



THIRD REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE PUBLIC TRANSPORT SERVICE CORPORATION FOR THE NINE MONTHS ENDED 30TH SEPTEMBER, 2003

The First and Second Reports of the Auditor General of the Republic of Trinidad and Tobago on the non-receipt of Financial Statements of the Public Transport Service Corporation for the nine months ended September 30, 2003 were signed by the Auditor General on 2004 August 24 and 2005 September 19 respectively and submitted to the Speaker and the President of the Senate for presentation to the House of Representatives and the Senate respectively and to the Minister of Finance.

2. The accompanying Financial Statements of the Public Transport Service Corporation for the nine months ended 30th September, 2003 have been audited. The Statements comprise a Balance Sheet as at 30th September, 2003, a Statement of Income, a Statement of Changes in Equity and a Cash Flow Statement for the nine months ended 30th September, 2003 and Notes to the Financial Statements numbered 1 to 19.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

3. The management of the Public Transport Service Corporation (PTSC) is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

4. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. The audit which was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 28 (2) of the Public Transport Service Act, Chapter 48:02 was conducted in accordance with generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, sufficient appropriate audit evidence was not obtained to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

5. The Corporation's underlying accounts in many instances were not properly maintained and preserved for audit examination. As a result, I was unable to verify the account balances listed below:

- (i) **ASSETS** - Property, Plant and Equipment \$27,046,882, Debtors and Prepayments \$10,161,147, Inventory \$7,101,034, Short Term Investments \$4,169,648 and Cash on Hand and at Bank \$361,440.
- (ii) **EQUITY AND LIABILITIES**- Accumulated Deficit (\$282,066,475), Creditors and Accruals \$25,126,194.
- (iii) **OTHER INCOME** \$49,492,869.
- (iv) **EXPENDITURE** - Cost of Operations (\$31,542,448), Administrative Expenses (\$21,291,681) and Financial Costs (\$16,084,814).

DISCLAIMER OF OPINION

6 Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the Financial Statements.

SUBMISSION OF REPORT

7. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

14TH MARCH, 2016
PORT-OF-SPAIN



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AUDITOR GENERAL

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201603/4



PUBLIC TRANSPORT SERVICE CORPORATION



FINANCIAL STATEMENTS



FOR NINE (9) MONTHS
ENDED
30TH SEPTEMBER, 2003

PUBLIC TRANSPORT SERVICE CORPORATION
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FOR NINE MONTHS ENDED 30TH SEPTEMBER , 2003

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**PUBLIC TRANSPORT SERVICE CORPORATION
BALANCE SHEET
AS AT 30TH SEPTEMBER, 2003**

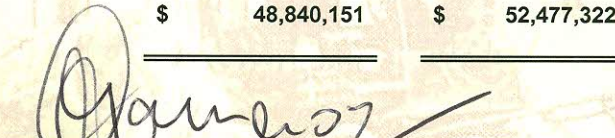
ASSETS	NOTES	2003 AS AT 30/09/03	2002 AS AT 31/12/02
NON - CURRENT ASSETS			
PROPERTY PLANT AND EQUIPMENT	8	\$ 27,046,882	\$ 36,089,248
		<u>\$ 27,046,882</u>	<u>\$ 36,089,248</u>
CURRENT ASSETS			
INVENTORY	9	\$ 7,101,034	\$ 5,640,914
DEBTORS AND PREPAYMENTS	10	\$ 10,161,147	\$ 6,549,222
SHORT - TERM INVESTMENTS	11	\$ 4,169,648	\$ 4,074,132
CASH ON HAND AND AT BANK	12	\$ 361,440	\$ 123,806
		<u>\$ 21,793,270</u>	<u>\$ 16,388,074</u>
TOTAL ASSETS		<u><u>\$ 48,840,151</u></u>	<u><u>\$ 52,477,322</u></u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
CAPITAL RESERVES	13	\$ 7,181,390	\$ 7,181,390
ACCUMULATED DEFICIT		\$ (282,066,475)	\$ (1,415,439,076)
		<u>\$ (274,885,085)</u>	<u>\$ (1,408,257,686)</u>
NON - CURRENT LIABILITIES			
LOANS AND BONDS - LONG TERM PORTION	16	\$ 252,801,227	\$ 1,409,926,981
CURRENT LIABILITIES			
BANK OVERDRAFT	14	\$ 15,409,166	\$ 7,694,872
CREDITORS AND ACCRUALS	15	\$ 25,126,194	\$ 29,639,407
LOANS AND BONDS - CURRENT PORTION	16	\$ 30,388,649	\$ 13,473,748
		<u>\$ 70,924,009</u>	<u>\$ 50,808,026</u>
TOTAL EQUITY AND LIABILITIES		<u><u>\$ 48,840,151</u></u>	<u><u>\$ 52,477,322</u></u>



