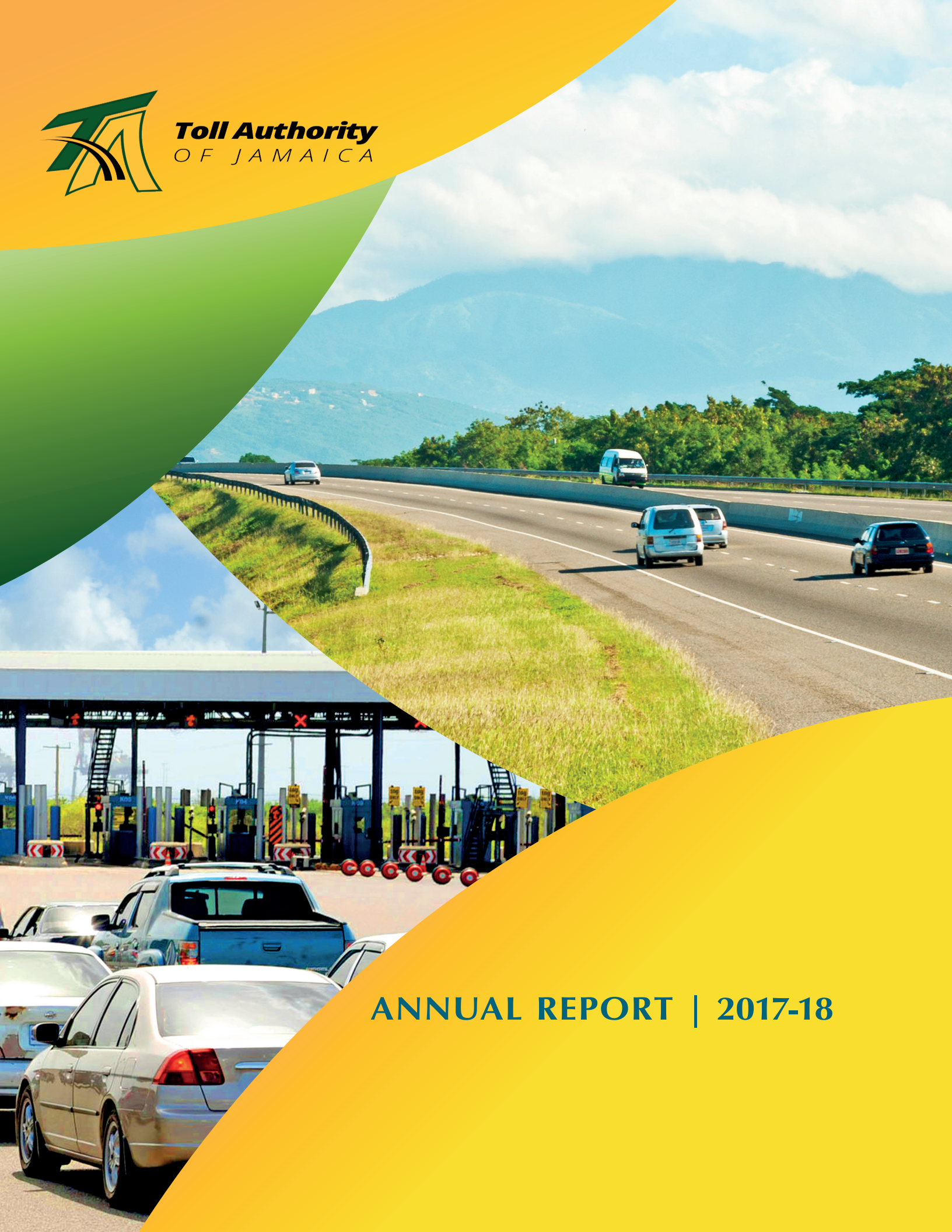




**Toll Authority**  
OF JAMAICA



**ANNUAL REPORT | 2017-18**

# OUR 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.

## CORE VALUES

Accountability

Transparency

Fairness and Integrity

Safety and Security

Performance

Respect

# What's Inside?

- 03 Corporate Profile
- 04 Message from the Minister
- 05 Board Members
- 06 Chairman's Message
- 07 Chief Executive Officer's (CEO) Message
- 08 Management and Staff
- 09 Corporate Governance
- 14 Report of the Board of Directors
- 31 Highlights – 2017/2018 Financial Year
- 32 Financial Performance
- 33 Financial Forecast for 2018/2019
- 34 Compensation for the 2017/2018 Financial Year
- 35 Audited Financials for the 2017/2018 Financial Year

# Corporate Profile



## WHO WE ARE

The Toll Authority, an agency of the Ministry of Transport and Mining, was created under the Toll Roads Act of 2002 and became operational in 2003. The Toll Authority is mandated under the provision of the Toll Roads Act to regulate the operations and maintenance of the toll roads and such other facilities as may be deemed necessary on or adjacent to the toll roads. The Authority is also mandated to monitor the compliance of concessionaires with the terms and conditions of the concession agreements and 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.



## WHAT WE DO

In performing the functions under the Act, the Authority must act in a manner it considers best calculated to:

- Further the reasonable interest of the users of the toll roads by establishing a system for the regulation of tolls that takes account of those interests;
- Promote the efficient, economic and profitable operation of toll roads; and
- Create an enabling environment for potential investors in toll roads.



# Message from the Minister

*T*'o make Jamaica the place of choice to live, work, raise families and do business' – is our vision for Jamaica. Essentially, this is the roadmap for Jamaica to become a developed nation by 2030; and a solid road infrastructure is a critical component to achieving this vision.

The Toll Authority is instrumental in realizing this vision and it is no secret that our toll roads are among the best-maintained thoroughfares on the island. We at the Ministry of Transport and Mining are understandably proud of the work that the Toll Authority has been doing in regulating the operations and maintenance of

the Toll Roads; and ensuring that the public traverses a highway that is safe and satisfies international standards.

This Government is committed to maintaining high standards within the Transport Sector. The toll roads play a pivotal role in the Transport Sector as they are the major connectors between Kingston and other major towns in the island. The East-West Highway which runs from Mandela Highway to May Pen; the Portmore leg which runs from Marcus Garvey Drive to Spanish Town and the North-South Highway running from Caymanas to Ocho Rios, all assist in lowering vehicle maintenance costs as well as increasing productivity hours in the workforce.

As the Government embarks on a number of major infrastructural projects such as the Logistics Hub initiative, the Economic Zone, and the Vernamfield Airport, our highways are integral in ensuring the success of these projects and attracting investors who understand the importance of efficient movement of people and cargo. The Government is currently working on other projects to expand the network which includes the Sandy Bay to Williamsfield leg and Montego Bay Perimeter Road. These are at various stages of development but will have a significant impact on the economy when completed.

Jamaica has the distinction of being a country punching way above 4,411 square miles in the international arena. We have the fastest man on earth, we were the first country in the Western Hemisphere to have a railroad; we have given the world Rastafarianism; we have been the first tropical country to get to the Winter Olympics; the smallest nation to get to the World Cup – there is absolutely no reason why we will not add the realization of Vision 2030. This Ministry, through the Toll Authority, intends to ensure that our toll roads continue to be important milestones in the evolution of this dream.

I wish to congratulate the management and staff who work tirelessly to ensure that these corridors remain safe and adequately maintained. I remain committed to providing the requisite assistance in ensuring that we not only maintain the toll roads currently in operation but provide the necessary framework for others to come on stream.

Hon. Robert Montague  
**Minister of Transport and Mining**

# Board Members



**CHAIRMAN**  
MR. HUGH FAULKNER  
Executive Director of the  
Legal Aid Council



**DIRECTOR**  
MR. FITZBERT MATTIS  
Former General  
Manager, Clarendon  
Cooperative Credit Union



**DIRECTOR**  
MS. TANYA BEDWARD  
Senior Director, Transport  
Policy, Ministry of  
Transport and Mining



**DIRECTOR**  
MR. PATRICK ROSE  
Director, Planning and  
Research, National Works  
Agency



**DIRECTOR**  
MS. SHERNETTE GUTHRIE  
Banker, National  
Commercial Bank (NCB)



**DIRECTOR**  
MR. STEPHEN EDWARDS  
Director of Projects, TPDCo



**DIRECTOR**  
MR. DAVID LAZARUS  
Managing Director  
Dealaz Manufacturers,  
Distributors Ltd.



**DIRECTOR**  
MRS. PAULA FLETCHER  
Executive Director, National  
Road Safety Council



**DIRECTOR**  
MS. DAPHNE TAYLOR  
Executive Assistant, Ministry  
of Transport and Mining



**DIRECTOR**  
MR. ASSAN THOMPSON  
Assistant Commissioner of  
Police, JCF

*\*In 2016 Mr. Matthew Samuda was also appointed to the Toll Authority's Board of Directors. However, he did not accept the offer.*



# Chairman's Message

*A*s the regulator of the toll roads, the Board of the Toll Authority understands the importance of its role and the significance of decisions that are made. It is for this reason that we hold steadfast in aligning the Authority's activities with the Government's strategic objectives for growth through infrastructure in our country.

As such, the Authority undertook several initiatives geared towards the efficient usage of the highways. We are therefore pleased that both operators experienced an increase in the number of users compared to the previous year.

It was a very active year for the Board in reviewing and making recommendations on a number of technical issues identified on both highways. The legislation was also reviewed and recommendations for amendments made where necessary. The team has and will continue to do its best to create an enabling environment for users and the operators. It will also continue to work along with the relevant agencies as other highway projects are added to the infrastructure of the country. These include the Montego Bay Perimeter Road and segment 1C of the highway from Sandy Bay to Williamsfield. The team will continue to be involved in these consultations to ensure that construction is maintained at the highest level.

The Authority continues to be concerned about the high level of motor vehicle crashes on the various segments of the highways. To this end, the team has been mandated to undertake measures to assist in the reduction of crashes and the number of fatalities.

On behalf of the members of the Authority, I commit that the Authority will continue to observe its mandate. The Authority will continue to monitor and regulate the toll roads and will do all that is within its power to ensure that the users do so efficiently and safely. As a team we will continue to rise to the challenges and to face the future with great anticipation.

Mr. Hugh Faulkner  
**Chairman**



# Chief Executive Officer's (CEO) Message

Since the inception of the Toll Authority of Jamaica, we have come to embody the adage 'big things come in small packages'. The team, though small, has had to take on the gargantuan and ever-expanding responsibilities presented by a growing highway network. It is a responsibility that we take seriously given the importance of the network in driving efficiency across the economy and ensuring that the motoring public arrives at their destination safely.

Over the past year, safety has been a major component of our monitoring and enforcement activities. There were a number of interventions on the various legs of the Toll Roads; spanning repairs to the roadways, perimeter fencing, revetment among others. Several of these interventions emanated from the ongoing monitoring by our inspection team. On the matter of collisions and other crashes, we embarked on a public education campaign to implore drivers to be responsible and check their vehicles for defects and obey the speed limits. This will be ongoing as we seek to reduce the number of incidents.

