



**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, 2008**

The accompanying Financial Statements of the Public Transport Service Corporation (the Corporation) for the year ended 30<sup>th</sup> September, 2008 have been audited. The Statements comprise a Balance Sheet as at 30<sup>th</sup> September, 2008, a Statement of Income, a Statement of Changes in Equity and a Cash Flow Statement for the year ended 30<sup>th</sup> September, 2008 and Notes to the financial statements numbered 1 to 21.

**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 - \$171,642,606**

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 - \$21,798,925**

7. Year-end Stock Count sheets for inventories valued at \$21,798,925 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 30<sup>th</sup> September, 2008, 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.

**13<sup>TH</sup> JULY, 2018  
PORT OF SPAIN**



*MA*  
**MAJEED ALI  
AUDITOR GENERAL**

SS  
20180713



**PUBLIC TRANSPORT SERVICE CORPORATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH SEPTEMBER , 2008**



**PUBLIC TRANSPORT SERVICE CORPORATION  
TABLE OF CONTENTS  
FOR THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER , 2008**

<b>CONTENTS</b>	<b>PAGE NO</b>
BALANCE SHEET	3
STATEMENT OF INCOME	4
STATEMENT OF CHANGES IN EQUITY	5
CASH FLOW STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS	7 TO 18



**PUBLIC TRANSPORT SERVICE CORPORATION  
BALANCE SHEET  
AS AT 30TH SEPTEMBER, 2008**

ASSETS	NOTES	2008	2007
<b>NON - CURRENT ASSETS</b>			
PROPERTY PLANT AND EQUIPMENT	8	\$ 171,642,606	\$ 141,225,575
		<u>\$ 171,642,606</u>	<u>\$ 141,225,575</u>
<b>CURRENT ASSETS</b>			
INVENTORY	9	\$ 21,798,925	\$ 13,975,309
DEBTORS AND PREPAYMENTS	10	\$ 11,896,511	\$ 10,558,354
SHORT - TERM INVESTMENTS	11	\$ 17,824,031	\$ 30,709,124
CASH ON HAND AND AT BANK	12	\$ 1,444,590	\$ 191,654
		<u>\$ 52,964,057</u>	<u>\$ 55,434,441</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 224,606,663</b></u>	<u><b>\$ 196,660,015</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
CAPITAL RESERVES	13	\$ 7,181,390	\$ 7,181,390
ACCUMULATED DEFICIT		\$ (417,651,488)	\$ (414,463,186)
		<u>\$ (410,470,098)</u>	<u>\$ (407,281,796)</u>
<b>NON - CURRENT LIABILITIES</b>			
LOANS AND BONDS - LONG TERM PORTION	16	\$ 183,345,458	\$ 207,139,368
GOVERNMENT GRANTS	21	\$ 383,519,685	\$ 319,802,426
		<u>\$ 566,865,143</u>	<u>\$ 526,941,794</u>
<b>CURRENT LIABILITIES</b>			
BANK OVERDRAFT	14	\$ -	\$ 2,801,768
CREDITORS AND ACCRUALS	15	\$ 22,740,559	\$ 28,727,189
LOANS AND BONDS - CURRENT PORTION	16	\$ 45,471,060	\$ 45,471,060
		<u>\$ 68,211,619</u>	<u>\$ 77,000,017</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>\$ 224,606,663</b></u>	<u><b>\$ 196,660,015</b></u>

VICE CHAIRMAN

GENERAL MANAGER - ADMINISTRATION

CHAIRMAN





**PUBLIC TRANSPORT SERVICE CORPORATION  
STATEMENT OF INCOME  
FOR THE YEAR ENDED 30TH SEPTEMBER , 2008**

	NOTES	2008	2007
OPERATING INCOME	3	\$ 92,150,700	\$ 79,855,565
COST OF OPERATIONS	4	\$ (129,763,073)	\$ (120,328,966)
GROSS PROFIT / ( LOSS ) ON OPERATIONS		\$ (37,612,373)	\$ (40,473,402)
GOVERNMENT GRANTS	20	\$ 113,817,677	\$ 115,164,297
OTHER INCOME	3	\$ 5,791,909	\$ 6,348,912
DISTRIBUTION EXPENSES	5	\$ (3,177,448)	\$ (9,467,629)
ADMINISTRATIVE EXPENSES	6	\$ (64,656,041)	\$ (47,031,266)
FINANCIAL COSTS	7	\$ (17,352,026)	\$ (24,267,583)
NET PROFIT / ( LOSS ) FOR THE YEAR		\$ (3,188,302)	\$ 273,330



