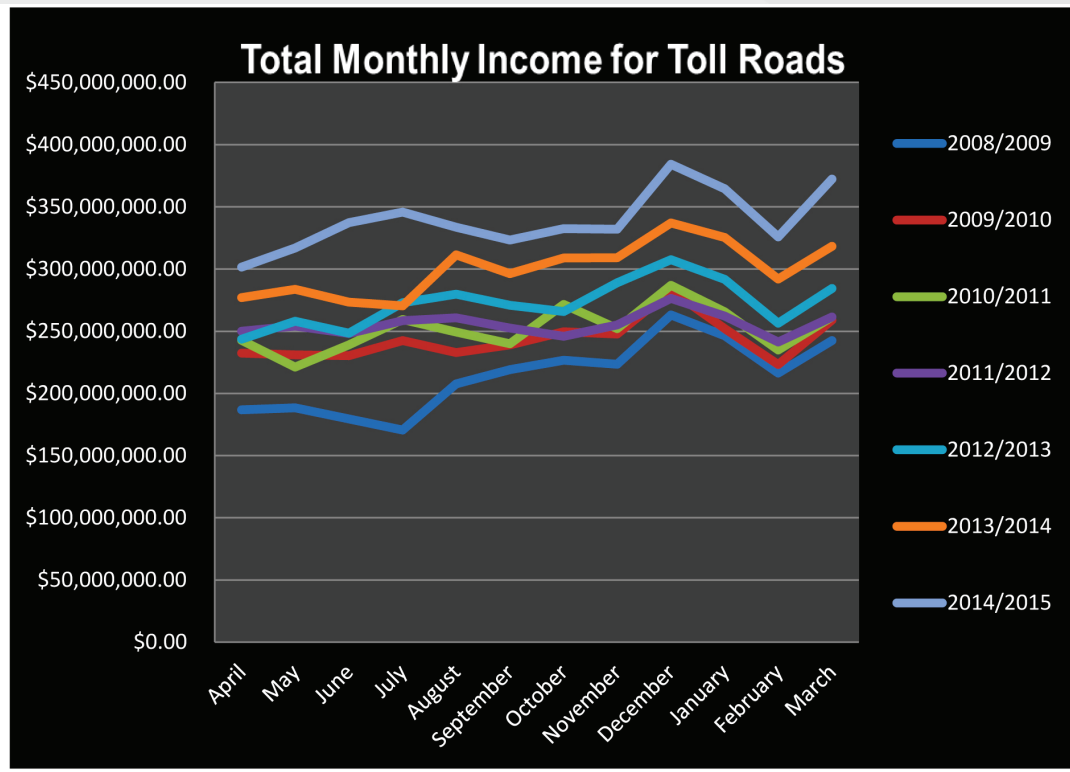
Table 13 below provides data on the toll roads usage and the toll rate of increase at each plaza as at July 2013. Table 13 also provides the toll rates approved in July 2014.

Table 13 - Rate of Toll Increase & Usage Growth 2014-2015 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	6.45%	9.30%	12.66%	0.09%	-1.03%	1.07%
Spanish Town	9.09%	12.50%	10.00%	-2.28%	0.04%	12.73%
Portmore	13.33%	13.04%	15.55%	-4.05%	-7.01%	2.60%
May Pen	14.29%	18.18%	25.00%	0.45%	-1.36%	2.03%
Plaza	Toll Rates (JMD\$) as at July 2014					
	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 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 since its opening in August 2012 to March 2013 and for the financial year ending March 2014.

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



Usage Performance—The North South Toll Roads (Jamaica North South Highway)

The Jamaica North South Highway Company Limited began operating a toll road on the Mount Rosser leg on September 6, 2014. During this early period, traffic fluctuated on a monthly basis with the lowest usage in the start-up month of September and the highest in January.