TOTAL EQUITY AND LIABILITIES


 CHIEF EXECUTIVE OFFICER

 CHAIRMAN


 VICE CHAIRMAN

**PUBLIC TRANSPORT SERVICE CORPORATION
STATEMENT OF INCOME
FOR NINE MONTHS ENDED 30TH SEPTEMBER , 2003**

	NOTES	2003 9 MTHS TO 30/09/03	2002 12 MTHS TO 31/12/02
OPERATING INCOME	3	\$ 25,772,481	\$ 38,321,676
COST OF OPERATIONS	4	\$ (31,542,448)	\$ (53,363,014)
GROSS PROFIT / (LOSS) ON OPERATIONS		\$ (5,769,968)	\$ (15,041,338)
OTHER INCOME	3	\$ 49,492,869	\$ 84,578,416
DISTRIBUTION EXPENSES	5	\$ (643,349)	\$ (564,008)
ADMINISTRATIVE EXPENSES	6	\$ (21,291,681)	\$ (26,158,592)
FINANCIAL COSTS	7	\$ (16,084,814)	\$ (35,040,133)
NET PROFIT / (LOSS) FOR THE YEAR		\$ 5,703,058	\$ 7,774,345

**PUBLIC TRANSPORT SERVICE CORPORATION
STATEMENT OF CHANGES IN EQUITY
AS AT 30TH SEPTEMBER , 2003**

	CAPITAL RESERVE	ACCUMULATED DEFICIT	SHAREHOLDERS' EQUITY
NINE MONTHS ENDED 30TH SEPTEMBER , 2003			
BALANCE AS AT 1ST JANUARY , 2003	\$ 7,181,390.00	\$ (1,415,439,076)	\$ (1,408,257,685.68)
(LOSS) FOR THE YEAR		\$ 5,703,058	\$ 5,703,057.81
WRITE OFF OF GOVERNMENT LOANS		\$ 1,127,669,543	\$ 1,127,669,542.93
BALANCE AS AT 30TH SEPTEMBER , 2003	\$ 7,181,390.00	\$ (282,066,475)	\$ (274,885,084.94)
YEAR ENDED 31ST DECEMBER , 2002			
BALANCE AS AT 1ST JANUARY , 2002	\$ 7,181,390	\$ (1,423,213,421)	\$ (1,416,032,031)
(LOSS) FOR THE YEAR		\$ 7,774,345	\$ 7,774,345
BALANCE AS AT 31ST DECEMBER , 2002	\$ 7,181,390.00	\$ (1,415,439,076)	\$ (1,408,257,685.68)

**PUBLIC TRANSPORT SERVICE CORPORATION
CASH FLOW STATEMENT
FOR NINE MONTHS ENDED 30TH SEPTEMBER , 2003**

	2003 9 MTHS TO 30/09/03	2002 12 MTHS TO 31/12/02
OPERATING ACTIVITIES		
NET LOSS FOR THE YEAR	\$ 5,703,058	\$ 7,774,345
ADJUSTMENTS TO RECONCILE NET PROFIT AFTER TAX TO NET CASH PROVIDED : DEPRECIATION	\$ 10,188,999	\$ 13,972,202
	<u>\$ 15,892,057</u>	<u>\$ 21,746,546</u>
CHANGES IN WORKING CAPITAL		
NET CHANGE IN INVENTORY	\$ (1,460,120)	\$ (2,294,427)
NET CHANGE IN SHORT TERM INVESTMENTS	\$ (95,516)	\$ 586,352
INCREASE IN ACCOUNTS RECEIVABLE	\$ (3,611,926)	\$ (3,252,690)
INCREASE IN ACCOUNTS PAYABLE	\$ (4,513,212)	\$ (83,391)
	<u>\$ 6,211,283</u>	<u>\$ 16,702,391</u>
INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	\$ (1,146,633)	\$ (253,189)
	<u>\$ (1,146,633)</u>	<u>\$ (253,189)</u>
FINANCING ACTIVITIES		
LOANS AND BONDS	\$ (12,541,310)	\$ (11,733,508)
	<u>\$ (12,541,310)</u>	<u>\$ (11,733,508)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (7,476,661)	\$ 4,715,694
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	\$ (7,571,065)	\$ (12,286,759)
	<u>\$ (15,047,726)</u>	<u>\$ (7,571,065)</u>
CASH ON HAND AND AT BANK	\$ 361,440	\$ 123,806
BANK OVERDRAFT	\$ (15,409,166)	\$ (7,694,872)
	<u>\$ (15,047,726)</u>	<u>\$ (7,571,065)</u>

