



## **REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE PUBLIC TRANSPORT SERVICE CORPORATION FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER, 2004**

The accompanying Financial Statements of the Public Transport Service Corporation for the year ended 30<sup>th</sup> September, 2004 have been audited. The Statements comprise a Balance Sheet as at 30<sup>th</sup> September, 2004, a Statement of Income, a Statement of Changes in Equity and a Cash Flow Statement for the year ended 30<sup>th</sup> September, 2004 and Notes to the Financial Statements numbered 1 to 19.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

2. The management of the Public Transport Service Corporation (the Corporation) is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **AUDITOR'S RESPONSIBILITY**

3. 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 \$29,570,884, Inventory \$5,566,251, Debtors and Prepayments \$9,713,911.
- (ii) **EQUITY AND LIABILITIES** - Accumulated Deficit (\$247,878,062), Creditors and Accruals \$22,046,190.
- (iii) **OPERATING INCOME** - \$34,122,277.



- (iv) **EXPENDITURE** - Cost of Operations (\$49,892,919), Administrative Expenses (\$25,334,535).
- (v) **FINANCIAL COSTS** - (\$27,739,829)
- (vi) Bond Interest was accounted for on the cash basis instead of the accruals basis resulting in an estimated overstatement of \$1,829,275 in Loan and Bond Interest for the year.

**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.

14<sup>TH</sup> MARCH, 2016  
POR -OF-SPAIN



**MAJEED ALI  
AUDITOR GENERAL**

SS  
20160314





# PUBLIC TRANSPORT SERVICE CORPORATION



## Financial Statements



For Year Ending September 30<sup>th</sup> 2004



**PUBLIC TRANSPORT SERVICE CORPORATION  
TABLE OF CONTENTS  
FOR THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER , 2004**

<b>CONTENTS</b>	<b>PAGE NO</b>
<u>BALANCE SHEET</u>	<u>3</u>
<u>STATEMENT OF INCOME</u>	<u>4</u>
<u>STATEMENT OF CHANGES IN EQUITY</u>	<u>5</u>
<u>CASH FLOW STATEMENT</u>	<u>6</u>
<u>NOTES TO THE FINANCIAL STATEMENTS</u>	<u>7 TO 16</u>



**PUBLIC TRANSPORT SERVICE CORPORATION  
BALANCE SHEET  
AS AT 30TH SEPTEMBER, 2004**

ASSETS	NOTES	2004	2003
<b>NON - CURRENT ASSETS</b>			
PROPERTY PLANT AND EQUIPMENT	8	\$ 29,570,884	\$ 27,046,882
		<u>\$ 29,570,884</u>	<u>\$ 27,046,882</u>
<b>CURRENT ASSETS</b>			
INVENTORY	9	\$ 5,566,251	\$ 7,101,034
DEBTORS AND PREPAYMENTS	10	\$ 9,713,911	\$ 10,161,147
SHORT - TERM INVESTMENTS	11	\$ 7,132,384	\$ 4,169,648
CASH ON HAND AND AT BANK	12	\$ 1,499,239	\$ 361,440
		<u>\$ 23,911,784</u>	<u>\$ 21,793,270</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 53,482,668</b></u>	<u><b>\$ 48,840,151</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
CAPITAL RESERVES	13	\$ 7,181,390	\$ 7,181,390
ACCUMULATED DEFICIT		\$ (247,878,062)	\$ (282,066,475)
		<u>\$ (240,696,672)</u>	<u>\$ (274,885,085)</u>
<b>NON - CURRENT LIABILITIES</b>			
LOANS AND BONDS - LONG TERM PORTION	16	\$ 224,696,576	\$ 252,801,227
<b>CURRENT LIABILITIES</b>			
BANK OVERDRAFT	14	\$ 11,939,924	\$ 15,409,166
CREDITORS AND ACCRUALS	15	\$ 22,046,190	\$ 25,126,194
LOANS AND BONDS - CURRENT PORTION	16	\$ 35,496,650	\$ 30,388,649
		<u>\$ 69,482,763</u>	<u>\$ 70,924,009</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>\$ 53,482,668</b></u>	<u><b>\$ 48,840,151</b></u>



