



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, 2007

The accompanying Financial Statements of the Public Transport Service Corporation (the Corporation) for the year ended 30th September, 2007 have been audited. The Statements comprise a Balance Sheet as at 30th September, 2007, a Statement of Income, a Statement of Changes in Equity and a Cash Flow Statement for the year ended 30th September, 2007 and Notes to the financial statements numbered 1 to 22.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the Corporation 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

3. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit. The audit 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. It was conducted in accordance with accepted auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain evidence about 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 control. An audit also includes 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.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the qualified audit opinion.

BASIS FOR QUALIFIED OPINION

BALANCE SHEET

PROPERTY, PLANT AND EQUIPMENT - \$141,225,575

6. A Fixed Assets Register showing the value of assets, date of acquisition and other details to determine depreciation and valuation was not produced.

INVENTORY - \$13,975,309

7. Year-end Stock Count sheets for inventories valued at \$13,975,309 were not produced to verify this balance.

QUALIFIED OPINION

8. In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion at paragraphs six to seven above, the financial statements present fairly, in all material respects, the financial position of the Public Transport Service Corporation as at 30th September, 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

SUBMISSION OF REPORT

9. 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.

**13TH JULY, 2018
PORT OF SPAIN**

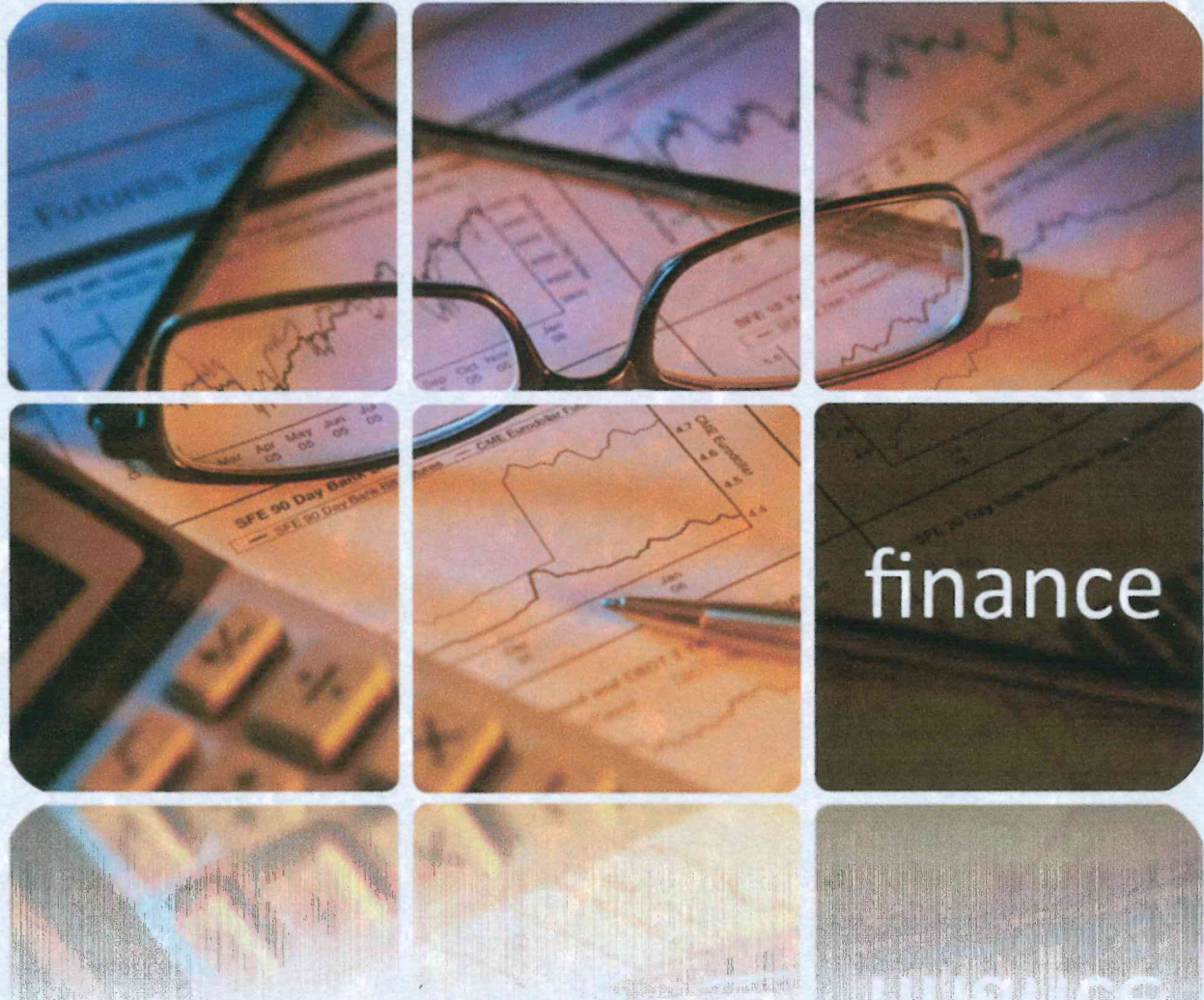


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AUDITOR GENERAL**

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PUBLIC TRANSPORT SERVICE CORPORATION



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2007

**PUBLIC TRANSPORT SERVICE CORPORATION
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FOR THE YEAR ENDED 30TH SEPTEMBER , 2007**

