



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 2010

The accompanying Financial Statements of the Public Transport Service Corporation for the year ended 30th September, 2010 have been audited. The statements as set out on pages 1 to 18 comprise a Statement of Financial Position as at 30th September 2010, and the Statement of Comprehensive Income, a Statement of Changes in Equity and a Cash Flow Statement for the year ended 30th September 2010 and Notes to the Financial Statements numbered 1 to 19 including a summary of significant accounting policies.

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 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 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 accepted auditing standards. Those Standards 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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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

PROPERTY, PLANT AND EQUIPMENT \$229,044,830.00

6.1. The Corporation's 2010 Depreciation Policy states that a full year's depreciation is charged in the year of acquisition. The depreciation charge on additions of \$66,255,329.00 to Revenue Vehicles was pro-rated instead of a full year's charge. This resulted in an understatement of the depreciation charge by \$7,465,070.00 and an overstatement of the above figure by \$7,465,070.00.

6.2 There was a difference of \$3,706,357.00 between the amount of \$10,000,996.00 shown as additions to buildings in the schedule presented for audit and the figure of \$6,294,609.00 stated at Note 8 to the financial statements. Management has stated that the difference represented the cost of work in progress which was incorrectly deducted from building cost. Documentary evidence to verify the work in progress was not made available for audit at a subsequent review.

6.3 International Accounting Standard 16 requires that an entity use the cost model or revaluation model as its accounting policy which shall be applied to an entire class of property, plant and equipment. In addition the Standard states that after recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount. The carrying amount of Land and Buildings shown at Note 8 to the financial statements includes valuation and cost measurements. The valuations are dated back to the year 1973. Note 2 (d) to the financial statements is relevant.

INVENTORY \$32,646,588.00

7. Stock count sheets were not presented for audit. The above balance of \$32,646,588.00 was therefore not verified.

QUALIFIED OPINION

8. In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion at paragraphs 6.1 to 7 above, the financial statements present fairly, in all material respects the financial position of the Public Transport Service Corporation as at 30th September 2010 and 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.

**5th October, 2018
PORT OF SPAIN**

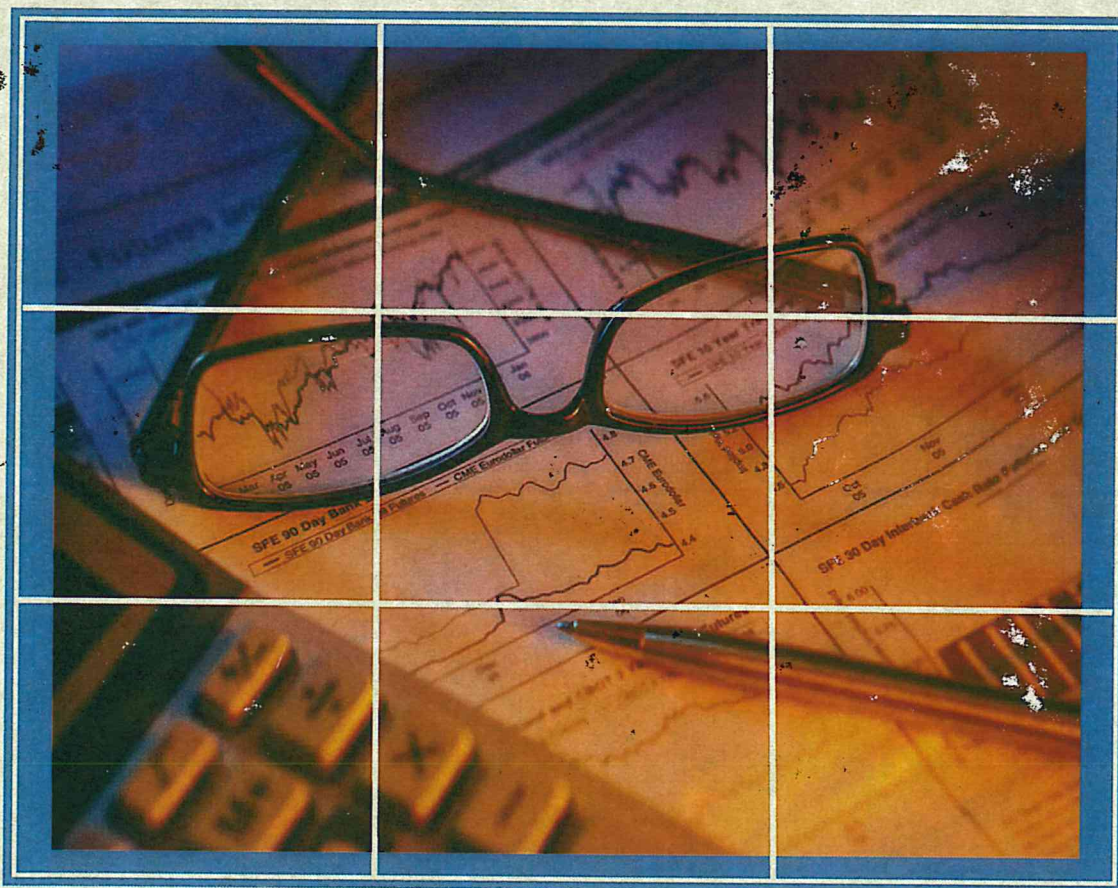


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AUDITOR GENERAL**

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2018.10.05



PUBLIC TRANSPORT SERVICE CORPORATION



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2010


**PUBLIC TRANSPORT SERVICE CORPORATION
TABLE OF CONTENTS
FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2010**

CONTENTS	PAGE NO
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF COMPREHENSIVE INCOME	4
STATEMENT OF CHANGES IN EQUITY	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 TO 18


PUBLIC TRANSPORT SERVICE CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 30-Sep-2010

