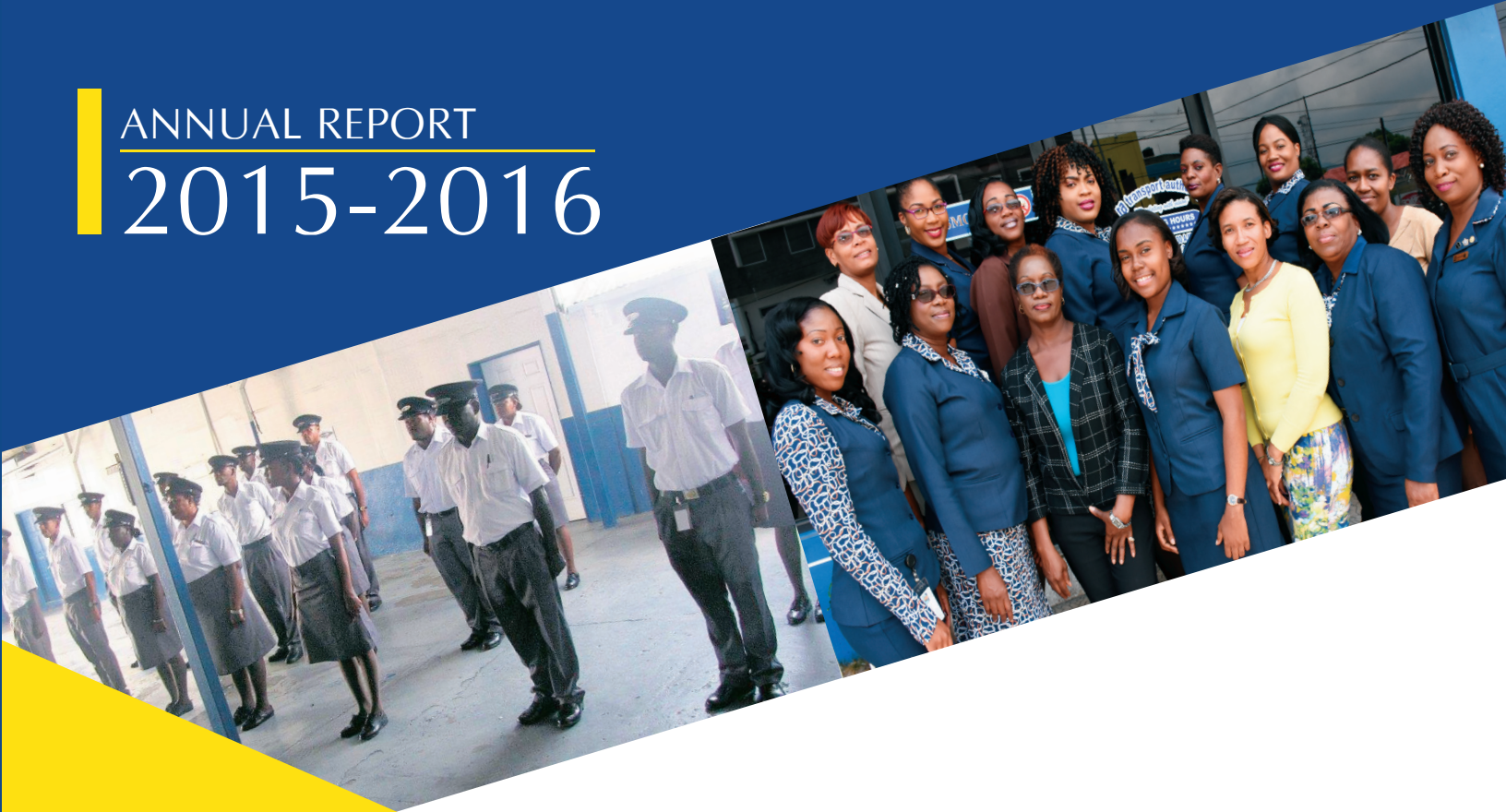


ANNUAL REPORT

2015-2016



Transport Authority
"regulating with vision"

Regulating public transportation to make it safe, secure, reliable and efficient

VISION

To provide effective and efficient monitoring and regulatory services that facilitates a people-centered, safe orderly and reliable public passenger transport system.

MISSION

The Transport Authority:

As the Agency of the Government charged with the responsibility for the licensing of all public and commercial vehicles, and the regulating and monitoring of public passenger vehicles, throughout the island of Jamaica is committed to;

- The impartial enforcement of all laws; regulations and agreements relating to public transportation;
- The close and effective monitoring of the transportation system;
- Fostering public awareness of the role, duties and responsibilities of users of the system
- Maintaining an efficient, courteous and knowledgeable workforce to improve the quality of service and output delivered.

VALUES

The Transport Authority's core values are represented by the acronym "**CAPIT**":

Customer Focus

Accountability

Professionalism

Integrity

Transparency

OFFICE FACILITIES

CORPORATE OFFICE

119 Maxfield Avenue,
Kingston 10
Tel: 926-8912, 908-1997-8, 926-5451
Fax: 929-4178

OPERATIONS DEPARTMENT

107 Maxfield Avenue,
Kingston 10
Tel: 929-9556, 968-5906

NORTHERN REGIONAL OFFICE

Tower Isle,
St. Mary
Tel: 975-4285, 975-5676
Fax: 975-4199

PORTLAND SATELLITE OFFICE

St. Margaret's Bay,
Portland
Tel: 926-8912 Ext: 2410

WESTERN REGIONAL OFFICE

Unit U, LOJ Complex,
Montego Bay Freeport,
St. James
Tel: 684-9639, 684-9640-1
Fax: 684-9617

SOUTHERN REGIONAL OFFICE

Shop #48, Caledonia Court Plaza,
29-31 Caledonia Road
Mandeville,
Manchester
Tel: 962-1539, 962-1550
Fax: 962-1550

SWANSEA SATELLITE OFFICE

Swansea District
Clarendon
Tel: 885-2686 Ext: 2078

Toll Free Line: 1-888-991-5687

Website: www.ta.org.jm

Email: customerservice@ta.org.jm

POUND FACILITIES:

KINGSTON METROPOLITAN REGION

107 Maxfield Avenue
Lyndhurst: 26 & 27 Lyndhurst Rd., Kingston 5
Lakes Pen: Lawrence Field, Lakes Pen, St. Catherine
Portland: St. Margaret's Bay, Portland

SOUTHERN REGION

Swansea: Clarendon
Mandeville: Mandeville, Manchester

NORTHERN REGION

NRO: Tower Isle, St. Mary
Marcus Garvey Way: St Ann's Bay, St. Ann

WESTERN REGION

Bevin Ave: Montego Bay, St. James
Barracks Road: Savanna-La-Mar, Westmoreland
Cornwall Street: Falmouth, Trelawny



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CORPORATE PROFILE

The Transport Authority (“the Authority/ TA”) is a statutory body, established by the Transport Authority Act of 1987. The TA is charged with the responsibility of regulating and monitoring public passenger transport throughout the island. The TA is also the sole government entity in Jamaica responsible for the licensing of all public passenger vehicles and commercial carriers, a function which the TA undertakes pursuant to the Road Traffic Act 1938. The operations of the TA are undertaken through the following divisions/ departments:

DIVISIONS:

Human Resource and Administration
Finance and Planning
Operations

DEPARTMENTS:

Internal Audit
Southern Region
Northern Region
Western Region
Research and Statistics
Licensing & Customer Relations
Corporate Communications
Property & Facilities
Information Technology
Legal Services
Finance & Accounts

CATEGORIES OF LICENCES:

There are five (5) categories of licenses issued by the Authority under which Public Passenger Vehicles (PPV) operate and two (2) categories of Commercial Carriers licenses. These are listed below:

CATEGORIES OF PUBLIC PASSENGER VEHICLES:

Stage Carriage
Route Taxi
Express Carriage
Hackney Carriage
Contract Carriage

CATEGORIES OF COMMERCIAL CARRIERS:

Public Carriers
Private Carriers

AUDITORS: C. R. Hylton & Co. was appointed as auditors in keeping with the legal requirement.

BOARD OF DIRECTORS



Mr. Norton Hinds, OD, JP
Chairman



Mr. Donald Foster, JP
Managing Director



Ms. Nerine Small



Mr. Henry McCurdy



Mrs. Terri-Ann Gibbs



Mr. E.G. Hunter



Deputy Commissioner of Police
James Golding



Miss Joan Wynter



Mr. Audley Deidrick



Mr. Clyde Harrison



Mr. Leary Myers



Mr. Ludlow Powell

MANAGEMENT TEAM

Donald Foster	Managing Director
Zonia Foster-Maynard	General Manager, Human Resource & Administration
Rushen Anderson	General Manager, Finance & Planning
Colonel (Ret'd) Audley Carter	General Manager, Operations
Lance Rose	Senior Legal Officer
Anthony Young	Chief Internal Auditor
Banneta Walker	Manager, Licensing & Customer Relations
Post vacant	Manager, Research & Statistics
Vernon Walters	Manager, Information Technology
Petra-kene Williams	Manager, Corporate Communications
Nadine Edwards	Manager, Finance & Accounts (Acting)
Dereefe Stephens	Manager, Northern Region
Dianna Patterson	Operations Manager, Kingston Metropolitan Region
Ralston Smith	Manager, Western Region
Arlene Smith	Manager, Southern Region

CORPORATE GOVERNANCE

The Transport Authority, as a matter of policy, is committed to adopting best practices in corporate governance in all areas of its operation. The Board comprises four (4) appointed members, one of whom is appointed Chairman and five (5) ex-officio members, vis-à-vis:

- The Solicitor General or nominee
- The Permanent Secretary of the Ministry of Transport, Works & Housing or nominee
- The Commissioner of Police or nominee
- The Chief Technical Director (now the Chief Executive Officer of the National Works Agency) or his nominee
- The Managing Director

The Board also includes three (3) co-opted members.