I am happy to report that for both Highways, the East-West and the North-South operators, have reported an increase in the number of average daily users. This may be attributed to one operator foregoing an increase in toll rates, while the other offered reduced rates for some users while applying a minimal increase for others.

Operationally, I am proud to advise that the team working with the JIS was able to launch the updated website which is now more functional and modern. We will be continuing its improvement by adding other information which support the toll operators. We also renovated the office space making it more comfortable for the staff, which included new members.

I continue to be proud of the team at the Toll Authority of Jamaica and the work that we are able to accomplish each year. We look forward with anticipation to the expansion of the highway network and ensuring that they are done at the high standard we have set over the years. I am confident that we will continue to ensure a safe and secure travelling environment.

Mrs. Joan Fletcher  
**Chief Executive Officer (CEO)**



# Management and Staff

## HUMAN RESOURCE

During the financial year 2017/2018, the core functions of the Toll Authority were carried out by three (3) full-time staff members, a part-time Accountant and Corporate Secretary. The Ministry of Transport and Mining carried out the functions of Human Resource Management and Information Technology.

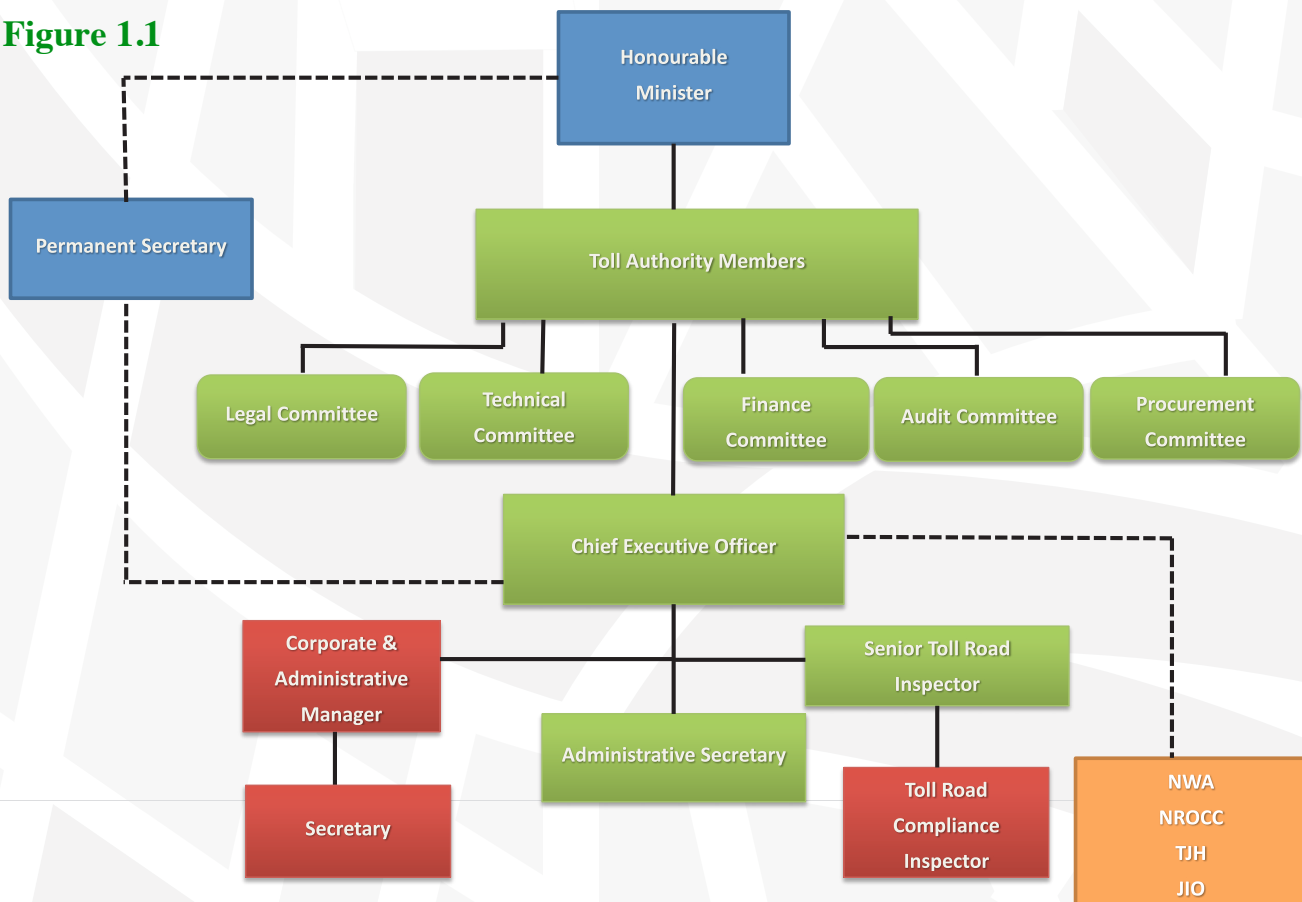
## STAFFING AT THE TOLL AUTHORITY

Mrs. Joan Fletcher - Chief Executive Officer (CEO)  
 Mr. Delon Wauchope - Senior Toll Inspector  
 Ms. Laura McPherson - Administrative Secretary

**Figure 1.1** shows the Toll Authority's approved Organizational Structure. During the year under review, the agency was short staffed; however, the Toll Authority will have its full staff complement by the end of the first quarter of the 2018/2019 Financial Year, with the employment of the following persons: Toll Road Compliance Inspector, Corporate and Administrative Manager and a Secretary. These are newly established posts.

**TOLL AUTHORITY OF JAMAICA – ORGANIZATIONAL STRUCTURE**

**Figure 1.1**



# Corporate Governance

## ROLE OF THE BOARD OF DIRECTORS

The Board provides oversight to the Toll Authority with a view to enhance the interests of stakeholders and offer strategic guidance and direction to the Agency. There is consistent adherence to the Toll Roads Act and Regulation, Public Bodies Management and Accountability Act as well as the Financial Administration and Audit Act. Through these efforts, a high standard of corporate governance is administered and maintained in the discharge of the Board's responsibilities whilst meeting the interests of the Highway 2000 stakeholders.

## COMPOSITION OF THE BOARD

During the 2017/2018 Financial Year, the Toll Authority benefitted from the stewardship of a Board of Directors which comprised of 10 members, with competencies in business law, finance, engineering, audit, research, and policy development. The Board assigned responsibilities to Board Committees to provide direction on specific strategic initiatives and to effectively execute and strengthen its governance function. The Toll Authority's Board of Directors is divided into five (5) committees, namely Audit Committee, Legal Committee, Finance Committee, Technical Committee, and Procurement Committee. Each Committee is guided by a Terms of Reference which outlines its roles and duties. The Committees review and monitor policies, with the guidance and ratification of the Board of Directors. The Board acts on the recommendations of the Committees following their review and advice on proposals submitted by The Toll Authority's Management team.

# COMMITTEES OF THE BOARD

## **FINANCE COMMITTEE**

Mr. Fitzbert Mattis – Chairman  
Mr. Patrick Rose  
Ms. Shernette Guthrie  
Ms. Jacqueline Barnes (Non-Board Member)

## **AUDIT COMMITTEE**

Mrs. Paula Fletcher – Chairman  
Mr. Stephen Edwards  
Ms. Daphne Taylor

## **LEGAL COMMITTEE**

Mr. Hugh Faulkner – Chairman  
Ms. Tanya Bedward  
Mrs. Sheryl Shirley-Haynes (Non-Board Member)

## **TECHNICAL COMMITTEE**

Mr. Stephen Edwards – Chairman  
Mr. Assan Thompson  
Ms. Tanya Bedward  
Mr. David Lazarus  
Mr. Patrick Rose  
Mr. Kurt-Vaughn Clarke (Non-Board Member)

## **PROCUREMENT COMMITTEE**

Mr. Patrick Rose – Chairman  
Mrs. Orlene Nembhard Rowe (Non-Board Member)  
Ms. Jacqueline Barnes (Non-Board Member)  
Ms. Joan Wynter (Non-Board Member)

# BOARD AND COMMITTEE MEETINGS

During the 2017/2018 Financial Year, the Board of Directors of the Toll Authority had a total of seven (7) meetings. A special Strategic Planning meeting was held in November to discuss the direction for the 2018/19 Financial Year. The committees met frequently to respond to matters within their remit and advise the Board accordingly. A Procurement Committee was formed in 2017 to monitor and verify the Toll Authority's procurement actions and to ensure that the Government of Jamaica (GOJ) Procurement guidelines are adhered to.

**Figure 1.2**

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS April 2017 - March 2018						
MEMBERS	BOARD MEETINGS	FINANCE COMMITTEE	LEGAL COMMITTEE	AUDIT COMMITTEE	TECHNICAL COMMITTEE	PROCUREMENT COMMITTEE
Mr. Hugh Faulkner	7		4			
Mr. Fitzbert Mattis	7	15				
Mr. Patrick Rose	4	10			7	1
Ms. Shernette Guthrie	4	5				
Mr. David Lazarus	4				10	
Ms. Tanya Bedward	7		4		9	
Ms. Daphne Taylor	1			0		
Mr. Assan Thompson	5				1	
Mr. Stephen Edwards	2			1	8	
Mrs. Paula Fletcher	5			1		

*Figure 1.2 above shows the number of meetings attended by each member of the Board for the 2017/2018 Financial Year.*

## COMMITTEE REPORTS

### AUDIT COMMITTEE

The Audit Committee, which is chaired by Mrs. Paula Fletcher, comprises of three (3) members. During the 2017/2018 Financial Year, the Audit Committee met once to address the following:

1. The redesign and redevelopment of the Toll Authority's website. A sum of \$300,000 was allocated in the budget for the 2017/2018 Financial Year to modernise the website.
2. The implementation of a Public Education Campaign for Highway 2000 to increase awareness of the toll roads and the safety guidelines that should be followed while using the toll roads.
3. The 2016/2017 Annual Report and Corporate Plan.
4. The outstanding payment of Monitoring Fees to the Toll Authority by the Jamaica North South Highway Company Limited (JNSHC).

## FINANCE COMMITTEE

The Finance Committee, which is comprised of three (3) members, met fifteen (15) times during the year under review. The Finance Committee routinely meets on a monthly basis to review the Authority's Financials.