**PUBLIC TRANSPORT SERVICE CORPORATION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH SEPTEMBER , 2008**

	<b>CAPITAL RESERVE</b>	<b>ACCUMULATED DEFICIT</b>	<b>SHAREHOLDERS' EQUITY</b>
<b>FOR THE YEAR ENDED 30TH SEPTEMBER , 2008</b>			
BALANCE AS AT 1ST OCTOBER, 2007	\$ 7,181,390	\$ (414,463,186)	\$ (407,281,796)
PROFIT FOR THE YEAR		\$ (3,188,302)	\$ (3,188,302)
<b>BALANCE AS AT 30TH SEPTEMBER , 2008</b>	<b>\$ 7,181,390</b>	<b>\$ (417,651,488)</b>	<b>\$ (410,470,098)</b>
<b>FOR THE YEAR ENDED 30TH SEPTEMBER , 2007</b>			
BALANCE AS AT 1ST OCTOBER, 2006	\$ 7,181,390	\$ (414,736,515)	\$ (407,555,125)
PROFIT FOR THE YEAR		\$ 273,330	\$ 273,330
<b>BALANCE AS AT 30TH SEPTEMBER , 2007</b>	<b>\$ 7,181,390</b>	<b>\$ (414,463,186)</b>	<b>\$ (407,281,796)</b>



**PUBLIC TRANSPORT SERVICE CORPORATION  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH SEPTEMBER , 2008**

	2008	2007
<b>OPERATING ACTIVITIES</b>		
NET PROFIT FOR THE YEAR	\$ (3,188,302)	\$ 273,330
ADJUSTMENTS TO RECONCILE NET PROFIT AFTER TAX TO NET CASH PROVIDED :		
DEPRECIATION	\$ 25,268,754	\$ 24,111,090
PROFIT ON DISPOSAL OF VEHICLES	\$ -	\$ (92,502)
	<hr/>	<hr/>
	\$ 22,080,451	\$ 24,291,918
<b>CHANGES IN WORKING CAPITAL</b>		
NET CHANGE IN INVENTORY	\$ (7,823,616)	\$ 435,503
NET CHANGE IN SHORT TERM INVESTMENTS	\$ 12,885,093	\$ (23,531,470)
NET CHANGE IN ACCOUNTS RECEIVABLE	\$ (1,338,157)	\$ 1,197,280
NET CHANGE IN ACCOUNTS PAYABLE	\$ (5,986,630)	\$ 21,850,158
NET CHANGE IN GOVERNMENT GRANTS	\$ 63,717,259	\$ 51,287,200
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	\$ 83,534,400	\$ 75,530,589
<b>INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	\$ (55,685,786)	\$ (108,300,101)
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	\$ (55,685,786)	\$ (108,300,101)
<b>FINANCING ACTIVITIES</b>		
LOANS AND BONDS	\$ (23,793,911)	\$ 28,253,975
CASH RECEIVED ON SALE OF VEHICLES		\$ 256,647
	<hr/>	<hr/>
NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ (23,793,911)	\$ 28,510,622
<b>NET ( DECREASE ) IN CASH AND CASH EQUIVALENTS</b>		
	\$ 4,054,704	\$ (4,258,891)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	\$ (2,610,114)	\$ 1,648,777
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	\$ <b>1,444,590</b>	\$ <b>(2,610,114)</b>
<b>CASH ON HAND AND AT BANK</b>		
	\$ 1,444,590	\$ 191,654
<b>BANK OVERDRAFT</b>		
	\$ -	\$ (2,801,768)
	<hr/>	<hr/>
	\$ <b>1,444,590</b>	\$ <b>(2,610,114)</b>
	<hr/>	<hr/>



**PUBLIC TRANSPORT SERVICE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH SEPTEMBER, 2008**

**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. THE FINANCIAL STATEMENTS HAVE BEEN PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS.