ASSETS	Notes	AS AT 30-Sep-2010	AS AT 30-Sep-2009
NON - CURRENT ASSETS			
PROPERTY PLANT AND EQUIPMENT	8	229,044,830	184,509,751
CURRENT ASSETS			
INVENTORY	9	32,646,588	32,130,514
DEBTORS AND PREPAYMENTS	10	24,669,350	17,062,867
SHORT TERM INVESTMENTS	11	10,663,283	22,073,328
CASH ON HAND AND AT BANK	12	2,280,104	3,985,999
		<u>\$ 70,259,325</u>	<u>\$ 75,252,708</u>
TOTAL ASSETS		<u>\$ 299,304,155</u>	<u>\$ 259,762,459</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
CAPITAL RESERVES	13	7,181,390	7,181,390
ACCUMULATED DEFICIT		(416,902,232)	(417,651,489)
SURPLUS/DEFICIT for PERIOD		(4,912,143)	719,166
		<u>\$ (414,632,985)</u>	<u>\$ (409,750,933)</u>
NON-CURRENT LIABILITIES			
LOANS & BONDS - LONG TERM	15	116,645,581	189,782,927
GOVERNMENT GRANTS	17	488,647,925	441,378,178
		<u>\$ 605,293,505</u>	<u>\$ 631,161,105</u>
CURRENT LIABILITIES			
BANK OVERDRAFT	12	0	9
CREDITORS AND ACCRUALS	14	79,575,639	38,352,277
LOANS AND BONDS - CURRENT	16	29,067,995	0
		<u>108,643,635</u>	<u>38,352,286</u>
TOTAL EQUITY AND LIABILITIES		<u>\$ 299,304,155</u>	<u>\$ 259,762,458</u>

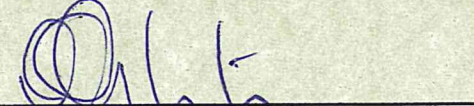




 VICE CHAIRMAN



 CHAIRMAN



 GENERAL MANAGER

**PUBLIC TRANSPORT SERVICE CORPORATION
STATEMENT OF COMPREHENSIVE INCOME**

For the Period Ended 30-Sep-10

	Notes	YEAR TO 30-Sep-2010	YEAR TO 30-Sep- 2009
OPERATING INCOME	3	98,447,292	99,261,632
COST OF OPERATIONS	4	(166,258,127)	(155,247,448)
GROSS PROFIT/(LOSS) ON OPERATIONS		(67,810,834)	(55,985,816)
GOVERNMENT GRANTS	16	148,600,941	133,065,613
OTHER INCOME	3	6,441,587	4,052,165
DISTRIBUTION EXPENSES	5	(2,800,080)	(1,756,486)
ADMINISTRATIVE EXPENSES	6	(78,600,594)	(62,769,765)
FINANCIAL COSTS	7	(10,743,162)	(15,886,544)
NET SURPLUS/(DEFICIT)		<u>\$ (4,912,143)</u>	<u>\$ 719,166</u>

**PUBLIC TRANSPORT SERVICE CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH SEPTEMBER , 2010**

	CAPITAL RESERVE	ACCUMULATED DEFICIT	SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30TH SEPTEMBER , 2010			
BALANCE AS AT 1ST OCTOBER, 2009	\$ 7,181,390	\$ (416,932,322)	\$ (409,750,932)
LOSS FOR THE YEAR		\$ (4,912,143)	\$ (4,912,143)
PROFIT ADJUSTMENT 2009		\$ 30,090	\$ 30,090
BALANCE AS AT 30TH SEPTEMBER , 2010	<u>\$ 7,181,390</u>	<u>\$ (421,814,375)</u>	<u>\$ (414,632,985)</u>
FOR THE YEAR ENDED 30TH SEPTEMBER , 2009			
BALANCE AS AT 1ST OCTOBER, 2008	\$ 7,181,390	\$ (417,651,488)	\$ (410,470,098)
PROFIT FOR THE YEAR		\$ 719,166	\$ 719,166
BALANCE AS AT 30TH SEPTEMBER , 2009	<u>\$ 7,181,390</u>	<u>\$ (416,932,322)</u>	<u>\$ (409,750,932)</u>

**PUBLIC TRANSPORT SERVICE CORPORATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER, 2010**

	2010	2009
OPERATING ACTIVITIES		
NET PROFIT FOR THE YEAR	\$ (4,912,143)	\$ 719,166
ADJUSTMENTS TO RECONCILE NET PROFIT AFTER TAX TO NET CASH PROVIDED :		
DEPRECIATION	\$ 30,695,071	\$ 29,297,982
PROFIT ON DISPOSAL OF VEHICLES	\$ -	\$ -
INTEREST EXPENSE	\$ 10,694,136	
	<u>\$ 36,477,063</u>	<u>\$ 30,017,149</u>
CHANGES IN WORKING CAPITAL		
NET CHANGE IN INVENTORY	\$ (516,074)	\$ (10,331,589)
NET CHANGE IN SHORT TERM INVESTMENTS	\$ 10,663,283	\$ (4,249,298)
NET CHANGE IN ACCOUNTS RECEIVABLE	\$ (7,606,483)	\$ (5,166,356)
NET CHANGE IN ACCOUNTS PAYABLE	\$ 41,253,452	\$ 15,611,718
NET CHANGE IN GOVERNMENT GRANTS	\$ 47,269,747	\$ 57,858,493
	<u>\$ 127,540,988</u>	<u>\$ 83,740,118</u>
INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	\$ (75,230,151)	\$ (42,165,127)
	<u>\$ (75,230,151)</u>	<u>\$ (42,165,127)</u>
FINANCING ACTIVITIES		
LOANS AND BONDS	\$ (54,763,487)	\$ (39,033,591)
CASH RECEIVED ON SALE OF VEHICLES		\$ -
	<u>\$ (54,763,487)</u>	<u>\$ (39,033,591)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (2,452,650)	\$ 2,541,400
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	\$ 3,985,991	\$ 1,444,590
	<u>\$ 1,533,341</u>	<u>\$ 3,985,991</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
CASH ON HAND AND AT BANK	\$ 2,280,104	\$ 3,985,991
BANK OVERDRAFT	\$ -	\$ -
	<u>\$ 2,280,104</u>	<u>\$ 3,985,991</u>

