



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 30TH SEPTEMBER, 2005

The accompanying Financial Statements of the Public Transport Service Corporation for the year ended 30th September, 2005 have been audited. The Statements comprise a Balance Sheet as at 30th September, 2005, a Statement of Income, a Statement of Changes in Equity and a Cash Flow Statement for the year ended 30th September, 2005 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

4. 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 \$45,196,227, Inventory \$6,798,835, Debtors and Prepayments \$9,021,372.
- (ii) **EQUITY AND LIABILITIES** - Accumulated Deficit (\$200,682,272), Creditors and Accruals \$11,388,724.
- (iii) **INCOME** – Operating Income \$41,875,499.

- (iv) **EXPENDITURE** - Cost of Operations (\$51,154,785), Administrative Expenses (\$36,142,884).
- (v) **FINANCIAL COSTS** – (\$23,277,796)
Bond Interest was accounted for on the cash basis instead of the accruals basis. Note 2 (i) to the Financial Statements states that interest is accrued on outstanding bond balances.

DISCLAIMER OF OPINION

5. 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

6. 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

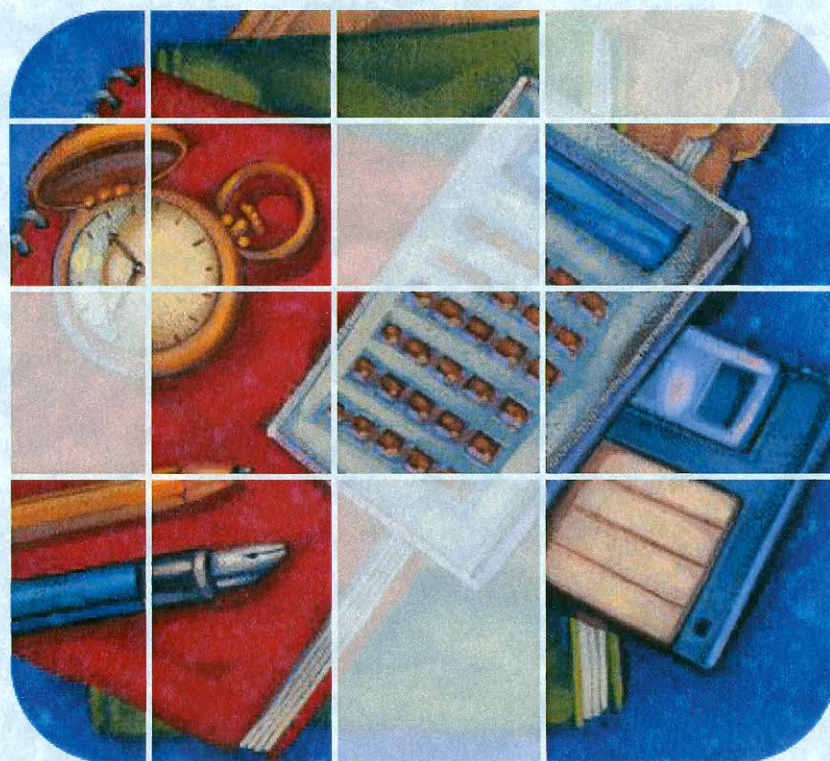


**MAJEED ALI
AUDITOR GENERAL**

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20160314



PUBLIC TRANSPORT SERVICE CORPORATION



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2005

PUBLIC TRANSPORT SERVICE CORPORATION
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FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2005

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**PUBLIC TRANSPORT SERVICE CORPORATION
BALANCE SHEET
AS AT 30TH SEPTEMBER , 2005**

