

Toll Authority

ANNUAL REPORT



2015/2016

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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



The North South Highway is one of those infrastructural development projects in Jamaica with which I am extremely pleased. The completion of this project is indeed the birthing of a dream to ensure that we have a truly world class route connecting the North and South of the island.

The timeliness of the opening of the Highway, connecting Mammee Bay in the North and Caymanas in the South, complements the administration's drive of Economic Growth and Job Creation. This is an imperative which was underpinned by careful planning and executed in a manner consistent with the highest standards anywhere. This remarkable feat of modern technology now connects in a more efficient and seamless manner, hitherto treacherous traveling corridors.

With the completion of the North South Link of Highway 2000, I am even now more confident that we are that much closer to the realization of one of my dreams - the multi-modal transport system. Here at the Ministry of Transport and Mining, we continue to examine ways in which we can make the lives of our people easier as they traverse the island. To this end we are examining other Highway projects such as the South Coast Highway and the expansion of the Highway East West towards Williamsfield.

I am particularly pleased with the work that the Toll Authority does to ensure that our operators maintain the infrastructure for the safe passage of its users. In an environment where there has to be a balance between what it costs to operate and to use the thoroughfare while generating returns on investment, the work of the Authority is made even more difficult, but true to their professional mantra, they continue to ensure that they provide effective monitoring so that objective is realized.

I look forward to our highway network expanding to compare with the best in the world. I am confident that the Toll Authority's commitment to excellence will transport us into that future.

A handwritten signature in blue ink, appearing to be 'Lester Michael Henry'.

Hon. Lester Michael Henry, CD, MP
Ministry of Transport and Mining



MESSAGE FROM THE CHAIRMAN



“The weight of the road transport sector within the economy is considerable, not only in quantitative terms (tons transported), but also in economic terms such as source of wealth, employment and in terms of support given to other economic activities.

Through numerous mechanisms, investments in the road sector benefit the whole society by providing access to territory and allowing poverty alleviation to take place. Consequently, the road network creates and stimulates positive synergy and enhances social cohesion and integration by giving citizens access to the same opportunities.” *The European Union Road Federation, 2001.*

The Toll Authority shares the mantra that all citizens should have access to an efficient transportation system of which our roads play an important part. It is for this reason that we applaud the completion of the North South link connecting the island’s tourism hub with the commercial centre of Kingston.

This major milestone was accomplished by operators Jamaica North South Highway Company Limited within the projected time. The 67.2 Km highway now provides the travelling public an alternative to the often treacherous Mount Rosser Main Road and respite from the closure of the Bog Walk Gorge during times of heavy rains. This will only redound to the benefit of the motorists and the nation as a whole.

The Toll Authority is pleased that our Inspector was on hand during the construction phase to discuss and advance the need for necessary safety and security measures to be put in place to ensure that the travelling public has utmost peace of mind while using the thoroughfare. We are also happy with the innovations such as closed circuit camera coverage at the toll plazas’ entry and exit points, features which go a far way in enhancing the security of the corridor. Additionally, we are delighted to be able to advise that there will be regular reviews to ensure that the operators are maintaining the high standards the public demands.

Simultaneously, the Toll Authority is quite satisfied with the operators of the East West Highway as they continue to maintain that corridor for the many users who utilize it for their daily commute. We continue to work with our partners, the National Road Operating And Constructing Company, the National Road Safety Council and the highway operators to ensure that the number of accidents and fatalities on the highways is reduced.

The team here at the Authority continues to rise to the challenges which an expanding highway network presents. We commit to adhering to our mission to ensure that users of our highways do so safely even as we provide a safe and secure traveling environment.

A handwritten signature in black ink that reads "Devon M. Dick".

Devon Dick
Chairman



BOARD OF DIRECTORS (MARCH 2015-2016)

Rev. Devon Dick – Chairman
Ms. Pauline Findlay – Deputy Chairman
Ms. Greta Bogues
Mr. Cosmo Brooks
Dr. Janine Dawkins (*demit office as at April 8, 2015*)
Ms. Muna Issa
Ms. Susan Lawrence
Mr. Guy Morris
Mr. Patrick Rose
Ms. Tanya Bedward (*as at April 8, 2015*)

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 (*demit office as at April 8, 2015*)
Ms. Susan Lawrence
Mrs. Sheryl Shirley-Haynes
Ms. Tanya Bedward (*as at April 8, 2018*)

Technical Committee

Mr. Patrick Rose-Chairman
Ms. Tanya Bedward
Mr. Kurt-Vaughn Clarke



CORPORATE GOVERNANCE

The Board of Directors and the Management of the Toll Authority continued to carry out its mandate ensuring that there is efficient and effective corporate governance in the organization. In this regard, during the year under review, there was continued adherence to the governing Toll Roads Act and Regulations, the Public Bodies Management and Accountability Act and the Financial Administration and Audit Act.

In order to conduct the business of the Authority, the Board of Directors complement was nine (9) members, who served up to the end of the year.

The Board carried out its functions through the holding of scheduled Board meetings. In addition, three (3) Committees, namely Audit and Finance Committee, Legal Committee and Technical Committee, were established for the effective operations of the Board.

BOARD MEETING ATTENDANCE APRIL 1, 2015-MARCH 31, 2016

Name of Directors	Number of Meetings	Number of Meetings Attended
Rev. Devon Dick – Chairman	6	6
Pauline Findlay – Deputy Chairman	6	6
Greta Bogues	6	4
Cosmo Brooks	6	5
Nora Blake	6	6
Muna Issa	6	2
Susan Lawrence	6	3
Tanya Bedward	6	6
Patrick Rose	6	5
Janine Dawkins	6	0

The Committees of the Board which were 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. Sheryl Shirley–Haynes and Mr. Kurt-Vaughn Clarke sit on the Legal Committee and Technical Committee respectively as invited guests.



COMMITTEE REPORTS

AUDIT & FINANCE COMMITTEE REPORT

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 mid-term 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 comprised of four (4) Board Members, including its Chairman Ms. Greta Bogues. During the year, the Committee met three (3) times and addressed the following:

1. Purchase of new Office Equipment and Software
2. Review proposal for training through International Bridge Tunnel and Turnpike Association.
3. Review the Three Year Strategic Plan & Operational Plan.
4. Review the Annual Draft Budget and make recommendation for its approval.
5. Considered the requirement for a Corporate Secretary.
6. Review Audited Financials and make recommendations to the Board of Directors.
7. Review the draft Annual Report.
8. Review the Authority's expenditures.

In keeping with the Auditor's General recommendation, the Toll Authority became responsible for its accounting functions. Consequently, an accountant was retained with responsibility for posting of accounting data, preparing, compiling and presenting final accounts. In addition, the responsibilities of the Authority's Administrative Secretary were increased to include accounting functions relating to procurement and payables. The audited accounts were prepared by the registered auditors, UHY Dawgen Chartered Accountants.

LEGAL COMMITTEE REPORT

The Legal Committee is comprised of four (4) members and was 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; and
 - 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 financial year, the Committee met once to:

1. Examine the Concession Agreement to ascertain the sanctions that could be applied for the Operators of the North-South Highway persistent breaches to the Regulations.
2. Examine and finalize the Toll Roads (Technical Designs, Operations and Maintenance Standards) Regulations.

TECHNICAL COMMITTEE REPORT

The Technical 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 optimization of the highway. This include matters relating to:-
 - a. Access and egress points
 - b. Travel demands
 - c. Service standards

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

1. The Jamaica North South Highway Company's (JNSHC) applications for temporary closure of:
 - a. One lane at the Linstead Interchange;
 - b. The south bound leg of the Moneague to Linstead -Mount Rosser Bypass
 - c. A lane at K13 at the Asphalt Plant on the Mount Rosser Bypass
 - d. The Mount Rosser Bypass North of the Unity Valley Ramps
 - e. One lane at the Unity Valley Interchange
Access; and
 - f. Section 2 - Linstead to Moneague
2. Persistent breaches of the Concession Agreement by Jamaica North South Highway Company (JNSHC).
3. The issues surrounding the Gazetting of the Linstead and Unity Valley Interchanges.

Board of Directors' Compensation

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

BOARD OF DIRECTORS' COMPENSATION						
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	66,500.00	N/A	N/A	N/A	66,500.00
2	Board Member	59,500.00	N/A	N/A	N/A	59,500.00
3	Board Member	50,500.00	N/A	N/A	N/A	50,500.00
4	Board Member	40,000.00	N/A	N/A	N/A	40,000.00
5	Board Member	55,500.00	N/A	N/A	N/A	55,500.00
6	Board Member	43,500.00	N/A	N/A	N/A	43,500.00
7	Board Member	11,000.00	N/A	N/A	N/A	11,000.00
8	Board Member	20,000.00	N/A	N/A	N/A	20,000.00
9	Board Member	68,000.00	N/A	N/A	N/A	68,000.00
10	Board Member	21,500.00	N/A	N/A	N/A	21,500.00
	GRAND TOTAL	436,000.00				436,000.00



MANAGEMENT AND STAFF

HUMAN RESOURCE

The Authority continued to carry out its core function through a secretariat comprising three staff members and a Temporary Accountant. Other functions such as Procurement, Human Resource Management and Information Technology were provided by the then Ministry of Transport, Works and Housing.