The Board is supported by eight (8) committees namely:

- Legal and Ethics
- Finance, Planning & Information Technology
- Audit
- Operations
- Procurement
- Human Resources
- Licensing
- Accident Investigation & Fleet Administration

REPORT OF THE BOARD OF DIRECTORS

The Transport Authority continued to implement programmes to build and develop a more people-centred public land transport system. Special focus was placed on integrating technology and innovation into improving the service delivery, instituting standards and fit and proper criteria for public transportation and undertaking public education and training to enhance the operations of public transportation services. In pursuit of this goal, the Authority executed a number of key initiatives to reform the public transportation sector. These included:

- Public Passenger Vehicle Standards
- Public Education and Training
- Improvement of Public Facilities and Expansion of Service Delivery Channels
- Technological Advancements
- Research and Data Collection
- Enforcement and Compliance

PUBLIC PASSENGER VEHICLE STANDARDS

FIT AND PROPER STANDARDS/CRITERIA: The Transport Authority established standards and fit and proper criteria for the sector. These relate to:

- PPV Vehicle age requirement
- PPV Maintenance and Appearance (Interior/Exterior)
- Safety Devices
- PPV Vehicle Markings (Destination Markings, Licence Type, Taxi Association)
- Gazetted Fares
- Passenger Load Accommodation

The establishment of these standards are geared towards the general improvement of the public transportation experience for the commuters, operators and all road users.

Colour Coding & Globe

The Authority is well advanced in the implementation of colour coding of Public Passenger Vehicles. The colour coding is affixed based on licence type, using a checkered vinyl strip. The black and white checkered strip is used to identify Route Taxis while the black and yellow checkered strip is used for Hackney Carriages. It is also a requirement for globes bearing the word 'TAXI' to be affixed on the roof of Public Passenger Vehicles. The deadline for full implementation was March 31, 2016 and over 70% of the licencees have implemented the colour coding system, to date. The colour coding and globes should assist commuters in identifying and selecting legal modes of public transportation, and should also facilitate monitoring and enforcement by regulators.



Colour coded Taxi

PUBLIC EDUCATION & TRAINING

Public Education and Communication

The Transport Authority continued to build public awareness and enhance public education. Accordingly, the Authority prioritized encouraging the safe use of public passenger vehicles and providing information of the license application process in these activities. The Choose Right, Choose Life and Bridging the Gap Communication Campaigns were the major multimedia campaigns implemented during the period.

The **Choose Right, Choose Life** campaign had the main theme: **Don't put yourself in danger- Choose Right, Choose Life. Take a licensed public transportation vehicle!**



L-R: Managing Director of the Transport Authority, Donald Foster greets Minister Omar Davies, following the press launch for the Choose Right, Choose Life Campaign. Looking on are Mrs. Faith Thomas, Director, Choose Life International and Senior Superintendent of Police, Calvin Allen.

The campaign was geared at increasing public awareness of the benefits associated with using approved public passenger vehicles and highlights the dangers of using illegal transportation. The campaign was launched in October 2015 and ended on February 5, 2016.

The second campaign dubbed the **Bridging the Gap** campaign was a 6 month multi-media campaign geared at increasing the awareness of Licencees to the requirements for applying for road licences and commercial carriers. The campaign highlighted the

requirements for re-licensing of PPV and commercial carriers, colour coding, PPV Driver and Conductor Training/Badges. The campaign started on February 16, 2016 and should be concluded in July 2016.

PROFESSIONALIZATION OF PPV DRIVER AND CONDUCTORS (CONDUCTOR AND DRIVER TRAINING)

In 2013 the Authority launched a national Public Passenger Vehicle Driver/ Conductor training programme delivered by HEART Trust/NTA under a two year agreement. In 2015, the Authority entered into another agreement with the HEART Trust/NTA for the delivery of an expanded training programme island wide for conductors and drivers. The aim of this programme was to engender a culture of discipline, increase safety and improve customer service on the roads and to professionalize the jobs of PPV operators in the public transportation sector. As at March 31, 2016, a total of 12,425 operators (conductors/drivers) have been trained under this programme.



Consultative meeting with Route Taxi Association Presidents and staff of the Transport Authority.

RURAL SCHOOL BUS SYSTEM

Since 2013, the Authority has been implementing a School Bus System in an effort to foster the provision of more reliable, safer and efficient means of transportation for students. The programme was launched on September 2, 2013, with a pilot project in St. Catherine, which was implemented in conjunction with the St. Catherine School Bus Association.

In 2014, the Transport Authority in collaboration with the Clarendon Parish Council extended the School Bus programme to Clarendon. This included the Foga Road, Glenmuir and Denbigh High Schools in May Pen. Based on the success of this phase, the programme was further extended to schools in Southern Clarendon. The new phase commenced on February 2, 2015 and benefits some 3, 000 students from the Bustamante, Garvey Maceo, Kemps Hill and Vere Technical High Schools.

While the programme has generally been beneficial to many students, there have however been challenges with the implementation of Phase 2 of the programme, as some students have refused to take the designated buses. Additionally, there have also been challenges with retaining bus operators in the programme, due to the unprofitability of operating along the route. An evaluation of Phase 2 of the programme is currently underway and it is anticipated that the redesigned programme will be re-launched for the start of the new school term in September, 2016.

A third phase of the Rural School bus programme was slated for Mandeville, Manchester. However, the implementation of Phase 3 had been suspended until the issues of Phase 2 were resolved, and pending the allocation of dedicated buses, for the programme. In light of the foregoing, the launch of that phase is projected for January, 2017.

IMPROVEMENT OF PUBLIC FACILITIES AND EXPANSION OF SERVICE DELIVERY CHANNELS



Jamintel Building - Down Town, Kingston

Corporate Head Office

In March 2014, the Authority purchased the 60,676 sq. ft. JAMINTEL building in Down Town Kingston for the relocation of its corporate offices. The acquisition of the building will serve to provide improved customer service delivery and to house the combined operations of its offices located at 107 and 119 Maxfield Avenue, Kingston, which have far outgrown their current facilities.

During the fiscal year, preparatory activities continued as the Authority sought to engage a Project Manager for the renovation. The invitation for tender for the post of Project Manager was advertised in December 2015 and closed on January 14, 2016. However, no expressions of interest were received by the Authority. Accordingly, the Board of Directors granted approval for the Authority to recruit and employ a Project Manager on a contractual basis to oversee the renovation of the JAMINTEL Building to completion. Work on the facility was scheduled for commencement in the 2016/2017 fiscal year.

Transport Centres

In an effort to improve the overall public transportation sector, the Authority continues to collaborate with the Ministry of Local Government and Parish Councils to establish standards for the design, operation and maintenance of transportation terminal facilities, island-wide. Accordingly, the Authority enhanced operations of two such facilities.

The Authority completed construction of the Linstead Transportation Centre in January 2016 at a total cost of \$59.4M.



The Linstead Transportation Centre, prior to construction works.

The facility was designed to accommodate over 300 bus and taxi operators and was commissioned on February 3, 2016. It is anticipated that the establishment of the facility should result in a reduction in traffic congestion in the township. The Authority's investment in the construction of the centre will be recovered over a ten year period, through a lease agreement with the St. Catherine Parish Council.

The Authority assumed responsibility for the operations of the Down Town Municipal Transportation Centre (Water Lane), which was leased from the Urban Development Corporation (UDC) in April 2015. Since the acquisition, there has been improvement in the usage of the facility, which currently serves as a terminal facility for routes originating in St. Thomas, Portland, St. Mary, St. Andrew and sections of St. Catherine. The current operations of the centre have also contributed to improved order in the Down Town Kingston public transportation system, as 114 operators terminate in the facility on a daily basis. The maintenance of the facility is funded from revenues from ticket sales.



The Linstead Transportation Centre, after the construction works.

Pound Facilities

To better serve Western Jamaica, a pound facility was established in the parish of Westmoreland at a cost of \$10M. Additionally, the Authority completed the construction of a pound facility in Falmouth, Trelawny at a cost of \$4M. These pound facilities commenced operations in August 2015 and February 2016, respectively.

The Transport Authority's plan is to upgrade these facilities to become satellite offices in the near future. The establishment of the new pound facilities will serve to improve the overall efficiency of road operations and customer service delivery to its customers, particularly in these rural communities.

TECHNOLOGICAL ADVANCEMENTS

The Authority introduced two Information Management Systems to modernize and manage the operations of its pounds and road operations nationally.

Pound Operations Management System (POMS)

The Pound Operations Management System (POMS) which provides technological support to improve the operations and management of the Transport Authority pounds island-wide was rolled out in September 2015 in the corporate area. Extensive training was completed to facilitate this process, with island wide roll-out scheduled for the 2016/17 fiscal year.

Road Operations Management System (ROMS)

The Road Operations Management System (ROMS) allows the Operations Division to dispatch Route Inspectors to assigned locations and enables the issuance of documents such as Summonses, while on road operations. In 2015, the system was enhanced for increased efficiency and effectiveness. The enhancements include:

1. The optimization of the application used on the tablet computers and phones. This makes the application less data intensive, thus making the processes faster on the mobile devices.
2. Greater security of the application; all queries done by an authenticated user are now logged for auditing purposes and the tablet computers can be remotely deactivated by an administrator.