**PUBLIC TRANSPORT SERVICE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH SEPTEMBER, 2010**

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, 2010**

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 - REVENUE
For the Period Ended 30-Sep-2010

3: REVENUE	YEAR TO	YEAR TO
	30-Sep-2010	30-Sep-2009
OPERATING REVENUE		
CITY SERVICE - POS	174,402	103,559
CITY SERVICE - S'FDO	192,949	393,585
SALE OF TICKETS DCS SERVICE	2,817,900	-
KNOW YOUR COUNTRY TOURS - TRIN	122,363	28,575
MAXI FACILITY USER FEE	817,320	640,559
MAXI TAXI INSPECTION FEES	40,694	43,970
MAXI TAXI FEES - TRINIDAD	38,748,233	34,086,621
MAXI TAXI FEES - TOBAGO	4,540,367	3,974,055
MIN OF SOC DEV- PENSIONERS	5,130,000	5,130,000
MIN OF ED- SCHOOL BUS SERVICE	12,809,730	14,887,701
MONTHLY/WEEKLY TRAVEL	250,155	233,375
RTS - POS	48,700	330,766
RTS - SAN FERNANDO	1,318,290	2,153,776
RTS - POINT FORTIN	46,306	90,318
RTS - CHAGUANAS	12,849	375,588
RTS - SANGRE GRANDE	125,539	664,625
SALE OF TICKETS - CHAGUANAS	1,958,733	-
SALE OF TICKETS - POS	13,451,497	15,267,441
SALE OF TICKETS - SAN FERNANDO	5,096,236	5,871,725
SALE OF TICKETS - TOBAGO	1,399,161	1,811,766
SALE OF TICKETS - POINT FORTIN	469,857	446,359
SALE OF TICKETS - SANGRE GRAND	895,105	-
SPEC EVENTS/TOURS - TOBAGO	164,092	43,060
SPEC EVENTS/TOURS/CHARTERS	7,816,815	12,684,209
	\$ 98,447,292	\$ 99,261,632
OTHER INCOME		
BANK INTEREST	620,587	1,462,203
BILLBOARD AND WALL ADS	2,426,560	765,874
COMMERCIAL SERVICES	1,456,847	-
CONCESSIONAIRE BOOTHS	1,122,563	1,454,208
DIFFERENTLY ABLED	840	2,307
DISTRIB FEES (SCHOLAR)	6,919	20,756
OTHER MISC INC	266,552	12,857
PUB SERV VEH LICENSE FEE	42,500	39,000
SALE OF ASSETS	16,110	40,596
SHORT TERM RENTAL	33,264	15,490
TENANCY CONTRACTS	29,049	18,137
TRAINING SERVICES	419,796	204,334
	\$ 6,441,587	\$ 4,052,165
TOTAL INCOME	\$ 104,888,879	\$ 103,313,797

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - EXPENDITURE

NOTES 4,5,6 & 7
For the Period Ended 30-Sep-2010

	YEAR TO 30-Sep-2010	YEAR TO 30-Sep-2009
4 COST OF OPERATIONS		
DEP'N REVENUE VEHICLES	28,053,901	27,305,960
FUEL AND OIL - POS	5,713,399	4,945,287
FUEL AND OIL - POINTIN FORTIN	189,786	211,846
FUEL AND OIL - SAN FERNANDO	2,346,527	2,580,050
FUEL AND OIL - SANDE GRANDE	653,241	694,193
FUEL AND OIL - TOBAGO	476,737	555,788
INSURANCE - REVENUE VEHICLES	4,323,963	4,961,409
MAXI TAXI DIRECT - TRINIDAD	31,212,180	25,973,764
MAXI TAXI DIRECT - TOBAGO	3,787,197	3,539,633
REP & MAIN - REV VEH - TRINI	20,410,039	20,625,237
REP & MAIN - REV VEH - TOBAGO	3,313,169	182,519
KNOW YOUR COUNTRY TOUR - TRINI	1,605	-
SALARIES AND WAGES - CHAGUANAS	1,825,742	517,912
SALARIES AND WAGES - POS	12,583,519	6,405,040
SALARIES AND WAGES - SAN'DO	9,489,246	5,156,792
SALARIES AND WAGES - S' GRANDE	2,182,043	527,402
SALARIES AND WAGES - TOBAGO	3,928,587	1,304,411
SALARIES AND WAGES - POINT FOR	1,797,531	472,348
CONTRACT SAL WAGES - POINT FOR	417,949	456,718
CONTRACT SAL. & WAGES - CHAGUA	321,922	1,325,990
CONTRACT SAL. & WAGES - POS	21,141,948	29,551,307
CONTRACT SAL. & WAGES - SAN DO	7,226,087	10,400,617
CONTRACT SAL. & WAGES - S'GRAN	2,180,797	2,315,849
CONTRACT SAL. & WAGES - T'BGO	1,539,357	3,813,326
SUBSISTANCE ALLOWANCE - POS	241,122	239,508
SUBSISTANCE ALLOWANCE - S'FERN	66,240	59,084
SUBSISTANCE ALLOWANCE - TOBAGO	38,770	35,443
TICKETS - TRINIDAD	466,838	361,322
TICKETS - TOBAGO	19,715	66,941
UNIFORMS - ENGINEERING	2,526	5,885
UNIFORMS - OPERATIONS	287,423	494,757
UNIFORMS - POS TRANSIT CENTRE	-	21,006
UNIFORMS - POS	3,610	129,050
UNIFORMS - PROPERTIES	15,412	10,734
UNIFORMS - SAN FERNANDO	-	319
	\$ 166,258,127	\$ 155,247,448
5 DISTRIBUTION EXPENSES		
ADVERTISING & PROM - BOARD	-	31,054
ADVERTISING & PROM - CEO	4,190	16,916
ADV & PROM - CORP SECRETARY	615,050	114,243
ADV & PROM - HUMAN RECOURCE	123,158	55,481