The staff compliment of the Authority is three (3), broken down as follows:

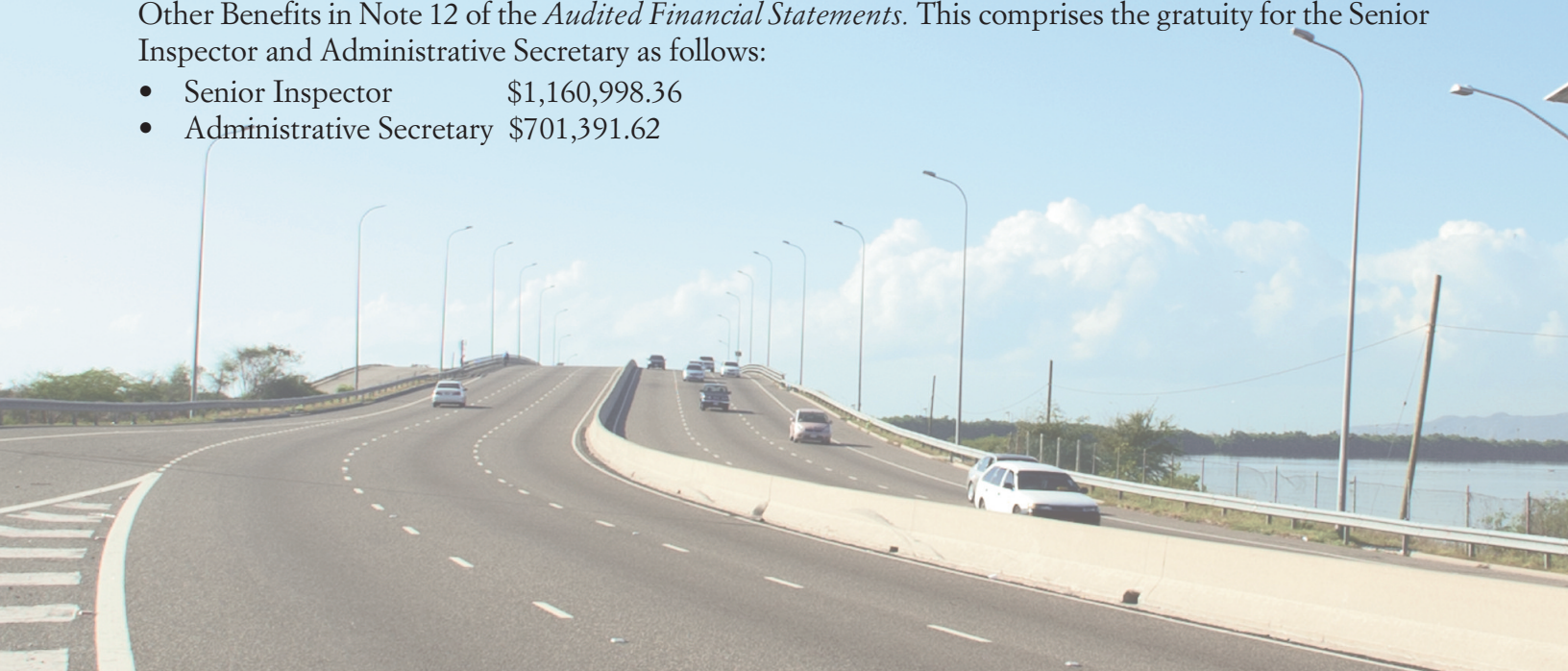
- Mrs. Joan Fletcher – Toll Administrator/CEO
- Mr. Graeme Patrick – Senior Toll Inspector
- Ms. Laura McPherson – Administrative Secretary

Senior Executive Compensation

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Vehicle	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Chief Executive Officer	15/16	3,517,273.95	0.00	1,273,250.00	0.00	0.00	0.00	4,790,523.95
Senior Inspector	15/16	2,519,244.38	1,160,998.36	589,534.00	0.00	0.00	0.00	4,269,776.74
GRAND TOTAL		6,036,518.33	1,160,998.36	1,862,784.00	0.00	0.00	0.00	9,060,300.69

* The sum of \$1,160,998.36 forms a part of the sum of \$1,862,390.00 referred to as Staff Allowances and Other Benefits in Note 12 of the *Audited Financial Statements*. This comprises the gratuity for the Senior Inspector and Administrative Secretary as follows:

- Senior Inspector \$1,160,998.36
- Administrative Secretary \$701,391.62



REPORT OF THE BOARD OF DIRECTORS

Toll Roads of Jamaica

During the year under review, the Jamaican toll roads comprised three (3) distinct sections:

The East West Link

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

The North South Link

3. Linstead to Moneague : approximately 19.16 kilometers.

The Caymanas to Mammee Bay/Ocho Rios toll road which is the complete North South Link (approximately 64 kilometers), was commissioned at the end of the financial year in March 2016.

OPERATIONS & MAINTENANCE HIGHLIGHTS

THE CONDITION OF THE INFRASTRUCTURE – THE EAST WEST TOLL ROADS (TRANS JAMAICAN HIGHWAY - TJH)

ROAD SURFACE: The road surface remained in generally good condition. However, a dip was identified nearing the end of the year at T1 at km 6+800 east. In addition, minor ravelings were detected in a few locations and cracks and separation detected at about K1+500 east; also, a settlement was seen at the Dawkins Drive on-ramp. The TJH is awaiting final advice from their external expert who carried out inspection on the entire infrastructure. The works are estimated to be carried out in the first quarter of the 2016/2017 year.

BRIDGES: The structural condition of March Pen and Bernard's Lodge Bridges heightened fences are maintaining well. However, settlement at Dawkins's Drive on-ramp and stabilizing netting deterioration at Fort Augusta are both approaching critical stages. The TJH are investigating repair methods for both.

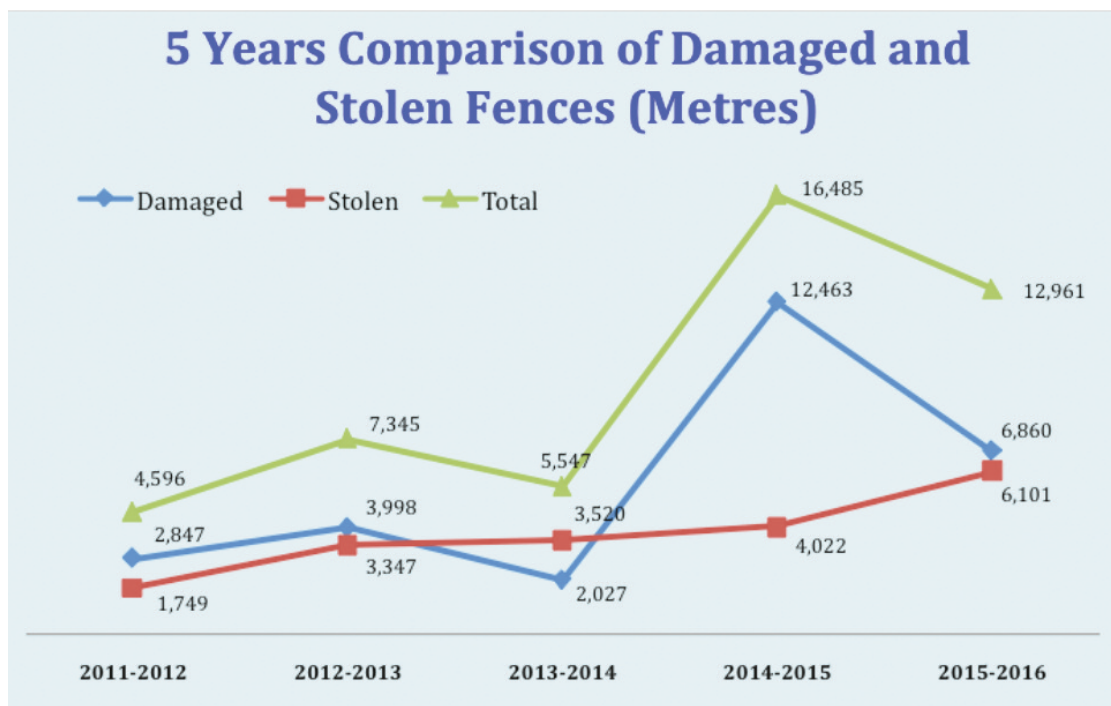
FENCES: The replacement of damaged and stolen fences continues to be a significant cost to TJH/JIO. This is still a source of concern since:

- a. Pedestrians are at risk on the high speed motorway;
- b. Animals are a hazard to motorists;
- c. The costs associated with replacing fences are high.

These chain linked fences were replaced with barbed wire. However, barbed wire were being stolen even though it is painted yellow. Hog wire was also used to replace stolen fence on some section of T1. However hog wire is now also being stolen. The police assistance with theft on the East West toll road has yielded very little results.

During the financial year 2015-2016, a total of 6,860 meters of fence were damaged and 6,101 meters were stolen. Though the amount of damaged fences remain high, the figures show significant improvements when compared with the previous financial year (2014-2015) where 12,463 fences were damaged; a reduction of 45%. The stolen fences on the other hand increased by 2079 meters or 52%.

The chart below shows a comparison of damaged and stolen fences for the past 5 years.



ROAD MARKINGS AND SIGNS: TJH replaced some of the signs that were stolen; however, some others have been stolen since the replacement project started. Police investigations into theft are ongoing. Pavement marking maintenance is scheduled for mid to late 2016; these works will be carried out in conjunction with pavement repairs, which are being finalized.

SHOULDER, BUFFER, AND PLANTED AREA MAINTENANCE: Routine maintenance works were constantly carried out on both T1 and T2. Bushing and cutting of grassed areas with bush whackers close to the carriageway created a potentially hazardous situation for motorists due to debris flung unto the carriageway as a side-effect of the process. The stabilizing nettings at Fort Augusta are at a critical stage of deterioration. External experts recommended that shotcrete be applied to replace the netting. TJH is awaiting a method to carry out these works in financial year 2016-2017.

THE CONDITION OF THE INFRASTRUCTURE – THE NORTH SOUTH TOLL ROADS (JAMAICA NORTH SOUTH HIGHWAY, JNSH)

During the year under review the North South Highway (NSH) comprised of only the Mount Rosser By-pass; the other sections were completed and commissioned at the end of the year.