RESEARCH AND DATA COLLECTION

Kingston Metropolitan Transport Region (KMTR) Survey

The survey was conducted at the major transportation hubs and terminal points in the Kingston Metropolitan Transport Region (KMTR) in June 2015, to ascertain the demand for and supply of public transportation on all routes operating in the KMTR. The aim of the survey was to ascertain the adequacy of seats provided by the various modes of transportation and the operational effectiveness of operators on routes within the KMTR. The KMTR Survey Report was completed in February 2016. The report includes a comprehensive analysis on Hackney Carriage operations in the KMTR along with recommendations for the improvement of public transportation system in the region. The findings of the survey will be used to guide the issuance of road licences in the KMTR, the development of operational strategies for enhanced monitoring and enforcement and to improve the overall efficiency and effectiveness of public transportation services within the corporate area.

SERVICE DELIVERY

Improvement in Customer Service

To strengthen public interaction, public relations and customer service at all levels, the Authority has established a Customer Care Centre and implemented its public interaction policy. At the end of March, 2016 over 150 frontline staff members had received public interaction and customer service training.

ENFORCEMENT & COMPLIANCE

National Transportation Sector Service Awards Programme

To encourage voluntary compliance among Public Passenger Vehicle operators, the Authority will be implementing a Rewards and Recognition programme geared at incentivizing PPV operators, based on best practices. Under the programme, Drivers and Conductors who meet and exceed sector service

delivery standards will be recognized. The public will be engaged in the process of selecting the operators to be recognized through a public voting component. The programme will culminate in the selection of the Driver of Year and Conductor of the Year awards, in all four regions and nationally.

Increased Enforcement Activities

In its efforts to reduce illegality and general misconduct in the Public Transportation sector, the Authority engaged in a range of proactive operations geared towards monitoring and enforcing the rules of law governing the Public Passenger Vehicle sector. In addition to routine operations, some 1,659 special operations were undertaken island-wide during the fiscal year.

Between April 2015 and March 2016, operational activities resulted in 20,840 prosecutions and 3, 328 seizures for breaches of the laws relating to public transportation. In the drive to improve order in public transportation, the Authority will be intensifying enforcement and compliance activities in the 2016/2017 fiscal year.

MEMBERSHIP IN THE INTERNATIONAL CONFERENCE OF POLICE CHAPLAINS IN JAMAICA

On September 18, 2015 the Transport Authority joined the ranks of three other law enforcement entities in Jamaica that have attained full-fledged membership in Region 12 of the International Conference of Police Chaplains (ICPC) with the graduation of thirty-one (31) employees from the ICPC Transport Authority Training programme.

The thirty-one (31) participants were selected from the TA's offices island-wide and participated in twelve (12) basic and three (3) enrichment courses, as part of the training programme. Rev. Maxine Welsh, JP, Chaplain and ICPC Trainer was also appointed as the Director of the Chaplaincy Services of the Transport Authority. Rev. Welsh will oversee the provision of spiritual and personal advice; moral and ethical training; religious instruction; counselling services; mentorship; pastoral as well as psychological care services.

Road Licences Issued

As at March 31, 2016, the Transport Authority issued fifty thousand and seventy-two (50,072) road licences. Public Passenger vehicle road licences accounted for thirty-nine 39% of the licences issued (19,416) while the remaining 61% (30,656 licences) were Commercial Carriers. See table below for details.

LICENSE CATEGORY	LICENSE TYPE	LICENSES ISSUED
Commercial Carriers	Private Carriers	22,789
	Public Carriers	7,867
Total Commercial Carriers		30,656
Public Passenger Vehicles	Contract Carriage	4,591
	Hackney Carriage	1,471
	Rural Stage Carriage	835
	Route Taxi	11,775
	JUTC Stage Carriage	744
Total Public Passenger Vehicle		19,416
Total Licences		50,072



International Conference of Police Chaplains (ICPC) executives and participants of the Transport Authority's Chaplaincy programme, at Pinning Ceremony held in November 2015

CORPORATE SOCIAL RESPONSIBILITY

Christmas Treat at Glenhope Nursery

The Transport Authority, as part of its Social Corporate Responsibility programme, hosted a Christmas treat for the 46 children and 10 care-givers at Glenhope Nursery. The treat dubbed a "Slice of Christmas" was held on December 23, 2015.

The children were feted to entertainment from the staff of the Authority. Glenhope Nursery is one of thirteen (13) Government operated Child Care institutions in Jamaica.



Operations Division Staff with a child at the Glenhope Nursery

Labour Day

The Transport Authority also lent its helping hands to the St. Barnabas School in May, 2015, by renovating the St. Barnabas School playground as part of its Labour Day Activities.



Employees of the Transport Authority and children at Glenhope Nursery

PLANNED PROGRAMMES 2016/2017

The Authority has prioritized the following initiatives for the upcoming year:

- **Encourage compliance to improve public order and safety.** The Authority will undertake intelligence driven monitoring activities to strengthen compliance and implement a framework for the suspension, revocation and non-renewal of road licences.
- **Transform the image of the Authority into a customer focused and respected entity.** In this regard, the Authority will strengthen public interaction, public relations and customer service at all levels in the Authority. This will include introduction of mobile services, implementation of the public interaction policy, citizen’s charter and improved stakeholder management.
- **Encourage voluntary compliance.** The Authority will be implementing and sustaining a Rewards and Recognition programme geared at incentivizing PPV operators’ based on best practices;
- **Modernize road operations.** The Authority will modernize road operations by implementing standard operating procedures for road operations and incorporating information communication technologies (ICT’s)in enforcement activities. This includes:
 1. Greater integration of ICT systems with Tax Administration Jamaica and Insurance Association of Jamaica to verify legitimacy of documents and information sharing.
 2. Integration with Ministry of National Security ICT system to improve efficiency in badge processing.
 3. Networking with the National Works Agency (NWA) to expand the closed circuit television camera coverage on

main thoroughfares in the Corporate Area.

- **Build research and development capabilities to better inform decision making processes.** In order to respond effectively to the growing demand for public transportation, the Authority will be building its research and development capabilities by increasing the number of routine surveys conducted, infusing information communication technology into the licence approval process and implementing a responsive demand and supply model.
- The Authority will be improving service delivery channels through the expansion of the information communication technology platform to include online application queries and applications for Public Passenger Vehicle services.
- The Authority will be upgrading its facilities to enhance customer experience.

The implementation of the foregoing strategies should serve to greatly enhance the overall efficiency and effectiveness of the Authority’s operations, thereby re-positioning the entity to deliver regulatory and monitoring services that facilitate a people centred, orderly and reliable public passenger transport system.

FIVE YEAR STATISTICAL REVIEW

FINANCIAL YEAR	TARGET	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Income & Expenditure							
Total Income	1,180	1,065	1,020	1,061	957	1,005	
Expenses	1,145	1,053	975	840	792	704	
Net Surplus/(Deficit)	35	12	45	221	166	301	
Balance Sheet							
Current Assets	526	695	728	910	865	870	
Current Liabilities	520	538	504	540	530	579	
Fixed Assets	703	421	353	186	120	106	
Reserves	728	655	653	632	561	508	
Prepaid Fees C/F	453	478	428	414	402	404	
Cash & Short Term Deposits	361	505	579	623	789	799	
Capital Expenditure	380	117	203	91	32	19.4	
Ratios							
Income Growth	11%	4%	-4%	11%	-5%	15%	
Expense /Growth	9%	8%	16%	6%	12%	9%	
Expense/ Income	97%	99%	96%	79%	83%	70%	
Surplus/Income	3%	1%	4%	21%	17%	30%	

KEY PERFORMANCE INDICATORS

PRIORITY AREA	PERFORMANCE CRITERIA	ASSESSMENT OVERALL PERFORMANCE	COMMENTS
Implementation of a responsive demand and supply model to determine the supply of Road Licence.	The completion of a KMTR demand and supply to determine the adequacy of the services.	100%	Recommendations from the survey are currently under review.
	Development of Route management software to aid the licensing process.	40%	Requirements analysis is 75% complete
Expansion of service delivery facilities nationally.	Complete the renovation of the new corporate office.	10%	
	Development and renovation of two (2) pound facilities.	100%	Pound facilities completed in Falmouth and Savanna la mar, Westmoreland.
	Construction of the Linstead Transportation Centre.	100%	
Design of online application for Public Passenger Vehicle supplied services and application queries.	Undertake requirements analysis.	100%	
Implement all island school bus system.	Implement two (2) phases of the school bus programme in Clarendon	100%	Phase 1 of the programme caters to high schools in May Pen; whilst phase 2 of the programme covers high schools in southern Clarendon.
Develop communication campaign to increase public awareness of safe use/operations of public passenger vehicles	Three (3) major campaigns implemented	70%	Two (2) major campaigns implemented, namely Choose Right, Choose Life and Bridging the Gap.
Implementation of Awards and Recognition programme to encourage voluntary compliance.	Awards Ceremony held by September, 2016.	30%	Concept document and sponsorship proposal developed. Initial contact made with potential sponsors.
Utilize information technology to improve business efficiency.	Implement Pound Operations Management system (POMS)	100%	

KEY PERFORMANCE INDICATORS

PRIORITY AREA	PERFORMANCE CRITERIA	ASSESSMENT OVERALL PERFORMANCE	COMMENTS
Implementation of the Public Interaction policy.	Implement and monitor public Interaction	80%	<p>-150 Route Inspectors participated in public interaction sensitization workshop.</p> <p>-Policy implemented within the Inspectorate.</p>
Develop employees' skills sets and capabilities through improved performance management strategies and sector specific training.	Identify sector specific training opportunities for technical staff.	30%	Engaged MIND to provide training through strategic partnership with UITP. Cost proposal received from MIND, further dialogue to determine budgetary allocation.
	Develop training and development activities to address performance gaps for 50% of employees.	186% Target surpassed.	373 employees trained in the areas of public interaction & customer service, public sector procurement and ROMs application.