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - EXPENDITURE

NOTES 4,5,6 & 7
For the Period Ended 30-Sep-2010

	YEAR TO 30-Sep-2010	YEAR TO 30-Sep-2009
5 DISTRIBUTION EXPENSES - CONT'D		
ADV & PROM - OPERATIONS	1,015,100	120,486
ADV & PROM - PROPERTIES	25,115	13,554
ADV & PROM - SANDE GRANDE	27,216	-
ADV & PROM - TOBAGO	-	13,230
DONATIONS	96,390	114,290
BAD DEBTS	-	375,000
MOTOR VEH EXP - BOARD	6,049	-
MOTOR VEH EXP - CEO	395	-
MOTOR VEH EXP - CORP SECRETARY	1,230	471
MOTOR VEH EXP - ENGINEERING	165,611	113,062
MOTOR VEH EXP - FIN & ACC	6,639	6,046
MOTOR VEH EXP - HUMAN RESOURCE	-	148
MOTOR VEH EXP - OPERATIONS	425	180
MOTOR VEH EXP - PROPERTIES	2,417	11,838
MOTOR VEH EXP - SAN FERNANDO	18,044	15,818
MOTOR VEH EXP - TOBAGO	335	10,372
TRAVELING - CEO	-	2,700
TRAVELING - CORP SECRETARY	25,480	58,605
TRAVELING - ENGINEERING	167,785	143,381
TRAVELING - FIN & ACC	76,192	31,666
TRAVELLING - IT DEPT	8,182	20,042
TRAVELING - HUMAN RESOURCE	183,540	284,607
TRAVELING - INTERNAL AUDIT	24,000	24,000
TRAVELING - OPERATIONS	156,561	154,573
TRAVELING - PROPERTIES	37,650	18,580
TRAVELING - SAN FERNANDO	50	-
TRAVELING - SANDE GRANDE	8,677	-
TRAVELING - TOBAGO	4,600	6,143
	\$ 2,800,080	\$ 1,756,486
6 ADMINISTRATIVE EXPENSES		
TRAVELING - BOARD	175,779	350,353
AUDIT FEES	90,550	120,000
DEPRECIATION	2,641,170	1,992,022
DIRECTORS FEES AND EXPENSES	592,641	833,400
ELECTRICITY - DCS SERVICE	52,692	29,152
ELECTRICITY - CHAGUANAS	5,696	4,850
ELECTRICITY - POS TRANSIT	540	1,807
ELECTRICITY - POS	1,810,440	1,113,754
ELECTRICITY - SAN FERNANDO	141,933	133,768
ELECTRICITY - SANDE GRANDE	122,176	191,817
ELECTRICITY - POINT FORTIN	16,978	17,369

**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - EXPENDITURE**

**NOTES 4,5,6 &7
For the Period Ended 30-Sep-2010**

	YEAR TO 30-Sep-2010	YEAR TO 30-Sep-2009
6 ADMINISTRATIVE EXPENSES - CONT'D		
ELECTRICITY - TOBAGO	37,891	36,268
FREIGHT - POS TRANSIT CENTRE	1,029,392	1,107,160
FREIGHT - TOBAGO	1,958	-
INSURANCE - DCS SERVICE	7,671	-
INSURANCE - POS TRANSIT CENTRE	1,189,239	1,210,106
LAND & BLG TAXES - POS TRANSIT	-	307,416
LAND & BLG TAXES -SAN FERNANDO	-	12,522
LAND & BLG TAXES - POINT FORTI	-	4,126
OFFICE EXP - DCS SERVICE	66,510	-
OFFICE EXP - BOARD	119,965	127,635
OFFICE EXP - CEO	19,388	267
OFFICE EXP - CORP SECRETARY	366,218	117,085
OFFICE EXP - ENGINEERING	81,693	107,613
OFFICE EXP - FIN & ACC	109,177	59,944
OFFICE EXP - HUMAN RESOURCE	154,289	170,321
OFFICE EXP - INTERNAL AUDIT	15,138	5,326
OFFICE EXP - IT DEPT	41,357	109,334
OFFICE EXP - OPERATIONS	215,038	97,172
OFFICE EXP - POS TRANSIT	6,990	18,749
OFFICE EXP - PROPERTIES	35,597	24,512
OFFICE EXP - SAN FERNANDO	36,929	60,286
OFFICE EXP - SANGRE GRANDE	8,523	3,550
OFFICE EXP - POINT FORTIN	1,195	4,000
OFFICE EXP - CHAGUANAS	475	2,871
OFFICE EXP - TOBAGO	33,886	49,331
PENSIONS - HUMAN RESOURCE	6,139,163	6,203,082
PROF & LEGAL FEES - ARIMA	-	600
PROF & LEGAL FEES - BOARD	-	125,000
PROF & LEGAL FEES - GEO	28,000	-
PROF & LEGAL FEES - CORP SEC	360,783	5,198,460
PROF & LEGAL FEES - FIN & ACC	353,059	213,850
PROF & LEGAL FEES - H R	1,157,427	400,606
PROF & LEGAL FEES - OPERATIONS	285,600	239,600
PROF & LEGAL FEES -POS TRANSIT	-	42,947
PROF & LEGAL FEES - SAN'DO	-	120
PROF & LEGAL FEES - TOBAGO	240	2,040
RENT - CORP SECRETARY	73,248	87,282
RENT - ENGINEERING	526,274	577,242
RENT - FIN & ACC	88,728	92,622
RENT - HUMAN RESOURCE	2,155	19,438
RENT - OPERATIONS	35,000	43,100