Table 14 –Usage on Mount Rosser September to March 2014/2015	
Month	Traffic
September	79,716
October	103,872
November	100,420
December	125,323
January	127,364
February	113,726
March	125,371



Key Performance Targets

The Toll Authority is mandated, inter alia, to monitor the Concessionaire's compliance with the terms and conditions of the Concession Agreement; in order to carry out this function, the Authority embarked on several programmes as outlined in Table 15 below. Also included are the forecasted targets for the 2015/2016 year. The data revealed that the Authority achieved all its targets.

Table 15 - Programmes for Monitoring the Operation & Maintenance of the Toll

MAINTENANCE MONITORING PROGRAMMES	2014/2015			Target for 2015/2016
	Target	Actual	% Achieved	
Request, inspect and review Developer's Timetable of programmed operational and maintenance activities	2	2	100%	2
Inspect, review works and records on activities carried out under Developer's Timetable of programmed activities.	8	8	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	2014/2015			Target for 2015/2016
	Target	Actual	% Achieved	
Garner information 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.	24	24	100%	24
Review frequency of accidents and incidents	24	24	100%	24
Determine & identify shortcomings in signs or equipment which affects the convenience and safety of traffic	Ongoing	5 identified	5 rectified	Ongoing
Review policing activities and efficiency of strategies and measures.	8	8	100%	8

Specific targets were set for the Authority's Inspectorate; these inspection targets serve to ensure that the Authority carries out its mandate and the Concessionaire operate in accordance with the Concession Agreement. Table 16 below, which provides the information on the inspection deliverable, reveals that there was 100% achievement of all targets.

Table 16 - Inspection Targets for the Toll Road

INSPECTION PROGRAMMES	Inspections 2014/2015			Target for the next year (2015/2016)
	Target	Actual	% Achieved	
Conduct routine inspection of infrastructure	86	86	100	144
Conduct service level reviews.	12	12	100	24
Review Operator’s report against observations.	12	12	100	12
Inspection of employee safety practices	86	86	100	144
Inspect traffic control management and safety in the public domain	86	86	100	144
Review effectiveness of general safety systems and equipment.	86	86	100	144
Investigate, verify and research claims and complaints - assist in initiating conciliation and resolution.	Ongoing	Ongoing		Ongoing

INSTITUTIONAL BUILDING

Institutional building continued to be critical to the effective operation of the Authority, more so with the expansion in the toll road structure and the growth in the number of Concessionaires.

The Senior Toll Road Inspector was selected to attend the IBTTA Global Summit in Prague, Czech Republic, during October 2014. The summit which was titled “Innovations & Technologies for Sustainable Mobility, Environment and Road Safety”, dealt with topics including:

- Intelligent transportation in the era of BIG data;
- The drive towards interoperability;
- Interoperability from the ground up;
- The technology of highway safety;
- Road user charging & tolling around the world; and
- Technology & tolling: adapting to the inevitable.

With the addition of the new Concession Agreement with the Concessionaire operating the new North South toll road, independent of the previous east-west tolled network, the Authority was particularly interested in the information and guidance to be gained on the issue of interoperability.

Interoperability refers to the use of one electronic tolling system throughout and across the entire tolling network, regardless of the different owners and operators of toll roads. The customer therefore uses one device and pays one bill for all electronic toll collection and related services.

As toll road networks grows across the world, governments are undertaking to propel this drive towards interoperability.

- The concept of establishing one central clearinghouse/hub to manage all electronic toll collection (ETC) transactions greatly simplifies operations and interoperability between different operators.
- Interoperability can go beyond just ETC to encompass customer and other non-toll related services.

The Toll Authority has started the discussion with the toll road stakeholders with a view to getting everyone on board; the experience of and convenience to the users of the toll road will be positively affected with the introduction of an integrated system.

FINANCIAL PERFORMANCE

The sum of \$14,632,000.00 was approved for the start of 2014/15 financial year. Funding was, however, received in the sum of Eighteen Million One Hundred and Forty Five Thousand Seven Hundred and Seventy Dollars (\$18,145,770.00) representing Thirteen Million Six Hundred and Nineteen Thousand Two Hundred and Seventy Six Dollars (\$13,619,276.00) from Central Government and Four Million Five Hundred and Twenty Six Thousand Four Hundred and Ninety Four Dollars (\$4,526,494.00) for Monitoring fees paid by JNSH Company Limited. See the 'Profit and Loss Account' and Note 5 of the 'Notes to the Financials' attached for details.