**(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.

**(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.



**PUBLIC TRANSPORT SERVICE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER, 2008**

**2 SIGNIFICANT ACCOUNTING POLICES ( CONTINUED )**

**(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.

**(k) 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. THE CORPORATION IS REGISTERED FOR VALUE ADDED TAX AND GENERALLY RECEIVES VAT REFUNDS AS BUS TRAVEL IS TREATED AS A ZERO RATED SERVICE.



**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2008**  
(continued)

<b>3 REVENUE</b>	<b>2008</b>	<b>2007</b>
<b>OPERATING REVENUE</b>		
CITY SERVICE - PORT OF SPAIN	\$ 276,849	\$ 298,470
CITY SERVICE - SAN FERNANDO	\$ 416,339	\$ 251,537
KNOW YOUR COUNTRY TOURS	\$ 98,991	\$ 118,489
MAXI FACILITY USER FEE	\$ 279,554	\$ 274,013
MAXI TAXI INSPECTION FEES	\$ 48,250	\$ 45,970
MAXI TAXI FEES - TRINIDAD	\$ 36,256,387	\$ 31,692,801
MAXI TAXI FEES - TOBAGO	\$ 3,966,384	\$ 4,119,921
MINISTRY OF EDUCATION- SCHOOL BUS SERVICE	\$ 12,973,236	\$ 10,828,753
MINISTRY OF SOCIAL DEVELOPMENT- PENSIONERS	\$ 5,130,000	\$ 5,130,000
MONTHLY TRAVEL	\$ 217,290	\$ 164,845
RURAL TRANSPORT SERVICE	\$ 4,229,334	\$ 2,108,126
SALE OF TICKETS	\$ 20,447,824	\$ 16,945,174
SPECIAL EVENTS, TOURS & CHARTERS - TRINIDAD	\$ 7,734,790	\$ 7,768,774
SPECIAL EVENTS, TOURS & CHARTERS - TOBAGO	\$ 75,472	\$ 108,692
	<hr/>	<hr/>
	\$ 92,150,700	\$ 79,855,565
	<hr/>	<hr/>
<b>OTHER INCOME</b>		
BANK INTEREST	\$ 2,018,015	\$ 1,101,839
BILLBOARD AND WALL ADVERTISEMENTS	\$ 942,017	\$ 2,200,520
CAR PARK	\$ 27,381	\$ 48,075
COMMERCIAL SERVICES	\$ 6,406	\$ 162,500
CONCESSIONAIRE BOOTHS	\$ 2,238,217	\$ 2,246,126
DIFFERENTLY ABLED	\$ 4,020	\$ 2,260
DISTRIBUTION FEES	\$ 20,756	\$ 20,756
INSURANCE CLAIMS	\$ 25,094	\$ 86,376
MOBILE ADVERTISING	\$ 156,000	\$ -
MISCELLANEOUS - TOBAGO	\$ -	\$ 485
MISCELLANEOUS - TRINIDAD	\$ 26,128	\$ 33,071
PUBLIC SERVICE VEHICLE LICENSE FEE	\$ 39,000	\$ 82,500
SALE OF ASSETS	\$ 950	\$ 7,694
PROFIT ON DISPOSAL OF VEHICLES	\$ -	\$ 92,502
SALE OF ASSETS - TOBAGO	\$ 2,000	\$ 80.50
SHORT TERM RENTAL	\$ 13,838	\$ 19,440
TENANCY CONTRACTS	\$ 22,302	\$ 4,875
TRAINING SERVICES	\$ 249,786	\$ 239,814
	<hr/>	<hr/>
	\$ 5,791,909	\$ 6,348,912
	<hr/>	<hr/>
<b>TOTAL INCOME</b>	<b>\$ 97,942,609</b>	<b>\$ 86,204,477</b>
	<hr/> <hr/>	<hr/> <hr/>