**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - EXPENDITURE**

**NOTES 4,5,6 &7
For the Period Ended 30-Sep-2010**

	YEAR TO 30-Sep-2010	YEAR TO 30-Sep-2009
6 ADMINISTRATIVE EXPENSES - CONT'D		
RENT - POPERTIES	19,020	4,469
RENT - SAN FERNANDO	51,300	42,001
RENT - SANGRE GRANDE	2,880	-
RENT - TOBAGO	70,279	83,196
REPAIRS - DCS SERVICE	733,089	-
REPAIRS - BOARD	-	28,842
REPAIRS - CEO	80,862	950
REPAIRS - CORP SECRETARY	37,110	188,648
REPAIRS - ENGINEERING	1,080,347	1,742,465
REPAIRS - FIN & ACC	362,504	63,471
REPAIRS - HUMAN RESOURCE	9,607	34,044
REPAIRS - INTERNAL AUDIT	-	645
REPAIRS - OPERATIONS	168,407	332,199
REPAIRS - POS TRANSIT CENTRE	716,937	40,623
REPAIRS - PROPERTIES	3,287,416	607,740
REPAIRS - IT DEPT	386,564	257,463
REPAIRS - SAN FERNANDO	806,549	289,493
REPAIRS - SANGRE GRANDE	854,667	39,105
REPAIRS - POINT FORTIN	42,386	25,050
REPAIRS - CHAGUANAS	6,591	7,946
REPAIRS - TOBAGO	74,646	60,616
SALARIES & WAGES - CHAGUANAS	36,696	28
SALARIES & WAGES - CEO	102,272	93,645
SALARIES & WAGES - CORP SEC	454,360	274,635
SALARIES & WAGES - ENGINEERING	1,313,879	1,279,568
SALARIES & WAGES - FIN & ACC	1,611,254	1,456,963
SALARIES & WAGES - H R	56,986	-
SALARIES & WAGES - IT DEPT	9,036	-
SALARIES & WAGES - INT AUDIT	107,077	214,388
SALARIES & WAGES - OPERATIONS	665,325	308,680
SALARIES & WAGES - POS TRANSIT	33,094	-
SALARIES & WAGES - PROPERTIES	98,919	68,790
SALARIES & WAGES - SAN'DO	287,617	328,604
SALARIES & WAGES -SANDE GRANDE	425	-
SALARIES & WAGES - POINT FORTI	36,194	80,637
CONTRACT & WAGES - POINT FORTI	269,114	201,953
CONTRACT SAL. & WAGES - CHAGUA	4,754	15,581
CONTRACT SAL. & WAGES-CORP SEC	424,902	394,459
CONTRACT SAL. & WAGES- ENGINEE	3,591,521	2,883,425
CONTRACT SAL. & WAGES- F & A	1,683,396	1,261,364
CONTRACT SAL. & WAGES- HR	2,073,561	1,734,736

**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - EXPENDITURE**

**NOTES 4,5,6 &7
For the Period Ended 30-Sep-2010**

	YEAR TO 30-Sep-2010	YEAR TO 30-Sep-2009
6 ADMINISTRATIVE EXPENSES - CONT'D		
CONTRACT SAL. & WAGES- IT	576,187	934,332
CONTRACT SAL. & WAGES- INT AUD	305,696	175,654
CONTRACT SAL. & WAGES- OPERATI	2,953,153	2,191,224
CONTRACT SAL. & WAGES- POS TRA	1,662,529	1,898,749
CONTRACT SAL. & WAGES- PROPERT	3,195,389	3,379,305
CONTRACT SAL. & WAGES- SAN 'DO	1,396,615	993,114
CONTRACT SAL. & WAGES- S' GRAN	376,974	114,998
CONTRACT SAL. & WAGES- T' BGO	311,726	323,083
SUBSISTANCE ALLOWANCE -DCS	60	-
SUBSISTANCE ALLOWANCE -COR SEC	-	425
SUBSISTANCE ALLOWANCE -ENGINEE	4,971	6,495
SUBSISTANCE ALLOWANCE - F & A	6,830	6,593
SUBSISTANCE ALLOWANCE - IT	526	1,452
SUBSISTANCE ALLOWANCE - INT AU	392	1,240
SUBSISTANCE ALLOWANCE - OPERAT	6,060	3,608
SUBSISTANCE ALLOWANCE - PROPER	870	2,310
SUBSISTANCE ALLOWANCE - SAN FE	1,484	408
SECURITY - CHAGUANAS	731,288	582,188
SECURITY - POS TRANSIT CENTRE	7,076,083	4,956,140
SECURITY - POS	5,429,682	4,215,784
SECURITY - SAN FERNANDO	2,264,160	757,327
SECURITY - SANDE GRANDE	828,433	656,425
SECURITY - POINT FORTIN	604,058	434,740
SECURITY - TOBAGO	401,828	394,097
SEVERANCE / GRATUITY	7,962,863	3,041,465
STATIONERY - CHAGUANAS	834	955
STATIONERY - CEO	1,471	5,548
STATIONERY - CORP SECRETARY	6,774	6,150
STATIONERY - ENGINEERING	34,292	23,381
STATIONERY - FIN & ACC	57,544	37,349
STATIONERY - HUMAN RESOURCE	17,735	92,348
STATIONERY - IT DEPT	12,908	(7,662)
STATIONERY - INTERNAL AUDIT	1,043	982
STATIONERY - OPERATIONS	44,238	12,067
STATIONERY - POS TRANSIT	1,852	2,272
STATIONERY - PROPERTIES	4,808	4,651
STATIONERY - SAN FERNANDO	21,372	24,309
STATIONERY - SANDE GRANDE	4,917	1,370
STATIONERY - POINT FORTIN	2,521	-
STATIONERY - TOBAGO	1,537	2,345
TELEPHONE - DCS SERVICE	1,027	-