**PUBLIC TRANSPORT SERVICE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR NINE MONTHS ENDED 30TH SEPTEMBER , 2003**

1 INCORPORATION AND PRINCIPAL ACTIVITY

THE PUBLIC TRANSPORT SERVICE CORPORATION (PTSC) WAS INCORPORATED BY AN ACT OF PARLIAMENT NO. 11 OF 1965 TO OPERATE PUBLIC SERVICE VEHICLES SO AS TO ENSURE THE PROVISION OF A SAFE, ADEQUATE, ECONOMIC AND EFFICIENT PUBLIC TRANSPORT SYSTEM.

2 SIGNIFICANT ACCOUNTING POLICES

(a) BASIS OF ACCOUNTING :

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED UNDER THE HISTORICAL COST CONVENTION USING THE ACCRUALS BASIS AND NO ADJUSTMENT HAS BEEN TAKE INTO ACCOUNT THE EFFECTS OF INFLATION.

(b) FOREIGN CURRENCY TRANSACTIONS :

FOREIGN CURRENCY TRANSACTIONS ARE TRANSLATED INTO THE MEASUREMENT CURRENCY USING THE EXCHANGE RATE PREVAILING AT THE DATES OF THE TRANSACTIONS. FOREIGN EXCHANGE GAINS AND LOSSES RESULTING FROM THE SETTLEMENT OF SUCH TRANSACTIONS ARE RECOGNIZED IN THE STATEMENT OF INCOME.

(c) CASH AND CASH EQUIVALENTS :

CASH AND CASH EQUIVALENTS ARE CARRIED IN THE BALANCE SHEET AT COST. FOR THE PURPOSE OF THE CASH FLOW STATEMENT, CASH AND CASH EQUIVALENTS COMPRISE BALANCES HELD AS CASH ON HAND AND AT BANK.

(d) FIXED ASSETS AND DEPRECIATION :

LANDS AND BUILDINGS OWNED BY THE CORPORATION ON THE 31ST DECEMBER, 1973 ARE SHOWN AT THEIR VALUATION AS AT THAT DATE. SUBSEQUENT ADDITIONS TO LANDS AND BUILDING AND OTHER FIXED ASSETS ARE VALUED AT COST.

RENEWALS, IMPROVEMENTS AND MAJOR REPAIRS THAT MATERIALLY EXTEND THE LIFE OF PROPERTY, PLANT AND EQUIPMENT ARE CAPITALIZED, WHILE MAJOR MAINTENANCE, REPAIRS AND IMPROVEMENTS ARE CHARGED TO INCOME AS INCURRED.

DEPRECIATION IS PROVIDED FOR ON A STRAIGHT LINE BASIS DESIGNED TO WRITE - OFF THE ASSETS' COSTS OVER THEIR ESTIMATED USEFUL ECONOMIC LIVES AS FOLLOWS :

BUILDINGS	5%	FURNITURE AND FITTINGS	15%
PLANT, MACHINERY AND EQUIPMENT	15%	AIR CONDITION EQUIPMENT	15%
REVENUE VEHICLES	12.50%	COMPUTER EQUIPMENT	33.33%
NON-REVENUE VEHICLES	25%	COMPUTER SOFTWARE	33.33%

(e) INVENTORIES :

INVENTORIES ARE VALUED AT THE LOWER OF COST AND NET REALIZABLE VALUE . THE INVENTORY ITEMS ARE VALUED AT AVERAGE COST.

2 SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

(f) FINANCIAL INSTRUMENTS :

FINANCIAL INSTRUMENTS CARRIED ON THE BALANCE SHEET INCLUDE CASH AND BANK BALANCES, RECEIVABLES AND PAYABLES. THE PARTICULAR RECOGNITION METHODS ADOPTED ARE DISCLOSED IN THE INDIVIDUAL POLICY STATEMENTS ASSOCIATED WITH EACH ITEM.