The following were addressed during the year:

1. Reviewed the Monthly Financials
2. Analysed the expenditure for the development of the Toll Authority's website
3. Examined the expenditure for the increase of the Toll Authority's Staff complement
4. Reviewed the Audited Financial Statement for the year ended March 31, 2017
5. Discussed the budget allocation for the advertisement of road safety messages
6. Analysed the expenditure for the installation of additional workstations
7. Reviewed the Toll Regulator's Fee
8. Reviewed the allocation of monitoring fees
9. Discussed the investment options for the Toll Authority's Funds
10. Deliberated on the Statutory Compliance concerns
11. Reviewed monthly cash flow forecast
12. Reviewed the Financial Statements and Audit Report for the 2016/2017 Annual Report
13. Reviewed the Board of Director's meeting expenses
14. Discussed the 2017/2018 Budgetary Projections
15. Reviewed monthly GCT payments to Tax Administration of Jamaica

## TECHNICAL COMMITTEE

The Technical Committee is responsible for:

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

During the period under review, the Technical Committee met ten (10) times and:

1. Reviewed traffic management plans for slope maintenance and the closure of escape lanes for sections of the North-South leg of the Highway. This was done to ensure that:
  - a) Adequate plans are in place for the maintenance/repairs;
  - b) Repairs are carried out in a safe and controlled way;
  - c) The flow of traffic is smooth and traffic collisions are prevented in the areas repairs are being done;
  - d) Environmental and safety risks are adequately assessed.
2. Discussed a proposal for the rehabilitation of a particular road in Newport-West, i.e. a proposal to re-route buses to reduce the number of buses stopping on the highway and Marcus Garvey Drive to let off passengers.
3. Examined proposals for repairs to sections of the East-West Leg of Highway 2000, i.e. between May Pen and Mandela on the eastbound section heading into Kingston.

4. Approved scope of work for drain repair in the vicinity of the Linstead exit, i.e. drains along the toll roads, which are crucial in leading water down the slopes to minimise the risk of future land slippages.
5. Convened meeting with Will-Clarke Service Limited, a Jamaican Company that replaced China Harbour Engineering Company (CHEC) as the contractor on a road repair project; the company's representatives were briefed on the Toll Authority's expectations of the standard of work required.

## LEGAL COMMITTEE

Mr. Hugh Faulkner chaired the Legal Committee during the 2017/2018 Financial Year; the responsibilities of the committee include:

1. Advising the Board of Directors on the legislative framework governing the Authority as well as making recommendations and suggestions for amendment;
2. Reviewing the laws and related documentation;
3. Making recommendations on policies which have legal implications.

During the period of review, the Legal Committee met four (4) times during which it did the following:

1. Reviewed the Main Roads and Toll Roads Acts regarding the erection of advertisement billboards/signs on the North-South leg of Highway 2000.
2. Assessed a proposal to enforce a Penalty for Pedestrians who use the Toll Roads
3. Discussed and approved the synchronisation of the Toll Operators' anniversary dates for the 'varying of toll rates' to July.
4. Re-examined the Toll Roads (Technical Designs, Operations & Maintenance Standards) Regulations; the Regulation was signed by the Minister and Chairman.
5. Re-examined the Toll Roads (Registers) Regulations; which was finalised, the final draft was thoroughly reviewed and amendments were made; it was signed by the Chairman and the Minister.
6. Reviewed the draft (Toll Regulator) (Prescribed Fees) Notice 2017 Regulation. This regulation sets out how fees should be charged for the review of applications submitted by the operators of the toll roads for toll rate variations. It stipulates that the fees are to be calculated by way of a prescribed formula and also details how this formula works. This new regulation also prescribes that the operators should directly submit the fees for the application to the Toll Authority.
7. Reviewed the concession agreements to determine the feasibility of some sections and the possibility of reform.
8. Considered drafting a proposal to the policy directorate for provision to be made in the Concession Agreements for the possible reduction in tolls based on the consumer price index and US exchange rate. The Committee also recommended that Sections 8 and 23 of the Toll Roads Act, which set out the process for varying toll rates, should be rationalised. It was recommended that the sections should be merged and reworded to provide further clarification of the roles of the Minister and the Toll Regulator in the process.

## PROCUREMENT COMMITTEE

The Procurement Committee met once during the 2017/2018 Financial Year, on September 27, 2017, to consider the evaluation report for the acquisition of modular furniture for the refurbishing of the offices of the Authority to accommodate new staff.

# Report of the Board of Directors

## TOLL ROADS OF JAMAICA

The Jamaican toll roads are comprised of three (3) sections:

### The East-West Link

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

### The North-South Link

3. The approximately 64 km long North-South Highway (NSH) is divided into 5 distinct sections: Caymanas to Angels, Angels to Linstead, Linstead to Unity Valley, Unity Valley to Lydford and Lydford to Mammee Bay (Ocho Rios).

## THE CONDITION OF THE INFRASTRUCTURE ON THE EAST-WEST TOLL ROAD (TRANS JAMAICA HIGHWAY-TJH)

**Road Surface:** The road surface on T2 has generally been in good condition. However micro surfacing work was conducted on the westbound lane during the first quarter of the year with lane markings being completed as of June 6, 2017. Rhinophalt was also applied to the road surface and this was completed on May 23, 2017. Rhinophalt was used on the road surface to help with waterproofing and to increase the toughness and aggregate retention on the road. T1 experienced some irregular settlement on the eastbound section (KM 6+000 - 7+000, KM 23+000-26+000, KM 30+000-31+000 and KM 32+000 - 33+000), Trans Jamaica Highway (TJH) addressed these locations with pavement work which was completed by March 2018.

**Bridges:** Remedial work is required on some expansion joints of several composite bridges along T1 that showed signs of leaking. The Toll Authority has made recommendations to the Operator for the leaking cracks to be sealed with an injection of a resin material to restrict water intrusion. Hairline cracks on the bridge parapet showed no signs of propagation over the years; they are not considered a threat to the bridge structure.

There are signs of scouring along edges of the wing walls of the bridges. Construction of chutes along the edge would reduce the silt build up in the shelf drain and reduce scouring.

TJH is aware of these locations; however, there was no cause for major concern during the year 2017 – 2018.

**Drainage Structures:** Kerb drains are generally in good condition, except for minor restrictions by shrubs, cut vegetation, and silt that were detected. Cleaning was required in these areas to allow free flow of surface water into the stone pitch chutes. No serious drainage issues were observed during the year 2017-2018.

**Fences:** The JCF has found several persons of interest in relation to stolen fences and has promised prosecution in the future after further investigations. Hog wires in combination with barbed wire were installed in certain areas to deter animals from entering the corridor.

## THE CONDITION OF THE INFRASTRUCTURE ON THE JAMAICA NORTH-SOUTH HIGHWAY (JNSH)

**Road Surface:** The road surfaces were in generally good condition. Due to the heavy rain experienced in the year, the slopes along the North-South Highway have been deteriorating at a more rapid pace than expected. JNSHC has submitted numerous Lane Closure applications to the Toll Authority as they strategically strengthen each slope without seriously disrupting motorists traversing the highway.

JNSHC has installed energy dissipaters at each escape lane to reduce the impact on motorists who enter the arrestor beds at high speeds and make it to the end of the escape lane. These works were completed in the last quarter of 2017-2018.

**Bridges:** There were no observed structural issues with bridges for the year.

**Drainage Structures:** Falling stones from the slopes continue to damage the concrete drains for all sections of the highway. Some users of the North-South Highway have been experiencing hydroplaning at various locations and the Operator has started a program to reduce these occurrences. Hydroplaning is the skidding or sliding of a car's tires across a wet surface, which may cause serious collisions. The chute drain has redirected the water from the road, thus reducing the possibility of hydroplaning in that section of the highway. Removal of the concrete lip from the median drains has seen a significant reduction in hydroplaning. Regular maintenance of the drains will also reduce the impact of hydroplaning on the highway.

**Road Marking and Signs:** The signage for traffic management during the implementation of lane closures has improved since the Toll Authority and NROCC met with JNSHC on this matter in October 2017. The JNSHC has ordered more signs to install between K61 and K65 which is an area prone to crashes; JNSHC is hoping additional signage will lower the incidences of crashes. The Toll Authority highlighted some areas where additional signage is needed to advise motorists to cut their speed during wet weather.

**Fences:** The JNSHC has replaced all chain link fences with barbed wire which has deterred theft significantly. The vandalism of fencing is a serious concern for all stakeholders as it has the potential to cause breaches of safety. Replacement of fencing is being carried out with barbed wire (painted blue and white in an effort to deter theft) and replacement of missing posts with concrete posts.



# HIGHLIGHTS OF MAINTENANCE WORK ON THE NORTH-SOUTH HIGHWAY

**Figure 1.3**



**Figure 1.3** Above shows the reconstruction of a drain and the rendering of the wing wall which is located in the vicinity of the Linstead exit of the North-South Highway, as drains along the Toll Roads are crucial in leading water down the slopes to minimise the risk of future land slippages.

**Figure 1.4**



**Figure 1.4** Above shows the construction of an energy dissipater wall for an escape lane on the North-South Highway. A lane closure application and a traffic management plan were submitted to the Toll Authority for review and approval as the construction lasted for 72 hours or more.

**Figure 1.5**



**Figure 1.5** Above shows the cleaning of an escape lane on the North-South Highway to remove vegetation and faulty material. An escape lane is a traffic device that enables vehicles that are having braking problems to safely stop. Vegetation and faulty material reduce the effectiveness of the gravel to allow a vehicle's momentum to be dissipated in a controlled way. A lane closure application and a traffic management plan were submitted to the Toll Authority for review and approval; repairs lasted for 72 hours or more.

**Figure 1.6**



**Figure 1.6** Above are before and after images of an embankment which had excess vegetation on the North-South Highway.

**Figure 1.7**



**Figure 1.7** Above shows construction activity as the JNSHC commenced the construction of a gas station.

**Figure 1.8**



**Figure 1.8** Above shows water ponding on the North-South Highway (left) and the completed chute drain constructed to alleviate this issue (right). Water that settles on the toll road creates an environment for hydroplaning to occur.

**Figure 1.9**



**Figure 1.9** Above shows repair work done on a damaged guardrail of the North-South Highway. Repair work for damaged guardrails is an ongoing activity on the North-South Highway due to the high frequency of collisions. A lane closure application and a traffic management plan were approved by the Toll Authority.

**Figure 2.0**



**Figure 2.0** Above shows the construction of a rubble retaining wall (left) and the repair of a damaged concrete drain (right). A lane closure application and a traffic management plan were approved by the Toll Authority in relation to these works.

**Figure 2.1**



**Figure 2.1** Shows before and after images of an escape lane on the North-South Highway. The before image shows vegetation growing in the arrestor bed and the other image was taken after maintenance works were completed.

# HIGHLIGHTS OF MAINTENANCE WORK ON THE EAST-WEST HIGHWAY

Figures 2.2



**Figure 2.2** Above shows images of micro surfacing repairs that were conducted on the eastbound and westbound lanes of the East-West Highway. Rhinophalt was applied to the road surface to help with water proofing and increase the toughness and aggregate retention on the road.