| ASSETS | NOTES | 2005 | 2004 |
|-------------------------------------|-------|-----------------------------|-----------------------------|
| NON - CURRENT ASSETS | | | |
| PROPERTY PLANT AND EQUIPMENT | 8 | \$ 45,196,227 | \$ 29,570,883 |
| | | <u>\$ 45,196,227</u> | <u>\$ 29,570,883</u> |
| CURRENT ASSETS | | | |
| INVENTORY | 9 | \$ 6,798,835 | \$ 5,566,251 |
| DEBTORS AND PREPAYMENTS | 10 | \$ 9,021,372 | \$ 9,713,911 |
| SHORT - TERM INVESTMENTS | 11 | \$ 18,891,501 | \$ 7,132,384 |
| CASH ON HAND AND AT BANK | 12 | \$ 2,708,805 | \$ 1,499,239 |
| | | <u>\$ 37,420,512</u> | <u>\$ 23,911,784</u> |
| TOTAL ASSETS | | <u>\$ 82,616,740</u> | <u>\$ 53,482,667</u> |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| CAPITAL RESERVES | 13 | \$ 7,181,390 | \$ 7,181,390 |
| ACCUMULATED DEFICIT | | \$ (200,682,272) | \$ (247,878,062) |
| | | <u>\$ (193,500,882)</u> | <u>\$ (240,696,672)</u> |
| NON - CURRENT LIABILITIES | | | |
| LOANS AND BONDS - LONG TERM PORTION | 16 | \$ 220,246,749 | \$ 224,696,576 |
| CURRENT LIABILITIES | | | |
| BANK OVERDRAFT | 14 | \$ 5,609,983 | \$ 11,939,924 |
| CREDITORS AND ACCRUALS | 15 | \$ 11,388,724 | \$ 22,046,190 |
| LOANS AND BONDS - CURRENT PORTION | 16 | \$ 38,872,167 | \$ 35,496,650 |
| | | <u>\$ 55,870,873</u> | <u>\$ 69,482,763</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>\$ 82,616,740</u> | <u>\$ 53,482,667</u> |



[Signature]
CHIEF EXECUTIVE OFFICER

[Signature]
VICE CHAIRMAN

[Signature]
CHAIRMAN

**PUBLIC TRANSPORT SERVICE CORPORATION
STATEMENT OF INCOME
FOR THE YEAR ENDED 30TH SEPTEMBER , 2005**

| | NOTES | 2005 | 2004 |
|--------------------------|-------|-----------------|-----------------|
| OPERATING INCOME | 3 | \$ 41,875,499 | \$ 38,770,903 |
| COST OF OPERATIONS | 4 | \$ (51,154,785) | \$ (49,892,919) |
| GROSS LOSS ON OPERATIONS | | \$ (9,279,286) | \$ (11,122,016) |
| GOVERNMENT GRANTS | 16 | \$ 113,587,762 | \$ 94,402,299 |
| OTHER INCOME | 3 | \$ 3,397,727 | \$ 4,615,100 |
| DISTRIBUTION EXPENSES | 5 | \$ (1,089,733) | \$ (632,606) |
| ADMINISTRATIVE EXPENSES | 6 | \$ (36,142,884) | \$ (25,334,535) |
| FINANCIAL COSTS | 7 | \$ (23,277,796) | \$ (27,739,829) |
| NET PROFIT FOR THE YEAR | | \$ 47,195,790 | \$ 34,188,413 |

**PUBLIC TRANSPORT SERVICE CORPORATION
STATEMENT OF CHANGES IN EQUITY
AS AT 30TH SEPTEMBER , 2005**

| | CAPITAL RESERVE | ACCUMULATED DEFICIT | SHAREHOLDERS' EQUITY |
|--|---------------------|-------------------------|-------------------------|
| YEAR ENDED 30TH SEPTEMBER , 2005 | | | |
| BALANCE AS AT 1ST OCTOBER, 2004 | \$ 7,181,390 | \$ (247,878,062) | \$ (240,696,672) |
| PROFIT FOR THE YEAR | | \$ 47,195,790 | \$ 47,195,790 |
| BALANCE AS AT 30TH SEPTEMBER , 2005 | \$ 7,181,390 | \$ (200,682,272) | \$ (193,500,882) |
| YEAR ENDED 30TH SEPTEMBER , 2004 | | | |
| 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 |
| BALANCE AS AT 30TH SEPTEMBER , 2004 | \$ 7,181,390 | \$ (247,878,062) | \$ (240,696,672) |