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**PUBLIC TRANSPORT SERVICE CORPORATION
BALANCE SHEET
AS AT 30TH SEPTEMBER, 2007**

ASSETS	NOTES	2007	RESTATED 2006
NON - CURRENT ASSETS			
PROPERTY PLANT AND EQUIPMENT	8	\$ 141,225,575	\$ 57,200,708
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		\$ 141,225,575	\$ 57,200,708
CURRENT ASSETS			
INVENTORY	9	\$ 13,975,309	\$ 14,410,812
DEBTORS AND PREPAYMENTS	10	\$ 10,558,354	\$ 11,755,633
SHORT - TERM INVESTMENTS	11	\$ 30,709,124	\$ 7,177,654
CASH ON HAND AND AT BANK	12	\$ 191,654	\$ 4,042,289
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		\$ 55,434,441	\$ 37,386,388
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TOTAL ASSETS		\$ 196,660,015	\$ 94,587,096
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
CAPITAL RESERVES	13	\$ 7,181,390	\$ 7,181,390
ACCUMULATED DEFICIT		\$ (414,463,186)	\$ (414,736,515)
		<hr/>	<hr/>
		\$ (407,281,796)	\$ (407,555,125)
		<hr/>	<hr/>
NON - CURRENT LIABILITIES			
LOANS AND BONDS - LONG TERM PORTION	17	\$ 207,139,368	\$ 183,859,803
GOVERNMENT GRANTS	22	\$ 319,802,425	\$ 268,515,226
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		\$ 526,941,794	\$ 452,375,029
		<hr/>	<hr/>
CURRENT LIABILITIES			
BANK OVERDRAFT	14	\$ 2,801,768	\$ 2,393,511
CREDITORS AND ACCRUALS	15	\$ 28,727,190	\$ 6,877,032
LOANS AND BONDS - CURRENT PORTION	17	\$ 45,471,060	\$ 40,496,650
		<hr/>	<hr/>
		\$ 77,000,018	\$ 49,767,193
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		\$ 196,660,016	\$ 94,587,096



CHIEF EXECUTIVE OFFICER

VICE CHAIRMAN

CHAIRMAN

PUBLIC TRANSPORT SERVICE CORPORATION
STATEMENT OF INCOME
FOR THE YEAR ENDED 30TH SEPTEMBER , 2007

	NOTES	2007	RESTATED 2006
OPERATING INCOME	3	\$ 79,855,565	\$ 69,803,450
COST OF OPERATIONS	4	\$ (120,328,966)	\$ (80,942,915)
GROSS PROFIT / (LOSS) ON OPERATIONS		\$ (40,473,402)	\$ (11,139,466)
GOVERNMENT GRANTS	21	\$ 115,164,297	\$ 72,139,565
OTHER INCOME	3	\$ 6,348,912	\$ 4,895,926
DISTRIBUTION EXPENSES	5	\$ (9,467,629)	\$ (1,161,819)
ADMINISTRATIVE EXPENSES	6	\$ (47,031,266)	\$ (39,201,736)
FINANCIAL COSTS	7	\$ (24,267,583)	\$ (17,409,523)
NET PROFIT / (LOSS) FOR THE YEAR		\$ 273,330	\$ 8,122,948