# TRAFFIC CONTROL MANAGEMENT AND SAFETY IN THE PUBLIC DOMAIN

Figure 2.3

AVERAGE DAILY TRAFFIC BY PLAZA (East West Highway)											
PLAZA	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Vineyards	12,118	11,722	10,674	9,793	10,305	10,148	9,622	9,615	10,090	11,498	11,191
Spanish Town	5,906	5,169	5,028	5,125	5,244	5,282	4,763	4,692	5,188	3,868	4,029
Portmore	38,627	37,025	35,006	33,254	32,797	31,884	31,184	29,943	30,847	32,564	36,251
May Pen							7,360	7,378	7,720	9,675	10,499
<b>Total</b>	<b>56,651</b>	<b>53,916</b>	<b>50,708</b>	<b>48,172</b>	<b>48,346</b>	<b>47,314</b>	<b>52,929</b>	<b>51,628</b>	<b>53,845</b>	<b>57,605</b>	<b>61,970</b>

**Figure 2.3** Above shows the average daily traffic by toll plaza on the East West Highway. For the 2017/2018 Financial Year the average daily traffic on the East West Highway was 61,970. This reflects an increase in usage of 4,365 (7.7%) when compared to the previous year, which had an average daily traffic of 57,605. The average daily usage of the Portmore leg increased to 3,687 (11%) in 2017/2018. There was a slight increase of the average daily traffic at the Spanish Town and May Pen toll plazas, of 161 (4%) and 824 (9%), respectively; but a slight decrease at the Vineyards of 307 (2%).

Figure 2.4

Average Daily Traffic –North South Highway-Mt. Rosser Comparing 2015/16 & 2014/15, 2016/17 &2017/18				
Month	2014/15	2015/16	2016/17	2017/18
April	-	4,439	8,203	8,766
May	-	4,252	8,567	8,849
June	-	4,081	8,550	6,624
July	-	4,644	9,287	9,576
August	-	4,988	9,341	9,121
September <b>(Toll increase)</b>	3,024	3,714	7,433	8,267
October	3,550	3,635	7,330	8,760
November	3,340	3,620	7,572	9,077
December	4,051	4,412	9,310	10,412
January	4,221	3,973	8,332	9,652
February	4,062	4,237	8,014	9,648
March	4,044	4,960	8,327	10,069

**Figure 2.4** Shows the average daily traffic on the North-South Highway from September 2014 to March 2018. The highway opened in September 2014 with only the Mount Rosser Leg which accounts for the absence in figures from April to August. The data for the 2015/2016 Financial Year, also shows the average daily usage for only the Mount Rosser leg for each month. All sections of the North-South Highway (64 KM) were opened during the 2016/2017 financial year. During the 2017/2018 Financial Year, there was a slight increase in the average daily traffic.

## Traffic Trend for the East West Highway (Trans Jamaican Highway) of the Toll Road for the 2017/2018 Financial Year

The growth in traffic on the Vineyards, Portmore and May Pen toll roads, continues to be positive. The Financial Year 2017/18 experienced the highest levels of usage when compared to the same period of the previous four years. However, Spanish Town is quite the opposite, as its usage has decreased since March 2016. Please see figures 2.5 to 2.8 which provide a detailed display of the traffic trend for the financial years 2013/2014 to 2017/2018.

**Figure 2.5 - VINEYARDS TOLL PLAZA –TRAFFIC TREND**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2013/2014	301,589	305,336	297,581	298,460	308,568	263,823	275,237	276,170	331,378	300,559	261,300	292,285	<b>3,512,286</b>
2014/2015	281,393	292,787	277,825	297,074	305,550	260,041	269,559	274,422	346,831	315,518	274,967	313,363	<b>3,509,330</b>
2015/2016	299,431	302,172	293,560	316,281	319,200	283,021	296,651	296,299	372,252	328,128	290,518	333,418	<b>3,730,931</b>
2016/2017	321,670	322,952	316,922	335,845	335,866	301,613	294,002	311,474	382,809	341,209	296,858	335,505	<b>3,896,725</b>
2017/2018	326,377	330,974	333,403	347,620	349,308	308,803	322,073	332,328	394,060	360,630	310,940	368,454	<b>4,084,970</b>

**Figure 2.6 - SPANISH TOWN TOLL PLAZA –TRAFFIC TREND**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2013/2014	148,742	153,840	144,896	141,357	132,311	141,262	143,389	146,678	146,596	150,648	138,486	145,531	<b>1,735,749</b>
2014/2015	135,742	143,019	134,961	136,024	130,188	137,851	138,767	139,082	155,179	156,303	141,700	163,620	<b>1,714,450</b>
2015/2016	150,710	156,913	158,455	159,581	146,030	158,833	162,226	159,936	179,422	165,496	155,865	138,939	<b>1,894,421</b>
2016/2017	119,536	115,462	114,262	107,875	103,696	116,397	104,979	125,405	130,888	124,808	118,016	130,417	<b>1,413,757</b>
2017/2018	111,405	125,327	127,275	116,938	110,110	121,033	123,451	128,750	125,164	131,233	115,827	134,280	<b>1,472,810</b>

**Figure 2.7 - PORTMORE TOLL PLAZA –TRAFFIC TREND**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2013/2014	966,430	996,958	957,275	924,860	987,583	915,159	954,339	952,793	978,755	985,436	892,652	960,163	<b>11,474,416</b>
2014/2015	908,165	961,633	918,484	906,272	832,865	875,258	891,072	881,130	967,373	952,211	856,136	981,074	<b>10,933,687</b>
2015/2016	901,156	936,909	932,799	931,873	868,845	928,762	997,714	949,036	1,022,674	975,123	893,883	996,975	<b>22,408,103</b>
2016/2017	972,246	978,748	971,024	930,919	905,491	965,663	909,783	980,823	1,072,525	1,087,833	1,008,222	1,102,433	<b>44,816,206</b>
2017/2018	1,004,004	1,090,850	1,118,113	1,085,594	1,023,807	1,061,432	1,119,120	1,142,854	1,164,161	1,172,842	1,041,956	1,206,783	<b>89,632,412</b>

**Figure 2.8 - MAY PEN TOLL PLAZA –TRAFFIC TREND**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2013/2014	224,700	227,204	226,340	232,371	245,322	200,257	209,856	212,103	257,661	290,120	198,369	223,185	<b>2,749,501</b>
2014/2015	216,214	223,505	213,422	230,822	242,221	196,813	206,505	209,928	266,925	240,258	208,844	237,666	<b>2,749,501</b>
2015/2016	228,693	230,827	222,780	245,751	253,852	216,457	227,694	228,559	294,140	275,315	246,991	287,749	<b>5,499,002</b>
2016/2017	278,024	282,020	276,898	305,668	308,470	275,543	270,388	284,037	351,748	313,914	273,493	311,495	<b>3,533,714</b>
2017/2018	309,485	307,967	307,007	330,172	335,343	287,822	300,967	309,030	372,680	340,236	295,536	335,921	<b>3,834,183</b>

*\*July – Annual Toll rate increase – 1st Saturday*



## Traffic Trend for the North-South Highway during the 2017/2018 Financial Year

There was a fluctuation in the total traffic count on the North-South Highway in 2017/2018. Figures 2.9 to 3.1 show a detailed display of the traffic trend for the North-South Highway during the 2017/2018 Financial Year. March 2018 had the highest monthly traffic trend of 13,026 and December had the highest total traffic count of 323,009, while September 2017/2018 had both the lowest traffic trend per month as well as the lowest total traffic count. During the 2017/2018 financial year, traffic on the North-South Highway increased by approximately 266,512 when compared to the 2016/2017 Financial Year. On average the North-South Highway had a traffic count of 279,594 in 2017/2018; while there was an average traffic count of 257,385 in 2016/2017.

**Figure 2.9 - MONTHLY WEEKEND TRAFFIC TREND**

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
<b>2016/2017</b>	9,842	10,964	9,679	10,978	11,570	9,799	10,260	10,104	14,394	10,693	9,992	9,294
<b>2017/2018</b>	10,630	9,381	9,609	13,817	10,996	9,281	10,220	10,160	14,519	10,756	10,567	12,743

**Figure 3.0 - HIGHEST TRAFFIC TREND PER MONTH**

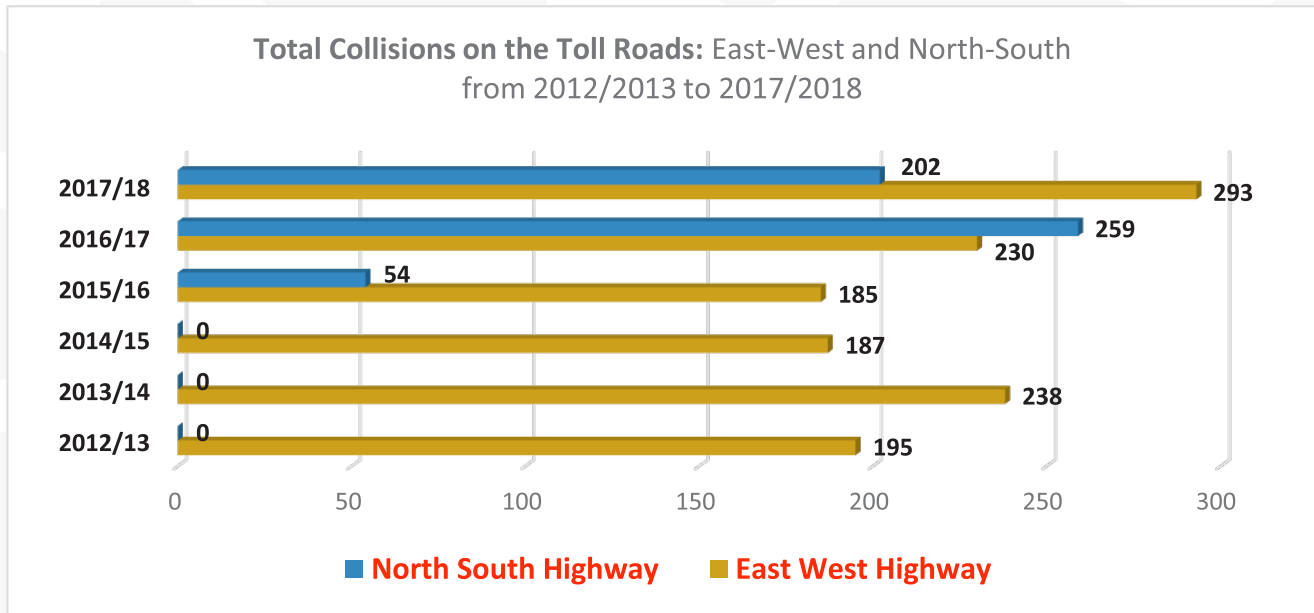
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
<b>2016/2017</b>	10,292	10,988	10,201	11,597	10,778	9,819	10,060	9,717	11,194	10,124	9,516	9,951
<b>2017/2018</b>	11,264	11,854	10,719	11,402	10,715	10,354	11,204	10,884	11,194	11,481	11,364	13,026

**Figure 3.1 - TOTAL TRAFFIC COUNT FOR 2016/2017 AND 2017/2018**

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
<b>2016/2017</b>	246,620	257,026	256,485	287,343	281,046	230,418	229,216	235,127	287,880	260,683	224,543	292,229
<b>2017/2018</b>	263,919	265,492	258,721	287,294	282,759	248,027	272,095	272,327	323,009	299,204	270,137	312,144