**PUBLIC TRANSPORT SERVICE CORPORATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER , 2005**

| | 2005 | 2004 |
|---|-----------------|-----------------|
| OPERATING ACTIVITIES | | |
| NET PROFIT FOR THE YEAR | \$ 47,195,790 | \$ 34,188,413 |
| ADJUSTMENTS TO RECONCILE NET PROFIT AFTER TAX TO NET CASH PROVIDED : | | |
| DEPRECIATION | \$ 9,656,566 | \$ 6,795,979 |
| LOSS ON DISPOSAL OF BUSES | \$ 401,861 | |
| | <hr/> | <hr/> |
| | \$ 57,254,217 | \$ 40,984,392 |
| CHANGES IN WORKING CAPITAL | | |
| NET CHANGE IN INVENTORY | \$ (1,232,584) | \$ 1,534,783 |
| NET CHANGE IN SHORT TERM INVESTMENTS | \$ (11,759,117) | \$ (2,962,735) |
| NET CHANGE IN ACCOUNTS RECEIVABLE | \$ 692,539 | \$ 447,237 |
| NET CHANGE IN ACCOUNTS PAYABLE | \$ (10,657,466) | \$ (3,080,005) |
| | <hr/> | <hr/> |
| NET CASH FROM OPERATING ACTIVITIES | \$ 34,297,589 | \$ 36,923,672 |
| INVESTING ACTIVITIES | | |
| PURCHASE OF FIXED ASSETS | \$ (25,683,771) | \$ (9,319,980) |
| | <hr/> | <hr/> |
| NET CASH USED IN INVESTING ACTIVITIES | \$ (25,683,771) | \$ (9,319,980) |
| FINANCING ACTIVITIES | | |
| LOANS AND BONDS | \$ (1,074,311) | \$ (22,996,650) |
| | <hr/> | <hr/> |
| NET CASH PROVIDED FROM FINANCING ACTIVITIES | \$ (1,074,311) | \$ (22,996,650) |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS | | |
| | \$ 7,539,507 | \$ 4,607,042 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | \$ (10,440,684) | \$ (15,047,726) |
| | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | \$ (2,901,178) | \$ (10,440,685) |
| | <hr/> | <hr/> |
| CASH ON HAND AND AT BANK | \$ 2,708,805 | \$ 1,499,239 |
| BANK OVERDRAFT | \$ (5,609,983) | \$ (11,939,924) |
| | <hr/> | <hr/> |
| | \$ (2,901,178) | \$ (10,440,685) |
| | <hr/> | <hr/> |

**PUBLIC TRANSPORT SERVICE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH SEPTEMBER , 2005**

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 TAKEN INTO ACCOUNT FOR 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 USING FIRST IN FIRST OUT BASIS.

**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2005**

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 , 2005
(continued)