(g) BORROWING COSTS :

BORROWING COSTS DIRECTLY ATTRIBUTABLE TO THE ACQUISITION, CONSTRUCTION OR PRODUCTION OF QUALIFYING ASSETS, WHICH ARE ASSETS THAT NECESSARILY TAKE A SUBSTANTIAL PERIOD OF TIME TO GET READY FOR THEIR INTENDED USE OR SALE, ARE ADDED TO THE COST OF THOSE ASSETS, UNTIL SUCH TIME AS THE ASSETS ARE SUBSTANTIALLY READY FOR THEIR INTENDED USE.

INVESTMENT INCOME EARNED ON THE TEMPORARY INVESTMENT OF SPECIFIC BORROWINGS PENDING THEIR EXPENDITURE ON QUALIFYING ASSETS IS DEDUCTED FROM THE BORROWING COSTS ELIGIBLE FOR CAPITALIZATION.

ALL OTHER BORROWING COSTS ARE RECOGNIZED IN THE STATEMENT OF INCOME IN THE PERIOD IN WHICH THEY ARE INCURRED.

(h) GOVERNMENT LOANS AND ADVANCES :

THESE ARE STATED AT PRINCIPAL OUTSTANDING. INTEREST IS NOT ACCRUED ON THE OUTSTANDING BALANCE .

(i) BONDS :

THESE ARE STATED AT PRINCIPAL OUTSTANDING. INTEREST IS ACCRUED ON THE OUTSTANDING BALANCE .

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 30TH SEPTEMBER, 2003
(continued)

3 REVENUE

	2003	2002
	9 MTHS	12 MTHS
	TO 30/09/03	TO 31/12/02
OPERATING REVENUE		
ECS SERVICE	\$ 6,756,165	\$ 12,116,739
KNOW YOUR COUNTRY TOURS	\$ 149,186	\$ 267,997
MIN OF SOCIAL DEVELOPMENT - PENSIONERS	\$ 4,089,371	\$ 4,144,500
MINISTRY OF EDUCATION - SCHOOL BUS SERVICE	\$ 6,956,183	\$ 11,549,212
RURAL TRANSPORT SERVICE	\$ 603,607	\$ 668,548
SALES DISCOUNTS	\$ (505,991)	\$ (685,739)
SHORT TERM RENTAL	\$ 14,051	\$ 17,830
SPECIAL EVENTS / TOURS / CHARTER	\$ 3,252,893	\$ 3,942,071
THA SCHOOL BUS SERVICE	\$ 380,767	\$ 816,597
THA TRANSIT BUS SERVICE	\$ 272,660	\$ 575,600
TRANSIT SERVICE	\$ 3,803,588	\$ 4,908,320
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	\$ 25,772,481	\$ 38,321,676
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OTHER INCOME		
BANK INTEREST	\$ 267,866	\$ 370,658
BILLBOARD / WALL ADVERTISEMENTS	\$ 407,690	\$ 143,195
CAR PARK	\$ 26,980	\$ 47,775
COMMERCIAL SERVICES	\$ 20,975	\$ 129,899
COMMISSION	\$ 20,480	\$ 41,630
CONCESSIONAIRE BOOTHS	\$ 791,468	\$ 1,414,995
DISTRIBUTION FEES (SCHOLAR)	\$ 13,837	\$ 20,756
GOVERNMENT GRANTS	\$ 42,782,757	\$ 77,139,472
INSURANCE CLAIMS	\$ (6,512)	\$ 94,393
MAXI FACILITY USER FEE	\$ 1,287,601	\$ 1,163,731
MAXI TAXI FEES	\$ 2,413,581	\$ 3,134,640
OTHER ADMINISTRATION FEES	\$ 810	\$ -
OTHER MISCELLANEOUS INCOME	\$ 36,633	\$ 46,143
PUBLIC SERVICE VEHICLE LICENSE FEE	\$ 72,017	\$ 78,000
PURCHASES DISCOUNTS	\$ 81	\$ -
SALE OF ASSETS	\$ 166,785	\$ 3,500
TENANCY CONTRACTS	\$ 922,537	\$ 745,630
TRAINING SERVICES	\$ 267,284	\$ 4,000
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	\$ 49,492,869	\$ 84,578,416
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TOTAL INCOME	\$ 75,265,349	\$ 122,900,091
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PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 30TH SEPTEMBER , 2003
(continued)