**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2008**  
(continued)

	2008	2007
<b>4 COST OF OPERATIONS</b>		
DEPRECIATION	\$ 23,271,741	\$ 22,170,159
FUEL AND OIL	\$ 6,953,957	\$ 5,765,710
INSURANCE	\$ 3,810,495	\$ 2,611,298
MAXI TAXI DIRECT EXPENSES	\$ 30,143,640	\$ 33,311,560
REPAIRS AND MAINTENANCE	\$ 18,365,785	\$ 14,945,617
SALARIES AND WAGES	\$ 46,675,843	\$ 40,554,660
TICKETS	\$ 528,011	\$ 444,985
UNIFORMS	\$ 13,603	\$ 524,978
	<hr/>	<hr/>
	\$ 129,763,073	\$ 120,328,966
	<hr/>	<hr/>
<b>5 DISTRIBUTION EXPENSES</b>		
ADVERTISING AND PROMOTIONS	\$ 547,760	\$ 688,782
BAD DEBTS	\$ 1,164,823	\$ 8,042,128
DONATIONS	\$ 145,840	\$ 120,030
MOTOR VEHICLES EXPENSE	\$ 94,579	\$ 27,548
TRAVELING	\$ 1,224,446	\$ 589,141
	<hr/>	<hr/>
	\$ 3,177,448	\$ 9,467,629
	<hr/>	<hr/>
<b>6 ADMINISTRATIVE EXPENSES</b>		
AUDIT FEES	\$ 120,000	\$ 120,000
DEPRECIATION EXPENSE	\$ 1,997,013	\$ 1,940,931
DIRECTORS' FEES AND EXPENSES	\$ 851,471	\$ 337,200
ELECTRICITY	\$ 1,329,196	\$ 1,313,952
FREIGHT	\$ 1,461,247	\$ 790,788
INSURANCE	\$ 1,112,076	\$ 1,050,881
LAND AND BUILDING TAXES	\$ 313,543	\$ 337,475
MAXI TAXI USER FEE	\$ 69,627	\$ 69,243
OFFICE EXPENSES	\$ 916,697	\$ 916,160
PENSIONS	\$ 6,428,406	\$ 5,579,594
PROFESSIONAL AND LEGAL FEES	\$ 7,014,822	\$ 2,086,296
RENT	\$ 599,199	\$ 407,984
REPAIRS	\$ 6,566,155	\$ 2,256,603
SALARIES AND WAGES	\$ 22,721,351	\$ 18,494,016
SECURITY	\$ 9,148,345	\$ 5,372,429
SEVERANCE	\$ 2,186,128	\$ 3,986,943
STATIONERY	\$ 351,161	\$ 635,573
TELEPHONE	\$ 721,242	\$ 777,598
TRAINING	\$ 627,923	\$ 444,655
WATER RATES	\$ 120,438	\$ 112,945
	<hr/>	<hr/>
	\$ 64,656,041	\$ 47,031,266
	<hr/>	<hr/>
<b>7 FINANCE COST</b>		
BANK CHARGES	\$ 37,020	\$ 27,229
LOAN AND BOND INTEREST	\$ 17,281,035	\$ 24,084,444
OVERDRAFT INTEREST	\$ 33,971	\$ 155,911
	<hr/>	<hr/>
	\$ 17,352,026	\$ 24,267,583
	<hr/>	<hr/>



PUBLIC TRANSPORT SERVICE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH SEPTEMBER, 2008  
 (continued)