| 3 REVENUE | 2005 | 2004 |
|-------------------------------|----------------------|----------------------|
| OPERATING REVENUE | | |
| ECS SERVICE | \$ 6,762,185 | \$ 7,922,760 |
| CITY SERVICE - POS | \$ 194,238 | \$ - |
| CITY SERVICE - S'FDO | \$ 193,404 | \$ - |
| KNOW YOUR COUNTRY TOURS | \$ 47,117 | \$ 95,441 |
| MAXI FACILITY USER FEE | \$ 1,297,989 | \$ 1,453,989 |
| MAXI TAXI INSPECTION FEES | \$ 25,920 | \$ - |
| MAXI TAXI FEES - TRINIDAD | \$ 7,636,964 | \$ 3,124,925 |
| MAXI TAXI FEES - TOBAGO | \$ 117,134 | \$ - |
| MIN OF ED- SCHOOL BUS SERVICE | \$ 10,527,166 | \$ 10,507,432 |
| MIN OF SOC DEV- PENSIONERS | \$ 5,130,000 | \$ 5,130,000 |
| MONTHLY/WEEKLY TRAVEL | \$ 108,599 | \$ 89,234 |
| RURAL TRANSPORT SERVICE | \$ 428,147 | \$ 697,585 |
| SALES DISCOUNTS | \$ (525,793) | \$ (610,228) |
| SPEC EVENTS/TOURS/CHARTERS | \$ 4,218,833 | \$ 5,319,786 |
| SPEC EVENTS/TOURS - TOBAGO | \$ 210,055 | \$ - |
| THA SCHOOL BUS SREVICE | \$ 467,359 | \$ 403,809 |
| THA TRANSIT BUS SREVICE | \$ 126,220 | \$ 234,354 |
| TRANSIT SERVICE | \$ 3,266,795 | \$ 4,401,815 |
| TRANSIT SERVICE - TOBAGO | \$ 1,643,167 | \$ - |
| | <hr/> | <hr/> |
| | \$ 41,875,499 | \$ 38,770,903 |
| | <hr/> | <hr/> |
| OTHER INCOME | | |
| BANK INTEREST | \$ 632,009 | \$ 425,781 |
| BILLBOARD AND WALL ADS | \$ 257,742 | \$ 392,523 |
| CAR PARK | \$ 45,460 | \$ 40,900 |
| COMMERCIAL SERVICES | \$ 24,601 | \$ 36,280 |
| COMMISSION | \$ - | \$ 28,667 |
| CONCESSIONAIRE BOOTHS | \$ 1,472,229 | \$ 1,870,834 |
| DIFFERENTLY ABLED | \$ 1,479 | \$ - |
| DISTRIB FEES (SCHOLAR) | \$ 20,756 | \$ 20,756 |
| INSURANCE CLAIMS | \$ 4,753 | \$ - |
| OTHER MISC - TOBAGO | \$ 4,135 | \$ 11,703 |
| OTHER MISC INC | \$ 66,593 | \$ 64,677 |
| PUB SERV VEH LICENSE FEE | \$ 118,500 | \$ 115,500 |
| PURCHASES DISCOUNTS | \$ 7,696 | \$ 153 |
| SALE OF ASSETS | \$ 4,315 | \$ 110,573 |
| LOSS ON DISPOSAL OF BUSES | \$ (401,861) | \$ - |
| SHORT TERM RENTAL | \$ 45,917 | \$ 19,523 |
| TENANCY CONTRACTS | \$ 783,473 | \$ 938,191 |
| TRAINING SERVICES | \$ 309,932 | \$ 539,040 |
| | <hr/> | <hr/> |
| | \$ 3,397,727 | \$ 4,615,100 |
| | <hr/> | <hr/> |
| TOTAL INCOME | \$ 45,273,227 | \$ 43,386,002 |
| | <hr/> <hr/> | <hr/> <hr/> |

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2005
(continued)

| | 2005 | 2004 |
|----------------------------------|---------------|---------------|
| 4 COST OF OPERATIONS | | |
| DEPRECIATION | \$ 8,188,060 | \$ 5,339,951 |
| FUEL AND OIL | \$ 3,660,907 | \$ 4,577,487 |
| INSURANCE | \$ 1,009,481 | \$ 896,069 |
| MAXI TAXI DIRECT EXPENSES | \$ 1,861,522 | \$ 806,704 |
| REPAIRS AND MAINTENANCE | \$ 7,397,309 | \$ 9,749,418 |
| SALARIES AND WAGES | \$ 28,636,035 | \$ 28,178,483 |
| TICKETS | \$ 308,092 | \$ - |
| UNIFORMS | \$ 93,381 | \$ 344,806 |
| | <hr/> | <hr/> |
| | \$ 51,154,785 | \$ 49,892,919 |
| | <hr/> | <hr/> |
| 5 DISTRIBUTION EXPENSES | | |
| ADVERTISING AND PROMOTIONS | \$ 298,954 | \$ 188,076 |
| BAD DEBTS | \$ - | \$ - |
| MOTOR VEHICLES EXPENSE | \$ 163,487 | \$ 174,391 |
| TRAVELING | \$ 627,293 | \$ 270,139 |
| | <hr/> | <hr/> |
| | \$ 1,089,733 | \$ 632,606 |
| | <hr/> | <hr/> |
| 6 ADMINISTRATIVE EXPENSES | | |
| ACCOUNTING FEES | \$ 44,000 | \$ 55,000 |
| AUDIT FEES | \$ 50,000 | \$ 30,000 |
| DEPRECIATION EXPENSE | \$ 1,468,506 | \$ 1,456,028 |
| DIRECTORS' FEES AND EXPENSES | \$ 288,000 | \$ 219,129 |
| ELECTRICITY | \$ 1,352,547 | \$ 929,746 |
| FREIGHT | \$ 263,898 | \$ 328,997 |
| INSURANCE | \$ 1,281,378 | \$ 620,247 |
| LAND AND BUILDING TAXES | \$ 344,543 | \$ 700,636 |
| MAXI TAXI USER FEE | \$ 134,921 | \$ - |
| OFFICE EXPENSES | \$ 136,765 | \$ 116,685 |
| PENSIONS | \$ 5,548,974 | \$ 4,847,878 |
| PROFESSIONAL AND LEGAL FEES | \$ 1,000,299 | \$ 656,759 |
| RENT | \$ 743,837 | \$ 570,938 |
| REPAIRS | \$ 2,483,298 | \$ 858,297 |
| SALARIES AND WAGES | \$ 13,907,678 | \$ 8,751,570 |
| SECURITY | \$ 3,835,092 | \$ 3,107,305 |
| SEVERANCE | \$ 1,905,155 | \$ 936,316 |
| STATIONERY | \$ 389,102 | \$ 317,954 |
| TELEPHONE | \$ 491,656 | \$ 466,797 |
| TRAINING | \$ 318,957 | \$ 172,350 |
| WATER RATES | \$ 154,278 | \$ 191,902 |
| | <hr/> | <hr/> |
| | \$ 36,142,884 | \$ 25,334,535 |
| | <hr/> | <hr/> |
| 7 FINANCE COST | | |
| BANK CHARGES | \$ 41,024 | \$ 91,931 |
| LOAN AND BOND INTEREST | \$ 22,432,661 | \$ 26,715,992 |
| OVERDRAFT INTEREST | \$ 804,111 | \$ 931,906 |
| | <hr/> | <hr/> |
| | \$ 23,277,796 | \$ 27,739,829 |
| | <hr/> | <hr/> |