	2003 9 MTHS TO 30/09/03	2002 12 MTHS TO 31/12/02
4 COST OF OPERATIONS		
DEPRECIATION	\$ 7,060,126	\$ 9,413,501
FUEL AND OIL	\$ 2,897,851	\$ 3,849,373
INSURANCE	\$ 469,521	\$ 1,199,764
REPAIRS AND MAINTENANCE	\$ 3,014,078	\$ 6,973,925
SALARIES AND WAGES	\$ 18,092,823	\$ 31,920,345
UNIFORMS	\$ 8,050	\$ 6,106
	\$ 31,542,448	\$ 53,363,014
5 DISTRIBUTION EXPENSES		
ADVERTISING AND PROMOTIONS	\$ 63,301	\$ 174,275
BAD DEBTS	\$ 131,781	\$ -
MOTOR VEHICLES EXPENSE	\$ 108,332	\$ 59,569
TRAVELING	\$ 339,935	\$ 330,164
	\$ 643,349	\$ 564,008
6 ADMINISTRATIVE EXPENSES		
ACCOUNTING FEES	\$ 55,000	\$ 55,000
AUDIT FEES	\$ 30,000	\$ 30,000
DEPRECIATION EXPENSE	\$ 3,128,873	\$ 4,558,701
DIRECTORS' FEES AND EXPENSES	\$ 197,403	\$ 209,787
ELECTRICITY	\$ 2,578,369	\$ 1,081,725
FREIGHT	\$ 441,954	\$ 677,352
INSURANCE	\$ 397,191	\$ 272,514
OFFICE EXPENSES	\$ 127,110	\$ 177,972
PENSIONS	\$ 3,784,939	\$ 5,145,556
PROFESSIONAL AND LEGAL FEES	\$ 38,480	\$ 171,752
RENT	\$ 431,833	\$ 815,008
REPAIRS	\$ 512,138	\$ 1,680,177
SALARIES AND WAGES	\$ 5,755,169	\$ 6,573,346
SECURITY	\$ 2,143,177	\$ 2,524,027
SEVERANCE	\$ 435,397	\$ 887,196
STATIONERY	\$ 319,689	\$ 243,456
TELEPHONE	\$ 413,391	\$ 570,987
TRAINING	\$ 65,194	\$ 148,617
WATER RATES AND LAND TAXES	\$ 436,375	\$ 335,418
	\$ 21,291,681	\$ 26,158,592
7 FINANCE COST		
BANK CHARGES	\$ 37,366	\$ 20,645
LOAN AND BOND INTEREST	\$ 14,849,315	\$ 33,057,877
OVERDRAFT INTEREST	\$ 1,198,132	\$ 1,961,612
	\$ 16,084,814	\$ 35,040,133

PUBLIC TRANSPORT SERVICE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR NINE MONTHS ENDED 30TH SEPTEMBER, 2003
 (continued)

8 PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	PLANT & EQUIPMENT	REVENUE VEHICLES	NON-REVENUE VEHICLES	FURNITURE & FITTINGS	TOTAL
COST AT 31/12/02	\$ 23,617,393	\$ 74,089,485	\$ 11,443,347	\$ 163,146,791	\$ 1,870,871	\$ 6,084,850	\$ 280,252,738
ADDITIONS	\$ -	\$ 380,763	\$ 250,068	\$ -	\$ 472,549	\$ 43,254	\$ 1,146,633
DISPOSALS							\$ -
COST AT 30/09/03	\$ 23,617,393	\$ 74,470,248	\$ 11,693,415	\$ 163,146,791	\$ 2,343,420	\$ 6,128,104	\$ 281,399,371
ACCUMULATED DEPRECIATION							
BALANCE B/F 31/12/02	\$ (2,179,262)	\$ (70,566,517)	\$ (11,089,360)	\$ (152,523,444)	\$ (1,870,871)	\$ (5,934,036)	\$ (244,163,490)
RATE	0%	5%	15%	12.50%	25%	25%	
CHARGE FOR THE PERIOD	\$ -	\$ (2,792,634)	\$ (211,317)	\$ (7,060,126)	\$ (88,603)	\$ (36,319)	\$ (10,188,999)
DISPOSALS							\$ -
BALANCE C/F 30/09/03	\$ (2,179,262)	\$ (73,359,151)	\$ (11,300,677)	\$ (159,583,570)	\$ (1,959,474)	\$ (5,970,355)	\$ (254,352,489)
W.D.V. AT 30/09/03	\$ 21,438,131	\$ 1,111,097	\$ 392,739	\$ 3,563,221	\$ 383,946	\$ 157,749	\$ 27,046,882
W.D.V. AT 31/12/02	\$ 21,438,131	\$ 3,522,968	\$ 353,988	\$ 10,623,347	\$ -	\$ 150,814	\$ 36,089,248