8 PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	PLANT & EQUIPMENT	REVENUE VEHICLES	NON-REVENUE VEHICLES	FURNITURE & FITTINGS	TOTAL
<b>ORIGINAL COST</b>							
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
ADDITIONS	\$ -	\$ 1,479,346	\$ 2,823,651	\$ 50,720,940	\$ 275,175	\$ 386,673	\$ 55,685,786
DISPOSALS							\$ -
COST AT 30/09/2008	\$ 23,617,393	\$ 79,061,984	\$ 20,394,463	\$ 364,841,767	\$ 3,247,582	\$ 7,057,391	\$ 498,220,581
<b>ACCUMULATED DEPRECIATION</b>							
BALANCE B/F 30/09/2007	\$ -	\$ (74,461,340)	\$ (15,507,099)	\$ (202,432,098)	\$ (2,615,664)	\$ (6,293,019)	\$ (301,309,220)
CHARGE FOR THE PERIOD	\$ -	\$ (248,625)	\$ (1,372,971)	\$ (23,271,741)	\$ (226,041)	\$ (149,376)	\$ (25,268,754)
DISPOSALS							\$ -
BALANCE C/F 30/09/2008	\$ -	\$ (74,709,965)	\$ (16,880,070)	\$ (225,703,839)	\$ (2,841,705)	\$ (6,442,396)	\$ (326,577,974)
<b>NET BOOK VALUE</b>							
AS AT 30/09/2008	\$ 23,617,393	\$ 4,352,019	\$ 3,514,393	\$ 139,137,928	\$ 405,878	\$ 614,996	\$ 171,642,606
AS AT 30/09/2007	\$ 23,617,393	\$ 3,121,298	\$ 2,063,712	\$ 111,688,729	\$ 356,743	\$ 377,699	\$ 141,225,575



**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2008**  
**(continued)**

	2008	2007
<b>9 INVENTORY</b>		
OIL STOCK	\$ 124,209	\$ 52,693
FUEL STOCK	\$ 204,529	\$ 202,866
TRADER TICKETS	\$ 63,567	\$ 98,439
TIRES	\$ 1,344,830	\$ 1,081,173
SPARES	\$ 20,038,591	\$ 12,501,301
MATERIALS	\$ 23,199	\$ 38,836
	<hr/>	<hr/>
	\$ 21,798,925	\$ 13,975,309
	<hr/> <hr/>	<hr/> <hr/>
<b>10 DEBTORS AND PREPAYMENTS</b>		
TRADE DEBTORS	\$ 14,208,120	\$ 16,035,105
PROVISION FOR BAD DEBTS	\$ (9,206,951)	\$ (8,042,128)
PREPAYMENTS	\$ 572,053	\$ 626,633
EMPLOYEE LOANS	\$ 409,631	\$ 517,988
VAT	\$ 5,913,657	\$ 1,420,756
	<hr/>	<hr/>
	\$ 11,896,511	\$ 10,558,354
	<hr/>	<hr/>
<b>11 SHORT-TERM INVESTMENTS</b>		
REPUBLIC BANK LIMITED	\$ 4,000,905	\$ 16,977,074
UNIT TRUST CORPORATION	\$ 13,823,126	\$ 13,732,049
	<hr/>	<hr/>
	\$ 17,824,031	\$ 30,709,124
	<hr/>	<hr/>
<b>12 CASH ON HAND AND AT BANK</b>		
PETTY CASH FLOATS	\$ 21,200	\$ 20,700
REPUBLIC BANK LIMITED	\$ 1,280,147	\$ 170,954
FIRST CITIZEN'S BANK LIMITED	\$ 143,243	\$ -
	<hr/>	<hr/>
	\$ 1,444,590	\$ 191,654
	<hr/>	<hr/>



**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2008**  
(continued)

	2008	2007
<b>13 CAPITAL RESERVES</b>		
CAPITAL RESERVE	\$ 7,181,390	\$ 7,181,390
	<u>\$ 7,181,390</u>	<u>\$ 7,181,390</u>
<b>14 BANK OVERDRAFT</b>		
REPUBLIC BANK LIMITED	\$ -	\$ 1,872,126
FIRST CITIZEN'S BANK LIMITED	\$ -	\$ 929,642
	<u>\$ -</u>	<u>\$ 2,801,768</u>
<b>15 CREDITORS</b>		
TRADE CREDITORS	\$ 3,033,604	\$ 3,369,775
STATUTORY DEDUCTIONS	\$ 946,104	\$ 604,083
ACCRUALS	\$ 18,760,851	\$ 24,753,332
	<u>\$ 22,740,559</u>	<u>\$ 28,727,190</u>