ROAD SURFACE: The road surface was in generally good condition. A comprehensive schedule for crack and raveling repairs on T1 is to be submitted by TJH early 2016/17. A dip was identified at km 6+800 East that will be regulated in the next phase of major maintenance repairs during 2016/17.

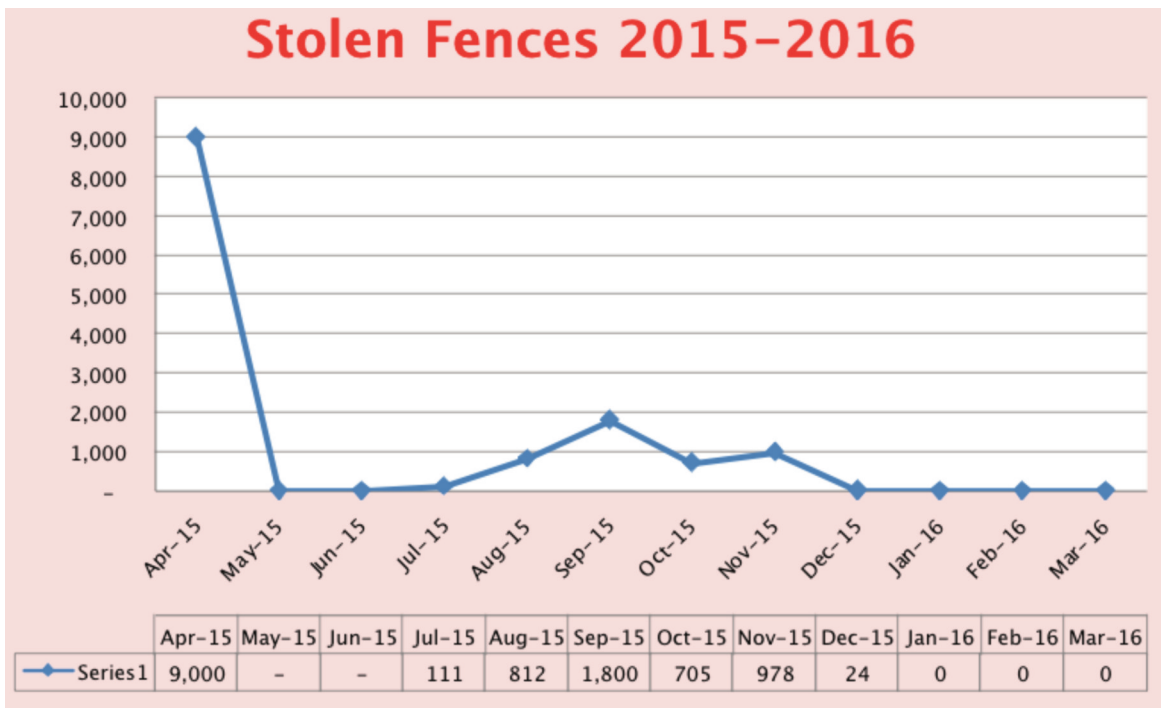
BRIDGES: There were no observed structural issues associated with the bridges. Lane closures at Linstead and Unity Valley were done at times without the necessary approval.

DRAINAGE STRUCTURES: Drainage along the highway was generally good.

ROAD MARKINGS & SIGNS: Road Markings were generally good. Fog warning signs were installed in fog prone areas along the Mount Rosser By-pass.

FENCING: The Operator of the North South Toll Road was also faced with the issue of damaged and stolen fences. However, there was a general decline in incidences of stolen/damaged fences during the last three (3) months of the financial year. Through investigations, the police recovered three (3) rolls of stolen barbed wire hidden in the vicinity of the toll road Caymanas site. The replaced fencing was painted blue in an effort to deter theft and to assist police in their recovery, if they are stolen.

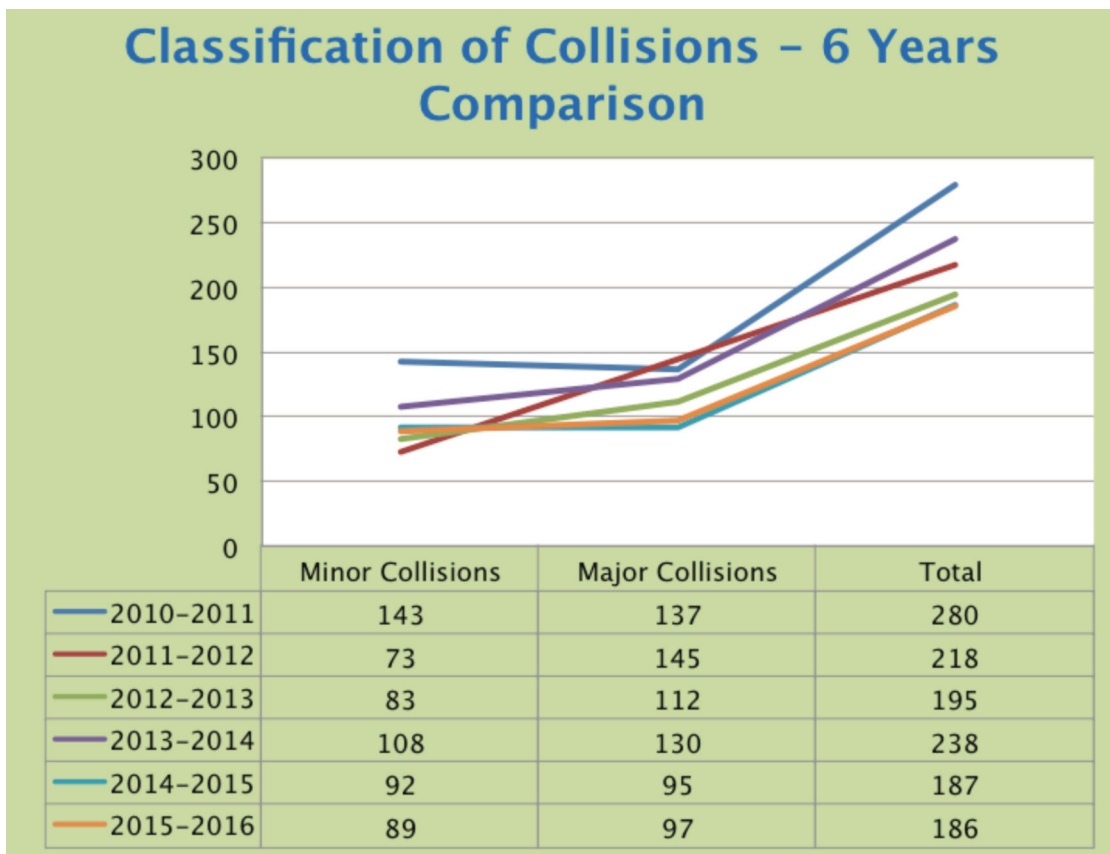
The Chart below gives details of the incidence of stolen fences during the year.



TOLL ROAD SAFETY – THE EAST WEST TOLL ROADS (TRANS JAMAICAN HIGHWAY)

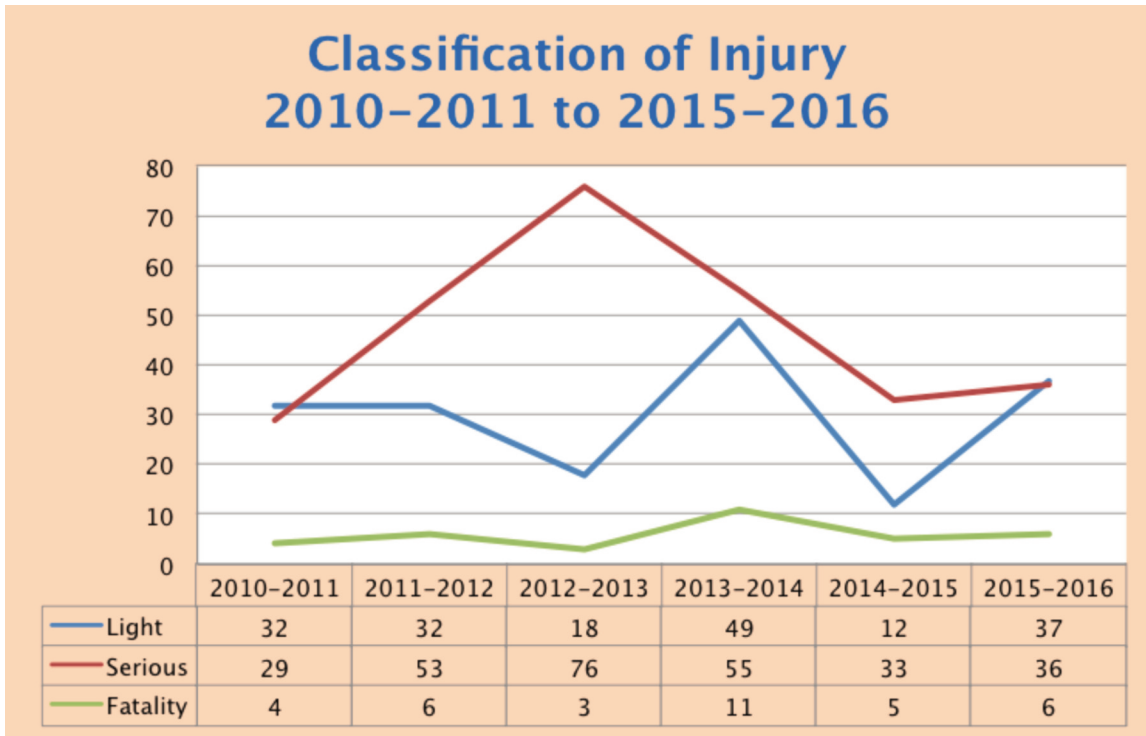
COLLISIONS: There were a total of 89 minor collisions and 97 major collisions during the financial year, resulting in a total of 186 collisions. Minor collisions decreased by 3% when compared to the previous year. The decrease is even greater when compared with the year 2013-2014: there was a 18% decrease. Major collisions on the other hand recorded a 2% increase when compared to the year 2014-2015 and a decrease of 25% when compared with 2013-2014.