## TOTAL COLLISIONS ON THE TOLL ROAD PER ANNUM

Figure 3.2



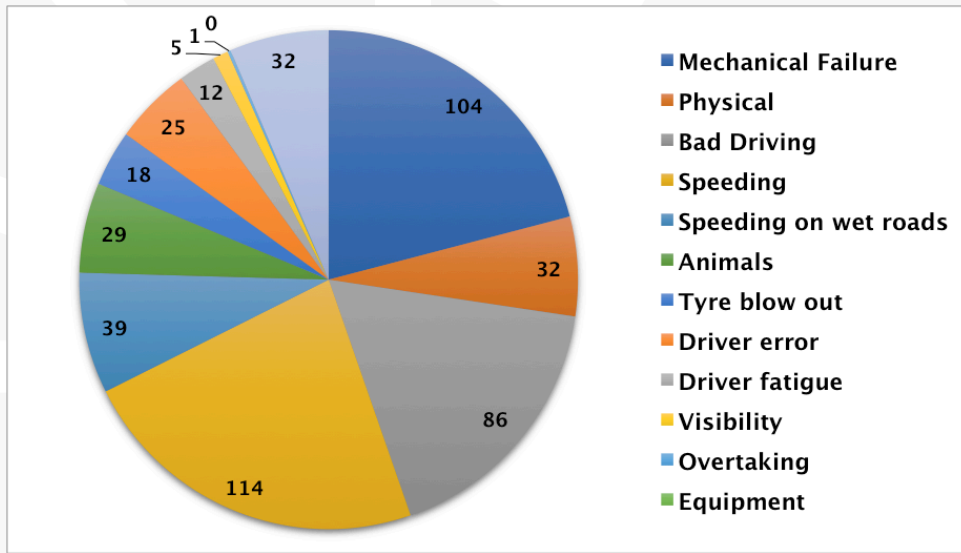
**Figure 3.2** Shows the total collisions on the East-West and the North-South Highways.

The East-West Highway has had a significant number of collisions. There were 293 crashes on the East-West Highway during the 2017/2018 Financial Year, while in 2016/2017 there were 230. The number of collisions on the East-West Highway has gradually increased since 2015/2016. In 2016/2017 there were 45 more crashes than in 2015/2016; the number of impacts further increased to 63 by 2017/2018.

The collision data on the North-South Highway for the 2015/2016 financial year is in relation to the Mount Rosser segment only. All sections of the North-South Highway (64 KM) were opened during the 2016/2017 Financial Year. There were 202 crashes during the 2017/2018 Financial Year; accidents reduced by 57 in comparison to the previous year (2016/2017) which had a total of 259 collisions.

## IDENTIFIABLE CAUSES OF COLLISIONS ON THE EAST-WEST AND NORTH-SOUTH HIGHWAYS

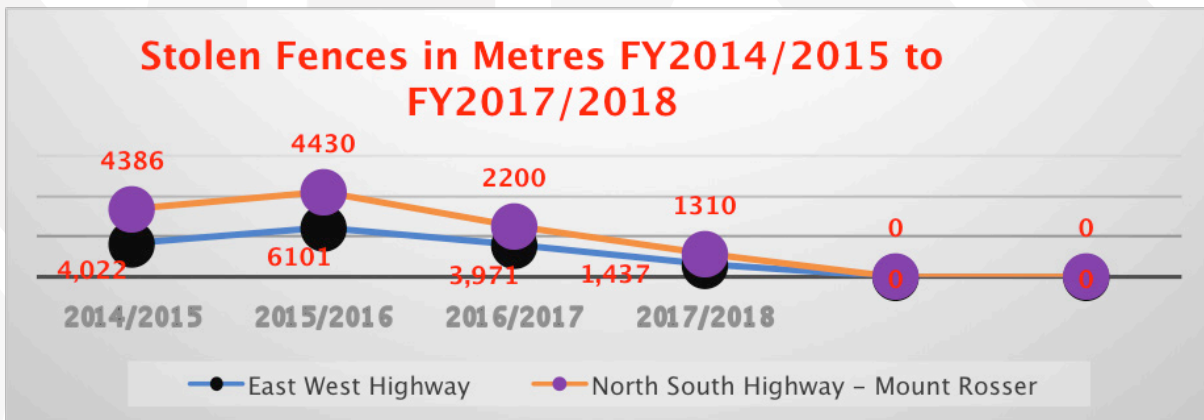
Figure 3.3



**Figure 3.3** Shows the identifiable causes of accidents on the North-South and East-West Highways during the 2017/2018 Financial Year. Speeding on the toll roads resulted in a total of 114 collisions; while mechanical failure and bad driving played major roles in the crashes on the toll roads.

## STOLEN FENCE IN METRES FOR THE EAST-WEST AND NORTH-SOUTH HIGHWAYS

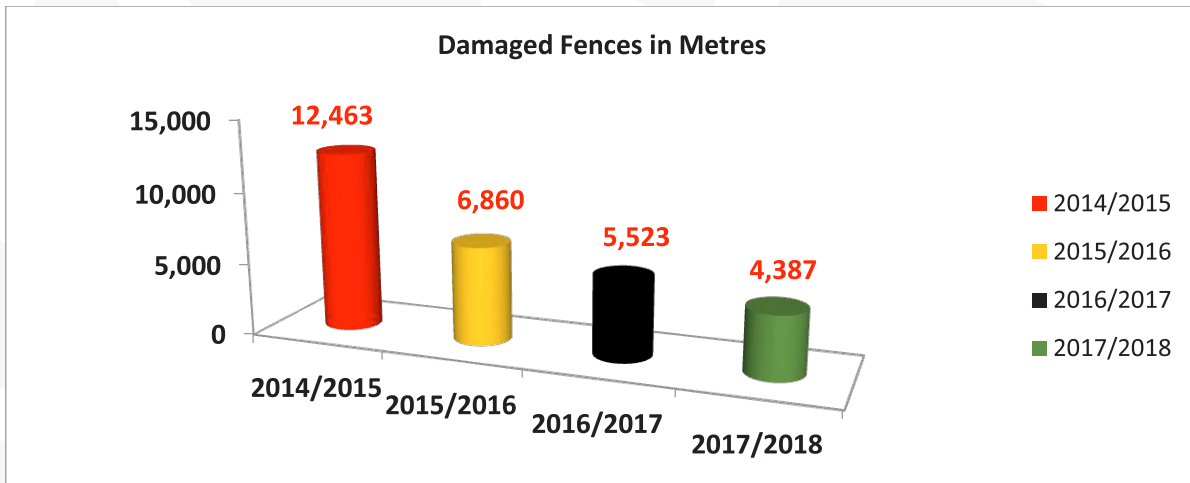
Figure 3.4



**Figure 3.4** Shows stolen fences in metres on both toll roads. Since the 2014/2015 Financial Year, there has been a significant reduction in the number of metres of fencing that has been stolen from the toll roads (both North-South and East-West Highways). During the 2017/2018 Financial Year, 1,437 metres of fencing were stolen on the East-West Highway and 1,310 metres on the North-South Highway. The metres of fencing stolen was reduced by 2,534 and 890, respectively, when compared to the 2016/2017 Financial Year.

## DAMAGED FENCES IN METRES FOR THE EAST-WEST HIGHWAY

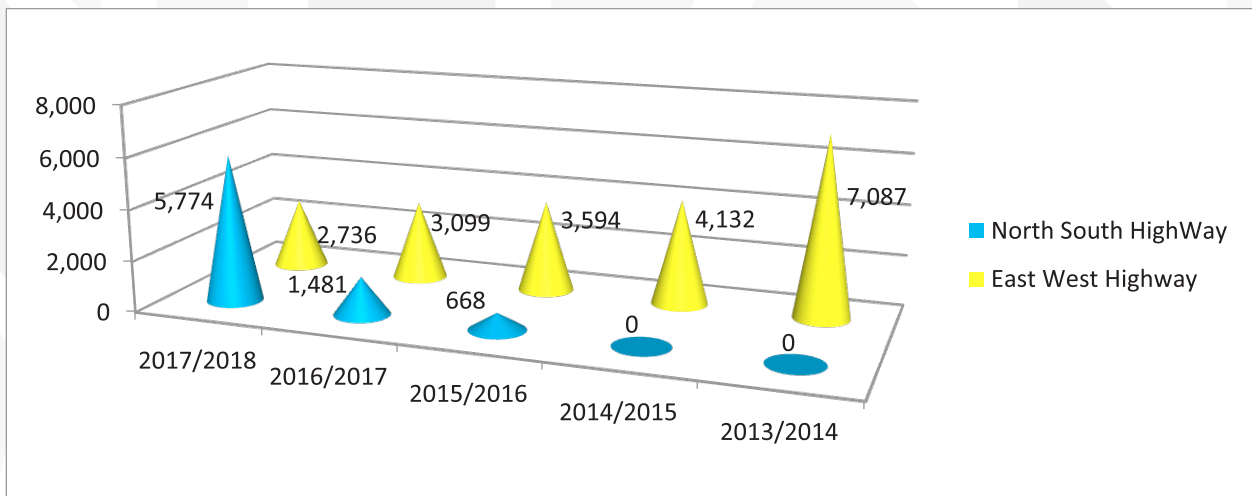
Figure 3.5



**Figure 3.5** Shows damaged fences in metres on the East-West Highway for the 2017/2018 Financial Year. A total of 4,387 metres of fences were damaged during the 2017/2018 Financial Year; this represents a reduction of 1,136 metres of damaged fences in comparison to the figures in the 2016/2017 Financial Year. A total of 6,860 fences were damaged in 2015/2016; however, 2014/2015 had the highest metres of damaged fences which totalled 12,463.

## ANIMALS ON THE EAST-WEST AND NORTH-SOUTH HIGHWAYS PER ANNUM

Figure 3.6



**Figure 3.6** Shows the number of animals sighted on the East-West and North-South Highways during the 2017/2018 Financial Year. A total of 5,774 animals were spotted on the North-South Highway and 2,736 on the East-West Highway.

**Figure 3.7**

Types of Animals spotted on the East-West Highway during the 2017/2018 FY													
Animals	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
<b>2017/2018</b>													
Goats	182	207	98	204	282	214	171	237	326	292	171	255	<b>2,639</b>
Others	8	6	4	7	2	5	0	25	7	0	23	10	<b>97</b>
<b>Total 2017/18</b>	<b>190</b>	<b>213</b>	<b>102</b>	<b>211</b>	<b>284</b>	<b>219</b>	<b>171</b>	<b>262</b>	<b>333</b>	<b>292</b>	<b>194</b>	<b>265</b>	<b>2,736</b>
<b>Total 2016/17</b>	<b>247</b>	<b>273</b>	<b>437</b>	<b>328</b>	<b>352</b>	<b>380</b>	<b>403</b>	<b>213</b>	<b>246</b>	<b>220</b>	<b>247</b>	<b>291</b>	<b>3,099</b>

**Figure 3.7** Shows details of the types of animals spotted on the East-West Highway during the 2017/2018 Financial Year.