FINANCIAL PERFORMANCE

The Transport Authority recorded **Surplus before Tax** of \$12M at the end of the 2015/2016 financial year, which represented a 73% decline when compared to surplus before tax of \$45M at the end of the prior year. A surplus before tax of \$82.4M was projected for the year.

Gross Operating Revenue for the year at \$1.030B was \$58M or 6% above prior year earnings of \$972M; however this was \$88M or 8% below budgeted revenue of \$1.118B. **Non-operating Income** earned on cash invested was \$34M which is \$4M or 13% below projected earnings of \$30M. Income earned on investment during the previous year was \$48M which was \$14M or 41% above current year. The decrease in interest income when compared with prior year is attributed to the decrease in the amount of cash invested due to capital investment projects undertaken by the Authority during the year under review. Capital expenditure included the construction of the Linstead Transportation Centre and the improvement of pound facilities. Even though gross operating income generated during the year compares favorably to prior year, total operating expenses grew by 8%.

Total Operating Expenses for the year was \$1.053B, this represented an increase of \$78M over the previous year's amount of \$975M. However, current year expenditure was \$50M or 4% below projected expenses of \$1.103B. Staff costs represented 60% of total costs for the year, which compares unfavorably with 58% recorded in previous year. There was an overall 14% increase in salaries and wages, staff allowance, statutory deductions and pension contributions. This is largely due to an increase in salaries, wages and allowances effective April 1, 2015 as agreed upon by the Government of Jamaica and the Collective Bargaining Units.

Administrative expenses increased by 4% from \$407M for the previous year to \$425M. However, administrative expenses for the year under review compares favorably with budgeted amount of \$439M. The areas in which significant increases over prior year were recorded are security expenses, rental expenses,

donations and subscription, general insurance, surveys and investigations, and costs associated with the disposal of impounded motor vehicles. During the year under review the Authority launched two major communication campaigns and this resulted in a 75% increase in public relations, education and advertising costs. Also with capital expenditure of \$117M there was a perceptible increase in depreciation and amortization for the year.

Total Assets of the Transport Authority as at March 31, 2016 was \$1.194B versus \$1.158B at the end of the previous year. It was estimated that at the end of the year under review total assets would be \$1.287B, therefore total assets was \$93M below projection. **Current Assets** decreased by \$33M or 5% when compared with prior year. The movement from \$728M to \$695M is mainly due to a decrease in Cash and Deposits. The amount held by the Authority on short term deposits decreased as a result of a 44% decline in cash generated from operations and interest income received. **Total Liabilities** stood at \$538M at the end of the 2015/2016 financial year; this compares unfavorably with projection of \$533M, also this represented an increase of \$34M or 7% when compared with previous year amount of \$504M. The increase is attributed to an increase in vacation leave accrued at the end of the period and deferred income.

Projections

The Authority is projecting to generate operating income of \$1.140B and interest income of \$40M for the year 2016-2017. Operating expenses are projected to be \$1.145B. At the end of the 2016/2017 financial year the Authority is therefore expecting to generate a surplus of \$35M.

FINANCIAL STATEMENTS



TRANSPORT AUTHORITY

Financial Statements
31 March 2016

 *C.R. Hylton & Co.*



Independent Auditor's Report

To the Board of Directors
Transport Authority
Kingston

Report on the Financial Statements

We have audited the financial statements of Transport Authority (Authority) which comprise the statement of comprehensive income, the statement of financial position as at 31 March 2016, the statement of changes in accumulated funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the Public Body Management and Accountability Act and Section 10(1) of the Transport Authority Act, for such internal control that management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence regarding the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes the evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Authority's affairs as at 31 March 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the provisions of the Public Body Management and Accountability Act and the Transport Authority Act.

Independent Auditor's Report Continued

To the Board of Directors
Transport Authority
Kingston

Report on Additional Requirements of the Transport Authority Act

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 accompanying financial statements are in agreement therewith, and give the information required by Section 10(1) of the Transport Authority Act in the manner so required.



Chartered Accountants
Kingston, Jamaica

17 August 2016

TRANSPORT AUTHORITY
Statement of Comprehensive Income
Year Ended 31 March 2016

	Notes	2016 \$'000	2015 \$'000
Gross operating revenue:			
Processing fees		791,209	775,593
Storage, administrative and wrecker fees		152,238	131,294
Franchise fees		14,212	7,809
Auction proceeds		43,960	43,906
Other income		29,283	13,148
		<u>1,030,902</u>	<u>971,750</u>
Operating expenses	13 22	<u>(1,053,129)</u>	<u>(974,907)</u>
Operating deficit		(22,227)	(3,157)
Non-operating revenue:			
Interest income		34,213	48,172
		<u>34,213</u>	<u>48,172</u>
Surplus before taxation	14	11,986	45,015
Taxation	17	<u>(8,647)</u>	<u>(15,590)</u>
Surplus, being total comprehensive income for the year		<u>3,339</u>	<u>29,425</u>

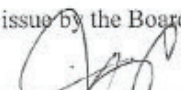

TRANSPORT AUTHORITY

Statement of Financial Position

As at 31 March 2016

	Notes	2016 \$'000	2015 \$'000	2014 \$'000
CURRENT ASSETS				
Cash and deposits	3	505,509	579,015	623,334
Trade and other receivables	5, 26	39,364	33,693	26,040
Income tax recoverable		38,097	-	-
Deposits and prepayments	6	57,817	75,842	213,679
Loan receivable – current portion	7	31,252	26,358	36,435
Inventories	2(g)	23,196	13,512	10,330
		<u>695,235</u>	<u>728,420</u>	<u>909,818</u>
CURRENT LIABILITIES				
Accounts payable and accrued charges	8	60,638	56,825	90,625
Deferred income	9, 26	477,884	428,015	414,412
Taxation payable		-	19,572	34,815
		<u>538,522</u>	<u>504,412</u>	<u>539,852</u>
NET CURRENT ASSETS		<u>156,713</u>	<u>224,008</u>	<u>369,966</u>
NON- CURRENT ASSETS				
Property, plant and equipment	10	411,867	345,281	176,828
Intangible assets	11	9,312	7,467	9,624
Loans receivable	7, 26	1,845	6,907	6,118
Investment securities	4, 26	61,883	57,922	55,593
Deferred tax asset	12	13,786	11,953	14,114
		<u>498,693</u>	<u>429,530</u>	<u>262,277</u>
TOTAL NET ASSETS		<u>655,406</u>	<u>653,538</u>	<u>632,243</u>
FINANCED BY:				
Accumulated funds	26	<u>655,406</u>	<u>653,538</u>	<u>632,243</u>
		<u>655,406</u>	<u>653,538</u>	<u>632,243</u>

Approved for issue by the Board of Directors on 17 August 2016 and signed on its behalf:


 _____ Chairman

 _____ Director

TRANSPORT AUTHORITY

Statement of Changes in Accumulated Funds

Year ended 31 March 2016

	Capital reserve \$'000	Accumulated Surplus \$'000	Total \$'000
Balance at April 1, 2014, as previously reported	13,410	649,828	663,238
Prior year adjustment (Note 26)	-	(30,995)	(30,995)
Balances at April 1, 2014 as restated	<u>13,410</u>	<u>618,833</u>	<u>632,243</u>
Total comprehensive income:			
Surplus for the year	-	29,425	29,425
Transaction with owners recognised directly in accumulated funds:			
Allocation to Government of Jamaica (Note 16)	-	(8,130)	(8,130)
Balance at 31 March 2015, as restated (Note 26)	<u>13,410</u>	<u>640,128</u>	<u>653,538</u>
Total comprehensive loss:			
Surplus for the year	-	3,339	3,339
Transaction with owners recognised directly in accumulated funds:			
Allocation to Government of Jamaica (Note 16)	-	(1,471)	(1,471)
Balance at 31 March 2016	<u>13,410</u>	<u>641,996</u>	<u>655,406</u>

TRANSPORT AUTHORITY
Statement of Cash Flows
Year ended 31 March 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Surplus for the year		3,339	29,425
Adjustments for:			
Depreciation and amortization		48,345	36,336
Taxation		8,647	15,590
Deferred tax adjustment		(2162)	-
Loan re-measurement		-	11,301
Interest income		(34,213)	(48,172)
(Gain)/Loss on foreign exchange		(3,362)	601
		<hr/>	<hr/>
Operating profit before change in working capital		20,594	45,081
Trade and other receivables		(5,671)	(7,653)
Deposits and prepayments		18,025	137,837
Investments		(530)	-
Inventories		(9,684)	(3,182)
Accounts payable and accrued charges		3,813	(33,800)
Deferred income		49,869	13,603
		<hr/>	<hr/>
Cash generated from operations		76,416	151,886
Interest received		35,923	49,991
Taxation paid		(65,987)	(28,671)
		<hr/>	<hr/>
Net cash provided by operating activities		46,352	173,206
Cash Flows From Investment Activities			
Additions to property, plant and equipment		(111,237)	(201,670)
Purchase of software		(5,539)	(964)
Loans receivable – non-current portion		168	(2,013)
Deposits		94,235	44,598
		<hr/>	<hr/>
Net cash used in investing activities		(22,373)	(160,049)
Cash Flows From Financing Activities			
Allocation to the government of Jamaica,		(1,471)	(8,130)
Cash used by financing activity		(1,471)	(8,130)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		22,508	5,027
Effect of changes in exchange rate on cash and cash equivalents		-	2,217
Cash and cash equivalents at beginning of the year		65,235	57,991
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	3	87,743	65,235

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

1. The Authority

The Transport Authority (the Authority) was established under the Transport Authority Act 1987, and domiciled in Jamaica with its registered office at 119 Maxfield Avenue, Kingston 10.