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 30TH SEPTEMBER , 2003
(continued)

	2003 AS AT 30/09/03	2002 AS AT 31/12/02
9 INVENTORY		
OIL STOCK	\$ 17,540	\$ 13,139
FUEL STOCK	\$ 163,900	\$ 130,617
TRADER TICKETS	\$ 92,857	\$ 75,854
TIRES AND LUBES	\$ 126,732	\$ 97,007
SPARES	\$ 6,619,934	\$ 5,252,738
STATIONERY	\$ 27,731	\$ 24,234
SMART CARDS	\$ 3,750	\$ 9,585
OTHER MATERIALS	\$ 48,590	\$ 37,740
	<hr/>	<hr/>
	\$ 7,101,034	\$ 5,640,914
	<hr/>	<hr/>
10 DEBTORS AND PREPAYMENTS		
TRADE DEBTORS	\$ 8,014,881	\$ 5,436,929
PREPAYMENTS	\$ 798,539	\$ -
EMPLOYEE LOANS	\$ 349,085	\$ 274,714
VAT	\$ 998,643	\$ 837,578
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	\$ 10,161,147	\$ 6,549,222
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11 SHORT-TERM INVESTMENTS		
REPUBLIC BANK LIMITED	\$ 4,094,269	\$ 3,857,600
UNIT TRUST CORPORATION	\$ 75,379	\$ 216,532
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	\$ 4,169,648	\$ 4,074,132
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12 CASH ON HAND AND AT BANK		
PETTY CASH FLOATS	\$ 15,400	\$ 15,400
REPUBLIC BANK LIMITED	\$ 244,494	\$ 6,629
FIRST CITIZEN'S BANK LIMITED	\$ 101,546	\$ 101,777
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	\$ 361,440	\$ 123,806
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PUBLIC TRANSPORT SERVICE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR NINE MONTHS ENDED 30TH SEPTEMBER , 2003
 (continued)

	2003 AS AT 30/09/03	2002 AS AT 31/12/02
13 CAPITAL RESERVES		
CAPITAL RESERVE	\$ 7,181,390	\$ 7,181,390
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	\$ 7,181,390	\$ 7,181,390
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14 BANK OVERDRAFT		
REPUBLIC BANK LIMITED	\$ 9,626,446	\$ 3,094,183
FIRST CITIZEN'S BANK LIMITED	\$ 5,782,720	\$ 4,600,688
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	\$ 15,409,166	\$ 7,694,872
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15 CREDITORS		
TRADE CREDITORS	\$ 7,047,285	\$ 9,064,631
STATUTORY DEDUCTIONS	\$ 7,160,421	\$ 6,994,257
ACCRUALS	\$ 10,918,489	\$ 13,580,519
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	\$ 25,126,195	\$ 29,639,407
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PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 30TH SEPTEMBER, 2003
(continued)

		2003 AS AT 30/09/03	2002 AS AT 31/12/02
16 LOANS AND BONDS			
BONDS			
1	CITICORP TT \$40 MILLION BOND ISSUE	\$ 15,294,117	\$ 16,470,588
2	FINCOR TT \$75.3 MILLION BOND ISSUE	\$ 53,060,773	\$ 55,713,813
3	CITICORP TT \$130.1 MILLION BOND ISSUE	\$ 138,930,020	\$ 143,140,021
4	FINCOR TT \$42 MILLION BOND ISSUE	\$ 34,962,170	\$ 37,875,693
5	FCB LTD. TT \$20 MILLION BOND ISSUE	\$ 20,932,438	\$ 20,000,000
TOTAL BONDS		\$ 263,179,519	\$ 273,200,115
LOANS			
6	FIRST CITIZEN'S BANK LIMITED - 25 MILLION	\$ 19,642,857	\$ 21,428,571
7	FIRST CITIZEN'S BANK LIMITED - EXECUTIVE BUS	\$ 367,500	\$ 1,102,500
8	GOVERNMENT LOANS AND ADVANCES	\$ -	\$ 1,127,669,543
TOTAL LOANS		\$ 20,010,357	\$ 1,150,200,614
TOTAL LOANS AND BONDS		\$ 283,189,876	\$ 1,423,400,729
CURRENT - PORTION		\$ 30,388,649	\$ 13,473,748
LONG TERM PORTION		\$ 252,801,227	\$ 1,409,926,981