**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2008**  
**(continued)**

		2008	2007
<b>16 LOANS AND BONDS</b>			
<b>BONDS</b>			
1	CITICORP TT \$40 MILLION BOND ISSUE	\$ 3,529,412	\$ 5,882,353
2	FINCOR TT \$75.3 MILLION BOND ISSUE	\$ 26,530,383	\$ 31,836,463
3	CITICORP TT \$130.1 MILLION BOND ISSUE	\$ 49,568,634	\$ 53,878,950
4	FINCOR TT \$42 MILLION BOND ISSUE	\$ 5,826,940	\$ 11,653,986
5	FCB LTD. TT \$20 MILLION BOND ISSUE	\$ -	\$ 2,325,827
6	FCB LTD. TT \$93.6 MILLION BOND ISSUE	\$ 74,916,229	\$ 81,159,248
TOTAL BONDS		\$ 160,371,598	\$ 186,736,827
<b>LOANS</b>			
7	FIRST CITIZEN'S BANK LIMITED - 25 MILLION	\$ 1,785,714	\$ 5,357,143
8	FIRST CITIZEN'S BANK LIMITED - 66 MILLION	\$ 52,834,320	\$ 60,516,459
9	REPUBLIC BANK LIMITED - 14 MILLION	\$ 13,824,886	\$ -
TOTAL LOANS		\$ 68,444,920	\$ 65,873,602
TOTAL LOANS AND BONDS		\$ 228,816,518	\$ 252,610,428
CURRENT - PORTION		\$ 45,471,060	\$ 45,471,060
LONG TERM PORTION		\$ 183,345,458	\$ 207,139,368

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 , 2008**  
**(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 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 , 2008**  
**(continued)**

**16 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.
  
- 9 THIS LOAN OF TT **14 MILLION** WAS GRANTED BY REPUBLIC BANK LIMITED . IT IS REPAYABLE AFTER 1 YEAR AND IT BEARS INTEREST AT 8.75% PER ANNUM. THIS INTEREST IS PAID SEMI-ANNUALLY . THIS LOAN WAS TAKEN TO PURCHASE TWENTY-FIVE BUSES.

**17 CONTINGENT LIABILITIES AND COMMITMENTS**

AT THE YEAR END , THE CORPORATION HAD CONTINGENT LIABILITIES OF \$6.08 MILLION ( \$5.6M 2007) ARISING IN THE ORDINARY COURSE OF BUSINESS.

**18 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, 2008**  
**(continued)**

<b>19 GOVERNMENT GRANTS RECEIVED</b>	<b>2008</b>	<b>2007</b>
ACQUISITION OF BUSES	\$ 30,000,000	\$ 44,238,038
ADVERTISING AND PROMOTIONS	\$ -	\$ 200,000
PSIP- CONSTRUCTION PROJECTS	\$ 8,900,000	\$ 4,641,962
ARREARS OF WAGES	\$ 3,000,000	\$ 2,500,000
CONTRACT EMPLOYMENT FEES	\$ 14,490,000	\$ 10,300,000
FLEET MAINTENANCE	\$ 600,000	\$ 1,680,000
IT DEVELOPMENT PROJECT	\$ 23,900,000	\$ 21,977,224
LAND & BUILDING TAXES	\$ 1,100,000	\$ 1,500,000
LOANS AND BONDS - 20M BOND	\$ 375,000	\$ 400,000
LOANS AND BONDS - CITICORP 130.1M 06/21	\$ 2,434,856	\$ 5,195,612
LOANS AND BONDS - CITICORP 40M BOND 04/03	\$ 8,470,624	\$ 8,465,408
LOANS AND BONDS - FCB 25M LOAN 05/15	\$ 2,970,867	\$ 3,227,611
LOANS AND BONDS - FINCOR 42M BOND 05/15	\$ 4,140,937	\$ 4,596,293
LOANS AND BONDS - FINCOR 75.3M BOND 05/15	\$ 6,978,275	\$ 7,631,123
LOANS AND BONDS - FCB 93.645 M BOND	\$ 7,830,646	\$ 8,027,753
LOANS AND BONDS - FCB 66 M LOAN	\$ 10,992,106	\$ 11,350,843
MAXI TAXI SUPPORT	\$ 17,923,613	\$ -
MINOR EQUIPMENT-P-12/13	\$ 3,190,017	\$ 3,000,000
OSHA	\$ 5,400,000	\$ 2,330,000
OTHER CONTRACTED SERVICES	\$ -	\$ 500,000
PENSIONS	\$ 2,450,000	\$ 3,840,001
REFURBISHMENT OF BUILDING SECURITY	\$ 6,100,000	\$ 5,300,000
SEVERANCE	\$ -	\$ 500,000
TTEC	\$ 8,150,000	\$ 4,459,628
INSURANCE	\$ 2,385,000	\$ 4,390,000
TRAINING	\$ 352,996	\$ 1,800,000
	\$ 5,000,000	\$ 4,000,000
	\$ 400,000	\$ 400,000
<b>TOTAL</b>	<b>\$ 177,534,937</b>	<b>\$ 166,451,497</b>