**PUBLIC TRANSPORT SERVICE CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH SEPTEMBER , 2007**

	CAPITAL RESERVE	ACCUMULATED DEFICIT	SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30TH SEPTEMBER , 2007			
BALANCE AS AT 1ST OCTOBER, 2006	\$ 7,181,390	\$ (414,736,515)	\$ (407,555,125)
PROFIT FOR THE YEAR		\$ 273,330	\$ 273,330
BALANCE AS AT 30TH SEPTEMBER , 2007	\$ 7,181,390	\$ (414,463,186)	\$ (407,281,796)
FOR THE YEAR ENDED 30TH SEPTEMBER , 2006			
BALANCE AS AT 1ST OCTOBER, 2005	\$ 7,181,390	\$ (200,682,272)	\$ (193,500,882)
PRIOR YEAR ADJUSTMENT - SEE NOTE 16		\$ (222,177,191)	\$ (222,177,191)
PROFIT FOR THE YEAR		\$ 8,122,948	\$ 8,122,948
BALANCE AS AT 30TH SEPTEMBER , 2006	\$ 7,181,390	\$ (414,736,515)	\$ (407,555,125)

**PUBLIC TRANSPORT SERVICE CORPORATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER , 2007**

	2007	RESTATED 2006
OPERATING ACTIVITIES		
NET PROFIT FOR THE YEAR	\$ 273,330	\$ 8,122,948
ADJUSTMENTS TO RECONCILE NET PROFIT AFTER TAX TO NET CASH PROVIDED :		
DEPRECIATION	\$ 24,111,090	\$ 12,361,880
PROFIT ON DISPOSAL OF VEHICLES	\$ (92,502)	\$ -
PRIOR YEAR ADJUSTMENT		\$ (224,356,453)
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	\$ 24,291,918	\$ (203,871,625)
CHANGES IN WORKING CAPITAL		
NET CHANGE IN INVENTORY	\$ 435,503	\$ (7,611,977)
NET CHANGE IN SHORT TERM INVESTMENTS	\$ (23,531,470)	\$ 11,713,847
NET CHANGE IN ACCOUNTS RECEIVABLE	\$ 1,197,280	\$ (2,734,261)
NET CHANGE IN ACCOUNTS PAYABLE	\$ 21,850,158	\$ (4,511,692)
NET CHANGE IN GOVERNMENT GRANTS	\$ 51,287,200	\$ 268,515,226
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	\$ 75,530,589	\$ 61,499,517
INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	\$ (108,300,101)	\$ (22,187,099)
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	\$ (108,300,101)	\$ (22,187,099)
FINANCING ACTIVITIES		
LOANS AND BONDS	\$ 28,253,975	\$ (34,762,462)
CASH RECEIVED ON SALE OF VEHICLES	\$ 256,646	
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NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ 28,510,621	\$ (34,762,462)
	<hr/>	<hr/>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (4,258,891)	\$ 4,549,956
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	\$ 1,648,777	\$ (2,901,179)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	\$ (2,610,114)	\$ 1,648,777
	<hr/>	<hr/>
CASH ON HAND AND AT BANK	\$ 191,654	\$ 4,042,289
BANK OVERDRAFT	\$ (2,801,768)	\$ (2,393,511)
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	\$ (2,610,114)	\$ 1,648,778
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**PUBLIC TRANSPORT SERVICE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH SEPTEMBER, 2007**

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 IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS . 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, 2007**

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 GRANTS :

GOVERNMENT GRANTS ARE RECOGNIZED AS INCOME OVER THE PERIODS NECESSARY TO MATCH THEM WITH RELATED COSTS WHICH THEY ARE INTENDED TO COMPENSATE, ON A SYSTEMATIC BASIS.

GOVERNMENT GRANTS RELATED TO ASSETS AND CAPITAL EXPENDITURE ARE PRESENTED AS DEFERRED INCOME ON THE BALANCE SHEET AND THEN TRANSFERRED TO THE INCOME STATEMENT WHEN THE RELATED EXPENDITURE IS RECOGNIZED.

GOVERNMENT GRANTS RELATED TO RECURRENT EXPENDITURE ARE PRESENTED AS GOVERNMENT GRANTS ON THE INCOME STATEMENT WHEN THE RELATED EXPENDITURE IS RECOGNIZED.

(i) BONDS :

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

(j) REVENUE RECOGNITION :

REVENUE FROM THE PROVISION OF SERVICES, GOODS AND DISPOSAL OF OTHER ASSETS, IS RECOGNIZED WHEN PTSC HAS PROVIDED THE SERVICES, GOODS OR OTHER ASSETS TO THE CUSTOMER . SUCH REVENUE IS RECOGNIZED AND REPORTED IN THE PERIOD TO WHICH IT RELATES. INCOME IS RECOGNIZED AT THE POINT OF TICKET SALE.