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - EXPENDITURE

NOTES 4,5,6 & 7
For the Period Ended 30-Sep-2010

	YEAR TO 30-Sep-2010	YEAR TO 30-Sep-2009
6 ADMINISTRATIVE EXPENSES - CONT'D		
TELEPHONE - CHAGUANAS	15,205	10,906
TELEPHONE - BOARD	9,270	21,814
TELEPHONE - CEO	53,711	51,960
TELEPHONE - CORP SECRETARY	5,691	8,317
TELEPHONE - ENGINEERING	12,466	13,114
TELEPHONE - FIN & ACC	62,515	57,525
TELEPHONE - HUMAN RESOURCE	297,878	307,331
TELEPHONE - INTERNAL AUDIT	1,148	1,275
TELEPHONE - I T	202,838	145,027
TELEPHONE - OPERATIONS	29,561	16,135
TELEPHONE - POS TRANSIT CENTRE	1,148	1,269
TELEPHONE - PROPERTIES	3,505	4,295
TELEPHONE - SAN FERNANDO	77,183	67,817
TELEPHONE - SANDE GRANDE	14,359	15,103
TELEPHONE - POINT FORTIN	8,654	10,190
TELEPHONE - TOBAGO	43,350	60,010
TRAINING - CEO	7,575	17,360
TRAINING - CORP SECRETARY	6,000	-
TRAINING - ENGINEERING	840	-
TRAINING - FIN & ACC	37,500	500
TRAINING - HUMAN RESOURCE	116,900	28,960
TRAINING - INTERNAL AUDIT	-	9,540
TRAINING - OPERATIONS	1,046,406	302,675
TRAINING - PROPERTIES	2,950	-
WATER RATES - DCS	1,980	-
WATER RATES - POS	38,373	43,083
WATER RATES - SAN FERNANDO	14,672	16,657
WATER RATES - SANDE GRANDE	23,003	15,773
WATER RATES - POINT FORTIN	5,688	5,688
WATER RATES - TOBAGO	-	5,672
	\$ 78,383,429	\$ 62,631,509
6.01 ADMINISTRATIVE EXPENSES - USER FEE		
USER FEE CONTRIBUTION	217,165	138,256
	\$ 217,165	\$ 138,256
7 FINANCE COST		
BANK CHARGES	30,862	31,275
LOAN INTEREST - BANK	38,620	1,227,687
CITICORP \$40M BOND INTEREST	5,040	219,029
FINCOR \$75.3M BOND INTEREST	1,248,106	2,138,485
CITICORP \$130.1M BOND INTEREST	2,832,294	4,140,344
FINCOR \$42M BOND INTEREST	-	253,526

**PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - EXPENDITURE**

**NOTES 4,5,6 &7
For the Period Ended 30-Sep-2010**

	YEAR TO 30-Sep-2010	YEAR TO 30-Sep-2009
7 FINANCE COST - CONT'D		
FCB \$93.6M BOND INTEREST	3,850,575	4,222,035
FCB \$66M LOAN INTEREST	2,719,500	3,644,100
OVERDRAFT INTEREST - REPUBLIC	7,683	10,063
OVERDRAFT INTEREST - FCB	10,481	-
	<u>\$ 10,743,162</u>	<u>\$ 15,886,544</u>

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 2010
(continued)

8 PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	PLANT & EQUIPMENT	REVENUE VEHICLES	NON- REVENUE VEHICLES	FURNITURE & FITTINGS	TOTAL
ORIGINAL COST							
COST AT 30/09/2009	\$ 23,617,393	\$ 84,383,705	\$ 22,092,034	\$ 399,765,761	\$ 3,247,582	\$ 7,279,232	\$ 540,385,707
ADDITIONS	\$ -	\$ 6,294,609	\$ 1,180,590	\$ 66,255,329	\$ -	\$ 1,499,622	\$ 75,230,150
DISPOSALS							\$ -
COST AT 30/09/2010	\$ 23,617,393	\$ 90,678,314	\$ 23,272,624	\$ 466,021,090	\$ 3,247,582	\$ 8,778,854	\$ 615,615,857
ACCUMULATED DEPRECIATION							
BALANCE B/F 30/09/2009	\$ -	\$ (74,984,673)	\$ (18,308,849)	\$ (253,009,799)	\$ (2,951,624)	\$ (6,621,012)	\$ (355,875,957)
RATE	0%	5%	15%	12.50%	25%	25%	
CHARGE FOR THE PERIOD	\$ -	\$ (774,756)	\$ (1,361,951)	\$ (28,053,901)	\$ (109,919)	\$ (394,542)	\$ (30,695,070)
DISPOSALS							\$ -
BALANCE C/F 30/09/2010	\$ -	\$ (75,759,429)	\$ (19,670,800)	\$ (281,063,700)	\$ (3,061,543)	\$ (7,015,554)	\$ (386,571,027)
NET BOOK VALUE							
AS AT 30/09/2010	\$ 23,617,393	\$ 14,918,885	\$ 3,601,824	\$ 184,957,390	\$ 186,039	\$ 1,763,299	\$ 229,044,830
AS AT 30/09/2009	\$ 23,617,393	\$ 9,399,032	\$ 3,783,185	\$ 146,755,962	\$ 295,958	\$ 658,220	\$ 184,509,750

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE BALANCE SHEET - Notes 9 -17