1 THE PTSC BORROWED TT **\$40 MILLION** UNDER GOVERNMENT GUARANTEE FROM CITIBANK TRINIDAD AND TOBAGO LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FLOATING AND FIXED RATE BONDS 1989 - 2009. THE FULL AMOUNT OF THIS LOAN HAS BEEN DRAWN DOWN. INTEREST PAYMENTS ARE SEMI-ANNUAL , DUE IN APRIL 5 AND OCTOBER 5 EACH YEAR. THE PRINCIPAL IS PAYABLE IN THIRTY-FOUR SEMI-ANNUAL PAYMENTS OF \$1,176,470 FROM APRIL 1993.

2 THE PTSC BORROWED TT **\$75.3 MILLION** UNDER GOVERNMENT GUARANTEE FROM REPUBLIC FINANCE AND MERCHANT LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FLOATING AND FIXED RATE BONDS 1993 - 2013. THE FULL AMOUNT OF THIS LOAN HAS BEEN DRAWN DOWN AND THE ISSUE DATE WAS MAY 18TH 1993. DURING THE FIRST TWO YEARS OF ISSUE, INTEREST WAS ACCRUED AND ADDED TO THE PRINCIPAL IN MAY 1995. INTEREST PAYMENTS ARE SEMI-ANNUAL , DUE IN MAY AND NOVEMBER EACH YEAR. THE PRINCIPAL IS PAYABLE IN THIRTY-SIX SEMI-ANNUAL PAYMENTS OF \$2,653,040 FROM NOVEMBER 1995.

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 30TH SEPTEMBER , 2003
(continued)

16 LOANS AND BONDS
continued

- 3 THE PTSC BORROWED TT **\$130.1 MILLION** UNDER GOVERNMENT GUARANTEE FROM REPUBLIC FINANCE AND MERCHANT LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FLOATING AND FIXED RATE BONDS 1994 - 2019. THE FULL AMOUNT OF THIS LOAN HAS BEEN DRAWN DOWN AND THE ISSUE DATE WAS DECEMBER 21ST 1994. DURING THE FIRST THREE YEARS OF ISSUE, INTEREST WAS ACCRUED AND ADDED TO THE PRINCIPAL IN JUNE 1998 THE PRINCIPAL AND CAPITALIZED INTERESTED WOULD BE REPAID. INTEREST PAYMENTS ARE SEMI-ANNUAL , DUE IN JUNE AND DECEMBER EACH YEAR. THE PRINCIPAL IS PAYABLE IN FORTY-FOUR SEMI-ANNUAL PAYMENTS OF \$4,210,001 FROM JUNE 1998.
- 4 THE PTSC BORROWED TT **\$42 MILLION** UNDER GOVERNMENT GUARANTEE FROM REPUBLIC FINANCE AND MERCHANT LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FLOATING AND FIXED RATE BONDS 1999 - 2009. THE FULL AMOUNT OF THIS LOAN HAS BEEN DRAWN DOWN . DURING THE FIRST TWO YEARS OF ISSUE, INTEREST WAS ACCRUED AND ADDED TO THE PRINCIPAL IN NOVEMBER 1999 THE PRINCIPAL AND CAPITALIZED INTERESTED WOULD BE REPAID. INTEREST PAYMENTS ARE SEMI-ANNUAL . THE PRINCIPAL IS PAYABLE FROM MAY 2001.
- 5 THE PTSC BORROWED TT **\$20 MILLION** UNDER GOVERNMENT GUARANTEE FROM FIRST CITIZENS BANK LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FLOATING RATE BONDS 2002 - 2007. THE FULL AMOUNT OF THIS LOAN HAS BEEN DRAWN DOWN AND THE ISSUE DATE WAS OCTOBER 9TH 2002. DURING THE FIRST YEAR OF ISSUE, INTEREST WAS ACCRUED AND ADDED TO THE PRINCIPAL IN APRIL 2003 THE PRINCIPAL AND CAPITALIZED INTERESTED WOULD BE REPAID. INTEREST PAYMENTS ARE SEMI-ANNUAL , DUE IN APRIL AND OCTOBER EACH YEAR. THE PRINCIPAL IS PAYABLE IN NINE SEMI-ANNUAL PAYMENTS OF \$2,325,826 FROM OCTOBER 2003.
- 6 THIS LOAN WAS GRANTED BY FIRST CITIZENS' BANK TRUST AND MERCHANT BANK LIMITED . IT IS REPAYABLE OVER 8 YEARS AND IT BEARS INTEREST AT 12.75% PER ANNUM. THIS LOAN IS TO BE REPAID BY SEMI-ANNUAL INSTALLMENTS OF \$1,785,714.29 EXCLUSIVE OF INTEREST.
- 7 THIS LOAN WAS GRANTED BY FIRST CITIZENS' BANK TRUST AND MERCHANT BANK LIMITED TO PURCHASE 5 MINI BUSES. IT IS REPAYABLE OVER 3 YEARS AND IT BEARS INTEREST AT 15% PER ANNUM. THIS LOAN IS TO BE REPAID BY SEMI-ANNUAL INSTALLMENTS OF \$367,500 EXCLUSIVE OF INTEREST.
- 8 THIS IS LOANS AND ADVANCES MADE BY THE GOVERNMENT TO THE CORPORATION. THESE AMOUNTS DOES NOT HAVE ANY FIXED TERMS OF REPAYMENT NOR IS INTEREST CHARGED ON THESE BALANCES . THE GOVERNMENT AGREED TO WRITE OFF THE DEBT OF \$1,127,669,542.93 REPRESENTING LOANS MADE TO PTSC OVER THE PERIOD 1967 TO