Below is a graphical representation of the classification of collisions for the past six (6) years.

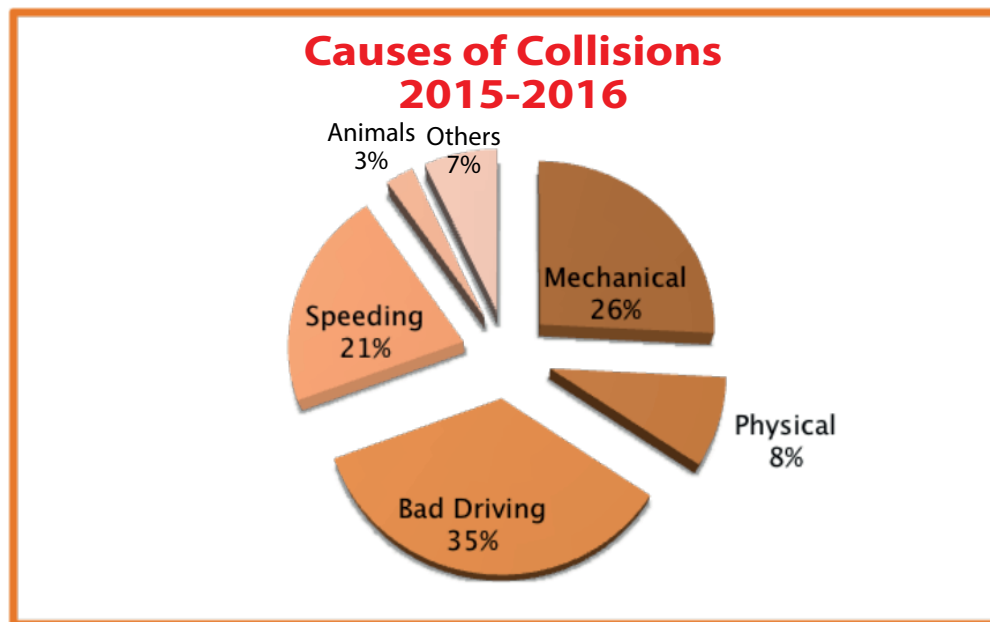


Resulting from the collisions during the year, 37 injuries were classified as light, 36 as serious and 6 were classified as fatal. There was an overall increase in injuries during the year under review.

The graph below shows the classification of injury resulting from the collisions for the past six (6) years. The highest incidents of serious collisions occurred in 2012/2013 with the highest for light collisions and fatalities being in 2013/2014.



The pie chart below provides a graphical representation of the causes of the collisions during the year. Bad driving continues to be the highest cause of collision on the East West link.



Traffic Control Management & Safety in Public Domain:

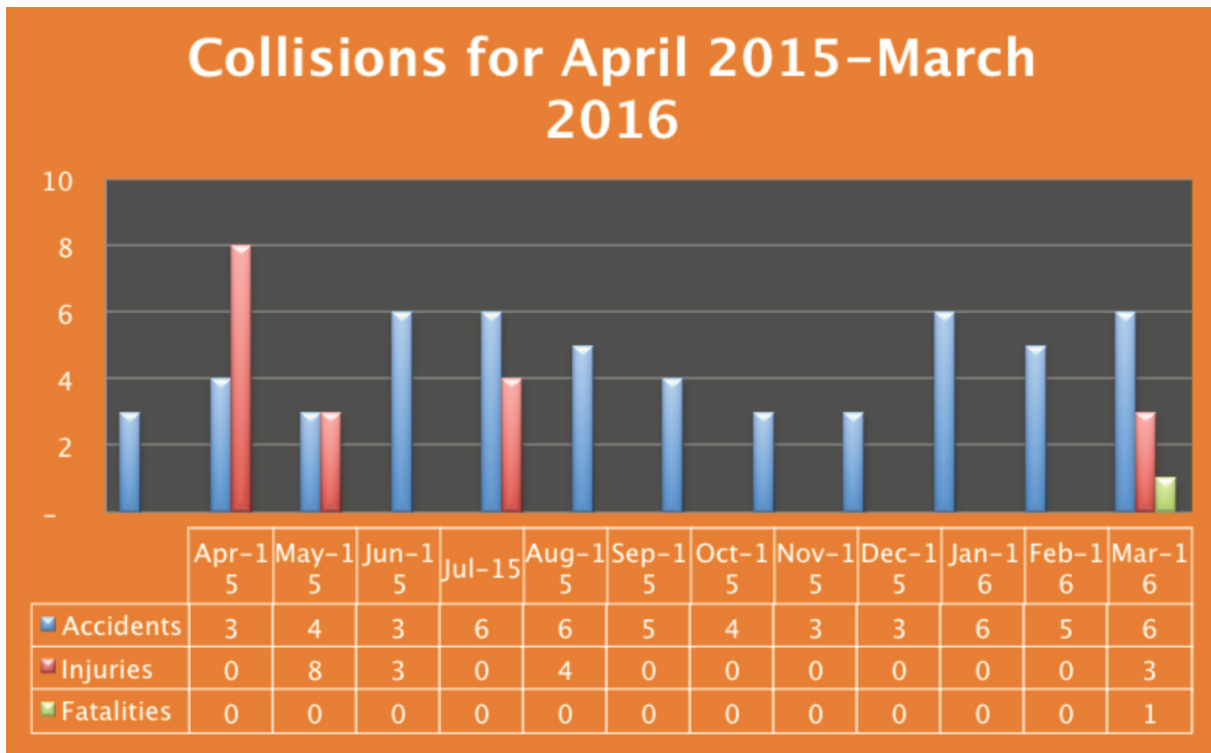
During the period under review, the following were observed:

1. Adequate and appropriate signs were in place to inform motorists of upcoming exits, tollbooths and merge lanes.
2. Tyre deflation devices were in good working condition.
3. Toll lane indicator signs were visible from afar.
4. Adequate temporary signs and traffic cones were used to guide motorists during the maintenance works and repair exercises.

TOLL ROAD SAFETY – THE NORTH SOUTH TOLL ROADS (JAMAICA NORTH SOUTH HIGHWAY)

COLLISIONS: There were a total of 54 collisions during the year. Resulting from these collisions, there were 18 injuries and 1 fatality.

The Chart below gives a graphical representation of collisions for the period April 2015 to March 2016.



The chart below gives details of the causes of collisions on the North South highway during the year under review.

Causes of Collisions

Causes	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Total
Tyre blow out	0	0	0	0	0	0	0	0	0	1	0	0	1
Driver error	1	2	1	3	2	1	1	2	0	1	3	2	19
Mechanical failure	0	0	0	0	2	0	0	0	1	3	1	1	8
Animals	0	0	0	0	1	2	0	0	0	0	1	1	5
Driver fatigue	0	0	1	0	0	0	0	0	0	1	0	0	2
Speeding	0	1	0	1	0	2	0	1	1	0	0	1	7
Speeding on wet	2	0	0	1	1	0	2	0	0	0	0	0	6
Visibility	0	0	0	0	0	0	1	0	1	0	0	0	2
Overtaking	0	0	1	1	0	0	0	0	0	0	0	0	2
Equipment	0	1	0	0	0	0	0	0	0	0	0	0	1
Spills/Obstruction	0	0	0	0	0	0	0	0	0	0	0	1	1
Total	3	4	3	6	6	5	4	3	3	6	5	6	54

Traffic Control Management & Safety in Public Domain:

The Linstead and Unity Valley Interchanges had inadequate lighting during the works and as such the Toll Authority withdrew its approval for the lane closure. JNSHC operated both interchanges in breach of the Toll Roads Act and Concession Agreement Standards. The inconsistencies were however corrected.

Notwithstanding, the toll road indicator signs were clear and fog warning signs were installed in the appropriate areas.

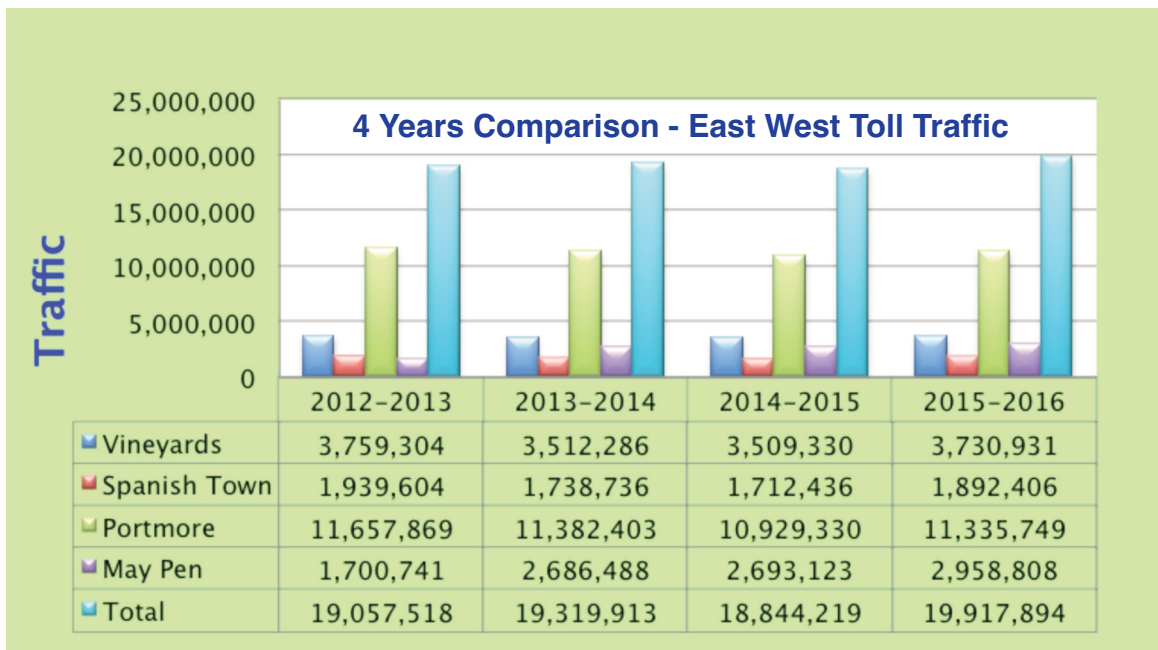
USAGE PERFORMANCE – THE EAST WEST TOLL ROADS (TRANS JAMAICAN HIGHWAY)

There was an overall increase in traffic on the toll roads during the financial year 2015-2016 when compared with the previous three (3) years. Total traffic was 19,917,894 during the year, when compared with 18,844,219 recorded in 2014-2015. This increase is a result of traffic on the toll being increased by 6.31%, 9.87%, 3.72% and 10.51% on the Vineyard, May Pen, Portmore and Spanish Town toll respectively during the year.