Its main objectives are to regulate and monitor public passenger and commercial transport throughout the island. This comprises the processing of applications for, and the granting of, road licenses, franchises to transport operators and other regulatory activities.

2. Significant Accounting Policies:

The principal accounting policies applied to the preparation of these financial statements are set out below. These policies have been applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates.

Interpretations and amendments to published standards effective in the current year

Accounting pronouncements effective in the current year which are relevant to the Authority's operations

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year and are relevant to the Authority's operations. The adoption of these new pronouncements has impacted the Authority as discussed below.

There were no standards and interpretations that were applied in the year that affected the presentation and disclosures in these financial statements. The following additional new and revised Standards and Interpretations have been adopted in these financial statements. Their adoption has not had any impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

<u>Amendments to Standards</u>		<u>Effective for annual periods beginning on or after</u>
IAS 19	Defined Benefit Plans: Employee Contributions – Amendments to IAS 19	July 1, 2014
IAS 16, 24, 38 and IFRS 2, 3, 8 and 13	Amendments arising from 2010 – 2012 Annual Improvements to IFRS	July 1, 2014
IAS 40 and IFRS 1, 3 and 13	Amendments arising from 2011 – 2013 Annual Improvements to IFRS	July 1, 2014

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

2. Significant Accounting Policies (Cont'd):

Basis of preparation (Cont'd):

Interpretations and amendments to published standards effective in the current year continued

Standards, interpretations and amendments to published standards which are not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not effective and which the Authority has not early adopted. These are as follows:

<u>New and Revised Standards</u>		<u>Effective for annual periods beginning on or after</u>
IAS 27	IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27	January 1, 2016
IAS 1	Disclosure Initiative – Amendments to IAS 1	January 1, 2016
IAS 16 and 38	IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	January 1, 2016
	Amendments to IAS 16 and IAS 38	
IAS 16 and 41	IAS 16 and IAS 41 Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41	January 1, 2016
IFRS 9	Financial Instruments	January 1, 2018
IFRS 10 and IAS 28	IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	January 1, 2016
IFRS 10, 12 and IAS 28	IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28	January 1, 2016
IFRS 11	IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11	January 1, 2016
IFRS 14	IFRS 14 Regulatory Deferral Accounts	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IFRS 5, 7 and IAS 19, 32	Amendments arising from 2012 – 2014 Annual Improvements to IFRS	January 1, 2016

The Authority has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations:

IFRS 9, 'Financial Instruments', (effective for annual periods beginning on or after 1 January 2018). In July 2014, the IASB issued IFRS 9 which is the comprehensive standard to replace IAS 39 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

2. Significant Accounting Policies (Cont'd):

Basis of preparation (Cont'd):

IFRS 9, Financial Instruments (Cont'd):

Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).

Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.

Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in the Authority's own credit risk of financial liabilities designated at fair value through profit or loss, in other comprehensive income.

IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables. The classification and measurement of investments in debt securities is driven by the entity's business model for managing the financial assets and the contractual characteristics and will result in one of the following three classifications: amortised cost, fair value through OCI ('FVOCI') or fair value through profit or loss ('FVPL').

Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging. The amendments in respect of hedge accounting will not apply as the Authority does not apply hedge accounting.

The Authority is still assessing the potential impact of adoption and whether it should consider early adoption but it is not possible at this stage to quantify the potential effect.

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

2. Significant Accounting Policies (Cont'd):

Basis of preparation (Cont'd):

IFRS 15, 'Revenue from contracts with customers', (effective for annual periods beginning on or after 1 January 2018). IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Company plans to adopt the new standard on the required effective date using the full retrospective method. The Authority is to perform a preliminary assessment of IFRS 15 and is to consider the clarifications issued by the IASB in an exposure draft in July 2015 for further informing its analysis.

IAS 1, 'Disclosure Initiative - Amendments to IAS 1', (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify, the materiality requirements in IAS 1, that specific line items in the statement of profit or loss and OCI and the statement of financial position may be disaggregated, that entities have flexibility as to the order in which they present the notes to financial statements and that the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss and other comprehensive income.

Early application is permitted and entities do not need to disclose that fact because the Board considers these amendments to be clarifications that do not affect an entity's accounting policies or accounting estimates. Management has not yet assessed the impact of this amendment on the financial statements on adoption at its effective date.

IFRS 16, 'Leases', (effective for annual periods beginning on or after 1 January 2019). This new standard requires lessees to account for all leases under a single on-balance sheet model, subject to certain exemptions in a similar way to finance leases under IAS 17. Lessees recognize a liability to pay rentals with a corresponding asset, and recognize interest expense and depreciation separately. The standard provides guidance on the two recognition exemptions for leases – leases of "low value" assets and short-term leases with a term of 12 months or less. Lessor accounting is substantially the same as IAS 17. Early adoption is permitted but not before the Company applies IFRS 15. The directors and management have not yet assessed the impact of the application of this standard on the Authority's financial statements.

The Authority has concluded that all other standards, interpretations and amendments to existing standards, which are published but not yet effective are either relevant to its operations but will have no material impact on adoption; or are not relevant to its operations and will therefore have no impact on adoption; or contain inconsequential clarifications that will have no material impact when they come into effect. This includes amendments resulting from the IASB's ongoing 'Improvements to IFRS' project.

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

2. Significant Accounting Policies (Cont'd):

Summary of accounting policies

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Foreign currency translation

(i) Functional and presentational currency

The Authority invests in Jamaican and United States of America denominated securities that provide a high return compared with other products available in Jamaican and United States of America dollars. The performance of the Authority is measured and reported to the Board of Directors in Jamaican dollars. The directors consider the Jamaican dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Jamaican dollars, which is the functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit for the period. At the end of each financial period, monetary assets and liabilities denominated in foreign currency are translated using the closing mid-point rate of exchange. Unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in surplus or deficit for the period.

(b) Investment securities

Investment securities are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Fees

Fees are recognized when payments are received from the clients over the period to which the fees apply.

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

2. Significant Accounting Policies (Cont'd):

Summary of accounting policies (Cont'd)

(c) Revenue recognition (Cont'd)

Interest income

Interest income is recognised on a time proportion basis using the effective interest method and includes interest income from debt securities.

Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Receivables

Receivables are carried at cost which approximates the fair value of those assets.

(e) Expenses

All expenses are recognised in surplus or deficit for the period on the accrual basis. Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(f) Financial investments

(i) Classification

The Authority classifies its investment in debt and equity securities. These financial assets are classified as available-for-sale investment securities. The Authority's policy is for the managers to evaluate the information about these financial assets on a fair value basis together with other related information.

(ii) Recognition/derecognition

Regular purchases and sales of investments are recognised on the trade date, the date on which the Authority commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired and the Authority has transferred substantially all risks and rewards of ownership.

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

2. Significant Accounting Policies (Cont'd):

Summary of accounting policies (Cont'd)

(f) Financial investments

(iii) Measurement

Financial investments are initially recognised at fair value. Transaction costs are expensed in surplus or deficit for the period. Subsequent to initial recognition, all financial investments are measured at fair value based on quoted bid prices or amounts derived from cash flow invested. Unrealised gains and losses are recognised in surplus or deficit for the period.

(iv) Fair value estimation

The fair value of the financial instruments traded in active markets (such as equity securities) is based on quoted market prices at the end of the financial period. The quoted market prices used for financial assets held by the Authority is current bid price.

(g) Inventories

Inventories, mainly comprise license forms and laminating film, are valued at the lower of cost, determined principally on the first-in, first-out basis, and the net realizable value.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less.

(i) Use of estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires the directors and management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on historical experience and management's best knowledge of current events and actions and are reviewed on an ongoing basis. Actual results could differ from those estimates.

(j) Pension Scheme costs

The Authority participates in a defined contribution pension scheme, the assets of which are held separately from those of the Authority. Contributions to the Scheme by the Authority are charged to surplus or deficit when due.

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

2. Significant Accounting Policies (Cont'd):

Summary of accounting policies (Cont'd)

k) Property, plant and equipment:

- (i) Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. The directors however, revalued the building during the current year to show its true value which was materially understated.
- (ii) Depreciation is calculated on the straight-line basis at annual rates to write down the assets to their estimated residual values over their expected useful lives. The depreciation rates are as follows:

Computer hardware	22.5%
Computer software	20%
Buildings	2.5%
Freehold and leasehold improvements	20%
Furniture, fixtures and equipment	10%
Motor vehicles	20%
Capital projects	2.50%

Land is not depreciated and is stated at cost. Depreciation rates, estimated residual values and expected useful lives are re-assessed at each financial year end.

3 Cash and Deposits

	2016 \$'000	2015 \$'000
Cash	699	520
Bank balances	87,044	64,715
Cash and cash equivalents	<u>87,743</u>	<u>65,235</u>
Certificate of deposits	-	-
Resale agreements	416,469	510,704
	<u>504,212</u>	<u>575,939</u>
Accrued interest	1,297	3,076
	<u>505,509</u>	<u>579,015</u>

The fair value of underlying securities pledged as collateral for resale agreements amounted to \$418.26 million (2015: \$501.025 million).