*Edwin P...*  
CHIEF EXECUTIVE OFFICER

*[Signature]*  
VICE CHAIRMAN

*[Signature]*  
CHAIRMAN



**PUBLIC TRANSPORT SERVICE CORPORATION  
STATEMENT OF INCOME  
FOR THE YEAR ENDED 30TH SEPTEMBER , 2004**

	NOTES	2004 12 MTHS TO 30/09/04	2003 9 MTHS TO 30/09/03
OPERATING INCOME	3	\$ 34,122,277	\$ 25,772,481
COST OF OPERATIONS	4	\$ (49,892,919)	\$ (31,542,448)
GROSS PROFIT / ( LOSS ) ON OPERATIONS		\$ (15,770,642)	\$ (5,769,968)
OTHER INCOME	3	\$ 103,666,024	\$ 49,492,869
DISTRIBUTION EXPENSES	5	\$ (632,606)	\$ (643,349)
ADMINISTRATIVE EXPENSES	6	\$ (25,334,535)	\$ (21,291,681)
FINANCIAL COSTS	7	\$ (27,739,829)	\$ (16,084,814)
NET PROFIT FOR THE YEAR		\$ 34,188,413	\$ 5,703,058



**PUBLIC TRANSPORT SERVICE CORPORATION  
STATEMENT OF CHANGES IN EQUITY  
AS AT 30TH SEPTEMBER , 2004**

	CAPITAL RESERVE	ACCUMULATED DEFICIT	SHAREHOLDERS' EQUITY
<b>YEAR ENDED 30TH SEPTEMBER , 2004</b>			
BALANCE AS AT 1ST OCTOBER, 2003	\$ 7,181,390	\$ (282,066,475)	\$ (274,885,085)
PROFIT FOR THE YEAR		\$ 34,188,413	\$ 34,188,413
<b>BALANCE AS AT 30TH SEPTEMBER , 2004</b>	<b>\$ 7,181,390</b>	<b>\$ (247,878,062)</b>	<b>\$ (240,696,672)</b>
<b>NINE MONTHS ENDED 30TH SEPTEMBER , 2003</b>			
BALANCE AS AT 1ST JANUARY , 2003	\$ 7,181,390	\$ (1,415,439,076)	\$ (1,408,257,686)
PROFIT FOR THE YEAR		\$ 5,703,058	\$ 5,703,058
WRITE OFF OF GOVERNMENT LOANS		\$ 1,127,669,543	\$ 1,127,669,543
<b>BALANCE AS AT 30TH SEPTEMBER , 2003</b>	<b>\$ 7,181,390</b>	<b>\$ (282,066,475)</b>	<b>\$ (274,885,085)</b>