PUBLIC TRANSPORT SERVICE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH SEPTEMBER, 2005
 (continued)

8 PROPERTY, PLANT AND EQUIPMENT

| | LAND | BUILDINGS | PLANT & EQUIPMENT | REVENUE VEHICLES | NON-REVENUE VEHICLES | FURNITURE & FITTINGS | TOTAL |
|---------------------------------|----------------|-----------------|----------------------|---------------------|-------------------------|-------------------------|------------------|
| ORIGINAL COST | | | | | | | |
| COST AT 30/09/04 | \$ 23,617,393 | \$ 75,220,332 | \$ 12,618,728 | \$ 170,729,977 | \$ 2,343,420 | \$ 6,189,503 | \$ 290,719,351 |
| ADDITIONS | \$ - | \$ 132,927 | \$ 2,247,765 | \$ 22,702,879 | \$ 464,486 | \$ 135,715 | \$ 25,683,771 |
| DISPOSALS | \$ - | \$ - | \$ - | \$ (3,980,340) | \$ - | \$ - | \$ (3,980,340) |
| COST AT 30/09/05 | \$ 23,617,393 | \$ 75,353,259 | \$ 14,866,492 | \$ 189,452,515 | \$ 2,807,906 | \$ 6,325,217 | \$ 312,422,782 |
| ACCUMULATED DEPRECIATION | | | | | | | |
| BALANCE B/F 30/09/04 | \$ (2,179,262) | \$ (74,160,305) | \$ (11,779,778) | \$ (164,923,521) | \$ (2,077,611) | \$ (6,027,991) | \$ (261,148,468) |
| CHARGE FOR THE PERIOD | \$ - | \$ (63,189) | \$ (1,095,123) | \$ (8,188,060) | \$ (234,259) | \$ (75,935) | \$ (9,656,566) |
| DISPOSALS | \$ - | \$ - | \$ - | \$ 3,578,479 | \$ - | \$ - | \$ 3,578,479 |
| BALANCE C/F 30/09/05 | \$ (2,179,262) | \$ (74,223,494) | \$ (12,874,901) | \$ (169,533,102) | \$ (2,311,870) | \$ (6,103,926) | \$ (267,226,555) |
| NET BOOK VALUE | | | | | | | |
| AS AT 30/09/05 | \$ 21,438,131 | \$ 1,129,765 | \$ 1,991,591 | \$ 19,919,413 | \$ 496,036 | \$ 221,291 | \$ 45,196,227 |
| AS AT 30/09/04 | \$ 21,438,131 | \$ 1,060,027 | \$ 838,950 | \$ 5,806,456 | \$ 265,809 | \$ 161,512 | \$ 29,570,883 |