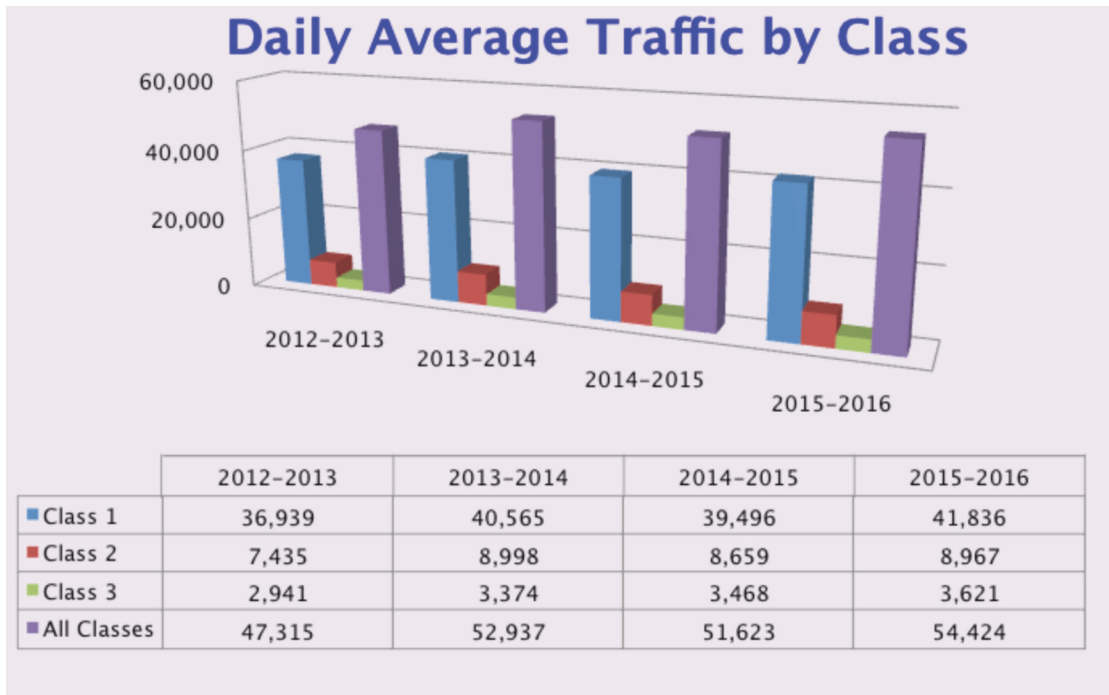
The following is a chart that shows the actual usage at the toll plaza on the East West Toll Roads for 2015/2016.

Actual Usage at Toll Plazas 2015/2016					
Month	Vineyards	Spanish Town	Portmore	May Pen	Totals
Apr-15	299,431	150,710	901,156	228,693	1,579,990
May-15	302,172	156,913	936,909	230,827	1,626,821
Jun-15	293,560	158,455	932,799	222,780	1,607,594
Jul-15	316,281	159,581	931,873	245,751	1,653,486
Aug-15	319,200	146,030	868,845	253,852	1,587,927
Sep-15	283,021	158,833	928,762	216,457	1,587,073
Oct-15	296,651	162,226	997,714	227,694	1,684,285
Nov-15	296,299	159,936	949,036	228,559	1,633,830
Dec-15	372,252	179,422	1,022,674	294,140	1,868,488
Jan-16	328,128	165,496	975,123	275,315	1,744,062
Feb-16	290,518	155,865	893,883	246,991	1,587,257
Mar-16	333,418	138,939	996,975	287,749	1,757,081
Total	3,730,931	1,892,406	11,335,749	2,958,808	19,917,894

The chart below gives details of the toll traffic via the different plazas over the past four (4) years.



The daily average traffic by class increased during the financial year when compared with the previous year. The chart below gives a graphical representation of the daily average traffic by class for the past four (4) years.

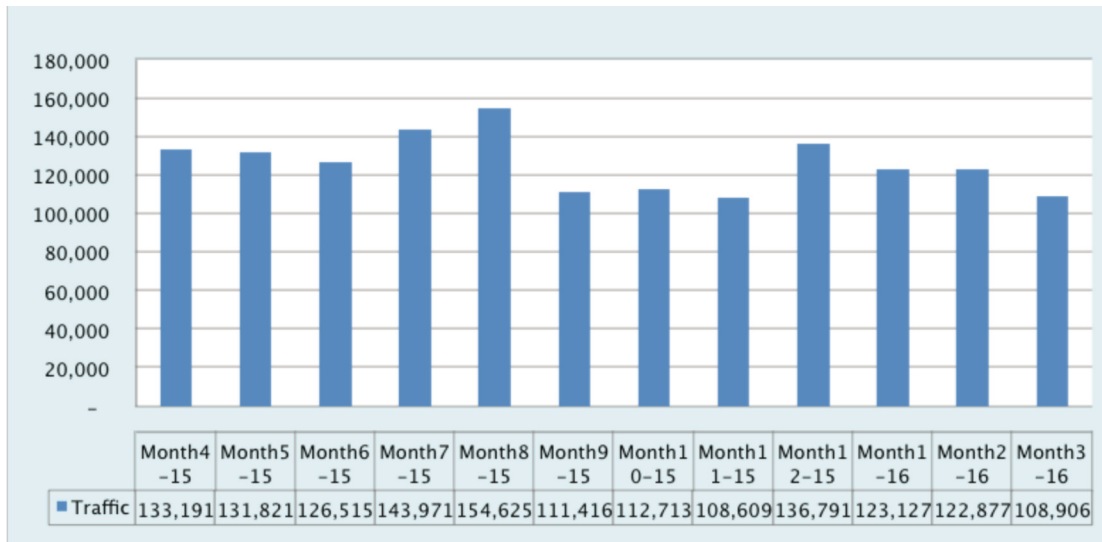


USAGE PERFORMANCE – THE NORTH SOUTH TOLL ROADS (JAMAICA NORTH SOUTH HIGHWAY)

Traffic on the highway totalled 1,514,562 during the period under review. The highest traffic recorded during the year was 154,625 in August 2015, while the lowest traffic of 108,609 was in November 2015. Overall, there was a general fluctuation in traffic on the highway during the year, with the year ending with 108,906 in March 2016.

The following chart gives further details on traffic on the North South Toll Roads during the financial year 2015-2016.

Traffic on the North South Highway





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 the table below. Also included are the forecasted targets for the 2016/2017 year. The data revealed that the Authority achieved all its targets.

Programs for Monitoring the Operation & Maintenance of the Toll Road				
MAINTENANCE MONITORING PROGRAMS	Target	2015/2016		Target for 2016/2017
		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.	4	4	100%	4
Review results/reports on Operator's inspections. Follow-up on expected actions.	On going	On going	On going	On going
Verify whether there is any case of serious hazard requiring emergency repairs.		On going	On going	On going
Review and verify whether measures taken by the Operators are adequate.	On going	On going	On going	On going
OPERATIONS MONITORING PROGRAMS	Target	2015/2016		Target for 2016/2017
		Actual	% Achieved	
Garner info from road users	Ongoing	Ongoing	100%	
Inspect Operators register of written queries/complaints to determine level of successfully determined complaints.	12	12	100%	12
Review traffic levels data.	24	24	100%	24
Review service levels data to determine whether acceptable levels of service are being maintained/ achieved.	24	24	100%	24
Review frequency of accidents and incidents	24	24	100%	24
Review policing activities and efficiency of strategies and measures.	8	8	100%	8

In order to ensure that the Authority’s Inspectorate carries out its mandate effectively and efficiently, and that the concessionaire operates in accordance with the Concession Agreement, specific targets were set. The table below provides the information on the inspection deliverable, and the resulted achievement of 100% of all targets.

Inspection Target for the Toll Road				
INSPECTION PROGRAMS	Inspections 2015/2016		% Achieved	Target for 2016-2017
	Target	Actual		
Conduct routine inspection of infrastructure	120	120	100	216
Conduct service level reviews.	4	24	100	24
Review Operator’s report against observations	24	24	100	216
Inspection of employee safety practices	120	120	100	216
Inspect traffic control management and safety in the public domain	120	120	100	216
Review effectiveness of general safety systems and equipment	120	120	100	216
Investigate, verify and research claims and complaints - assist in initiating conciliation and resolution	on going	on going	on going	on going

INSTITUTIONAL BUILDING

With the opening of a second toll road, namely the North South Highway, the issue of interoperability became critical. Interoperability will play an integral role in the success of the expansion of the toll road network now and in the future as it would inure to the benefit of the customer. In this regard, a proposal was made to standardize the technologies and mechanism by which all operators must carry out Electronic Toll Collection (ETC) throughout the country. This would allow all toll roads in Jamaica to be interoperable and allow the customer to have one conveniently managed account regardless of different operators.