17 CONTINGENT LIABILITIES AND COMMITMENTS

AT THE YEAR END , THE CORPORATION HAD THE FOLLOWING CONTINGENT LIABILITIES ARISING IN THE ORDINARY COURSE OF BUSINESS.

- a) **IIA 13A OF 1983** - THIS IS A LONG OUTSTANDING INDUSTRIAL RELATIONS MATTER . THE POTENTIAL LIABILITY IS \$530,000.00.

**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

**17 CONTINGENT LIABILITIES AND COMMITMENTS
continued**

- b) **ICA 16 OF 1999** - CLAIM FOR WAGES AND COST OF LIVING ALLOWANCE (COLA) FOR PART TIME DRIVERS AND CONDUCTORS. THE ESTIMATED LIABILITY IS EXPECTED TO BE IN THE VICINITY OF \$1.6 MILLION DOLLARS.
- c) **HCA NO. 2962 OF 2001** - THIS IS A MALICIOUS DAMAGE CASE AND THE POTENTIAL LIABILITY IS \$700,000.00.
- d) **HCA NO. 1133 OF 2002** - THIS IS AN UNFAIR DISMISSAL OF AN EMPLOYEE CASE AND THE POTENTIAL LIABILITY IS \$200,000.00.
- e) **HCA NO. 611 OF 2003** - THIS IS A BREACH OF CONTRACT CASE AND THE POTENTIAL LIABILITY IS \$100,000.00.
- f) **HCA NO. S-192 OF 2003** - THIS IS AN ARREARS OF RENT CASE AND THE POTENTIAL LIABILITY IS \$70,000.00.
- g) FOLLOWING THE COMPLETION OF NEGOTIATION OF THE NEW COLLECTIVE AGREEMENT FOR THE PERIOD 2003 TO 2005 THE INCREASES DUE TO WORKERS ARE FOR 2003 2.25% OF THE WAGE BILL AS AT DECEMBER 2002 FOR THE PERIOD JANUARY 2002 TO SEPTEMBER 2003 . FOR 2004 THE

18 TAXATION

SECTION 45 OF THE PUBLIC TRANSPORT SERVICE ACT STATES THAT "THE PRESIDENT MAY BY ORDER EXEMPT THE CORPORATION IN WHOLE OR IN PART FROM PAYMENT OF ANY TAX IMPOSED BY OR UNDER ANY WRITTEN LAW".

SECTION 3A SUB SECTION (2) D OF THE FINANCE ACT OF 1998 STATES THAT THE PUBLIC SERVICE CORPORATION IS EXEMPTED FROM THE PAYMENT OF BUSINESS LEVY.

19 ACCOUNTING PERIOD

THE ACCOUNTING YEAR END WAS CHANGED FROM 31ST DECEMBER TO 30TH SEPTEMBER . THIS WAS DONE TO PROMOTE COMPARABILITY WITH OTHER GOVERNMENT RUN ORGANIZATIONS WHOSE YEAR END IS ALSO 30TH SEPTEMBER. THIS CHANGE WAS MADE IN THE YEAR 2003.