**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2005
(continued)**

| | 2005 | 2004 |
|------------------------------------|---------------|--------------|
| 9 INVENTORY | | |
| OIL STOCK | \$ 108,310 | \$ 58,180 |
| FUEL STOCK | \$ 163,625 | \$ 171,610 |
| TRADER TICKETS | \$ 44,100 | \$ 92,639 |
| TIRES | \$ 243,776 | \$ 279,499 |
| SPARES | \$ 5,918,362 | \$ 4,586,406 |
| STATIONERY | \$ 55,549 | \$ 73,151 |
| SMART CARDS | \$ 6,340 | \$ 15,480 |
| MATERIALS | \$ 258,772 | \$ 289,286 |
| | <hr/> | <hr/> |
| | \$ 6,798,835 | \$ 5,566,251 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 10 DEBTORS AND PREPAYMENTS | | |
| TRADE DEBTORS | \$ 7,366,457 | \$ 8,219,794 |
| PREPAYMENTS | \$ 232,685 | \$ 430,748 |
| EMPLOYEE LOANS | \$ 296,826 | \$ 304,046 |
| VAT | \$ 1,125,403 | \$ 759,323 |
| | <hr/> | <hr/> |
| | \$ 9,021,372 | \$ 9,713,911 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 11 SHORT-TERM INVESTMENTS | | |
| REPUBLIC BANK LIMITED | \$ 4,488,495 | \$ 4,319,417 |
| UNIT TRUST CORPORATION | \$ 8,330,741 | \$ 2,812,966 |
| FIRST CITIZEN'S BANK LIMITED | \$ 6,072,265 | \$ - |
| | <hr/> | <hr/> |
| | \$ 18,891,501 | \$ 7,132,384 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 12 CASH ON HAND AND AT BANK | | |
| PETTY CASH FLOATS | \$ 15,400 | \$ 15,400 |
| REPUBLIC BANK LIMITED | \$ 2,566,789 | \$ 1,382,599 |
| FIRST CITIZEN'S BANK LIMITED | \$ 126,616 | \$ 101,240 |
| | <hr/> | <hr/> |
| | \$ 2,708,805 | \$ 1,499,239 |
| | <hr/> <hr/> | <hr/> <hr/> |

**PUBLIC TRANSPORT SERVICE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH SEPTEMBER , 2005
 (continued)**

| | 2005 | 2004 |
|------------------------------|---------------|---------------|
| 13 CAPITAL RESERVES | | |
| CAPITAL RESERVE | \$ 7,181,390 | \$ 7,181,390 |
| | <hr/> | <hr/> |
| | \$ 7,181,390 | \$ 7,181,390 |
| | <hr/> | <hr/> |
| 14 BANK OVERDRAFT | | |
| REPUBLIC BANK LIMITED | \$ 3,727,260 | \$ 6,856,397 |
| FIRST CITIZEN'S BANK LIMITED | \$ 1,882,723 | \$ 5,083,526 |
| | <hr/> | <hr/> |
| | \$ 5,609,983 | \$ 11,939,924 |
| | <hr/> | <hr/> |
| 15 CREDITORS | | |
| TRADE CREDITORS | \$ 4,184,852 | \$ 8,898,999 |
| STATUTORY DEDUCTIONS | \$ 1,918,821 | \$ 5,267,160 |
| ACCRUALS | \$ 5,285,050 | \$ 7,880,030 |
| | <hr/> | <hr/> |
| | \$ 11,388,724 | \$ 22,046,190 |
| | <hr/> | <hr/> |