**Figure 3.8**

Types of Animals spotted on the North-South Highway during the 2017/2018 FY													
Animal	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Dog	43	12	14	9	13	37	42	47	56	55	17	20	365
Cow	0	4	-	1	2	-	37	11	11	3	0	0	69
Goat	310	110	117	68	114	180	219	332	424	1216	1250	831	5171
Cats	0	7	6	3	8	16	21	15	18	8	5	4	116
Bird	3	-	-	-	13	37	-	-	-	-	-	-	53
<b>Total</b>	<b>353</b>	<b>133</b>	<b>137</b>	<b>81</b>	<b>137</b>	<b>233</b>	<b>319</b>	<b>405</b>	<b>509</b>	<b>1282</b>	<b>1272</b>	<b>855</b>	<b>5,774</b>
<b>2017/18</b>													

**Figure 3.8** Shows the types of animals spotted on the North-South Highway during the 2017/2018 Financial Year.

## KEY PERFORMANCE TARGETS

The Toll Authority is mandated, inter alia, to monitor the concessionaires' compliance with the terms and conditions of the concession agreements. In order to carry out this function, the Authority embarked on several programs as outlined in the tables below. The data revealed that the Authority achieved all its targets. The projections for the 2018/2019 financial year are also included.

### PROGRAMMES FOR MONITORING THE OPERATION AND MAINTENANCE OF THE TOLL ROADS

MAINTENANCE MONITORING PROGRAMMES	2017/2018 April –March 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> & 4 <sup>th</sup> Quarters			
	Target	Actual	% Achieved	Projections 2018/2019 FY
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	2	2	100% *	2
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	On going
Review and verify whether measures taken by the Operator are adequate	On going	On going	On going	On going
OPERATIONS MONITORING PROGRAMMES	2017/2018 April-March 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> & 4 <sup>th</sup> Quarters			
	Target	Actual	% Achieved	
Garner data from road users	On going		-	
Inspect Operators' register of written queries/complaints to determine level of successfully determined complaints	24	24	100%	24
Review traffic levels data (once per month per Operator)	24	24	100%	24
Review frequency of accidents and incidents (once per month per Operator)	24	24	100%	24
Determine & identify shortcomings in signs or equipment which affects the convenience and safety of traffic	On going	On going	On going	On going
Review policing activities and efficiency of strategies and measures	On going	On going	On going	On going

## INSPECTION TARGETS FOR THE TOLL ROADS

Planned Programme INSPECTION	2017/2018 April-March 1 <sup>st</sup> , 2 <sup>nd</sup> ,3 <sup>rd</sup> & 4 <sup>th</sup> Quarters			
	Target	Actual	% Achieved	Projections 2018/2019 FY
Conduct routine inspection of infrastructure - 6 per major segments of road (18 for EW & 30 for NS per Quarter)	192	192	100%	216
Conduct service level reviews - 6 per major segments of road (18 for EW & 30 for NS per Quarter)	192	192	100%	216
Review Operator's report against observations - 6 per major segments of road (18 for EW & 30 for NS per Quarter)	192	192	100%	216
Inspection of employee safety practices - 6 per major segments of road (18 for EW & 30 for NS per Quarter)	192	192	100%	216
Inspect traffic control management and safety in the public domain - 6 per major segments of road (18 for EW & 30 for NS per Quarter)	192	192	100%	216
Review effectiveness of general safety systems and equipment - 6 per major segments of road (18 for EW & 30 for NS per Quarter)	192	192	100%	216
Investigate, verify and research claims and complaints - assist in initiating conciliation and resolution	Ongoing	On going	On going	On going

# Highlights – 2017/2018

## Financial Year

- The Toll Authority commissioned a safety inspection of the North-South Highway by the Road Safety Unit of the Ministry of Transport and Mining. The findings were discussed with the operators; corrective measures began during the year.
- The Toll Authority was a bronze sponsor of the 2017/2018 Jamaica Driver and Road Safety Expo.
- The Authority received approval for the establishment of three (3) new posts.
- The Toll Authority's office space was renovated and additional workstations were installed for new members of staff.



# Financial Performance

The Toll Authority earned revenue of \$42,196,864.00 for the 2017/2018 financial year; this is relative to projections and prior earnings of \$42,165,816. The main sources of revenue were: Government Grant of \$9,051,531.00, Monitoring Fee (from the Jamaica North-South Highway Co. Ltd) \$31,873,750.00 and other income of \$1,271,583.00. The \$31,048 increase in revenue was due to an exchange rate gain from the monitoring fees which were paid in US currency. In the 2017/2018 financial year, revenue earned from other income increased by \$809,015.00 (63.2%), while Government Grant decreased by 831,015.00 (8.4%), when compared to the previous financial year.

The targeted expenditure was \$39,554,117.60; however, total expenses amounted to \$22,773,595.00.

The Toll Authority increased its assets by purchasing necessary furniture, fixtures and hardware at a cost of \$3,371,123.00. In the previous financial year the Authority also increased its assets by purchasing necessary software and fixed assets at a cost of \$49,889 and \$229,865, respectively.

***See attached audited financials for details.***

# Financial Forecast for 2018/2019

The sum of \$43,688,000.00 was approved for the Financial Year 2018/2019; this is inclusive of Capital Expenditure amounting to \$7,694,000.00 and Recurrent Expenditure of \$35,994,000.00. The approved sum includes a figure of \$16,501,618.00 for employees' compensation; \$11,188,000.00 of this sum for employees' compensation will be funded by the Ministry of Finance and Public Service while the sum for Capital and other Recurring Expenditures will be funded with monitoring fee payments.

# Compensation for the 2017/2018 Financial Year

## SENIOR EXECUTIVE COMPENSATION

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Mrs. Joan Fletcher, Chief Executive Officer	17/18	3,621,390.47	\$0	1,326,921.28	0.00	0.00	0.00	4,948,311.75
Mr. Delon Wauchope, Senior Inspector	17/18	2,435,263.00	1,472,729.00	707,448.00				4,615,440.00
<b>GRAND TOTAL</b>		<b>6,056,653.47</b>	<b>1,472,729.00*</b>	<b>2,034,369.28</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9,563,751.75</b>

*\*The sum of \$1,472,729.00 forms a part of the sum of \$1,842,011 referred to as Staff Allowance and Other Benefits in Note 16 of the Audited Financial Statements. This comprises the gratuity for the Senior Inspector.*

## DIRECTORS' COMPENSATION

Board Member	Position of Director	Fees	Motor Vehicle Upkeep/Travelling or value of Assignment of Motor Vehicle	Honoraria	All other Compensation including Non-Cash Benefits as Applicable	Total
1	Mr. Hugh Faulkner	108,000.00	N/A	N/A	N/A	108,000.00
2	Ms. Daphne Taylor	7,000.00	N/A	N/A	N/A	7,000.00
3	Mr. David Lazarus	67,600.00	N/A	N/A	N/A	67,600.00
4	Mr. Fitzbert Mattis	142,600.00	N/A	N/A	N/A	142,600.00
5	Mr. Assan Thompson	38,600.00	N/A	N/A	N/A	38,600.00
6	Mr. Patrick Rose	107,200.00	N/A	N/A	N/A	107,200.00
7	Mrs. Paula Fletcher	44,600.00	N/A	N/A	N/A	44,600.00
8	Ms. Shernette Guthrie	46,000.00	N/A	N/A	N/A	46,000.00
9	Mr. Stephen Edwards	71,600.00	N/A	N/A	N/A	71,600.00
10	Mr. Tanya Bedward	95,800.00	N/A	N/A	N/A	95,800.00
	<b>TOTAL</b>	<b>729,000.00*</b>				<b>729,000.00</b>

*\*The difference of \$339,659.00 between this total of \$729,000.00 and the total of \$1,068,659.00 reflected in Schedule of Administrative and Other Expenses in the Audited Financials, accounts for the sums paid to other committee members who are not Board members and other Board meeting expenses.*



# **Audited Financials for the 2017/2018 Financial Year**

*Smart decisions.  
Lasting value.*

*Toll Authority  
Financial Statements  
for Year Ended  
31 March 2018*

**TOLL AUTHORITY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**  
(Expressed in Jamaican Dollars unless otherwise indicated)

---

**TOLL AUTHORITY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

---

	<u>PAGE</u>
<b>REPORT OF THE INDEPENDENT AUDITORS TO THE BOARD OF DIRECTORS</b>	1 – 1b
<b><u>FINANCIAL STATEMENTS:</u></b>	
Statement of Financial Position	2
Statement of Comprehensive Income	3
Statement of Changes in Reserves	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 23

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

**Opinion**

We have audited the financial statements of Toll Authority ("the Authority"), which comprise the statement of financial position as at 31<sup>st</sup> March 2018, the statement of comprehensive income, statements of changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31st March 2018, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Toll Roads Act 2002.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority, in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that matter to those charged with governance.

**KINGSTON**  
 Unit 34  
 Winchester Business Centre  
 15 Hope Road,

Oxford House  
 2nd Floor  
 6 Oxford Road

**MANDEVILLE**  
 Shop 2B (Upstairs)  
 Caledonia Mall  
 Mandeville

**RUNAWAY BAY**  
 Lot 33 & 34  
 Cardiff Hall  
 Runaway Bay

**MONTEGO BAY**  
 The Annex - UGI Building  
 30 - 34 Market Street  
 Montego Bay

T: +876-9084007  
 F: +876-7540380

T: +876-9263562  
 F: +876-9291300

T: +876-9629153/9626369  
 F: +876-6252797

T: +876-9735360/9735981  
 F: +876-9737546

T: +876-9538486/9719675  
 F: +876-9533058

*Crowe Horwath Jamaica is a member of Crowe Horwath International, a Swiss Verein (Crowe Horwath). Each member firm of Crowe Horwath is a separate and independent legal entity.*



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

---

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

---

**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

We also (cont'd):

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Additional Matters as Required by the Toll Roads Act 2002**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Toll Roads Act 2002, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Mr. Dawkins Brown.