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(continued)

3 REVENUE	2007	2006
OPERATING REVENUE		
CITY SERVICE - PORT OF SPAIN	\$ 298,470	\$ 261,484
CITY SERVICE - SAN FERNANDO	\$ 251,537	\$ 230,513
KNOW YOUR COUNTRY TOURS	\$ 118,489	\$ 59,273
MAXI FACILITY USER FEE	\$ 274,013	\$ 1,124,160
MAXI TAXI INSPECTION FEES	\$ 45,970	\$ 40,575
MAXI TAXI FEES - TRINIDAD	\$ 31,692,801	\$ 28,940,973
MAXI TAXI FEES - TOBAGO	\$ 4,119,921	\$ 2,970,485
MINISTRY OF EDUCATION- SCHOOL BUS SERVICE	\$ 10,828,753	\$ 10,625,928
MINISTRY OF SOCIAL DEVELOPMENT- PENSIONERS	\$ 5,130,000	\$ 5,130,000
MONTHLY TRAVEL	\$ 164,845	\$ 105,103
RURAL TRANSPORT SERVICE	\$ 2,108,126	\$ 229,193
SALE OF TICKETS	\$ 16,945,174	\$ 13,249,703
SPECIAL EVENTS, TOURS & CHARTERS - TRINIDAD	\$ 7,768,774	\$ 4,677,694
SPECIAL EVENTS, TOURS & CHARTERS - TOBAGO	\$ 108,692	\$ 17,762
TOBAGO SCHOOL BUS SERVICE	\$ -	\$ 2,140,604
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	\$ 79,855,565	\$ 69,803,450
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OTHER INCOME		
BANK INTEREST	\$ 1,101,839	\$ 624,840
BILLBOARD AND WALL ADVERTISEMENTS	\$ 2,200,520	\$ 1,374,878
CAR PARK	\$ 48,075	\$ 50,735
COMMERCIAL SERVICES	\$ 162,500	\$ 7,500
CONCESSIONAIRE BOOTHS	\$ 2,246,126	\$ 2,154,556
DIFFERENTLY ABLED	\$ 2,260	\$ 1,727
DISTRIBUTION FEES	\$ 20,756	\$ 20,756
INSURANCE CLAIMS	\$ 86,376	\$ 1,291
MOBILE ADVERTISING	\$ -	\$ 243,600
MISCELLANEOUS - TOBAGO	\$ 485	\$ 400
MISCELLANEOUS - TRINIDAD	\$ 33,071	\$ 61,142
PUBLIC SERVICE VEHICLE LICENSE FEE	\$ 82,500	\$ 75,000
SALE OF ASSETS	\$ 7,694	\$ 9,241
PROFIT ON DISPOSAL OF VEHICLES	\$ 92,502	\$ -
SALE OF ASSETS - TOBAGO	\$ 81	\$ -
SHORT TERM RENTAL	\$ 19,440	\$ 53,543
TENANCY CONTRACTS	\$ 4,875	\$ 47,284
TRAINING SERVICES	\$ 239,814	\$ 169,434
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	\$ 6,348,912	\$ 4,895,926
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TOTAL INCOME	<hr/> \$ 86,204,477 <hr/>	<hr/> \$ 74,699,376 <hr/>

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(continued)