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

4. Investment securities

	2016	2015
	\$'000	\$'000
Held-to-maturity:		
5.25% Government of Jamaica fixed rate benchmark note (2020) US\$500,000	60,652	56,760
Accrued interest	1,231	1,162
	<u>61,883</u>	<u>57,922</u>

5. Trade and other receivables

	2016	2015
	\$'000	\$'000
Trade receivables	50,209	50,287
Staff loans (Note 7)	5,210	4,377
Other receivables	18,253	13,337
	<u>73,672</u>	<u>68,001</u>
Less: Allowance for doubtful debts	(34,308)	(34,308)
	<u>39,364</u>	<u>33,693</u>

(i) Trade receivables include related party balances:

	2016	2015
	\$'000	\$'000
Jamaica Urban Transit Company Limited	47,993	47,993
Metropolitan Transport Holding Limited	405	405
	<u>48,398</u>	<u>48,398</u>

(ii) Reconciliation of allowance for doubtful debts on Trade and other receivables:

	2016	2015
	\$'000	\$'000
At beginning of the year	(34,308)	(76,408)
Change during the year	-	42,100
At end of the year	<u>(34,308)</u>	<u>(34,308)</u>

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

6. Deposits and prepayments

	2016	2015
	\$'000	\$'000
Prepaid insurance	170	10,385
Other prepayments	733	661
Deposit on Fixed Assets - General	5,915	11,324
Deferred expenditure - Jamintel Building	25,659	14,970
Construction of satellite office	13,940	7,067
Guarantee deposits	157	157
Rent deposits	1,137	1,069
Linstead Transport Centre	-	21,457
Miscellaneous	10,106	8,752
	<u>57,817</u>	<u>75,842</u>

7. Loans receivable

	2016	2015
	\$'000	\$'000
Jamaica Urban Transit Company (JUTC) – (Note 7(a))		
JUTC - Principal	100,000	100,000
Accrued interest	3,547	3,547
Effects of IFRS re-measurement- IFRS 9	(30,195)	(30,195)
	<u>73,352</u>	<u>73,352</u>
Less long-term portion - (1)	-	(4,894)
Current portion	73,352	68,458
Impairment provision	(42,100)	(42,100)
	<u>31,252</u>	<u>26,358</u>
Staff Loans – (Note 7(b))		
Carrying amount of staff loans	7,055	6,390
Due after one year (long- term portion) – (1)	(1,845)	(2,013)
Current portion included in other receivables (Note 5)	5,210	4,377
	<u>1,845</u>	<u>6,907</u>

(a) The JUTC loan represents an unsecured loan of \$100 million to JUTC at an interest rate of 2% per annum on the reducing balance basis with a six months moratorium on the principal. Repayment of principal and interest was due quarterly commencing December 1, 2012 and ending on June 1, 2016.

(b) Staff loans are disbursed for periods up to five years with interest charged between 6% to 18% depending on the purpose of the loan.

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

8. Accounts payable and accrued charges

	2016	2015
	\$'000	\$'000
Accounts payable	8,973	10,980
Other payables (see below)	13,567	9,970
Accrued vacation leave	24,472	20,482
Accruals	13,626	15,393
	<u>60,638</u>	<u>56,825</u>

Other payables include \$9.275 million (2015: \$8.532 million) representing stale dated cheques.

9. Deferred income

Deferred income represents processing fees received in advance for licence applications relating to the following year and includes amounts received for road licences not yet collected by licensees.

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

10. Property, plant and equipment

	Land and building \$'000	Freehold and leasehold improvements \$'000	Furniture, fixtures and equipment \$'000	Motor vehicles and motor cycles \$'000	Computer hardware \$'000	Signs \$'000	Total \$'000
At cost:							
March 31 2014	47,935	79,432	108,814	93,791	37,946	307	368,226
Additions	150,000	19,500	12,097	11,152	8,198	723	201,670
Write-offs	-	-	(533)	-	(322)	-	(856)
March 31 2015	197,935	98,932	120,378	104,943	45,822	1,030	569,040
Additions	-	84,544	10,521	2,800	12,823	549	111,237
March 31 2016	197,935	183,476	130,899	107,743	58,645	1,579	680,277
Depreciation:							
March 31 2014	7,986	45,646	55,358	52,744	29,536	126	191,396
Charge for the year	4,056	3,650	8,031	14,146	3,247	85	33,215
Eliminated on write-offs	-	-	(533)	-	(319)	-	(852)
March 31 2015	12,042	49,296	62,856	66,890	32,464	211	223,759
Charge for the year	4,815	12,835	9,418	12,418	5,076	99	44,651
March 31 2016	16,857	62,131	72,274	79,308	37,540	310	268,410
Net book value:							
March 31 2016	181,078	121,345	58,625	28,435	21,105	1,269	411,867
March 31 2015	185,893	49,636	57,522	38,053	13,358	819	345,281

Land and buildings include land at a cost of \$35.709 million (2015: \$35.709 million).

TRANSPORT AUTHORITY
 Notes to the Financial Statements
 Year ended 31 March 2016

11. Intangible assets

	Computer Software S'000
At cost:	
March 31 2014	27,363
Additions	964
March 31 2015	<u>28,327</u>
Additions	5,539
March 31 2016	<u>33,866</u>
Amortisation:	
March 31 2014	17,739
Charge for the year	3,121
March 31 2015	<u>20,860</u>
Charge for the year	3,694
March 31 2016	<u>24,554</u>
Net book value:	
March 31 2016	<u>9,312</u>
March 31 2015	<u>7,467</u>

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Notes to the Financial Statements

Year ended 31 March 2016

12. Deferred tax asset

The deferred tax asset is attributable to the following:

	2014 \$'000	Recognised in income \$'000	2015 \$'000	Recognised in income \$'000	2016 \$'000
Trade and other receivables	(2,192)	1,819	(373)	(1,145)	(1,518)
Trade payables and accrued charges	12,495	621	13,116	(6,998)	6,118
Property, plant and equipment	3,811	(4,601)	(790)	9,976	9,186
	<u>14,114</u>	<u>(2,161)</u>	<u>11,953</u>	<u>1,833</u>	<u>13,786</u>

13. Gross operating revenue

Gross operating revenue represents processing fees for road license applications, franchise fees received from franchise operators, and storage and administrative fees from the impounding of motor vehicles, as well as miscellaneous income.

14. Surplus before taxation is stated after changing:

	2016 \$'000	2015 \$'000
Depreciation and amortisation	48,345	36,334
Auditors' remuneration	1,495	1,400
Staff cost, excluding staff welfare	607,708	538,903
Staff welfare	20,582	27,873
Foreign exchange gains	(4,351)	(4,078)

15. Capital reserve

This represents realised surplus on disposal of property, plant and equipment.

16. Allocation to Government of Jamaica

At the request of the Ministry of Finance and Planning, a financial distribution of \$1.471 million (2015: \$8.13 million) to the government of Jamaica was approved by the Board of Directors, and paid to the Accountant General on March 31, 2016.

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Notes to the Financial Statements

Year ended 31 March 2016

17. Taxation

	2016	2015
	\$'000	\$'000
(a) Recognised in the profit or loss:		
(i) Current tax expenses:		
Income tax @ 25%	<u>8,318</u>	<u>13,429</u>
(ii) Deferred taxation:		
Origination and reversal of temporary differences (Note 9)	<u>329</u>	<u>2,161</u>
Actual tax charge recognised in profit or loss	<u><u>8,647</u></u>	<u><u>15,590</u></u>
 (b) Reconciliation of expected tax charge		
Surplus before taxation	<u><u>11,986</u></u>	<u><u>45,015</u></u>
Computed "expected" tax charge @ 25%	2,997	11,254
Taxation differences between surplus for financial statements and tax reporting purposes on:		
Depreciation charges and capital allowances	-	4,654
Disallowed expenses	15	(318)
Other	<u>5635</u>	<u>-</u>
Actual tax charge recognised in Statement of Comprehensive Income	<u><u>8,647</u></u>	<u><u>15,590</u></u>

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Notes to the Financial Statements

Year ended 31 March 2016

18. Commitments

(i) Lease commitments:

At March 31, the Authority as lessee had lease commitments under a non-cancellable operating leases expiring up to 2031 for which the future minimum lease payments are, in relation to the reporting date, as follows:

	2016	2015
	\$'000	\$'000
Not later than one year	8,222	3,437
Later than one year and not later than five years	14,310	4,506
Later than five years	28,228	29,946
	<u>50,760</u>	<u>37,889</u>

(ii) Capital commitments:

As at 31 March 2016, the Authority capital contracts that were still open amounted to \$14.532 million (2015: \$79.183 million), in respect of which deposits amounting to \$19.855 million (2015: \$46.94 million) have been made.

19. Pension scheme

A defined-contribution pension scheme is administered by Guardian Life Limited for all employees of the Authority who have satisfied certain minimum service requirements. The scheme is funded by employer's contribution of 7 1/2 % and employees' contributions of 5% pensionable salaries, plus an option for employees to contribute an additional 5%. Based on unaudited figures provided by the scheme's administrators, net assets available for benefits as at 31 March 2016 amounted to \$468.544 million (2015: \$462.086 million).

The Authority's contributions for the year amounted to \$17.825 (2015: \$19.915 million).

20. Contingent liabilities

In the normal course of business, the Transport Authority is liable to claims for damages for tortuous actions allegedly committed by its servants and/or agents. Provision is made in cases where, in the opinion of management and its legal counsel, it is highly likely that the Authority will be called upon to pay compensation to the Claimant.

At the end of the reporting period, the Authority had a number of claims for damages pending in the Supreme Court and Resident Magistrate's Courts in Jamaica amounting to approximately \$199 million.

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

20. Contingent liabilities (Continued)

With respect to the pending claims, the Authority is of the opinion that the matters can either be successfully defended or are not yet at a stage where a reasonable estimate of the likely outcome can be assessed, therefore, no provision has been recognised in the financial statements.