**PUBLIC TRANSPORT SERVICE CORPORATION  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH SEPTEMBER , 2004**

	<b>2004 12 MTHS TO 30/09/04</b>	<b>2003 9 MTHS TO 30/09/03</b>
<b>OPERATING ACTIVITIES</b>		
NET PROFIT FOR THE YEAR	\$ 34,188,413	\$ 5,703,058
ADJUSTMENTS TO RECONCILE NET PROFIT AFTER TAX TO NET CASH PROVIDED :		
DEPRECIATION	\$ 6,795,979	\$ 10,188,999
	<hr/>	<hr/>
	\$ 40,984,392	\$ 15,892,057
<b>CHANGES IN WORKING CAPITAL</b>		
NET CHANGE IN INVENTORY	\$ 1,534,783	\$ (1,460,120)
NET CHANGE IN SHORT TERM INVESTMENTS	\$ (2,962,735)	\$ (95,516)
NET CHANGE IN ACCOUNTS RECEIVABLE	\$ 447,237	\$ (3,611,926)
NET CHANGE IN ACCOUNTS PAYABLE	\$ (3,080,005)	\$ (4,513,212)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	\$ 36,923,672	\$ 6,211,283
<b>INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	\$ (9,319,980)	\$ (1,146,633)
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	\$ (9,319,980)	\$ (1,146,633)
<b>FINANCING ACTIVITIES</b>		
LOANS AND BONDS	\$ (22,996,650)	\$ (12,541,310)
	<hr/>	<hr/>
NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ (22,996,650)	\$ (12,541,310)
<b>NET ( DECREASE ) IN CASH AND CASH EQUIVALENTS</b>		
	\$ 4,607,041	\$ (7,476,661)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	\$ (15,047,726)	\$ (7,571,065)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<b>\$ (10,440,685)</b>	<b>\$ (15,047,726)</b>
	<hr/> <hr/>	<hr/> <hr/>
CASH ON HAND AND AT BANK	\$ 1,499,239	\$ 361,440
BANK OVERDRAFT	\$ (11,939,924)	\$ (15,409,166)
	<hr/>	<hr/>
	<b>\$ (10,440,685)</b>	<b>\$ (15,047,726)</b>
	<hr/> <hr/>	<hr/> <hr/>



**PUBLIC TRANSPORT SERVICE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH SEPTEMBER , 2004**

**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.



**PUBLIC TRANSPORT SERVICE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER , 2004**

**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 THE YEAR ENDED 30TH SEPTEMBER, 2004  
 (continued)

3 REVENUE

	2004 12 MTHS TO 30/09/04	2003 9 MTHS TO 30/09/03
<b>OPERATING REVENUE</b>		
ECS SERVICE	\$ 7,922,760	\$ 6,756,165
KNOW YOUR COUNTRY TOURS	\$ 95,441	\$ 149,186
MIN OF SOCIAL DEVELOPMENT - PENSIONERS	\$ 5,130,000	\$ 4,089,371
MINISTRY OF EDUCATION - SCHOOL BUS SERVICE	\$ 10,507,432	\$ 6,956,183
RURAL TRANSPORT SERVICE	\$ 697,585	\$ 603,607
SALES DISCOUNTS	\$ (610,228)	\$ (505,991)
SHORT TERM RENTAL	\$ 19,523	\$ 14,051
SPECIAL EVENTS / TOURS / CHARTER	\$ 5,319,786	\$ 3,252,893
THA SCHOOL BUS SERVICE	\$ 403,809	\$ 380,767
THA TRANSIT BUS SERVICE	\$ 234,354	\$ 272,660
TRANSIT SERVICE	\$ 4,401,815	\$ 3,803,588
	<hr/>	<hr/>
	\$ 34,122,277	\$ 25,772,481
	<hr/>	<hr/>
<b>OTHER INCOME</b>		
BANK INTEREST	\$ 425,781	\$ 267,866
BILLBOARD / WALL ADVERTISEMENTS	\$ 392,523	\$ 407,690
CAR PARK	\$ 40,900	\$ 26,980
COMMERCIAL SERVICES	\$ 36,280	\$ 20,975
COMMISSION	\$ 28,667	\$ 20,480
CONCESSIONAIRE BOOTHS	\$ 1,370,834	\$ 791,468
DISTRIBUTION FEES (SCHOLAR)	\$ 20,756	\$ 13,837
GOVERNMENT GRANTS	\$ 94,402,299	\$ 42,782,757
INSURANCE CLAIMS	\$ -	\$ (6,512)
MAXI FACILITY USER FEE	\$ 1,453,989	\$ 1,287,601
MAXI TAXI FEES	\$ 3,124,925	\$ 2,413,581
MONTHLY / WEEKLY TRAVEL	\$ 89,234	\$ -
OTHER ADMINISTRATION FEES	\$ 11,703	\$ 810
OTHER MISCELLANEOUS INCOME	\$ 64,677	\$ 36,633
PUBLIC SERVICE VEHICLE LICENSE FEE	\$ 115,500	\$ 72,017
PURCHASES DISCOUNTS	\$ 153	\$ 81
SALE OF ASSETS	\$ 110,573	\$ 166,785
TENANCY CONTRACTS	\$ 938,191	\$ 922,537
TRAINING SERVICES	\$ 539,040	\$ 267,284
TRANSIT CENTRE FEES	\$ 500,000	\$ -
	<hr/>	<hr/>
	\$ 103,666,024	\$ 49,492,869
	<hr/>	<hr/>
<b>TOTAL INCOME</b>	<b>\$ 137,788,301</b>	<b>\$ 75,265,349</b>