	2007	2006
4 COST OF OPERATIONS		
DEPRECIATION	\$ 22,170,159	\$ 10,728,837
FUEL AND OIL	\$ 5,765,710	\$ 4,883,817
INSURANCE	\$ 2,611,298	\$ 1,235,562
MAXI TAXI DIRECT EXPENSES	\$ 33,311,560	\$ 28,090,476
REPAIRS AND MAINTENANCE	\$ 14,945,617	\$ 6,107,276
SALARIES AND WAGES	\$ 40,554,660	\$ 29,636,939
TICKETS	\$ 444,985	\$ 251,509
UNIFORMS	\$ 524,978	\$ 8,500
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	\$ 120,328,966	\$ 80,942,915
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5 DISTRIBUTION EXPENSES		
ADVERTISING AND PROMOTIONS	\$ 688,782	\$ 682,635
BAD DEBTS	\$ 8,042,128	\$ -
DONATIONS	\$ 120,030	\$ 75,120
MOTOR VEHICLES EXPENSE	\$ 27,548	\$ 62,538
TRAVELING	\$ 589,141	\$ 341,526
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	\$ 9,467,629	\$ 1,161,819
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6 ADMINISTRATIVE EXPENSES		
ACCOUNTING FEES	\$ -	\$ 278,250
AUDIT FEES	\$ 120,000	\$ 60,000
DEPRECIATION EXPENSE	\$ 1,940,931	\$ 1,633,043
DIRECTORS' FEES AND EXPENSES	\$ 337,200	\$ 340,200
ELECTRICITY	\$ 1,313,952	\$ 1,047,870
FREIGHT	\$ 790,788	\$ 816,036
INSURANCE	\$ 1,050,881	\$ 1,659,083
LAND AND BUILDING TAXES	\$ 337,475	\$ 307,416
MAXI TAXI USER FEE	\$ 69,243	\$ 245,876
OFFICE EXPENSES	\$ 916,160	\$ 311,261
PENSIONS	\$ 5,579,594	\$ 5,508,855
PROFESSIONAL AND LEGAL FEES	\$ 2,086,296	\$ 2,519,824
RENT	\$ 407,984	\$ 377,743
REPAIRS	\$ 2,256,603	\$ 3,275,079
SALARIES AND WAGES	\$ 18,494,016	\$ 14,765,206
SECURITY	\$ 5,372,429	\$ 3,519,222
SEVERANCE	\$ 3,986,943	\$ 1,259,278
STATIONERY	\$ 635,573	\$ 319,809
TELEPHONE	\$ 777,598	\$ 586,709
TRAINING	\$ 444,655	\$ 236,090
WATER RATES	\$ 112,945	\$ 134,887
	<hr/>	<hr/>
	\$ 47,031,266	\$ 39,201,736
	<hr/>	<hr/>
7 FINANCE COST		
BANK CHARGES	\$ 27,229	\$ 27,007
LOAN AND BOND INTEREST	\$ 24,084,444	\$ 16,885,773
OVERDRAFT INTEREST	\$ 155,911	\$ 496,744
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	\$ 24,267,583	\$ 17,409,523
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PUBLIC TRANSPORT SERVICE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
 (continued)

8 PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	PLANT & EQUIPMENT	REVENUE VEHICLES	NON-REVENUE VEHICLES	FURNITURE & FITTINGS	TOTAL
ORIGINAL COST							
COST AT 30/09/2006	\$ 23,617,393	\$ 75,353,259	\$ 16,372,394	\$ 209,926,315	\$ 2,807,906	\$ 6,532,614	\$ 334,609,881
ADDITIONS	\$ -	\$ 2,229,379	\$ 1,198,417	\$ 104,194,511	\$ 539,689	\$ 138,105	\$ 108,300,101
DISPOSALS					\$ (375,187)		\$ (375,187)
COST AT 30/09/2007	\$ 23,617,393	\$ 77,582,638	\$ 17,570,812	\$ 314,120,827	\$ 2,972,407	\$ 6,670,719	\$ 442,534,795
ACCUMULATED DEPRECIATION							
BALANCE B/F 30/09/2006	\$ -	\$ (74,286,682)	\$ (14,123,680)	\$ (180,261,939)	\$ (2,546,129)	\$ (6,190,743)	\$ (277,409,173)
CHARGE FOR THE PERIOD	\$ -	\$ (174,658)	\$ (1,383,420)	\$ (22,170,159)	\$ (280,578)	\$ (102,276)	\$ (24,111,090)
DISPOSALS					\$ 211,043		\$ 211,043
BALANCE C/F 30/09/2007	\$ -	\$ (74,461,340)	\$ (15,507,099)	\$ (202,432,098)	\$ (2,615,664)	\$ (6,293,019)	\$ (301,309,220)
NET BOOK VALUE							
AS AT 30/09/2007	\$ 23,617,393	\$ 3,121,298	\$ 2,063,712	\$ 111,688,729	\$ 356,743	\$ 377,699	\$ 141,225,575
AS AT 30/09/2006	\$ 23,617,393	\$ 1,066,576	\$ 2,248,714	\$ 29,664,377	\$ 261,777	\$ 341,870	\$ 57,200,708

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(continued)