**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER , 2008**  
**(continued)**

<b>20 GOVERNMENT GRANTS RECOGNIZED AS INCOME</b>	<b>2008</b>	<b>2007</b>
OPERATIONAL EXPENSES FUNDED BY GOVERNMENT GRANTS:		
ADVERTISING AND PROMOTIONS	\$ -	\$ 200,000
PSIP- CONSTRUCTION PROJECTS	\$ -	\$ 2,412,583
ARREARS OF WAGES	\$ 3,000,000	\$ 2,500,000
CONTRACT EMPLOYMENT	\$ 14,490,000	\$ 10,300,000
FEES	\$ 600,000	\$ 1,680,000
FLEET MAINTENANCE	\$ 23,900,000	\$ 21,977,224
LAND & BUILDING TAXES	\$ 375,000	\$ 400,000
MAXI TAXI SUPPORT	\$ 3,190,017	\$ 3,000,000
OSHA	\$ -	\$ 500,000
OTHER CONTRACTED SERVICES	\$ 2,450,000	\$ 3,840,001
PAYE	\$ -	\$ -
PENSIONS	\$ 6,100,000	\$ 5,300,000
PREPARATION OF ACCOUNTS	\$ -	\$ -
REFURBISHMENT OF BUILDING	\$ -	\$ 500,000
SECURITY	\$ 8,150,000	\$ 4,459,628
SEVERANCE	\$ 2,385,000	\$ 4,390,000
STRATEGIC PLAN	\$ -	\$ -
TTEC	\$ 352,996	\$ 1,800,000
INSURANCE	\$ 5,000,000	\$ 4,000,000
TRANSFORMATION	\$ -	\$ -
TRAINING	\$ 400,000	\$ 400,000
<b>TOTAL - RECURRENT AMOUNT</b>	<b>\$ 70,393,013</b>	<b>\$ 67,659,436</b>
CAPITAL PORTION OF GRANTS EXPENSED IN THIS PERIOD :		
DEPRECIATION	\$ 26,143,630	\$ 23,420,417
LOAN AND BOND INTEREST	\$ 17,281,035	\$ 24,084,444
<b>TOTAL - CAPITAL PORTION</b>	<b>\$ 43,424,665</b>	<b>\$ 47,504,861</b>
<b>TOTAL GOVERNMENT GRANTS RECOGNIZED AS INCOME</b>	<b>\$ 113,817,678</b>	<b>\$ 115,164,297</b>
<b>21 GOVERNMENT GRANTS</b>		
BALANCE BROUGHT FORWARD	\$ 319,802,426	\$ 268,515,225
ADD AMOUNTS RECEIVED	\$ 177,534,937	\$ 166,451,497
LESS AMOUNTS TRANSFERRED TO INCOME	\$ (113,817,678)	\$ (115,164,297)
<b>BALANCE CARRIED FORWARD</b>	<b>\$ 383,519,685</b>	<b>\$ 319,802,426</b>