---

**Crowe Horwath Jamaica**

July 18, 2018

**TOLL AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

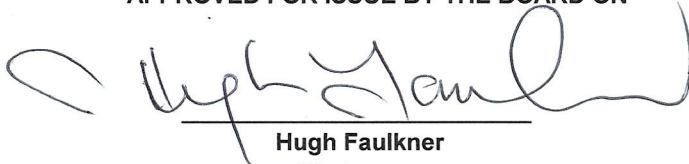
(Expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	4,320,212	1,444,598
Intangible Asset	5	382,057	-
Investments	6	16,680,986	-
		<u>21,383,255</u>	<u>1,444,598</u>
<b>Current Assets</b>			
Due from Related Party	7	1,866,453	-
Trade & Other Receivables	8	675,943	32,175,975
Short Term Investments	9	18,023,539	-
Cash and Cash Equivalents	10	30,574,968	17,826,123
		<u>51,140,903</u>	<u>50,002,098</u>
<b>Total Assets</b>		<u>72,524,158</u>	<u>51,446,696</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Reserves</b>			
Accumulated Surplus		<u>44,924,706</u>	<u>25,501,437</u>
<b>Current Liabilities</b>			
Trade and Other Payables	11	4,124,452	1,896,509
Deferred Income	12	23,475,000	24,048,750
		<u>27,599,452</u>	<u>25,945,259</u>
<b>Total Equity and Liabilities</b>		<u>72,524,158</u>	<u>51,446,696</u>

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

APPROVED FOR ISSUE BY THE BOARD ON July 18, 2018

AND SIGNED ON ITS BEHALF BY:

  
 \_\_\_\_\_  
 Hugh Faulkner  
 Chairman

  
 \_\_\_\_\_  
 Joan Fletcher  
 Chief Executive Director

**TOLL AUTHORITY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
(Expressed in Jamaican Dollars unless otherwise indicated)

---

	<u>Notes</u>	2018 \$	2017 \$
Revenue			
Government Grants	13	9,051,531	9,882,546
Monitoring Fee	14	31,873,750	31,820,702
Other Income	15	<u>1,271,583</u>	<u>462,568</u>
		42,196,864	42,165,816
Administrative Expenses and Finance Costs		<u>(22,773,595)</u>	<u>(20,866,792)</u>
Surplus which represents Total Comprehensive Income for the Year		<u>19,423,269</u>	<u>21,299,024</u>

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

**TOLL AUTHORITY  
STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 31 MARCH 2018**

(Expressed in Jamaican Dollars unless otherwise indicated)

---

	<b>Accumulated Surplus</b>	<b>Total</b>
	<u>\$</u>	<u>\$</u>
<b>Balance at 31st March 2016</b>	<b>4,202,413</b>	<b>4,202,413</b>
Total Comprehensive Income for the Year	<u>21,299,024</u>	<u>21,299,024</u>
<b>Balance at 31st March 2017</b>	<b>25,501,437</b>	<b>25,501,437</b>
Total Comprehensive Income for the Year	<u>19,423,269</u>	<u>19,423,269</u>
<b>Balance at 31st March 2018</b>	<b><u>44,924,706</u></b>	<b><u>44,924,706</u></b>

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

**TOLL AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
(Expressed in Jamaican Dollars unless otherwise indicated)

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total Comprehensive Income for the Year	19,423,269	21,299,024
Adjustments to reconcile Surplus for the year to Net Cash provided by Operating Activities:		
Depreciation	490,850	482,901
Amortization	11,131	-
Loss on Disposal of Asset	4,659	-
Interest earned	<u>446,793</u>	<u>25,068</u>
<b>Operating Cash Flow before movements in Working Capital</b>	<b>20,376,702</b>	<b>21,806,993</b>
<b>Decrease/(Increase) in Current Assets:</b>		
Due from Related Party	(1,866,453)	782,229
Trade and Other Receivables	31,500,032	(32,173,759)
<b>(Decrease)/Increase in Current Liabilities:</b>		
Deferred Income	(573,750)	24,048,750
Trade and Other Payables	<u>2,227,943</u>	<u>870,901</u>
<b>Net cash provided by Operating Activities</b>	<b><u>51,664,474</u></b>	<b><u>15,335,114</u></b>
<b>Cash flows from Investing Activities:</b>		
Purchase of property, plant and equipment	(3,371,123)	(49,889)
Acquisition of Intangible Asset	(393,188)	-
Acquisition of Investments	(16,680,986)	-
Interest received	(446,793)	(25,068)
Acquisition of Short Term Investments	<u>(18,023,539)</u>	<u>-</u>
<b>Net cash used in Investing Activities</b>	<b><u>(38,915,629)</u></b>	<b><u>(74,957)</u></b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>12,748,845</b>	<b>15,260,157</b>
<b>Cash and Cash Equivalents at beginning of year</b>	<b><u>17,826,123</u></b>	<b><u>2,565,966</u></b>
<b>Cash and Cash Equivalents at end of year</b>	<b><u><u>30,574,968</u></u></b>	<b><u><u>17,826,123</u></u></b>

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

**TOLL AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

(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 has been mandated 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 Limited 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:**

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.

(a) Standards and interpretations in respect of published standards which are in effect:

**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.

*Improvements to IFRS 2014–2016 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2017 and 2018. The main amendment is as follows:*

Makes amendments to the following standard:

• **IFRS 12: Disclosure of Interests in Other Entities (Effective January 2017)**

Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*.

**TOLL AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)  
FOR THE YEAR ENDED 31 MARCH 2018**

(Expressed in Jamaican Dollars unless otherwise indicated)

---

**2. Adoption of Standards, Interpretations and Amendments (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 and interpretations in respect of published standards that are not in effect:

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:

**IFRS 9: Financial Instruments (2014) (Effective January 2018)**

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

*Classification and measurement:* Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Hence, financial assets are to be classified into three measurement categories: those measured at amortised cost, those to be measured subsequently at fair value through other profit and loss (FVPL) and those to be measured subsequently at fair value through other comprehensive income (FVOCI). Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

*Impairment:* The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised

*Hedge accounting:* Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures

*Derecognition:* The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Note: Depending on the chosen approach to applying IFRS 9, the transition can involve one or more than one date of initial application for different requirements.

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



**TOLL AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)  
FOR THE YEAR ENDED 31 MARCH 2018**

(Expressed in Jamaican Dollars unless otherwise indicated)

---

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

(b) Standards and interpretations in respect of published standards that are not in effect (Cont'd):

**IFRS 15: Revenue from Contracts with Customers (IAS 18 will be superseded by IFRS 15 Revenue from Contracts with Customers.) (Effective January 2018)**

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

**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.

**Clarifications to IFRS 15 : Revenue from Contracts with Customers (Effective January 2018)**

Amends IFRS 15 Revenue from Contracts with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

*Improvements to IFRS 2014–2016 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2017 and 2018. The main amendment is as follows:*

Makes amendments to the following standard:

• **IAS 28: Investments in Associates and Joint Ventures (2011) (Effective January 2018)**

Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition

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

(b) Standards and interpretations in respect of published standards that are not in effect (Cont'd):

**IFRIC 22: Foreign Currency Transactions and Advance Consideration (Effective January 2018)**

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The Interpretations Committee came to the following conclusion:

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

**Amendments to IFRS 9: Prepayment Features with Negative Compensation (Effective January 2019)**

Amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

**Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (Effective January 2019)**

Clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

*Annual Improvements to IFRS Standards 2015–2017 Cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 2019*

Makes amendments to the following standards:

- **IFRS 3: Business Combinations and IFRS 11: Joint Arrangements (Effective January 2019)**

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- **IAS 23: Borrowing Costs (Effective January 2019)**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
(Expressed in Jamaican Dollars unless otherwise indicated)

---

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

- (b) Standards and interpretations in respect of published standards that are not in effect (Cont'd):

**Amendments to References to the Conceptual Framework in IFRS Standards**

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASB framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

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.

**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 Standards (IFRS) and their interpretations as 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.

**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
(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):**

**(ii) Property, plant and equipment (Cont'd)-**

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 ⅓ %

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.

**(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) Investments -**

Investments are classified as available-for-sale or held-to-maturity securities. Management determines the appropriate classification of investments at the time of purchase.

Available-for-sale securities are those intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates or market prices. They are initially recognized at cost, which includes transaction costs, and subsequently re-measured at fair value based on quoted bid prices or amounts derived from cash flow models. Unrealised gains or losses arising from changes in fair value of available-for-sale securities are recognized in members' equity. When the securities are disposed of or impaired, the related accumulated unrealised gains or losses included in members' equity are transferred to the statement of comprehensive income.

Held to maturity securities are those with fixed or determinable payments and fixed maturity. A positive intent and ability to hold to maturity must be demonstrated.

All purchases and sales of investment securities are recognised at settlement date.

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

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

**(iv) Trade and Other Receivables -**

Other receivables consist of withholding tax deducted by the bank pending submission of a claim to recover due to its 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 statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand and in 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 acquisition.

**(ix) Financial Instruments**

Financial instruments carried in 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 statement of comprehensive income.

**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
(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):**

**(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).
- (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 31 MARCH 2018**  
(Expressed in Jamaican Dollars unless otherwise indicated)

**4. Property, Plant and Equipment:**

	<b>Computer Hardware</b>	<b>Computer Software</b>	<b>Office Equipment</b>	<b>Furniture and Fixtures</b>	<b>Leasehold Improvements</b>	<b>Total</b>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b><u>At Cost or Valuation:</u></b>						
31st March 2016	2,530,854	229,865	148,228	332,944	-	3,241,891
Additions	-	-	49,889	-	-	49,889
Disposal	<u>(480,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(480,000)</u>
31st March 2017	2,050,854	229,865	198,117	332,944	-	2,811,780
Additions	278,225	-	555,605	2,381,072	156,221	3,371,123
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,830)</u>	<u>-</u>	<u>(79,830)</u>
31st March 2018	<u>2,329,079</u>	<u>229,865</u>	<u>753,722</u>	<u>2,634,186</u>	<u>156,221</u>	<u>6,103,073</u>
<b><u>Accumulated Depreciation:</u></b>						
31st March 2016	948,444	44,030	119,958	251,851	-	1,364,283
Charge for the year	358,170	76,621	15,001	33,107	-	482,899
Released on Disposal	<u>(480,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(480,000)</u>
31st March 2017	826,614	120,651	134,959	284,958	-	1,367,182
Charge for the year	360,118	76,622	10,919	43,020	171	490,850
Released on Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,171)</u>	<u>-</u>	<u>(75,171)</u>
31st March 2018	<u>1,186,732</u>	<u>197,273</u>	<u>145,878</u>	<u>252,807</u>	<u>171</u>	<u>1,782,861</u>
<b><u>Net Book Value:</u></b>						
31st March 2018	<u>1,142,347</u>	<u>32,592</u>	<u>607,844</u>	<u>2,381,379</u>	<u>156,050</u>	<u>4,320,212</u>
31st March 2017	<u>1,224,240</u>	<u>109,214</u>	<u>63,158</u>	<u>47,986</u>	<u>-</u>	<u>1,444,598</u>
31st March 2016	<u>1,582,410</u>	<u>185,835</u>	<u>28,270</u>	<u>81,093</u>	<u>-</u>	<u>1,877,608</u>

The Authority is awaiting approval from the Ministry of Transport, Works & Housing for the disposal of fully depreciated, obsolete computer equipment which originally cost \$480,000. The obsolete equipment will still be physically stored at the Authority until the approval has been obtained.

**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
(Expressed in Jamaican Dollars unless otherwise indicated)

**5. Intangible Assets**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cost:</b>		
Website -Additions	393,188	-
End of Year	<u>393,188</u>	<u>-</u>
<b>Amortisation:</b>		
Charge for the year	11,131	-
End of Year	<u>11,131</u>	<u>-</u>
<b>Net Book Value:</b>	<u>382,057</u>	<u>-</u>

Intangible assets comprise computer software acquired by the Authority. Amortization of the computer software is calculated based on an estimated useful life of 5 years.