	2007	2006
9 INVENTORY		
OIL STOCK	\$ 52,693	\$ 77,420
FUEL STOCK	\$ 202,866	\$ 238,914
TRADER TICKETS	\$ 98,439	\$ 129,052
TIRES	\$ 1,081,173	\$ 890,889
SPARES	\$ 12,501,301	\$ 12,548,430
STATIONERY	\$ -	\$ 177,303
MATERIALS	\$ 38,836	\$ 262,554
UNIFORMS	\$ -	\$ 86,250
	<hr/>	<hr/>
	\$ 13,975,309	\$ 14,410,812
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10 DEBTORS AND PREPAYMENTS		
TRADE DEBTORS	\$ 16,035,105	\$ 9,914,293
PROVISION FOR BAD DEBTS	\$ (8,042,128)	\$ -
PREPAYMENTS	\$ 626,633	\$ 260,045
EMPLOYEE LOANS	\$ 517,988	\$ 386,174
VAT	\$ 1,420,756	\$ 1,195,122
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	\$ 10,558,354	\$ 11,755,633
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11 SHORT-TERM INVESTMENTS		
REPUBLIC BANK LIMITED	\$ 16,977,074	\$ 4,720,066
UNIT TRUST CORPORATION	\$ 13,732,049	\$ 2,457,588
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	\$ 30,709,124	\$ 7,177,654
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12 CASH ON HAND AND AT BANK		
PETTY CASH FLOATS	\$ 20,700	\$ 20,700
REPUBLIC BANK LIMITED	\$ 170,954	\$ 266,122
FIRST CITIZEN'S BANK LIMITED	\$ -	\$ 3,755,466
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	\$ 191,654	\$ 4,042,289
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**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2007
(continued)**

	2007	2006
13 CAPITAL RESERVES		
CAPITAL RESERVE	\$ 7,181,390	\$ 7,181,390
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	<u>\$ 7,181,390</u>	<u>\$ 7,181,390</u>
14 BANK OVERDRAFT		
REPUBLIC BANK LIMITED	\$ 1,872,126	\$ 2,393,511
FIRST CITIZEN'S BANK LIMITED	\$ 929,642	\$ -
	<hr/>	<hr/>
	<u>\$ 2,801,768</u>	<u>\$ 2,393,511</u>
15 CREDITORS		
TRADE CREDITORS	\$ 3,369,775	\$ 2,089,500
STATUTORY DEDUCTIONS	\$ 604,083	\$ 382,140
ACCRUALS	\$ 24,753,332	\$ 4,405,392
	<hr/>	<hr/>
	<u>\$ 28,727,190</u>	<u>\$ 6,877,032</u>

16 PRIOR YEAR ADJUSTMENTS

CHANGE IN ACCOUNTING POLICY

THE CORPORATION HAS ADOPTED A STRINGENT APPROACH TO THE APPLICATION OF INTERNATIONAL ACCOUNTING STANDARD 20 "ACCOUNTING FOR GOVERNMENT GRANTS". PREVIOUSLY ALL FUNDS RECEIVED FROM THE GOVERNMENT WERE CREDIT TO THE INCOME STATEMENT BUT IAS 20 STATES THAT GOVERNMENT GRANTS RELATED TO ASSETS, CAPITAL EXPENDITURE AND RECURRENT EXPENDITURE SHOULD BE PRESENTED AS DEFERRED INCOME ON THE BALANCE SHEET AND THEN TRANSFERRED TO THE INCOME STATEMENT WHEN THE RELATED EXPENDITURE IS RECOGNIZED. TO CONFORM WITH THIS REQUIREMENT THE COMPARATIVE YEAR 2006 WAS RESTATED AND ALL OF THE EXTERNAL LOANS AND BONDS RECEIVED IN PRIOR YEARS WERE TREATED AS GOVERNMENT GRANTS STILL TO BE TRANSFERRED TO THE INCOME STATEMENT. THEREFORE \$224,356,453 WAS TRANSFERRED TO THE GOVERNMENT GRANTS ACCOUNT (DEFERRED INCOME) AND THE ACCUMULATED LOSSES ACCOUNT ADJUSTED.

CORRECTION OF PRIOR YEAR ERROR

DEPRECIATION WAS ERRONEOUSLY CHARGED ON LAND IN A PRIOR YEAR. THIS CHARGE OF \$2,179,262 HAS BEEN REVERSED .