The monitoring fees from the JNSH Company Limited were prorated based on the length of the Mount Rosser toll road and the number of months for the end of the financial year. Accordingly, the sum of US\$71,000 which was received in September 2014 (converted to J\$4.5M) was held by the Ministry of Transport, Works and Housing on behalf of the Authority; a sum of Seven Hundred and Forty Nine Thousand Four Hundred and Ninety Nine Dollars and Seventy Two Cents (\$749,499.72) was expended from it during the year to offset some operational expenses.

Total expenditure as reflected in the attached Profit and Loss Account stood at \$14,493,486.00. This resulted in an Operating Surplus of Three Million Six Hundred and Fifty Two Thousand Two Hundred and Eight Four Dollar (\$3,652,284.00) for the year.

FINANCIAL FORECAST and PROJECTS FOR 2015/16

The Toll Authority budget allocation continues to be a line item within the Ministry of Transport, Works and Housing's budget. The sum of Sixteen Million Seven Hundred and Thirty Three Thousand Dollars (\$16,733,000) was approved for the 2015/16 year; this was \$1.67M above that initially approved for 2014/15. This was due to an increase in operational cost.

The approved \$16,733,000.00 includes a sum of \$8,684,000 for employee compensation to be funded by the Ministry of Finance and a sum of \$8,049,000 to be funded by the monitoring fees.

Audited Financials March 2015



Toll Authority
Financial Statements
31 March 2015

Toll Authority
Financial Statements
31 March 2015

Index

	<u>Page</u>
Auditor's Report to the Members	1
Profit and Loss Account	2
Balance Sheet	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 2015, 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 2015, and of its financial performance for the year then ended.



Chartered Accountants

October 1, 2015


Toll Authority
Profit and Loss Account
Year ended March 31, 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
INCOME		<u>₹</u>	<u>₹</u>
Funding received	5	18,145,770	14,062,631
		<u>18,145,770</u>	<u>14,062,631</u>
EXPENSES			
Accounting		160,000	147,500
Advertising & promotions		0	63,095
Audit		60,000	30,000
Bank charges		527	0
Communication charges		312,637	307,130
Cleaning & sanitation		20,188	65,300
Depreciation		48,087	50,703
Directors' fees		290,500	262,000
Legal & Professional fees		29,900	0
Loss on disposal of fixed assets		0	3,161
Office rent		1,440,662	1,117,980
Postage and courier service		12,500	13,300
Printing, stationery & office supplies		124,565	153,097
Repairs & maintenance		0	68,977
Salaries and related costs	4	9,208,350	9,717,049
Subscription		23,384	29,811
Training seminar & workshop	4	446,046	153,743
Travelling, upkeep & subsistence		2,316,140	2,095,484
		<u>14,493,486</u>	<u>14,278,330</u>
Operating Surplus/(Loss)		3,652,284	(215,699)
Profit/(Loss) before tax	3	<u>3,652,284</u>	<u>(215,699)</u>
Taxation	6	0	0
Net Profit/(Loss) for the year after taxation		<u>3,652,284</u>	<u>(215,699)</u>

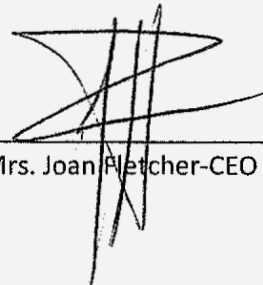
Toll Authority
Balance Sheet
31 March 2015

ASSETS	<u>Note</u>	<u>2015</u> \$	<u>2014</u> \$
Receivables		3,776,994	0
Non-current assets			
Property, plant and equipment	7	154,148	202,235
Total Assets		<u>3,931,142</u>	<u>202,235</u>
EQUITY AND LIABILITIES			
Accumulated Profits/(Loss)		3,515,742	(136,542)
Current liabilities			
Payables	8	415,400	338,777
		<u>3,931,142</u>	<u>202,235</u>

The financial statements were approved by the Board of Directors on 1 October, 2015.