**6. Investments:**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Sigma Unit Trust	8,423,688	-
VMBS Unit Trust	8,257,298	-
	<u>16,680,986</u>	<u>-</u>

**7. Due from Related Party:**

This represents the gratuities receivable from the Ministry of Transport and Mining.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Ministry of Transport & Mining	1,866,453	-
	<u>1,866,453</u>	<u>-</u>

**8. Trade and Other Receivables:**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Trade Receivables	-	32,167,500
Other Receivables	675,943	8,475
	<u>675,943</u>	<u>32,175,975</u>

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

**9. Short Term Investments**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
US\$ Short-Term Investments	5,839,268	-
J\$ Short-Term Investments	12,184,271	-
	<u>18,023,539</u>	<u>-</u>



**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
(Expressed in Jamaican Dollars unless otherwise indicated)

**10. Cash and Cash Equivalents:**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Main - Current Account	1,305,753	946,733
US\$ Saving Account (2018: US\$232,253; 2017 - US\$131,106)	29,259,215	16,869,390
Imprest (Cash)	<u>10,000</u>	<u>10,000</u>
	<u><u>30,574,968</u></u>	<u><u>17,826,123</u></u>

**11. Trade and Other Payables:**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Trade Payables	914,467	195,980
Other Payables and Accruals	<u>3,209,985</u>	<u>1,700,529</u>
	<u><u>4,124,452</u></u>	<u><u>1,896,509</u></u>

**12. Deferred Income:**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Monitoring Fees	<u>23,475,000</u>	<u>24,048,750</u>

This represents monitoring fees which are due on 1st January each year and transferred to income on a monthly basis.

**13. Government Grants:**

This represents cash received (\$7,209,520) and receivable (\$1,842,011) from the Government of Jamaica for salaries.

**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
(Expressed in Jamaican Dollars unless otherwise indicated)

**14. Monitoring Fee:**

This represents annual monitoring fees of US\$ 250,000 (converted at the rate of J\$127.50 to US\$ 1) as per the concession agreement between the National Road Operating and Construction Company Limited and Jamaica North-South Highway Company Limited signed in June 2012.

**15. Other Income:**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Write off of over-accrued balance due to Ministry of Transport and Mining	158,652	-
Other Income	666,138	-
Interest Income	446,793	25,068
Gain on Foreign Exchange	-	437,500
	<u>1,271,583</u>	<u>462,568</u>

**16. Payroll and Other Related Costs:**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Salaries and Wages	7,607,639	7,778,620
Statutory Contributions	345,300	341,494
Staff Allowance and Other Benefits	1,842,011	2,535,600
	<u>9,794,950</u>	<u>10,655,714</u>

**17. 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 Transport and 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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Due from Related Party	1,866,453	-
Other Receivables	675,943	8,475
Cash and Cash Equivalents	30,564,968	17,816,123
	<u>33,107,364</u>	<u>17,824,598</u>

**17. 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 a sound financial institution which minimizes its exposure to risk.

There has been no change in the Authority's exposure to credit risk or the manner in which it measures and manages this 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 funds received from the North South Highway in addition to funds from the Government through the Ministry of Transport and Mining which is pre-determined in the fiscal budget. Total income is usually sufficient to cover expenses. At 31st March 2018, the Toll Authority's current assets exceeded its current liabilities by \$23,541,451 (2017: \$24,056,839).

**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
(Expressed in Jamaican Dollars unless otherwise indicated)

**17. 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 2018**

	<b>Carrying Amount &amp; Contractual Cash Flow</b>	<b>0 - 6 months</b>	<b>6 - 12 months</b>	<b>No specific maturities</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Related Party and Trade & Other Receivables				
Trade	-	-	-	-
Other receivables	675,943	-	675,943	-
Cash and Cash Equivalents	30,574,968	30,574,968	-	-
	<u>33,117,364</u>	<u>32,441,421</u>	<u>675,943</u>	<u>-</u>
Deferred Income	23,475,000	-	23,475,000	-
Trade and Other Payables				
Trade	914,467	-	914,467	-
Accruals/other payables	3,209,985	-	3,209,985	-
	<u>27,599,452</u>	<u>-</u>	<u>27,599,452</u>	<u>-</u>
<b>Net Current Assets</b>	<u>5,517,912</u>	<u>32,441,421</u>	<u>(26,923,509)</u>	<u>-</u>

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

**31st March 2017**

	<b>Carrying Amount &amp; Contractual Cash Flow</b>	<b>0 - 6 Months</b>	<b>6 - 12 Months</b>	<b>No specific Maturity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Related Party and Other Receivables				
Trade	32,167,500	-	32,167,500	-
Other receivables	8,475	-	8,475	-
Cash and cash equivalents	17,826,123	17,826,123	-	-
	<u>50,002,098</u>	<u>17,826,123</u>	<u>32,175,975</u>	<u>-</u>
Deferred Income	24,048,750		24,048,750	
Trade and Other Payables				
Trade	195,980	-	195,980	-
Accruals/other payables	1,700,529	-	1,700,529	-
	<u>25,945,259</u>	<u>-</u>	<u>25,945,259</u>	<u>-</u>
<b>Net Current Assets/(Liabilities)</b>	<u>24,056,839</u>	<u>17,826,123</u>	<u>6,230,716</u>	<u>-</u>

**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
(Expressed in Jamaican Dollars unless otherwise indicated)

**17. 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	2018	Interest Rate	2017
	%	\$	%	\$
<u>Bank balances</u>				
US\$ Short-Term Investments	1.15 - 4.00	5,839,268		-
J\$ Short-Term Investments	3.45 - 3.85	12,184,271		-
J\$ Current account	0.25 - 0.4	1,305,753	0.25 - 0.4	946,733
USD Savings Account	0.10	29,259,215	0.10	16,869,390
		<u>48,588,507</u>		<u>17,816,123</u>

Financial Liability

The Authority has no interest-bearing liability and therefore is not directly 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	2018	Movement	2017
	%	\$	%	\$
US\$ Short-Term Investments	0.5	29,196	-	-
J\$ Short-Term Investments	1	121,843	-	-
J\$ Current account	1	13,058	1	9,467
USD Savings Account	0.5	146,296	1	168,694
Increase in surplus and accumulated fund		<u>310,393</u>		<u>178,161</u>

**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

(Expressed in Jamaican Dollars unless otherwise indicated)

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

(c) Market Risk (cont'd):

(i) Interest rate risk (cont'd)

***Interest rate sensitivity analysis (cont'd)***

	Movement	2018	Movement	2017
	%	\$	%	\$
US\$ Short-Term Investments	-0.5	(29,196)	-	-
J\$ Short-Term Investments	-1	(121,843)	-	-
J\$ Current account	-1	(13,058)	-1	(9,467)
USD Savings Account	-0.5	<u>(146,296)</u>	-0.5	<u>(84,347)</u>
Decrease in surplus and accumulated fund		<u>(310,393)</u>		<u>(93,814)</u>

Between April 2017 and March 2018, the interest rate on Bank of Jamaica 3 - 6 months Commercial bank deposits increased by 24 basis points from 3.94 % to 4.18%. 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:

	2018	2017
	<u>US\$</u>	<u>US\$</u>
Sigma US\$ Unit Trust	33,245	-
US\$ Short-Term Investments	46,209	-
USD Savings Account	<u>232,523</u>	<u>131,106</u>
	<u>311,977</u>	<u>131,106</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:

	<u>US\$</u>
29th June 2018	130.39
31st March 2018	125.98
31st March 2017	127.77

Over the period March 2017 to March 2018 there was a 1.4% depreciation of the Jamaican dollar against the US dollar. Between March 2018 and June 2018 there has been a further 3.5% depreciation of the Jamaican dollar against the US dollar.

**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

(Expressed in Jamaican Dollars unless otherwise indicated)

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

(c) Market Risk (cont'd):

(ii) Foreign currency 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 reserves by the amounts shown below.

	<b>Movement</b>	<b>2018</b>	<b>Movement</b>	<b>2017</b>
	<b>%</b>	<b>J\$</b>	<b>%</b>	<b>J\$</b>
United States dollar	4	1,572,114	6	1,005,056
United States dollar	-2	<u>(786,057)</u>	-1	<u>(167,509)</u>

The analysis is computed on the same basis for 2017 as for 2016 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:

	<b>Movement</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>J\$</b>	<b>J\$</b>
United States dollar	2	<u>585,865</u>	<u>335,019</u>

The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2017.

(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 instruments which are exposed to this risk.

**TOLL AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

(Expressed in Jamaican Dollars unless otherwise indicated)

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

(f) **Fair Value**

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists.

The following table provides an analysis of financial instruments held as at 31st December 2017 that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

	<b><u>2018</u></b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>₤</b>	<b>₤</b>	<b>₤</b>	<b>₤</b>
Available-for-sale Investments - Unquoted Investments at Fair Value	-	16,680,986	-	16,680,986

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. These instruments are grouped in Level 1.

The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.



I N D E X

**SUPPLEMENTARY  
STATEMENT**

<b>Report of the Independent Auditors to the Directors</b>	<b>1</b>
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 2018.

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 2018 and of the results of its operations, its changes in reserves and its cash flows for the year then ended.



---

**Crowe Horwath Jamaica**

July 18, 2018

**TOLL AUTHORITY**  
**SCHEDULE OF ADMINISTRATIVE AND OTHER EXPENSES**  
**FOR THE YEAR ENDED 31 MARCH 2018**

(Expressed in Jamaican Dollars unless otherwise indicated)

**Administrative:**

	<b>2018</b>	<b>2017</b>
	<b>₹</b>	<b>₹</b>
Auditors' Remuneration	466,000	436,875
Payroll and Other Related costs	9,794,950	10,655,714
Cleaning and Sanitation	113,987	86,107
Upkeep and Subsistence	3,002,509	3,070,270
Food and Drink	155,785	164,405
Telephone and Internet	409,675	343,984
Annual Report	300,643	135,000
Stationery and Office Supplies	683,087	846,557
Repairs and Maintenance	84,310	400
Seminar and Training	69,620	487,968
Dues and Subscription	27,243	27,243
Legal and Professional Fees	1,833,340	1,185,510
Board Meeting Expense	1,068,659	767,820
Postage and Courier Services	21,000	27,500
Advertisement and Promotion	1,297,506	426,202
Rental	1,753,346	1,691,264
Loss on Disposal of Asset	4,659	-
Depreciation	501,980	482,901
	<u>21,588,299</u>	<u>20,835,720</u>

**Finance Cost:**

Bank Charges	59,626	31,072
Foreign Exchange Loss	1,125,670	-
	<u>1,185,296</u>	<u>31,072</u>
	<u>22,773,595</u>	<u>20,866,792</u>