ADOPTION OF IAS 20	\$ 224,356,453
CORRECTION OF ERROR	\$ (2,179,262)
TOTAL PRIOR YEAR ADJUSTMENT	<u>\$ 222,177,191</u>

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(continued)

		2007	2006
17 LOANS AND BONDS			
BONDS			
1	CITICORP TT \$40 MILLION BOND ISSUE	\$ 5,882,353	\$ 8,235,294
2	FINCOR TT \$75.3 MILLION BOND ISSUE	\$ 31,836,463	\$ 37,142,543
3	CITICORP TT \$130.1 MILLION BOND ISSUE	\$ 53,878,950	\$ 58,189,267
4	FINCOR TT \$42 MILLION BOND ISSUE	\$ 11,653,986	\$ 17,481,032
5	FCB LTD. TT \$20 MILLION BOND ISSUE	\$ 2,325,827	\$ 6,977,479
6	FCB LTD. TT \$93.6 MILLION BOND ISSUE	\$ 81,159,248	\$ 87,402,267
TOTAL BONDS		\$ 186,736,827	\$ 215,427,882
LOANS			
7	FIRST CITIZEN'S BANK LIMITED - 25 MILLION	\$ 5,357,143	\$ 8,928,571
8	FIRST CITIZEN'S BANK LIMITED - 66 MILLION	\$ 60,516,459	\$ -
TOTAL LOANS		\$ 65,873,602	\$ 8,928,571
TOTAL LOANS AND BONDS		\$ 252,610,428	\$ 224,356,453
CURRENT - PORTION		\$ 45,471,060	\$ 40,496,650
LONG TERM PORTION		\$ 207,139,368	\$ 183,859,803

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, 2007
(continued)

17 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 INTEREST WOULD BE REPAYED. INTEREST PAYMENTS ARE SEMI-ANNUAL, DUE IN JUNE AND DECEMBER EACH YEAR. THE PRINCIPAL IS PAYABLE IN FORTY-FOUR SEMI-ANNUAL PAYMENTS OF \$2,155,158 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 INTEREST WOULD BE REPAYED. INTEREST PAYMENTS ARE SEMI-ANNUAL. THE PRINCIPAL IS PAYABLE FROM MAY 2001. 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 INTEREST WOULD BE REPAYED. 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 , 2007
(continued)**

**17 LOANS AND BONDS
(continued)**

- 7 THIS LOAN OF TT **25 MILLION** 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 OF TT **66.6 MILLION** WAS GRANTED BY FIRST CITIZENS' BANK LIMITED . IT IS REPAYABLE OVER 5 YEARS AND IT BEARS INTEREST AT 8% PER ANNUM. THIS LOAN IS TO BE REPAYED BY SEMI-ANNUAL INSTALLMENTS OF \$6,604,290.00 EXCLUSIVE OF INTEREST. THIS LOAN WAS TAKEN TO PURCHASE FIFTY BUSES.

18 CONTINGENT LIABILITIES AND COMMITMENTS

AT THE YEAR END , THE CORPORATION HAD CONTINGENT LIABILITIES OF \$5.6 MILLION (\$5.5M 2006) ARISING IN THE ORDINARY COURSE OF BUSINESS.

19 TAXATION

TAXATION HAS NOT BEEN PROVIDED FOR IN THE FINANCIAL STATEMENTS . 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 TRANSPORT SERVICE CORPORATION IS EXEMPTED FROM THE PAYMENT OF BUSINESS LEVY.

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(continued)