PUBLIC TRANSPORT SERVICE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH SEPTEMBER, 2004  
 (continued)

	2004 12 MTHS TO 30/09/04	2003 9 MTHS TO 30/09/03
<b>4 COST OF OPERATIONS</b>		
DEPRECIATION	\$ 5,339,951	\$ 7,060,126
FUEL AND OIL	\$ 4,577,487	\$ 2,897,851
INSURANCE	\$ 896,069	\$ 469,521
MAXI TAXI DIRECT EXPENSES	\$ 806,704	\$ -
REPAIRS AND MAINTENANCE	\$ 9,749,418	\$ 3,014,078
SALARIES AND WAGES	\$ 28,178,483	\$ 18,092,823
UNIFORMS	\$ 344,806	\$ 8,050
	\$ 49,892,919	\$ 31,542,448
<b>5 DISTRIBUTION EXPENSES</b>		
ADVERTISING AND PROMOTIONS	\$ 188,076	\$ 63,301
BAD DEBTS	\$ -	\$ 131,781
MOTOR VEHICLES EXPENSE	\$ 174,391	\$ 108,332
TRAVELING	\$ 270,139	\$ 339,935
	\$ 632,606	\$ 643,349
<b>6 ADMINISTRATIVE EXPENSES</b>		
ACCOUNTING FEES	\$ 55,000	\$ 55,000
AUDIT FEES	\$ 30,000	\$ 30,000
DEPRECIATION EXPENSE	\$ 1,456,028	\$ 3,128,873
DIRECTORS' FEES AND EXPENSES	\$ 219,129	\$ 197,403
ELECTRICITY	\$ 929,746	\$ 2,578,369
FREIGHT	\$ 328,997	\$ 441,954
INSURANCE	\$ 620,247	\$ 397,191
OFFICE EXPENSES	\$ 116,685	\$ 127,110
PENSIONS	\$ 4,847,878	\$ 3,784,939
PROFESSIONAL AND LEGAL FEES	\$ 656,759	\$ 38,480
RENT	\$ 570,938	\$ 431,833
REPAIRS	\$ 858,297	\$ 512,138
SALARIES AND WAGES	\$ 8,751,570	\$ 5,755,169
SECURITY	\$ 3,107,305	\$ 2,143,177
SEVERANCE	\$ 936,316	\$ 435,397
STATIONERY	\$ 317,954	\$ 319,689
TELEPHONE	\$ 466,797	\$ 413,391
TRAINING	\$ 172,350	\$ 65,194
WATER RATES AND LAND TAXES	\$ 892,539	\$ 436,375
	\$ 25,334,535	\$ 21,291,681
<b>7 FINANCE COST</b>		
BANK CHARGES	\$ 91,931	\$ 37,366
LOAN AND BOND INTEREST	\$ 26,715,992	\$ 14,849,315
OVERDRAFT INTEREST	\$ 931,906	\$ 1,198,132
	\$ 27,739,829	\$ 16,084,814



PUBLIC TRANSPORT SERVICE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH SEPTEMBER, 2004  
 (continued)