**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2005
(continued)**

16 LOANS AND BONDS

BONDS

| | 2005 | 2004 |
|--|---------------|----------------|
| 1 CITICORP TT \$40 MILLION BOND ISSUE | \$ 10,588,235 | \$ 12,941,176 |
| 2 FINCOR TT \$75.3 MILLION BOND ISSUE | \$ 42,448,610 | \$ 47,754,693 |
| 3 CITICORP TT \$130.1 MILLION BOND ISSUE | \$ 62,499,575 | \$ 130,510,019 |
| 4 FINCOR TT \$42 MILLION BOND ISSUE | \$ 23,308,078 | \$ 29,135,124 |
| 5 FCB LTD. TT \$20 MILLION BOND ISSUE | \$ 11,629,132 | \$ 16,280,785 |
| 6 FCB LTD. TT \$93.6 MILLION BOND ISSUE | \$ 93,645,286 | \$ - |

| | | |
|-------------|----------------|----------------|
| TOTAL BONDS | \$ 244,118,916 | \$ 236,621,798 |
|-------------|----------------|----------------|

LOANS

| | | |
|---|---------------|---------------|
| 7 FIRST CITIZEN'S BANK LIMITED - 25 MILLION | \$ 12,500,000 | \$ 16,071,429 |
| 8 FIRST CITIZEN'S BANK LIMITED - 10 MILLION | \$ 2,500,000 | \$ 7,500,000 |

| | | |
|-------------|---------------|---------------|
| TOTAL LOANS | \$ 15,000,000 | \$ 23,571,429 |
|-------------|---------------|---------------|

| | | |
|-----------------------|----------------|----------------|
| TOTAL LOANS AND BONDS | \$ 259,118,916 | \$ 260,193,226 |
|-----------------------|----------------|----------------|

| | | |
|-------------------|---------------|---------------|
| CURRENT - PORTION | \$ 38,872,167 | \$ 35,496,650 |
|-------------------|---------------|---------------|

| | | |
|-------------------|----------------|----------------|
| LONG TERM PORTION | \$ 220,246,749 | \$ 224,696,576 |
|-------------------|----------------|----------------|

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. THIS BOND WAS TAKEN TO FINANCE THE RETRENCHMENT OF STAFF IN 1990.

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. THIS BOND WAS TAKEN TO FINANCE THE VESP PACKAGE OFFERED TO STAFF IN 1993.

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2005
(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. THIS BOND WAS TAKEN TO FINANCE THE VESP PACKAGE OFFERED TO STAFF IN 1994.

- 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 OF \$2,913,523 IS PAYABLE . FROM MAY 2001 TWICE PER YEAR. THIS BOND WAS TAKEN TO PURCHASE BUSES.

- 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. THIS BOND WAS TAKEN TO FINANCE THE OVERDRAFT.

- 6 THE PTSC BORROWED TT **\$93 MILLION** UNDER GOVERNMENT GUARANTEE FROM FIRST CITIZENS BANK LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FIXED RATE BONDS 2005 - 2020. THE FULL AMOUNT OF THIS BOND HAS BEEN DRAWN DOWN AND THE ISSUE DATE WAS APRIL 29TH 2005. INTEREST PAYMENTS ARE SEMI-ANNUAL , DUE IN APRIL AND OCTOBER EACH YEAR. THE PRINCIPAL IS PAYABLE IN THIRTY SEMI-ANNUAL PAYMENTS OF \$3,121,509 FROM OCTOBER 2005. THE ANNUAL INTEREST RATE IS 5.95%. THIS BOND WAS TAKEN TO REFINANCE THE FIXED PORTION OF THE 130 MILLION DOLLAR BOND AND TO PAY OUTSTANDING CREDITORS.

**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2005
(continued)**

**16 LOANS AND BONDS
(continued)**

- 7 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 REPAYED BY SEMI-ANNUAL INSTALLMENTS OF \$1,785,714.29 EXCLUSIVE OF INTEREST. THIS LOAN WAS TAKEN TO REFINANCE THE OUTSTANDING OVERDRAFT.

- 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 REPAYED 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.

- c) **HCA NO. 2962 OF 2001** - THIS IS A MALICIOUS DAMAGE CASE AND THE POTENTIAL LIABILITY IS \$2,000,000.00.

- d) **HCA NO. 1133 OF 2002** - THIS IS AN UNFAIR DISMISSAL OF AN EMPLOYEE CASE AND THE POTENTIAL LIABILITY IS \$200,000.00.

- d) **HCA NO. 611 OF 2003** - THIS IS A BREACH OF CONTRACT CASE AND THE POTENTIAL LIABILITY IS \$300,000.00.