20 GOVERNMENT GRANTS RECEIVED	2007	2006
ACQUISITION OF BUSES	\$ 44,238,038	\$ 19,472,871
ADVERTISING AND PROMOTIONS	\$ 200,000	\$ -
PSIP- CONSTRUCTION PROJECTS	\$ 4,641,962	\$ -
ARREARS OF WAGES	\$ 2,500,000	\$ 5,058,373
CONTRACT EMPLOYMENT	\$ 10,300,000	\$ -
FEES	\$ 1,680,000	\$ 433,630
FLEET MAINTENANCE	\$ 21,977,224	\$ 9,000,000
IT DEVELOPMENT PROJECT	\$ 1,500,000	\$ 730,598
LAND & BUILDING TAXES	\$ 400,000	\$ -
LOANS AND BONDS - 20M BOND	\$ 5,195,612	\$ 5,630,542
LOANS AND BONDS - CITICORP 130.1M 06/21	\$ 8,465,408	\$ 7,595,804
LOANS AND BONDS - CITICORP 40M BOND 04/03	\$ 3,227,611	\$ 3,444,926
LOANS AND BONDS - F.C. B. 10M LOAN	\$ -	\$ 2,565,849
LOANS AND BONDS - FCB 25M LOAN 05/15	\$ 4,596,293	\$ 5,051,651
LOANS AND BONDS - FINCOR 42M BOND 05/15	\$ 7,631,123	\$ 8,286,666
LOANS AND BONDS - FINCOR 75.3M BOND 05/15	\$ 8,027,753	\$ 7,667,066
LOANS AND BONDS - FCB 93.645 M BOND	\$ 11,350,843	\$ 11,307,196
MAXI TAXI SUPPORT	\$ 3,000,000	\$ 3,000,000
MINOR EQUIPMENT-P-12/13	\$ 2,330,000	\$ 310,000
OSHA	\$ 500,000	\$ -
OTHER CONTRACTED SERVICES	\$ 3,840,001	\$ 10,071,559
PAYE	\$ -	\$ 1,955,093
PENSIONS	\$ 5,300,000	\$ 5,399,999
PREPARATION OF ACCOUNTS	\$ -	\$ 250,000
REFURBISHMENT OF BUILDING	\$ 500,000	\$ 2,500,000
SECURITY	\$ 4,459,628	\$ 1,257,935
SEVERANCE	\$ 4,390,000	\$ 1,713,360
STRATEGIC PLAN	\$ -	\$ 295,218
TTEC	\$ 1,800,000	\$ 600,000
INSURANCE	\$ 4,000,000	\$ 2,000,000
TRANSFORMATION	\$ -	\$ 700,000
TRAINING	\$ 400,000	\$ -
TOTAL	\$ 166,451,497	\$ 116,298,338

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2007
(continued)

21 GOVERNMENT GRANTS RECOGNIZED AS INCOME

2007

2006

OPERATIONAL EXPENSES FUNDED BY GOVERNMENT GRANTS:

ADVERTISING AND PROMOTIONS	\$ 200,000	\$ -
PSIP- CONSTRUCTION PROJECTS	\$ 2,412,583	
ARREARS OF WAGES	\$ 2,500,000	\$ 5,058,373
CONTRACT EMPLOYMENT	\$ 10,300,000	\$ -
FEES	\$ 1,680,000	\$ 433,630
FLEET MAINTENANCE	\$ 21,977,224	\$ 9,000,000
LAND & BUILDING TAXES	\$ 400,000	\$ -
MAXI TAXI SUPPORT	\$ 3,000,000	\$ 3,000,000
OSHA	\$ 500,000	\$ -
OTHER CONTRACTED SERVICES	\$ 3,840,001	\$ 10,071,559
PAYE	\$ -	\$ 1,955,093
PENSIONS	\$ 5,300,000	\$ 5,399,999
PREPARATION OF ACCOUNTS	\$ -	\$ 250,000
REFURBISHMENT OF BUILDING	\$ 500,000	\$ 2,500,000
SECURITY	\$ 4,459,628	\$ 1,257,935
SEVERANCE	\$ 4,390,000	\$ 1,713,360
STRATEGIC PLAN	\$ -	\$ 295,218
TTEC	\$ 1,800,000	\$ 600,000
INSURANCE	\$ 4,000,000	\$ 2,000,000
TRANSFORMATION	\$ -	\$ 700,000
TRAINING	\$ 400,000	\$ -

TOTAL - RECURRENT AMOUNT	\$ 67,659,436	\$ 44,235,167
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CAPITAL PORTION OF GRANTS EXPENSED IN THIS PERIOD :

DEPRECIATION	\$ 23,420,417	\$ 11,018,626
LOAN AND BOND INTEREST	\$ 24,084,444	\$ 16,885,773
TOTAL - CAPITAL PORTION	\$ 47,504,861	\$ 27,904,399

TOTAL GOVERNMENT GRANTS RECOGNIZED AS INCOME	\$ 115,164,297	\$ 72,139,565
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22 GOVERNMENT GRANTS

BALANCE BROUGHT FORWARD	\$ 268,515,225	\$ 224,356,453
ADD AMOUNTS RECEIVED	\$ 166,451,497	\$ 116,298,338
LESS AMOUNTS TRANSFERRED TO INCOME	\$ (115,164,297)	\$ (72,139,565)
BALANCE CARRIED FORWARD	\$ 319,802,426	\$ 268,515,225