As At 30-Sep-2010

	AS AT 30-Sep-2010	AS AT 30-Sep- 2009
9 INVENTORY		
OIL STOCK	156,813	345,031
FUEL STOCK	172,223	146,444
TRADER TICKETS	163,816	266,317
TIRES	1,707,753	1,587,253
SPARES	29,525,043	29,240,437
STATIONERY	174,209	-
MATERIALS	746,730	545,031
	\$ 32,646,588	\$ 32,130,514
10 DEBTORS & PREPAYMENTS		
DEBTORS	22,048,924	19,232,040
PROV FOR DOUBTFUL DEBTS	(8,135,825)	(9,638,201)
LOANS TO OFFICERS	230,983	218,205
VACATION ADVANCE	111,815	167,260
VAT RECEIVED	(42,670,772)	(33,601,981)
VAT INPUT RECOVERABLE	51,948,062	41,167,201
VAT ON SALES	(2,904,313)	(2,062,568)
PREPAID INSURANCE	1,342,716	1,580,910
PREPAID EXPENSES	2,697,760	-
	\$ 24,669,350	\$ 17,062,867
11 SHORT TERM INVESTMENTS		
FIXED DEPOSIT	4,497,771	4,316,191
UTC NO 1117126-1	304	307
UTC NO 1117204-1	13,589	13,702
UTC NO 2214864-2	6,151,619	17,743,129
	\$ 10,663,283	\$ 22,073,328
12 CASH ON HAND AND AT BANK INCL. O/DRAFT		
FACILITY ADMIN CASHIER	200	200
PETTY CASH HEAD OFFICE	15,000	10,000
PETTY CASH SAN FERNADO	7,500	3,000
PETTY CASH TOBAGO	8,000	8,000
REPUBLIC NO 150244235101	137,122	91,460
REPUBLIC NO 150244234301	1,170,792	896,475
REPUBLIC NO 150244241601	666	712
REPUBLIC NO 150244240801	98	(9)
FCB NO 1112882	940,726	2,976,152
	\$ 2,280,104	\$ 3,985,991
13 REVALUATION RESERVE		
REVALUATION RESERVE	(7,181,390)	(7,181,390)
	\$ (7,181,390)	\$ (7,181,390)

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE BALANCE SHEET - Notes 9 -17

As At 30-Sep-2010

	AS AT 30-Sep-2010	AS AT 30-Sep- 2009
14 CREDITORS		
CREDITORS	(5,053,105)	(4,635,978)
ACCRUALS	(58,927,951)	(18,030,472)
SALARIES PAYABLE	(1,012,548)	(826,404)
CONTRACT SALARIES PAYABLE	(804,597)	(721,833)
PENSIONS PAYABLE	(107,699)	(105,000)
SEVERANCE / GRATUTITY PAYABLE	(2,054,200)	(1,438,374)
BANK DEDUCTIONS PAYABLE	(21,751)	(13,815)
MAXI TAXI PAYABLE	(1,747,864)	(1,887,697)
PAYE PAYABLE	(508,509)	(507,897)
NIS PAYABLE	(690,770)	(555,097)
HEALTH SURCHARGE PAYABLE	(47,512)	(40,260)
UNION DUES PAYABLE	(49,483)	(46,939)
TRANSCORP CREDIT UNION	(290,150)	(259,190)
MORTGAGE DEDUCTION PAYABLE	(20,045)	(21,174)
OTHER CREDIT UNION DEDUCTIONS	(94,855)	(33,831)
INSURANCE PAYABLE	(19,385)	(25,681)
COURT MAINTENANCE	(680)	(470)
ACCRUED INTEREST	(3,475,806)	(5,272,715)
DEFERRED REVENUE	(4,648,728)	(3,916,068)
	\$ (79,575,639)	\$ (38,352,277)
15 BONDS		
FINCOR \$75.3M BOND	(10,612,143)	(21,224,303)
CITICORP \$130.1M BOND	(36,637,686)	(45,258,318)
FCB \$93.6M BOND	(56,187,171)	(68,673,210)
	\$ (103,437,001)	\$ (136,332,301)
15 LOANS		
FCB \$66M LOAN FACILITY	(13,208,580)	(39,625,740)
	\$ (13,208,580)	\$ (53,450,626)
16 LOANS/BONDS - CURRENT PORTION		
CURRENT PORTION OF LOANS AND B	(29,067,995)	-
	\$ (29,067,995)	\$ 0
17 GOVT GRANTS RECVD		
GOV'T GRANTS RECEIVED	(488,647,925)	(441,378,178)
	\$ (488,647,925)	\$ (441,378,178)

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2010
 (continued)

	2010	2009
15 LOANS AND BONDS LONG TERM		
BONDS		
1 CITICORP TT \$40 MILLION BOND ISSUE	\$ -	\$ 1,176,471
2 FINCOR TT \$75.3 MILLION BOND ISSUE	\$ 10,612,143	\$ 21,224,303
3 CITICORP TT \$130.1 MILLION BOND ISSUE	\$ 36,637,686	\$ 45,258,318
4 FINCOR TT \$42 MILLION BOND ISSUE	\$ -	\$ -
5 FCB LTD. TT \$93.6 MILLION BOND ISSUE	\$ 56,187,171	\$ 68,673,210
	<hr/>	<hr/>
TOTAL BONDS	\$ 103,437,000	\$ 136,332,301
LOANS		
6 FIRST CITIZEN'S BANK LIMITED - 25 MILLION	\$ (0)	\$ (0)
7 FIRST CITIZEN'S BANK LIMITED - 66 MILLION	\$ 13,208,580	\$ 39,625,740
8 REPUBLIC BANK LIMITED - 14 MILLION	\$ -	\$ 13,824,886
	<hr/>	<hr/>
TOTAL LOANS	\$ 13,208,580	\$ 53,450,626
	<hr/>	<hr/>
TOTAL LOANS AND BONDS LONG TERM	\$ 116,645,580	\$ 189,782,927
	<hr/>	<hr/>
15 CURRENT - PORTION	\$ 29,067,995	\$ 45,471,060
	<hr/>	<hr/>
TOTAL LOANS AND BONDS	\$ 145,713,575	\$ 144,311,867
	<hr/>	<hr/>

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 , 2010
(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 REPAID. 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 REPAID. INTEREST PAYMENTS ARE SEMI-ANNUAL . THE PRINCIPAL IS PAYABLE FROM MAY 2001. THIS BOND WAS TAKEN TO PURCHASE BUSES.