- e) **HCA NO. S-192 OF 2003** - THIS IS AN ARREARS OF RENT CASE AND THE POTENTIAL LIABILITY IS \$350,000.00.

- 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.

- f) **TRADE DISPUTE NO. 325 OF 2004** PTSC VS LALCHAN GUNNESS - UNFAIR DISMISSAL OF AN EMPLOYEE . THE POTENTIAL LIABILITY IS \$300,000.00 .

**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2005
(continued)**

- g) HCA NO. 4039 OF 1994 - PTSC VS TRANSAD LIMITED AND THE POTENTIAL LIABILITY IS \$4,000,000.00.**

- h) HCA NO. 1705 OF 2004 - AGUSTUS ST. CLAIR VS ADLAI ROBINSON FOR THE DE-ACTIVATION OF PTSC SMART CARD AND THE POTENTIAL LIABILITY IS \$200,000.00.**

- i) HCA NO. 524 OF 2005 - LILLAWATI BAHADUR VS PTSC FOR BREACH OF CONTRACT AND THE POTENTIAL LIABILITY IS \$250,000.00.**

PUBLIC TRANSPORT SERVICE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH SEPTEMBER , 2005
 (continued)

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 GOVERNMENT GRANTS

| | 2005 | 2004 |
|---|-----------------------|----------------------|
| ACQUISITION OF 12 ARTICULATED | \$ 20,105,501 | \$ - |
| CONSULTANCY | \$ 200,000 | \$ 400,000 |
| ELECTRICAL UPGRADE | \$ - | \$ 737,676 |
| FEES | \$ 2,396,436 | \$ - |
| FEES -AUDITOR GENERAL | \$ 133,630 | \$ - |
| FLEET REFURBISHMENT | \$ 4,715,898 | \$ 10,247,144 |
| FLEET REFURBISH-P-12/23 | \$ 5,000,000 | \$ - |
| FURNITURE | \$ - | \$ 29,906 |
| HEALTH SURCHARGE | \$ - | \$ 636,467 |
| IT DEVELOPMENT PROJECT | \$ 600,990 | \$ 200,000 |
| LAND & BUILDING-P-07/29 | \$ 925,123 | \$ 2,270,593 |
| LOANS AND BONDS - 20M BOND | \$ 6,065,471 | \$ 6,505,168 |
| LOANS AND BONDS - CITICORP 130.1M 06/21 | \$ 19,783,758 | \$ 21,452,338 |
| LOANS AND BONDS - CITICORP 40M BOND 04/03 | \$ 3,710,123 | \$ 4,057,183 |
| LOANS AND BONDS - F.C. B. 10M LOAN | \$ 5,327,099 | \$ 2,760,534 |
| LOANS AND BONDS - FCB 25M LOAN 05/15 | \$ 5,507,008 | \$ 5,968,605 |
| LOANS AND BONDS - FINCOR 42M BOND 05/15 | \$ 8,942,209 | \$ 9,607,629 |
| LOANS AND BONDS - FINCOR 75.3M BOND 05/15 | \$ 7,924,684 | \$ 8,937,327 |
| MAXI TAXI SUPPORT | \$ 2,250,000 | \$ 600,000 |
| MINOR EQUIPMENT-P-12/13 | \$ 734,000 | \$ - |
| OTHER CONTRACTED SERVICES | \$ 3,000,000 | \$ 3,300,000 |
| PAYE | \$ 4,774,921 | \$ 7,259,415 |
| PENSIONS | \$ 5,300,000 | \$ 5,190,012 |
| PREPARATION OF ACCOUNTS | \$ 500,000 | \$ 418,600 |
| REFURBISHMENT OF BUILDING | \$ 1,500,000 | \$ - |
| SANDE GRANDE HUB | \$ - | \$ 252,599 |
| SEVERANCE | \$ 2,000,000 | \$ 850,000 |
| STRATEGIC PLAN | \$ 445,218 | \$ - |
| TTEC | \$ 1,745,693 | \$ 2,197,798 |
| WASA | \$ - | \$ 523,305 |
| TOTAL | \$ 113,587,762 | \$ 94,402,299 |