In anticipation of the discussions, the Authority sent its Senior Toll Road Inspector to a Global Summit on Interoperability in 2014. In May 2015, the Inspector also participated in a Maintenance Road Operation Workshop where ‘Interoperability’ and ‘Strategy for Highway Policing’ were the topics covered. During the year 2015/2016, presentations and recommendations were made to varying stakeholders on the issue; however the discussions continued into the 2016/17 year.

FINANCIAL PERFORMANCE

Revenue for the financial year 2015/2016 totaled Eighteen Million Two Hundred and Twelve Thousand Seven Hundred and Thirty Seven Dollars (\$18,212,737); representing Nine Million Seven Hundred and Sixty Six Thousand Three Hundred and Twenty One Dollars (\$9,766,321) from Government Grants, Eight Million Two Hundred and Ninety One Thousand Six Hundred and Thirty Dollars (\$8,291,630) from Jamaica North South Highway monitoring fees, and One Hundred and Fifty Four Thousand Seven Hundred and Eighty Six Dollars (\$154,786) from other income.

Though a sum of Sixteen Million Seven Hundred and Thirty Three Thousand Dollars (\$16,733,000) was budgeted for administrative expenses for the year 2015/2016, a total of Seventeen Million Five Hundred and Twenty Six Thousand and Sixty Seven Dollars (\$17,526,067) was expended. The variance was caused from an increase in Government's Grant to cover retroactive salaries and gratuity during the year. Surplus for the financial year totaled Six Hundred and Eighty Six Thousand Six Hundred and Seventy Dollars (\$686,670).

The Authority also increased its assets by purchasing some necessary fixed assets and software at a cost of \$229,865 and \$1,790,854 respectively. These were not in the budget, however they were purchased from funds (monitoring fees) being held by the Ministry of Transport and Mining for the Authority.

See attached audited financials for details.

FINANCIAL FORECAST AND PROJECTS FOR 2016/2017

The Toll Authority's budget continues to be a line item within the Ministry of Transport and Mining's Budget. The sum of Eighteen Million Five Hundred and Thirty Two Thousand (\$18,532,000) was approved for the financial year 2016/2017. The approved sum includes Ten Million and Thirty Eight Thousand Dollars (\$10,038,000) for employees' compensation, to be funded from the consolidated funds, and a sum of Eight Million Four Hundred and Ninety Four Thousand Dollars (\$8,494,000) to be funded from monitoring fees.





Toll Authority Financial Statements for the Year Ended 31st March 2016



**TOLL AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016**
(Expressed in Jamaican Dollars unless otherwise indicated)

**TOLL AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016**

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**REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
TOLL AUTHORITY**

Report on the Financial Statements

We have audited the accompanying financial statements of the Toll Authority ("the Authority") which comprise the statement of financial position as at 31st March 2016, the statements of comprehensive income, changes in reserves and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and provisions of the Toll Roads Act 2002 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control.

LOCATIONS:

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A member of UHY International, a network of independent accounting and consulting firms

**REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
TOLL AUTHORITY**

Auditors' Responsibility (cont'd)

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.

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

Opinion

In our opinion the financial statements, give a true and fair view of the financial position of the Authority as at 31st March 2016, and of its financial performance, changes in reserves and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the provisions of the Toll Roads Act 2002.

Other Matter

The financial statements of the Toll Authority for the year ended 31st March 2015, were audited by another auditor who expressed an unmodified opinion on those statements on 1st October 2015.

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UHY Dawgen

UHY DAWGEN CHARTERED ACCOUNTANTS

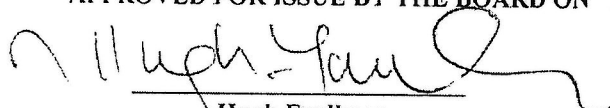
17th November 2016


TOLL AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	<u>2016</u> <u>\$</u>	<u>2015</u> <u>\$</u>
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	4	1,877,608	154,148
<u>Current Assets</u>			
Due from Related Party	5	782,229	3,776,994
Other Receivables	6	2,218	-
Cash and Cash Equivalents	7	2,565,966	-
		<u>3,350,413</u>	<u>-</u>
Total Assets		<u>5,228,021</u>	<u>154,148</u>
EQUITY AND LIABILITIES			
<u>Reserves</u>			
Accumulated Surplus		<u>4,202,413</u>	<u>3,515,742</u>
<u>Current Liabilities</u>			
Trade and Other Payables	8	<u>1,025,608</u>	<u>415,400</u>
Total Equity and Liabilities		<u>5,228,021</u>	<u>3,931,142</u>

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

APPROVED FOR ISSUE BY THE BOARD ON 17.11.2016 AND SIGNED ON ITS BEHALF BY:


Hugh Faulkner
Chairman


Joan Fletcher
Chief Executive Director

TOLL AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2016 \$	2015 \$
Revenue			
Government Grants	9	9,766,321	13,619,276
Monitoring Fee	10	8,291,630	4,526,494
Other Income	11	<u>154,786</u>	<u>-</u>
		18,212,737	18,145,770
Administrative Expenses and Finance Costs		<u>(17,526,066)</u>	<u>(14,493,486)</u>
Surplus for the year		<u>686,671</u>	<u>3,652,284</u>

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

**TOLL AUTHORITY
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31ST MARCH 2016**
(Expressed in Jamaican Dollars unless otherwise indicated)

	Accumulated Surplus	Total
	<u>₹</u>	<u>₹</u>
Balance at 31st March 2014	(136,542)	(136,542)
Total Comprehensive Income for the Year	<u>3,652,284</u>	<u>3,652,284</u>
Balance at 31st March 2015	3,515,742	3,515,742
Total Comprehensive Income for the Year	<u>686,671</u>	<u>686,671</u>
Balance at 31st March 2016	<u>4,202,413</u>	<u>4,202,413</u>

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

TOLL AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

	2016	2015
	₤	₤
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year before transfers	686,671	3,652,284
Adjustments to reconcile Surplus for the year to Net Cash provided by Operating Activities:		
Depreciation	297,259	48,087
Interest earned	12,647	-
Operating Cash Flow before movements in Working Capital	996,577	3,700,371
Decrease/(Increase) in Current Assets:		
Due from Related Party	2,994,765	(3,776,994)
Other Receivables	(2,218)	-
(Decrease)/Increase in Current Liabilities:		
Trade and Other Payables	610,208	76,623
Net cash provided by Operating Activities	4,599,332	-
Cash flows from Investing Activities:		
Purchase of property, plant and equipment	(2,020,719)	-
Interest received	(12,647)	-
Net cash used in Investing Activities	(2,033,366)	-
Net Increase in Cash and Cash Equivalents	2,565,966	-
Cash and Cash Equivalents at beginning of year	-	-
Cash and Cash Equivalents at end of year	2,565,966	-

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

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016
 (Expressed in Jamaican Dollars unless otherwise indicated)

1. Identification:

The Toll Authority ("the Authority") is a Statutory body, established in February 2002 under the Toll Roads Act 2002. The Toll Authority's objectives 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 of Transport and Mining on matters of general policy relating to the design, construction, safety, regulation, operation and maintenance of the toll roads in Jamaica.

The Toll Authority's activities are funded mainly by the Government of Jamaica and monitoring fees paid by the Jamaica North South Highway Company Limited as per Concession Agreement between National Road Operating and Construction Company and Jamaica North South Highway Company dated 21st June 2012. The Toll Authority's head office operates from premises rented at 11A-15 Oxford Road, Kingston 5.

The Toll Authority, as a public body and in accordance with Section 12 (1) (b) of the Income Tax Act, is exempt from Income Tax. The Authority is also exempt from Stamp duty under Section 30 of the Toll Roads Act.

2. Adoption of Standards, Interpretations and Amendments:

a) Standards, Interpretations and Amendments to published standards that are in effect:

The International Accounting Standards Board (IASB) issued certain new standards and interpretations as well as amendments to existing standards, which became effective during the year under review. Management has assessed the relevance of these new standards, interpretations and amendments and has adopted and applied in these financial statements, those standards which are considered relevant to its operations. The new standards in effect are as follows:

Improvements to IFRS 2010–2012 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

IFRS 13: Fair Value Measurement (Effective July 2014)

Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusion only).

IAS 24: Related Party Disclosures (Effective July 2014)

Key management personnel - clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. [IAS 24.9]

If an entity obtains key management personnel services from a management entity, the entity is not required to disclose the compensation paid or payable by the management entity to the management entity's employees or directors. Instead the entity discloses the amounts incurred by the entity for the provision of key management personnel services that are provided by the separate management entity*. [IAS 24.17A, 18A]

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
 (Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

a) Standards, Interpretations and Amendments to published standards that are in effect cont'd:

Annual Improvements to IFRSs 2010–2012 Cycle

IAS 16: Property, Plant and Equipment (Effective July 2014)

Revaluation method - Proportionate restatement of accumulated depreciation. Clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

For all depreciable assets:

The depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life [IAS 16.50].

The residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under IAS 8 [IAS 16.51].

The depreciation method used should reflect the pattern in which the asset's economic benefits are consumed by the entity [IAS 16.60]; a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate [IAS 16.62A].

The depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in estimate under IAS 8. [IAS 16.61] Expected future reductions in selling prices could be indicative of a higher rate of consumption of the future economic benefits embodied in an asset [IAS 16.56].

Depreciation should be charged to profit or loss, unless it is included in the carrying amount of another asset [IAS 16.48].

Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle [IAS 16.55].

Improvements to IFRS 2011–2013 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

IFRS 13: Fair Value Measurement (Effective July 2014)

Scope of paragraph 52 (portfolio exception)

Clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

IAS 40: Investment Property (Effective July 2014)

Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

**TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016**
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

a) Standards, Interpretations and Amendments to published standards that are in effect (cont'd):

These affected the financial statements for accounting periods beginning on or after the first day of the months stated. The adoption of these Standards and amendments had no material impact on the Authority's financial statements.

b) Standards, Interpretations and Amendments to published standards that are not yet effective :

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Authority has not early-adopted. The Authority has assessed the relevance of all the new standards, amendments and interpretations with respect to the Authority's operations and has determined that the following are likely to have an effect on the Authority's financial statements:

Improvements to IFRS 2012–2014 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments are as follows:

IFRS 5: Non-current Assets Held for Sale and Discontinued Operations (Effective January 2016)

Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7: Financial Instruments: Disclosures (Effective January 2016)

Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

IAS 1: Presentation of Financial Statement (Effective January 2016)

The amendment addresses perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes.

Clarifies that information should not be obscured by aggregating or by providing immaterial information materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

Clarifies that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregated as single line items based on whether or not it will subsequently be reclassified to profit or loss;

Provides additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need to be presented in the order so far listed in paragraph 114 of IAS 1.

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
 (Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

b) Standards, Interpretations and Amendments to published standards that are not in effect (cont'd):

IAS 16: Property, Plant and Equipment and IAS 38 Intangible Assets (Effective January 2016)

Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;

Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated;

Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Amendments to IAS 7 - Statement of Cash Flows (Effective January 2017)

Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IFRS 9: Financial Instruments (Effective January 1, 2018)

This replaces the existing guidance in *IAS 39, Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, in order to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The determination of classification will be made at initial recognition and depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

IFRS 16 - Leases (Effective January 2019)

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Management has determined that the standard is relevant to existing policies for its current operations, but has not yet assessed the impact on adoption.

These affect financial statements for accounting periods beginning on or after the first day of the month stated. The Authority is assessing the impact these amendments will have on its financial statements.

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
 (Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies:

(a) Statement of Compliance and Basis of Preparation-

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the requirements of the Jamaican Companies Act. They have been prepared under the historical cost convention.

(b) Significant Accounting Policies:

(i) Use of Estimates and Judgements -

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRS) required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The Financial statements are presented in Jamaican Dollars.

(ii) Property, plant and equipment -

Property, plant and equipment are stated at historical cost less depreciation less any impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Authority and its cost can be reliably measured. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or loss as incurred.

Depreciation of property, plant and equipment is provided on the straight-line basis calculated at annual rates estimated to write off the cost of each asset over the term of its useful life. The rates of depreciation in use are as follows:-

Furniture and Fixtures and Other Equipment	10%
Computer Equipment Hardware	20 %
Computer Software	33 1/3 %

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to the recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating surplus or deficit.

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(b) Significant Accounting Policies (Cont'd):

(iii) Impairment -

The carrying amounts of the Authority's assets are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses are recognised in the statement of comprehensive income.

(iv) Trade and Other Receivables -

Other receivables consist of withholding tax deducted by the bank pending submission of a claim to recover due to tax-free status.

(v) Foreign Currency Transactions -

During the year, transactions in foreign currencies are converted into Jamaican dollars at the rates of exchange ruling on the dates of those transactions as per Bank of Jamaica Historic rate listing where actual transaction rate is not known. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Gains or losses arising from fluctuation in the exchange rates are reflected in the Statement of Comprehensive Income.

(vi) Trade and Other Payables -

Trade and other payables are stated at their nominal value.

(vii) Revenue -

Monitoring fee is recognized based on the degree of completion of the North South toll road. Government grants are accounted for as revenue for the period in which they are received. Interest income is recognized when earned, from balances with financial institutions.

(viii) Cash and Cash Equivalents -

Cash and cash equivalents are carried in the statements of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on at bank, in hand current accounts held at bank, foreign and local savings accounts deposits and short-term highly liquid investments with original maturities of three months or less from the date of recognition.

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
 (Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(b) Significant Accounting Policies (Cont'd):

(ix) Financial Instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, amounts due from related party, other receivables and accounts payable. The carrying value of these financial instruments approximates their fair value due to their short-term nature.

Classification

Financial assets that are classified as loans and receivables are carried at amortized cost and include due from related party and other receivables. Financial liabilities that are not at fair value through profit and loss are carried at amortized cost and include accounts payable.

Measurement

Financial instruments are measured initially at fair value (transaction price) plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Subsequent to initial recognition, all instruments classified at fair value through profit and loss are measured at fair value with changes in their fair value recognized in the statements of comprehensive income.

(x) Taxation

The Toll Authority, as a public body and in accordance with Section 12 (1) (b) of the Income Tax Act, is exempt from Income Tax.

(xi) Comparative Information -

Where necessary, comparative figures have been re-classified to conform to changes in presentation in the current year. In particular, comparatives have been adjusted to take into account the requirements of IFRS.

(xii) Related Party Balances

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, Related Party Disclosures as the "reporting entity").

- (a) A person or a close member of that person's family is related to the reporting entity if that person:
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to the reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016

(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(b) Significant Accounting Policies (Cont'd):

(m) Related Party Balances (cont'd)

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

- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

The Authority has a related party relationship with the Government of Jamaica and its agencies, directors and other key management personnel.

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
 (Expressed in Jamaican Dollars unless otherwise indicated)

4. Property, Plant and Equipment:

	Computer Hardware \$	Computer Software \$	Furniture and Fixtures \$	Office Equipment \$	Total \$
<u>At Cost or Valuation:</u>					
31st March 2014	740,000	-	148,228	332,944	1,221,172
31st March 2015	740,000	-	148,228	332,944	1,221,172
Additions	1,790,854	229,865	-	-	2,020,719
31st March 2016	2,530,854	229,865	148,228	332,944	3,241,891
<u>Accumulated Depreciation:</u>					
31st March 2014	740,000	-	93,136	185,801	1,018,937
Charge for the year	-	-	14,793	33,294	48,087
31st March 2015	740,000	-	107,929	219,095	1,067,024
Charge for the year	1,208,444	44,030	12,029	32,756	297,259
31st March 2016	948,444	44,030	119,958	251,851	1,364,283
<u>Net Book Value:</u>					
31st March 2016	1,582,410	185,835	28,270	81,093	1,877,608
31st March 2015	-	-	40,299	113,849	154,148
31st March 2014	-	-	55,092	147,143	202,235

The Authority has sought approval from the Ministry of Transport, Works & Housing to dispose of fully depreciated, obsolete computer equipment which originally cost \$480,000.

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

5. Due from Related Party:

This represents the remainder of monies held by the Ministry of Transport and Mining of in their bank account on Toll Authority's behalf. The Toll Authority did not have its own bank account in the prior year, hence the Ministry held their funds collected for Monitoring Fees.

	2016	2015
	\$	\$
Ministry of Transport & Mining	782,229	3,776,994
	<u>782,229</u>	<u>3,776,994</u>

6. Other Receivables:

	2016	2015
	\$	\$
Other receivables	2,218	-
	<u>2,218</u>	<u>-</u>

Other receivables consist of withholding tax deducted by the bank pending submission of a claim to recover due to tax-free status.

7. Cash and Cash Equivalents:

	2016	2015
	\$	\$
Main-Current Account	414,123	-
US\$ Saving Account (2016: US\$17,550; 2015 - US\$0)	2,141,843	-
Imprest (Cash)	10,000	-
	<u>2,565,966</u>	<u>-</u>

8. Trade and Other Payables:

	2016	2015
	\$	\$
Trade Payables	146,056	265,418
Other Payables and Accruals	879,552	149,982
	<u>1,025,608</u>	<u>415,400</u>

9. Government Grants:

This represents cash received from the Government of Jamaica for salaries.

10. Monitoring Fee:

This represents monitoring fees of US\$ 250,000 as per the concession agreement with the National Road Operating and Construction Company Limited made in June 2012.

11. Other Income:

	2016	2015
	\$	\$
Interest Income	12,647	-
Gain on Foreign Exchange	142,139	-
	<u>154,786</u>	<u>-</u>

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

12. Payroll and Other Related Costs:

	2016	2015
	\$	\$
Salaries and Wages	7,622,044	7,199,120
Statutory Contributions	339,374	325,456
Staff Allowance and Other Benefits	<u>1,862,390</u>	<u>1,683,773</u>
	<u>9,823,808</u>	<u>9,208,350</u>

13. Financial Instruments & Financial Instruments Risk Management:

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents and trade and other receivables. Financial liabilities have been determined to include trade and other payables.

The activities of the Authority does not expose it to financial risks in respect of its financial instruments; market risk (current risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. Operational risks are an inevitable consequence of being in business. The Board of Directors aims to achieve an appropriate balance between risk and return and thereby minimising any potential adverse effects on the Toll Authority's financial performance. The Board of Directors is appointed by the Honourable Prime Minister of Jamaica and is responsible to report to the Office of the Prime Minister and the Ministry of Mining.

(a) Credit risk:

Credit risk is the risk that one or both parties to a financial instrument will fail to discharge an obligation resulting in financial loss to one or both parties. The Authority faces credit risk in respect of its cash and cash equivalent. There was no significant concentration of credit risk and the maximum exposure to credit risk is represented by the carrying amount of the financial assets on the statement of financial position.