8 PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	PLANT & EQUIPMENT	REVENUE VEHICLES	NON-REVENUE VEHICLES	FURNITURE & FITTINGS	TOTAL
<b>COST AT 30/09/03</b>	\$ 23,617,393	\$ 74,470,248	\$ 11,693,415	\$ 163,146,791	\$ 2,343,420	\$ 6,128,104	\$ 281,399,371
ADDITIONS	\$ -	\$ 750,084	\$ 925,312	\$ 7,583,186	\$ -	\$ 61,398	\$ 9,319,980
DISPOSALS							\$ -
<b>COST AT 30/09/04</b>	\$ 23,617,393	\$ 75,220,332	\$ 12,618,728	\$ 170,729,977	\$ 2,343,420	\$ 6,189,503	\$ 290,719,351
<b>ACCUMULATED DEPRECIATION</b>							
BALANCE B/F 30/09/03	\$ (2,179,262)	\$ (73,359,151)	\$ (11,300,677)	\$ (159,583,570)	\$ (1,959,474)	\$ (5,970,355)	\$ (254,352,488)
RATE	0%	5%	15%	12.50%	25%	25%	
CHARGE FOR THE PERIOD	\$ -	\$ (801,154)	\$ (479,101)	\$ (5,339,951)	\$ (118,137)	\$ (57,636)	\$ (6,795,979)
DISPOSALS							
<b>BALANCE C/F 30/09/04</b>	\$ (2,179,262)	\$ (74,160,305)	\$ (11,779,778)	\$ (164,923,521)	\$ (2,077,611)	\$ (6,027,991)	\$ (261,148,467)
<b>W.D.V. AT 30/09/04</b>	\$ 21,438,131	\$ 1,060,027	\$ 838,950	\$ 5,806,456	\$ 265,809	\$ 161,512	\$ 29,570,884
<b>W.D.V. AT 30/09/03</b>	\$ 21,438,131	\$ 1,111,097	\$ 392,739	\$ 3,563,221	\$ 383,946	\$ 157,749	\$ 27,046,882



**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER , 2004**  
(continued)

	2004	2003
<b>9 INVENTORY</b>		
OIL STOCK	\$ 58,180	\$ 17,540
FUEL STOCK	\$ 171,610	\$ 163,900
TRADER TICKETS	\$ 92,639	\$ 92,857
TIRES AND LUBES	\$ 279,499	\$ 126,732
SPARES	\$ 4,586,406	\$ 6,619,934
STATIONERY	\$ 73,151	\$ 27,731
SMART CARDS	\$ 15,480	\$ 3,750
OTHER MATERIALS	\$ 289,286	\$ 48,590
	<hr/>	<hr/>
	\$ 5,566,251	\$ 7,101,034
	<hr/> <hr/>	<hr/> <hr/>
<b>10 DEBTORS AND PREPAYMENTS</b>		
TRADE DEBTORS	\$ 8,219,794	\$ 8,014,881
PREPAYMENTS	\$ 430,748	\$ 798,539
EMPLOYEE LOANS	\$ 304,046	\$ 349,085
VAT	\$ 759,323	\$ 998,643
	<hr/>	<hr/>
	\$ 9,713,911	\$ 10,161,147
	<hr/>	<hr/>
<b>11 SHORT-TERM INVESTMENTS</b>		
REPUBLIC BANK LIMITED	\$ 4,319,417	\$ 4,094,269
UNIT TRUST CORPORATION	\$ 2,812,966	\$ 75,379
	<hr/>	<hr/>
	\$ 7,132,384	\$ 4,169,648
	<hr/>	<hr/>
<b>12 CASH ON HAND AND AT BANK</b>		
PETTY CASH FLOATS	\$ 15,400	\$ 15,400
REPUBLIC BANK LIMITED	\$ 1,382,599	\$ 244,494
FIRST CITIZEN'S BANK LIMITED	\$ 101,240	\$ 101,546
	<hr/>	<hr/>
	\$ 1,499,239	\$ 361,440
	<hr/>	<hr/>