Reverend Devon Dick-Chairman



Mrs. Joan Fletcher-CEO

Toll Authority
Statement of Changes in Equity
Year ended March 31, 2015

	Accumulated <u>Profits/(Loss)</u>	<u>Total</u>
	\$	\$
Balance at April 1, 2012	328,065	328,065
Loss for the 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>(136,542)</u>	<u>(136,542)</u>
Profit for the year	<u>3,652,284</u>	<u>3,652,284</u>
Balance at March 31, 2015	<u><u>3,515,742</u></u>	<u><u>3,515,742</u></u>

Toll Authority
Notes to the Financial Statements
31 March 2015

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, except for the revaluation of available for sale investments.

(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 2015

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) Receivables

There are no trade receivables currently associated with the activities.

(e) Taxation

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

(f) Payables

Payables are recorded at cost

(g) 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.

(1) 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 2015

2.SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Financial Instruments****(2) Credit Risk**

Financial instruments contain an element of risk that the counter parties to a transaction may be unable to meet the terms of the agreement. The company has no significant concentration of credit risk, Bank balances and short term deposits are held with substantial financial institutions.

(3) Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial institutions. Managed through the Ministry of Transport, Works and Housing minimised this risk.

(4) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will vary due to changes in market interest rates. The Toll Authority income and operating cash flow are substantially independent of changes in market rates.

3.STATUTORY DISCLOSURE

The profit for the year is arrived at after charging

	<u>2015</u>	<u>2014</u>
	\$	\$
Audit fees	60,000	30,000
Depreciation	48,087	50,703
Management remuneration	<u>7,470,432</u>	<u>7,103,424</u>

4.STAFF COSTS

	<u>2015</u>	<u>2014</u>
	\$	\$
Management remuneration	7,470,432	7,103,424
Other staff cost	1,412,461	2,278,187
Statutory contributions	<u>325,456</u>	<u>335,437</u>

Toll Authority
Notes to the Financial Statements
31 March 2015

5. FUNDING RECEIVED

Funding received for the year were	<u>2015</u>	<u>2014</u>
	\$	\$
Ministry of Transport, Works & Housing - Warrants	13,619,276	14,062,631
Jamaica North South Highway - Monitoring fee	4,526,494	0
	<u>18,145,770</u>	<u>14,062,631</u>

6. TAXATION

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

7. PROPERTY, PLANT AND EQUIPMENT

	<u>Office</u>	<u>Furniture &</u>		
	<u>Computer</u>	<u>Equipment</u>	<u>Fixtures</u>	<u>Total</u>
	\$	\$	\$	\$
Cost				
April 1, 2014	740,000	332,944	148,228	1,221,172
Additions				0
Disposal				0
March 31, 2015	<u>740,000</u>	<u>332,944</u>	<u>148,228</u>	<u>1,221,172</u>
Depreciation				
April 1, 2014	740,000	185,801	93,136	1,018,937
Charge		33,294	14,793	48,087
Relief on disposal				0
March 31, 2015	<u>740,000</u>	<u>219,095</u>	<u>107,929</u>	<u>1,067,024</u>
Net Book Value 2015	<u>0</u>	<u>113,849</u>	<u>40,299</u>	<u>154,148</u>
Net Book Value 2014	<u>0</u>	<u>147,143</u>	<u>55,092</u>	<u>202,235</u>

8. PAYABLES

	<u>2015</u>	<u>2014</u>
	\$	\$
Accruals	415,400	338,777
	<u>415,400</u>	<u>338,777</u>

9. SUBSEQUENT EVENT

The Board of Directors on 23 April, 2015, approved the opening of Jamaican and United States Dollar currency bank accounts in the name of the Toll Authority, based on the authorization of The Ministry of Finance and Planning.

NOTES

NOTES

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