21. Related party balances and transactions

- (a) The balance sheet included balances arising in the ordinary course of business with related parties as follows:

	2016 \$'000	2015 \$'000
Jamaica Urban Transit Company Limited	121,345	117,798
Metropolitan Transport Holdings Limited	<u>406</u>	<u>406</u>

- (b) The statement of comprehensive income includes transactions arising in the ordinary course of business with related parties as follows:

	2016 \$'000	2015 \$'000
Key management personnel compensation:		
Directors' emoluments – fees	2,323	1,554
Short-term benefits (included in staff costs below):		
Managing Directors' remuneration	12,292	6,569
Other key management personnel	<u>22,992</u>	<u>18,350</u>

TRANSPORT AUTHORITY

Notes to the Financial Statements

Year ended 31 March 2016

22. Expense by nature

	Note	2016 \$'000	2015 \$'000
Staff cost	23	628,290	567,776
Electricity, telephone and water		35,389	38,697
Repairs and maintenance – buildings & roadways		11,287	15,416
Repairs and maintenance- furniture & equipment		6,689	7,528
Motor vehicle repairs and maintenance		27,506	35,062
Computer expenses		106	125
Depreciation and amortisation		48,345	36,334
Support Fees/ Internet Charges		11,895	11,685
Insurance		21,065	19,645
Security		82,584	75,754
Printing, stationery and lamination		27,545	29,653
Postage/Courier Services		1,112	980
Office expenses		8,246	7,289
Public relations and advertising		15,496	8,928
Property tax		604	619
Audit and accounting		1,510	1,400
Legal and other professional fees		6,039	7,566
Legal damages		1,795	150
Directors' fees		2,323	1,554
Travelling and subsistence		26,607	31,008
Meeting expenses		7,459	8,581
Rental expenses		23,371	18,370
Donation and subscription expenses		8,511	5,066
Surveys and investigations		1,263	23
Disposal of seized vehicles		7,536	2,696
Liaison cost		1,673	1,613
School bus program		1,203	5,332
Sector outreach expenses		377	1,833
Bank charges		4,778	4,181
Foreign exchange loss		-	601
Miscellaneous		1,270	-
Irrecoverable G.C.T.		31,255	32,443
		<u>1,053,129</u>	<u>974,907</u>

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Notes to the Financial Statements

Year ended 31 March 2016

23. Staff cost

	2016 \$'000	2015 \$'000
Salaries and wages	386,630	349,463
Statutory deductions	38,995	36,122
Pension contributions	17,825	15,914
Staff allowance	157,562	128,069
Staff welfare	20,582	27,873
Training	6,696	9,335
	628,290	566,776

24. Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. 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. Where no market price is available, the fair values presented have been estimated using present values or other estimation and valuation techniques based on market conditions existing at balance sheet dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (1) Investment securities classified as available-for-sale are measured at fair value by reference to quoted market prices when available.
- (2) The fair value of liquid assets and other assets maturing within three months is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- (3) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.
- (4) Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

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Notes to the Financial Statements

Year ended 31 March 2016

24. Fair value estimation (Cont'd)

The estimated fair values of the following financial instruments differ from their carrying values:

	2016		2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$'000	\$'000	\$'000	\$'000
Investment securities -				
Held to maturity	61,883	60,937	56,760	55,625

At the end of the financial year, there were no financial instruments that were measured subsequent to initial recognition at fair value in the statement of financial position. The estimated fair value of the investment security above is assessed as Level 2 of the fair value hierarchy.

- Level 1 includes those instruments which are measured based on quoted priced in active markets for identical assets and liabilities. These mainly comprise of equity shares traded on the Jamaica Stock Exchange and are classified as available-for-sale and financial assets at fair value through profit or loss.
- Level 2 includes those instruments which are measured using inputs other than quoted prices that are observable for the instrument, directly or indirectly. The fair value for these instruments is determined by using valuation techniques and 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.

There were no transfers between the levels during the year.

25. Financial risk management

The Authority's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance.

The Ministry of Finance is ultimately responsible for the establishment and oversight of the Authority's risk management framework. The Managers provide guidelines for overall risk management and areas, such as foreign exchange risk, interest rate risk and credit risk, and investment of excess liquidity. The Managers manage and monitoring risks, as follows:

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Notes to the Financial Statements

Year ended 31 March 2016

25. Financial risk management (Cont'd)

(a) Market risk

The Authority takes on exposure to market risks, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates, interest rates and market price.

The market risk of the Authority's investment portfolio is reviewed regularly using quantitative and qualitative risk measures and analyses.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Authority is exposed to currency risk due to fluctuation in the exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. Management ensures that the net exposure is kept to an acceptable level by monitoring all currency positions and ensuring adherence to predetermined limits.

The carrying amounts of the Authority's foreign currency denominated monetary assets at the reporting date are as follows:

	2016		2015	
	US\$'000	J\$'000 Equivalent	US\$	J\$'000 Equivalent
US\$	651	78,965	706	71,371

There were no foreign currency related liabilities at the reporting date.

Foreign currency sensitivity

The following table indicates the currency to which the Authority had significant exposure on its monetary assets. The change in currency rate below represents the Finance Director's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a revaluation of 1% and devaluation of 10% in foreign currency rates. The sensitivity analysis includes cash and short term investments and investment securities. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be analysed on an individual basis:

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Notes to the Financial Statements

Year ended 31 March 2016

25. Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(i) Currency risk (Cont'd)

		Change in Currency	Effect on Profit	Change in Currency	Effect on Profit
		2016		2015	
United States Dollar			\$'000		\$'000
Revaluation	(1%)	(2015:1%)	(790)		(714)
Devaluation	(6%)	(2015: 10%)	4,738		7,137

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments exposes the Authority to cash flow interest risk whereas fixed interest rate instruments expose the Authority to fair value interest risk.

The Authority's exposure to interest rate risk is affected by its holding in cash and bank deposits. In respect of liabilities, the Authority does not enter into transactions involving interest costs and is therefore not affected by interest rate risk on liabilities.

The following tables indicate the level of interest rate exposure of the Authority for Jamaican dollar and United States Dollar denominated securities:

	2016 \$'000	2015 \$'000
J\$ Denominated securities	398,208	496,093
USD Denominated securities	78,965	71,371
Total	477,173	567,464

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the income statement.

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Notes to the Financial Statements

Year ended 31 March 2016

25. Financial risk management (Cont'd)
(a) Market risk (Cont'd)
(ii) Interest rate risk (Cont'd)

The sensitivity of net surplus is the effect of the assumed changes in interest rates on surplus for the year based on the floating rate non-trading financial assets and financial liabilities. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be analysed on an individual basis.

	Effect on profit	Effect on profit
	2016	2015
	\$'000	\$'000
Change in interest rates on J\$ Securities		
-1% (2015: -1%)	(3,982)	(4,961)
+1% (2015: +2.5%)	3,982	12,402
	Effect on profit	Effect on profit
	2016	2015
	\$'000	\$'000
Change in interest rates on USD Securities		
-0.5% (2015: -0.5%)	(395)	(357)
+1% (2015: +2%)	790	1,427

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Notes to the Financial Statements

Year ended 31 March 2016

25. Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

The following tables summarise the company's exposure to interest rate risk at balance sheet date. It includes financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	2016					Total \$'000
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 \$'000	1 to 5 years \$'000	Non- Interest Bearing \$'000	
Cash and deposit	52	304,611	111,858		87,715	504,236
Investment securities	-	-	-	60,651,650	-	60,652
Trade and other receivables	-	-	-	-	108,478	108,478
Loan receivable	26,357	-	-	-	-	26,357
	26,409	304,611	111,858	60,651,650	196,193	699,722
Financial Liabilities						
Accounts payable	-	-	-	-	(21,900)	(21,900)
Total financial liabilities	-	-	-	-	(21,900)	(21,900)
Total interest re-pricing gap	26,409	331,020	442,878	503,530	677,823	677,823

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Notes to the Financial Statements

Year ended 31 March 2016

25. Financial risk management (Cont'd)
(a) Market risk (Cont'd)
(ii) Interest rate risk (Cont'd)

The following tables summarise the company's exposure to interest rate risk at balance sheet date. It includes financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	2015					Total \$'000
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 \$'000	1 to 5 years \$'000	Non- Interest Bearing \$'000	
Cash and deposit	579,015	-	-	-	-	579,015
Investment securities	-	-	-	57,922	-	57,922
Trade and other receivables	-	-	98,074	-	-	98,074
Loan receivable	-	-	22,811	4,894	-	27,706
	579,015	-	120,885	62,816	-	762,716
Financial Liabilities						
Accounts payable and accrued charges	-	-	-	-	(62,774)	(62,774)
Total financial liabilities	-	-	-	-	(62,774)	(62,774)
Total interest re-pricing gap	579,015	-	120,885	62,816	(62,774)	699,942

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, other than those arising from currency or interest rate risk, whether those changes are caused by factors specific to the instrument or affecting all similar instruments in the market.

The Authority is not exposed to price risk.

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Notes to the Financial Statements

Year ended 31 March 2016

25. Financial risk **management (Cont'd)**

(a) **Market risk (Cont'd)**

(iv) **Credit Risk**

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

Investments are allowed principally in secure liquid instruments and with counterparties that management believe do not offer any significant credit risk. Based on their assessment, management does not expect any counterparties to fail to meet their obligations. The managers manage credit risk by having an investment policy which includes written authority levels and prior approval by the Ministry of Finance of any investment transaction.

At the end of the financial year, there were significant concentrations of credit risk in one financial institution. There are no off-balance-sheet investments and, therefore, the maximum exposure to credit risk is represented by the total carrying amount of financial assets.