PUBLIC TRANSPORT SERVICE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH SEPTEMBER , 2004  
 (continued)

	2004	2003
<b>13 CAPITAL RESERVES</b>		
CAPITAL RESERVE	\$ 7,181,390	\$ 7,181,390
	<hr/>	<hr/>
	\$ 7,181,390	\$ 7,181,390
	<hr/>	<hr/>
<b>14 BANK OVERDRAFT</b>		
REPUBLIC BANK LIMITED	\$ 6,856,397	\$ 9,626,446
FIRST CITIZEN'S BANK LIMITED	\$ 5,083,526	\$ 5,782,720
	<hr/>	<hr/>
	\$ 11,939,924	\$ 15,409,166
	<hr/>	<hr/>
<b>15 CREDITORS</b>		
TRADE CREDITORS	\$ 8,898,999	\$ 7,047,285
STATUTORY DEDUCTIONS	\$ 5,267,160	\$ 7,160,421
ACCRUALS	\$ 7,880,030	\$ 10,918,489
	<hr/>	<hr/>
	\$ 22,046,190	\$ 25,126,195
	<hr/>	<hr/>



PUBLIC TRANSPORT SERVICE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH SEPTEMBER, 2004  
 (continued)

		2004	2003
<b>16 LOANS AND BONDS</b>			
<b>BONDS</b>			
1	CITICORP TT \$40 MILLION BOND ISSUE	\$ 12,941,176	\$ 15,294,117
2	FINCOR TT \$75.3 MILLION BOND ISSUE	\$ 47,754,693	\$ 53,060,773
3	CITICORP TT \$130.1 MILLION BOND ISSUE	\$ 130,510,019	\$ 138,930,020
4	FINCOR TT \$42 MILLION BOND ISSUE	\$ 29,135,124	\$ 34,962,170
5	FCB LTD. TT \$20 MILLION BOND ISSUE	\$ 16,280,785	\$ 20,932,438
	<b>TOTAL BONDS</b>	<b>\$ 236,621,798</b>	<b>\$ 263,179,519</b>
<b>LOANS</b>			
6	FIRST CITIZEN'S BANK LIMITED - 25 MILLION	\$ 16,071,429	\$ 19,642,857
7	FIRST CITIZEN'S BANK LIMITED - EXECUTIVE BUS	\$ -	\$ 367,500
8	FIRST CITIZEN'S BANK LIMITED - 10 MILLION	\$ 7,500,000	\$ -
	<b>TOTAL LOANS</b>	<b>\$ 23,571,429</b>	<b>\$ 20,010,357</b>
	<b>TOTAL LOANS AND BONDS</b>	<b>\$ 260,193,226</b>	<b>\$ 283,189,876</b>
	<b>CURRENT - PORTION</b>	<b>\$ 35,496,650</b>	<b>\$ 30,388,649</b>
	<b>LONG TERM PORTION</b>	<b>\$ 224,696,576</b>	<b>\$ 252,801,227</b>

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 THE YEAR ENDED 30TH SEPTEMBER, 2004  
(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 LOAN WAS GRANTED BY FIRST CITIZENS' BANK TRUST AND MERCHANT BANK LIMITED TO FINANCE AN EXPECTED SHORT FALL IN REVENUE OVER THE PERIOD JULY TO SEPTEMBER 2003. IT IS REPAYABLE OVER 2 YEARS AND IT BEARS INTEREST AT 5.225% PER ANNUM. THIS LOAN IS TO BE REPAID BY SEMI-ANNUAL INSTALLMENTS OF \$2,500,000.00 EXCLUSIVE OF INTEREST.

**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.
- 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.



**PUBLIC TRANSPORT SERVICE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER , 2004  
(continued)**

- 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 LIABILITY IS ESTIMATED AS 5.25% OF THE WAGE BILL AS AT DECEMBER 2003 FOR JANUARY 2003 TO SEPTEMBER 2004.

**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.