- 5 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 , 2010
(continued)**

16 LOANS AND BONDS

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 2000- 2008. THIS LOAN IS TO BE REPAID 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 2007- 2012 AND IT BEARS INTEREST AT 8% PER ANNUM. THIS LOAN IS TO BE REPAID 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.

18 CONTINGENT LIABILITIES AND COMMITMENTS

1) AT THE YEAR END , THE CORPORATION HAD CONTINGENT LIABILITIES OF(\$2.683MILLION) ARISING IN THE ORDINARY COURSE OF BUSINESS. IT SHOULD BE NOTED A LOAN FROM THE UNIT TRUST CORPORATION OF 41.3M IS BEING NEGOTIATED FOR TRANSFER TO PTSC . THIS FOLLOWS CABINET'S DECISION TO TRANSFER THE 85 YOUTONG BUSES PURCHASED BY VMCOTT TO PTSC. GOVERNMENT'S CONTRIBUTION TO THE PURCHASE OF THE BUSES WAS 25M IN DECEMBER 2009 BY WAY OF A GRANT.THIS WAS RECEIVED BY PTSC AND PAID TO VMCOTT. THE BUSES WERE TRANSFERRED TO PTSC ON 26TH AUGUST 2010.

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, 2010
(continued)

17 GOVERNMENT GRANTS RECEIVED	2010	2009
ACQUISITION OF BUSES	\$ 25,000,000	\$ 45,000,000
ADVERTISING AND PROMOTIONS	\$ 210,000	\$ 300,000
PSIP- CONSTRUCTION PROJECTS	\$ 9,060,140	\$ 4,090,106
ARREARS OF WAGES	\$ 2,200,000	\$ 3,497,210
CONTRACT EMPLOYMENT	\$ 11,287,401	\$ -
FEES	\$ 800,000	\$ 2,525,000
FLEET MAINTENANCE	\$ 43,797,212	\$ 32,150,000
IT DEVELOPMENT PROJECT	\$ 778,599	\$ 1,000,000
LAND & BUILDING TAXES	\$ 375,000	\$ -
LOANS AND BONDS - CITICORP 130.1M 06/21	\$ 7,557,417	\$ 7,857,100
LOANS AND BONDS - CITICORP 40M BOND 04/03	\$ 1,247,516	\$ 2,702,665
LOANS AND BONDS - FCB 25M LOAN 05/15	\$ -	\$ 1,899,865
LOANS AND BONDS - FINCOR 42M BOND 05/15	\$ -	\$ 6,319,932
LOANS AND BONDS - FINCOR 75.3M BOND 05/15	\$ 6,906,988	\$ 7,470,080
LOANS AND BONDS - FCB 93.645 M BOND	\$ 10,236,464	\$ 10,607,924
LOANS AND BONDS - FCB 66 M LOAN	\$ 16,157,028	\$ 17,228,392
LOANS AND BONDS - 14 M LOAN	\$ 15,463,022	\$ -
MAXI TAXI SUPPORT	\$ 2,808,400	\$ 2,711,832
OTHER CONTRACTED SERVICES	\$ 1,325,000	\$ 19,590,000
PENSIONS	\$ 6,000,000	\$ 5,900,000
REFURBISHMENT OF BUILDING	\$ 1,250,500	\$ -
SECURITY	\$ 15,600,000	\$ 7,234,000
SEVERANCE	\$ 6,800,000	\$ 1,800,000
TTEC	\$ 982,000	\$ 1,240,000
INSURANCE	\$ 10,000,000	\$ 9,300,000
TRAINING	\$ 28,000	\$ 500,000
TOTAL	\$ 195,870,688	\$ 190,924,106

PUBLIC TRANSPORT SERVICE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER , 2010
(continued)

16 GOVERNMENT GRANTS RECOGNIZED AS INCOME	2010	2009
OPERATIONAL EXPENSES FUNDED BY GOVERNMENT GRANTS:		
ADVERTISING AND PROMOTIONS	\$ 210,000	\$ 300,000
ARREARS OF WAGES	\$ 2,200,000	\$ 3,497,210
CONTRACT EMPLOYMENT	\$ 11,287,401	\$ -
FEES	\$ 800,000	\$ 2,525,000
FLEET MAINTENANCE	\$ 43,797,212	\$ 32,150,000
LAND & BUILDING TAXES		\$ -
MAXI TAXI SUPPORT	\$ 2,595,400	\$ 2,711,832
OTHER CONTRACTED SERVICES	\$ 1,325,000	\$ 19,590,000
PENSIONS	\$ 6,000,000	\$ 5,900,000
REFURBISHMENT OF BUILDING	\$ 1,250,500	\$ -
SECURITY	\$ 15,600,000	\$ 7,234,000
SEVERANCE	\$ 6,800,000	\$ 1,800,000
TTEC	\$ 982,000	\$ 1,240,000
INSURANCE	\$ 10,000,000	\$ 9,300,000
TRAINING	\$ 28,000	\$ 500,000
TOTAL - RECURRENT AMOUNT	\$ 102,875,513	\$ 86,748,042
CAPITAL PORTION OF GRANTS EXPENSED IN THIS PERIOD :		
DEPRECIATION	\$ 35,031,292	\$ 30,472,364
LOAN AND BOND INTEREST	\$ 10,694,136	\$ 15,845,206
TOTAL - CAPITAL PORTION	\$ 45,725,428	\$ 46,317,571
TOTAL GOVERNMENT GRANTS RECOGNIZED AS INCOME	\$ 148,600,941	\$ 133,065,613
16 GOVERNMENT GRANTS		
BALANCE BROUGHT FORWARD	\$ 441,378,178	\$ 383,519,685
ADD AMOUNTS RECEIVED	\$ 195,870,688	\$ 190,924,106
LESS AMOUNTS TRANSFERRED TO INCOME	\$ (148,600,941)	\$ (133,065,613)
BALANCE CARRIED FORWARD	\$ 488,647,925	\$ 441,378,178