(v) **Liquidity Risk**

Liquidity risk, also referred to as funding risk, is the risk that the authority will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities. Due to the nature of the authority, which accumulates and invests funds to pay liabilities which crystallise principally in the short term and in a measured predictable manner, the managers believe that liquidity risk for the Authority is negligible.

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Notes to the Financial Statements

Year ended 31 March 2016

25. Financial risk management (Cont'd)
(a) Market risk (Cont'd)
(v) Liquidity Risk

The maturity of all financial instruments is shown in the following tables:

	2016 \$'000	2015 \$'000
Financial assets maturing in one year or less or on demand:		
Cash and deposits	504,236	579,015
Trade and other receivables	108,478	98,074
Loans receivables-current portion	26,357	22,811
Staff loans		4,154
	<u>639,071</u>	<u>704,054</u>
In more than one year:		
Staff loans	-	2,237
Loans receivable	-	4,894
Investments	60,652	57,922
	<u>60,652</u>	<u>65,053</u>
Financial liabilities maturing		
In one year or less or on demand:		
Accounts payable	21,900	62,774

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Notes to the Financial Statements

Year ended 31 March 2016

26 Prior year Adjustment

In prior years, adjustments were made to the financial statements in bringing the prepaid fees in line with the supporting underlying sub-ledger records having reviewed and transferred those not deemed to be prepaid. The effect of the adjustment was reviewed during this year and was found to be incorrect. Further, investment securities and some staff loans were incorrectly classified as short-term in previous periods.

	As previously reported 2014 \$'000	Adjustments \$'000	Note	As restated 2014 \$'000
CURRENT ASSETS				
Cash and deposits	623,334	-		623,334
Investment securities	55,593	(55,593)	1	-
Trade and other receivables	26,040	-		26,040
Deposits and prepayments	213,679	-		213,679
Loans receivable – current portion	36,435	-		36,435
Inventories	10,330	-		10,330
	<u>965,411</u>	<u>(55,593)</u>		<u>909,818</u>
CURRENT LIABILITIES				
Accounts payable and accrued charges	90,625	-		90,625
Deferred income	383,417	30,995	2	414,412
Taxation payable	34,815	-		34,815
	<u>508,857</u>	<u>30,995</u>		<u>539,852</u>
NET CURRENT ASSETS	<u>456,554</u>	<u>(86,588)</u>		<u>369,966</u>
NON- CURRENT ASSETS				
Property, plant and equipment	176,828	-		176,828
Intangible assets	9,624	-		9,624
Investment Securities	-	55,593	1	55,593
Loans receivable – non-current portion	6,118	-		6,118
Deferred tax asset	14,114	-		14,114
	<u>206,684</u>	<u>55,593</u>		<u>262,277</u>
TOTAL NET ASSETS	<u>663,238</u>	<u>(30,995)</u>		<u>632,243</u>
FINANCED BY:				
Accumulated funds	663,238	(30,995)	2	632,243
	<u>663,238</u>	<u>(30,995)</u>		<u>632,243</u>

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Notes to the Financial Statements

Year ended 31 March 2016

26 Prior year Adjustment (Cont'd)

	As previously reported 2015 \$'000	Adjustments \$'000	Note	As restated 2015 \$'000
CURRENT ASSETS				
Cash and deposits	579,015	-		579,015
Investment securities	57,922	(57,922)	1	-
Trade and other receivables	35,706	(2,013)	1	33,693
Deposits and prepayments	75,842	-		75,842
Loan receivable – current portion	26,358	-		26,358
Inventories	13,512	-		13,512
	<u>788,355</u>	<u>(59,935)</u>		<u>728,420</u>
CURRENT LIABILITIES				
Accounts payable and accrued charges	56,825	-		56,825
Deferred income	397,020	30,995	2	428,015
Taxation payable	19,572	-		19,572
	<u>473,417</u>	<u>30,995</u>		<u>504,412</u>
NET CURRENT ASSETS	<u>314,938</u>	<u>(90,930)</u>		<u>224,008</u>
NON- CURRENT ASSETS				
Property, plant and equipment	345,281	-		345,281
Intangible assets	7,467	-		7,467
Loans receivable	4,894	2,013	1	6,907
Investment Securities	-	57,922	1	57,922
Deferred tax asset	11,953	-		11,953
	<u>369,595</u>	<u>59,935</u>		<u>429,530</u>
TOTAL NET ASSETS	<u>684,533</u>	<u>(30,995)</u>		<u>653,538</u>
FINANCED BY:				
Accumulated funds	684,533	(30,995)	2	653,538
	<u>684,533</u>	<u>(30,995)</u>		<u>653,538</u>

Notes:

1. Reclassification from current assets to non-current assets of investment security and staff loans maturing after 12 months from the end of the reporting period.
2. Effect of accounting for understatement error in prepaid fees and the effect on retained earnings brought forward.

SENIOR EXECUTIVES COMPENSATION TABLE

POSITION OF SENIOR EXECUTIVE	YEAR	SALARY \$	GRATUITY OR PERFORMANCE INCENTIVE \$	TRAVELING ALLOWANCE OR VALUE OF ASSIGNMENT OF MOTOR VEHICLE \$	PENSION OR OTHER RETIREMENT BENEFITS \$	OTHER ALLOWANCES \$	NON-CASH BENEFIT \$	TOTAL \$
Managing Director	2015/2016	6,831,332.04	3,284,294.50	1,996,775.66	nil	180,000.00	nil	12,292,402.20
Senior Legal Officer**	2015/2016	2,543,146.70	nil	1,020,320.00	nil	451,955.00	nil	4,015,421.70
GM-Operations	2015/2016	3,466,784.04	nil	1,356,084.00	nil	510,169.92	nil	5,333,037.96
GM-HRD & Administration	2015/2016	4,127,124.00	2,001,094.96	1,356,084.00	nil	1,321,494.87	nil	8,805,797.83
GM-Finance & Planning	2015/2016	3,301,698.96	nil	1,356,084.00	nil	180,000.00	nil	4,837,782.96
TOTAL (\$)		20,270,085.74	5,285,389.46	7,085,347.66	nil	2,643,619.79	nil	35,284,442.65

**Tenure started June 1, 2015

See additional notes below

Notes to Executive Emoluments Table

POSITION OF SENIOR EXECUTIVE	UNIFORM ALLOWANCE	DUTY ALLOWANCE	LIBRARY /ROBING	SPECIAL ALLOWANCE	LAUNDRY ALLOWANCE	LUNCH ALLOWANCE	ACCOMODATION BENEFIT	TOTAL
2015/2016								
Managing Director						180,000.00		180,000.00
GM-HRD & Administration	215,037.51			752,745.36		180,000.00	173,712.00	1,321,494.87
GM-Finance & Planning						180,000.00		180,000.00
Senior Legal Officer			268,621.70		33,333.30	150,000.00		451,955.00
GM-Operations		330,169.92				180,000.00		510,169.92
TOTAL (\$)								2,643,619.79

BOARD FEES FOR THE PERIOD APRIL 2015 TO MARCH 2016

DIRECTORS COMPENSATION TABLE

	FEES	MOTOR VEHICLE UPKEEP/ TRAVELING	HONORARIA	ALL OTHER COMPENSATION INCLUDING NON-CASH BENEFITS AS APPLICABLE	TOTAL
<i>Position of Director</i>	(\$)	(\$)	(\$)	(\$)	(\$)
Chairman					
NORTON HINDS	\$1,013,000.00	\$0.00	\$0.00	\$0.00	\$1,013,000.00
Non-Executive					
AUDLEY DEIDRICK	\$140,500.00	\$0.00	\$0.00	\$0.00	\$140,500.00
TERRY-ANN GIBBS	\$50,125.00	\$0.00	\$0.00	\$0.00	\$50,125.00
EVERTON HUNTER	\$127,150.00	\$0.00	\$0.00	\$0.00	\$127,150.00
CLYDE HARRISON	\$120,000.00	\$0.00	\$0.00	\$0.00	\$120,000.00
HENRY MCCURDY	\$61,500.00	\$0.00	\$0.00	\$0.00	\$61,500.00
JAMES GOLDING	\$51,000.00	\$0.00	\$0.00	\$0.00	\$51,000.00
JOAN WYNTER	\$110,625.00	\$0.00	\$0.00	\$0.00	\$110,625.00
LUDLOW POWELL	\$225,000.00	\$0.00	\$0.00	\$0.00	\$225,000.00
NERINE SMALL	\$86,000.00	\$0.00	\$0.00	\$0.00	\$86,000.00
LEARY MYERS	\$169,500.00	\$0.00	\$0.00	\$0.00	\$169,500.00
CO-OPTED SUB-COMMITTEE MEMBERS*					
PATRICK ROSE	\$49,000.00	\$0.00	\$0.00	\$0.00	\$49,000.00
GARY MACKENZIE	\$31,500.00	\$0.00	\$0.00	\$0.00	\$31,500.00
MELANIE GILHURST	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00
BARBARA CADOGAN	\$7,000.00	\$0.00	\$0.00	\$0.00	\$7,000.00
DIANE BROWN-ALLEN	\$10,500.00	\$0.00	\$0.00	\$0.00	\$10,500.00
CALVIN ALLEN	\$7,000.00	\$0.00	\$0.00	\$0.00	\$7,000.00
CLIVE MCDONALD	\$35,000.00	\$0.00	\$0.00	\$0.00	\$35,000.00
COURTNEY COUBRIE	\$3,500.00	\$0.00	\$0.00	\$0.00	\$3,500.00
DIAN WATSON	\$10,500.00	\$0.00	\$0.00	\$0.00	\$10,500.00
TOTAL	\$2,323,400.00	\$0.00	\$0.00	\$0.00	\$2,323,400.00



Regulating public transportation to make it safe, secure, reliable and efficient

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