Maximum Exposure to Credit Risk

	2016	2015
	\$	\$
Due from Related Party	782,229	3,776,994
Other Receivables	2,218	-
Cash and Cash Equivalents	<u>2,555,966</u>	<u>-</u>
	<u>3,340,413</u>	<u>3,776,994</u>

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

13. Financial Instruments & Financial Instruments Risk Management (cont'd):

(a) Credit risk (Cont'd):

(i) Due from Related Party - Ministry of Transport and Mining

This includes funds held by the Ministry of Transport and Mining on behalf of Toll Authority and are used to pay salaries, travelling and upkeep allowances. Related party balance is not considered high risk.

(ii) Other Receivables

Other receivables includes withholding tax deducted erroneously. Credit risk with respect to this item is considered low.

(iii) Cash and Cash Equivalents

The Authority maintains cash at bank with sound financial institution which minimizes exposure.

There has been no change in the Authority's exposure to credit risk or the manner in which it measures and manages the risk.

(b) 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 liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to sell assets quickly at or close to fair value to meet obligations to pay creditors and also to complete projects.

The Authority is funded mainly by Government through the Ministry of Transport and Mining which is pre-determined in the fiscal budget, in addition to funds received from the North South highway. Total income is usually sufficient to cover expenses. At 31st March 2016, the Toll Authority's current assets exceeded its current liabilities by \$2,324,805 (2015: \$3,361,594).

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

13. Financial Instruments & Financial Instruments Risk Management (cont'd):

(b) Liquidity risk (cont'd):

The following are the contractual maturities of financial assets and liabilities including interest payments as at:

31st March 2016

	Carrying Amount & Contractual			No specific maturities
	Cash Flow	0 - 6 months	6 - 12 months	
	\$	\$	\$	\$
Related Party and Other Receivables				
Related Party	782,229	782,229	-	-
Other	2,218	-	2,218	-
Cash and Cash Equivalents	<u>2,565,966</u>	<u>2,565,966</u>	<u>-</u>	<u>-</u>
	<u>3,350,413</u>	<u>3,348,195</u>	<u>2,218</u>	<u>-</u>
Trade and Other Payables				
Trade	146,056	-	146,056	-
Accruals/other payables	<u>879,552</u>	<u>-</u>	<u>879,552</u>	<u>-</u>
	<u>1,025,608</u>	<u>-</u>	<u>1,025,608</u>	<u>-</u>
Net Current Assets	<u>2,324,805</u>	<u>3,348,195</u>	<u>(1,023,390)</u>	<u>-</u>

The following are the contractual maturities of financial assets and liabilities including interest payments as at:

31st March 2015

	Carrying Amount & Contractual			No specific Maturity
	Cash Flow	0 - 6 Months	6 - 12 Months	
	\$	\$	\$	\$
Related Party				
Related Party	<u>3,776,994</u>	<u>-</u>	<u>-</u>	<u>3,776,994</u>
	<u>3,776,994</u>	<u>-</u>	<u>-</u>	<u>3,776,994</u>
Trade and Other Payables				
Trade	265,418	265,418	-	-
Accruals/other payables	<u>149,982</u>	<u>149,982</u>	<u>-</u>	<u>-</u>
	<u>415,400</u>	<u>415,400</u>	<u>-</u>	<u>-</u>
Net Current Assets	<u>3,361,594</u>	<u>(415,400)</u>	<u>-</u>	<u>3,776,994</u>

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

13. Financial Instruments & Financial Instruments Risk Management (cont'd):

(c) Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. This arises mainly from changes in interest rates, foreign currency rates and equity prices. The Authority's operations are impacted by changes in interest rates and foreign currency movements, but not by changes in equity prices. The effect of these changes however, are not considered significant.

The objective of market risk management is to monitor and control market risk exposures within acceptable parameters, while optimising the return on investments. Market risk exposures are measured using sensitivity analysis.

(i) Interest rate risk

Interest rate risk arises when the value of a financial instrument fluctuates during a specified period due to changes in the market interest rates.

Financial Assets

The Authority's interest bearing financial assets are primarily represented by instruments which are materially contracted at fixed interest rates for the duration of the term. The interest rates paid on savings accounts will fluctuate from time to time but are usually reflective of the market conditions.

At the reporting date, the interest rate profile of the Authority's interest-bearing financial instruments were:

	Interest Rate	2016	Interest Rate	2015
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
<u>Bank balances</u>				
J\$ Current account	0.25 - 0.4	414,123	-	-
USD Savings Account	0.15	<u>2,141,843</u>	-	<u>-</u>
		<u>2,555,966</u>		<u>-</u>

Financial Liability

The Authority has no interest-bearing liability and therefore is not exposed to interest rate risk in this regard.

Interest rate sensitivity analysis

There have been insignificant movements in the interest rates over the last reporting date. Movements in interest rates by the specified rates at the reporting date would have increased/(reduced) the reported surplus and accumulated fund by the amounts shown below:

	Movement	2016	Movement	2015
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
J\$ Current account	1	4,141	-	-
USD Savings Account	1	<u>21,418</u>	-	<u>-</u>
Increase in surplus and accumulated fund		<u>25,560</u>		<u>-</u>

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

13. Financial Instruments & Financial Instruments Risk Management (cont'd):

(c) Market Risk (cont'd):

Interest rate sensitivity analysis (cont'd)

	Movement	2016	Movement	2015
	%	\$	%	\$
J\$ Current account	-1	(4,141)	-	-
USD Savings Account	-0.5	<u>(10,709)</u>	-	<u>-</u>
Decrease in deficit/surplus and accumulated fund		<u>(14,850)</u>		<u>-</u>

Between April 2015 and March 2016, the interest rate on Bank of Jamaica 3 - 6 months Commercial bank increased by 7.467 basis points from 1.76 % to 1.69%. The rate movement subsequent to the year end is expected to be insignificant as there has been some amount of stabilizing of the rates.

This analysis assumes that all other variables, in particular exchange rates, remain constant.

(ii) Foreign currency risk

Foreign currency risk is the risk that the market value of, or the cash flows from financial instruments will vary because of exchange rate fluctuations.

The Authority is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaican dollar. A foreign currency bank account is maintained at a level which partially meets foreign currency obligations.

The Authority's foreign currency asset at the reporting date is as follows:

	2016	2015
	US\$	US\$
USD Savings Account	<u>17,550</u>	<u>-</u>

At the reporting date the Authority does not have any foreign currency liabilities.

Foreign Currency Sensitivity analysis

Exchange rates in terms of Jamaican Dollars which is the Authority's reporting currency, were as follows:

	US\$
31st May 2016	124.69
31st March 2016	121.36
31st March 2015	115.04

Over the period March 2015 to March 2016 there was a 5.49% depreciation of the Jamaican dollar against the US dollar. Between March 2016 and May 2016 there has been a further 2.74% depreciation of the Jamaican dollar against the US dollar.

TOLL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

13. Financial Instruments & Financial Instruments Risk Management (cont'd):

(c) Market Risk (cont'd):

Foreign Currency Sensitivity analysis (cont'd)

The appreciation of the Jamaican dollar to the extent shown against the United States dollar would have decreased/increased income and equity by the amounts shown below.

	Movement	2016	Movement	2015
	%	J\$	%	J\$
United States dollar	6	127,792	6	-
United States dollar	-1	<u>(21,299)</u>	-1	<u>-</u>

The analysis is computed on the same basis for 2016 as for 2015 and assumes that all other variables, in particular, interest rates, remain constant.

It is not anticipated that any appreciation of the Jamaican dollar against the major currencies would be to any significant extent and this should therefore have marginal adverse effect on the Authority's foreign currency financial instruments. Should there be an appreciation of the Jamaican dollar against the United States Dollar by say, 2% this would increase/reduce deficit/surplus and accumulated fund as shown below:

	Movement	2016	2015
	%	J\$	J\$
United States dollar	2	<u>42,597</u>	<u>-</u>

The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2015.

(d) Operational risk:

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

(e) Cash flow interest rate risk:

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The Authority has monetary financial instrument exposed to this risk.

**TOLL AUTHORITY
SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016**

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Schedule of Recurrent Expenditure and Other Expenses	2

**REPORT OF THE INDEPENDENT AUDITORS
TO THE DIRECTORS OF
TOLL AUTHORITY
ON SUPPLEMENTARY INFORMATION**

The supplementary information presented on statements 2 has been taken from the accounting records of the Authority and has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of the Authority for the year ended 31st March 2016.

In our opinion, the said information is fairly presented in all material respects in relation to the financial statements taken as a whole, although it is not necessary for a fair presentation of the state of affairs of the Authority at 31st March 2016 and of the results of its operations, its changes in reserves and its cash flows for the year then ended.

UHY Dawgen
UHY Dawgen

UHY DAWGEN CHARTERED ACCOUNTANTS
Signature

17th November 2016

TOLL AUTHORITY
SCHEDULE OF ADMINISTRATIVE AND OTHER EXPENSES
FOR THE YEAR ENDED 31ST MARCH 2016
(Expressed in Jamaican Dollars unless otherwise indicated)

Administrative:

	2016	2015
	<u>\$</u>	<u>\$</u>
Auditors' Remuneration	375,000	69,900
Payroll and other related costs	9,823,808	9,208,350
Cleaning and Sanitation	22,679	20,188
Upkeep and Subsistence	2,912,924	2,316,140
Food and Drink	58,769	26,138
Telephone and Internet	347,870	312,637
Annual Report	359,657	-
Stationery and Office Supplies	158,885	98,427
Repairs and Maintenance	14,971	-
Seminar and Training	216,303	446,047
Dues and Subscription	25,365	23,384
Legal and Professional Fees	863,510	180,000
Board Meeting Expense	470,500	290,500
Postage and Courier Services	42,718	12,500
Rental	1,505,018	1,440,662
Depreciation	297,259	48,087
	<u>17,495,236</u>	<u>14,492,959</u>

Finance Cost:

Bank Charges	30,830	527
	<u>17,526,066</u>	<u>14,493,486</u>

