



**SECOND 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 31<sup>ST</sup> DECEMBER, 2002**

The First Report of the Auditor General of the Republic of Trinidad and Tobago on the non-receipt of Financial Statements of the Public Transport Service Corporation for the year ended 31<sup>st</sup> December, 2002 was signed by the Auditor General on 2004 August 24 and submitted to the Speaker and the President of the Senate for presentation to the House of Representatives and the Senate respectively and to the Minister of Finance.

2. The accompanying Financial Statements of the Public Transport Service Corporation for the year ended 31<sup>st</sup> December, 2002 have been audited. The Statements comprise a Balance Sheet as at 31<sup>st</sup> December, 2002, a Statement of Income, a Statement of Changes in Equity and a Cash Flow Statement for the year ended 31<sup>st</sup> December, 2002 and Notes to the Financial Statements numbered 1 to 18.

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

3. 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**

4. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. The audit which was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 28 (2) of the Public Transport Service Act, Chapter 48:02 was conducted in accordance with generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, sufficient appropriate audit evidence was not obtained to provide a basis for an audit opinion.

**BASIS FOR DISCLAIMER OF OPINION**

5. The Corporation's underlying accounts in many instances were not properly maintained and preserved for audit examination. As a result, I was unable to verify the account balances listed below:

- (i) **ASSETS** - Property, Plant and Equipment \$36,089,248, Inventory \$5,640,914, Short Term Investments \$4,074,132, Cash on Hand and at Bank \$123,806 and Debtors and Prepayment \$6,549,222.

- (ii) **EQUITY AND LIABILITIES** - Accumulated Deficit (\$1,415,439,076) and Creditors and Accruals \$29,639,407.
- (iii) **EXPENDITURE** - Cost of Operations (\$53,363,014), Administrative Expenses (\$26,158,592) and Financial Costs (\$35,040,133).

**DISCLAIMER OF OPINION**

6 Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the Financial Statements.

**SUBMISSION OF REPORT**

7. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

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



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**MAJEED ALI**  
**AUDITOR GENERAL**

SS  
20160314

**PUBLIC TRANSPORT SERVICE CORPORATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER , 2002**

**2002**

**PUBLIC TRANSPORT SERVICE CORPORATION  
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FOR THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER , 2002**

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**PUBLIC TRANSPORT SERVICE CORPORATION  
BALANCE SHEET  
AS AT 31ST DECEMBER, 2002**

ASSETS	NOTES	2002	2001
<b>NON - CURRENT ASSETS</b>			
PROPERTY PLANT AND EQUIPMENT	8	\$ 36,089,248	\$ 49,808,260
		<u>\$ 36,089,248</u>	<u>\$ 49,808,260</u>
<b>CURRENT ASSETS</b>			
INVENTORY	9	\$ 5,640,914	\$ 3,346,487
DEBTORS AND PREPAYMENTS	10	\$ 6,549,222	\$ 3,296,532
SHORT - TERM INVESTMENTS	11	\$ 4,074,132	\$ 4,660,484
CASH ON HAND AND AT BANK	12	\$ 123,806	\$ 363,695
		<u>\$ 16,388,074</u>	<u>\$ 11,667,198</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 52,477,322</b></u>	<u><b>\$ 61,475,458</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
CAPITAL RESERVES	13	\$ 7,181,390	\$ 7,181,390
ACCUMULATED DEFICIT		\$ (1,415,439,076)	\$ (1,423,213,421)
		<u>\$ (1,408,257,686)</u>	<u>\$ (1,416,032,031)</u>
<b>NON - CURRENT LIABILITIES</b>			
LOANS AND BONDS - LONG TERM PORTION	16	\$ 1,409,926,981	\$ 1,423,508,729
<b>CURRENT LIABILITIES</b>			
BANK OVERDRAFT	14	\$ 7,694,872	\$ 12,650,454
CREDITORS AND ACCRUALS	15	\$ 29,639,407	\$ 29,722,797
LOANS AND BONDS - CURRENT PORTION	16	\$ 13,473,748	\$ 11,625,508
		<u>\$ 50,808,026</u>	<u>\$ 53,998,759</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>\$ 52,477,322</b></u>	<u><b>\$ 61,475,458</b></u>



*Edmund...*  
 CHIEF EXECUTIVE OFFICER  
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*E...*  
 CHAIRMAN

*Ramsey*  
 VICE CHAIRMAN  
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**PUBLIC TRANSPORT SERVICE CORPORATION**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER , 2002**

	NOTES	2002	2001
OPERATING INCOME	3	\$ 38,321,676	\$ 34,856,036
COST OF OPERATIONS	4	\$ (53,363,014)	\$ (43,020,759)
GROSS PROFIT / (LOSS) ON OPERATIONS		\$ (15,041,338)	\$ (8,164,723)
OTHER INCOME	3	\$ 84,578,416	\$ 80,014,439
DISTRIBUTION EXPENSES	5	\$ (564,008)	\$ (464,959)
ADMINISTRATIVE EXPENSES	6	\$ (26,158,592)	\$ (26,253,469)
FINANCIAL COSTS	7	\$ (35,040,133)	\$ (41,836,992)
NET PROFIT / (LOSS) FOR THE YEAR		\$ 7,774,345	\$ 3,294,297

**PUBLIC TRANSPORT SERVICE CORPORATION**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31ST DECEMBER , 2002**

	<b>CAPITAL RESERVE</b>	<b>ACCUMULATED DEFICIT</b>	<b>SHAREHOLDERS' EQUITY</b>
<b>YEAR ENDED 31ST DECEMBER , 2002</b>			
BALANCE AS AT 1ST JANUARY , 2002	\$ 7,181,390	\$ (1,423,213,421)	\$ (1,416,032,031)
( LOSS ) FOR THE YEAR		\$ 7,774,345	\$ 7,774,345
<b>BALANCE AS AT 31ST DECEMBER , 2002</b>	<b>\$ 7,181,390.00</b>	<b>\$ (1,415,439,076)</b>	<b>\$ (1,408,257,685.68)</b>
<b>YEAR ENDED 31ST DECEMBER , 2001</b>			
BALANCE AS AT 1ST JANUARY , 2001	\$ 7,181,390.00	\$ (1,426,507,717.37)	\$ (1,419,326,327.37)
PROFIT / ( LOSS ) FOR THE YEAR		\$ 3,294,297	\$ 3,294,296.83
<b>BALANCE AS AT 31ST DECEMBER , 2001</b>	<b>\$ 7,181,390.00</b>	<b>\$ (1,423,213,421)</b>	<b>\$ (1,416,032,030.54)</b>

**PUBLIC TRANSPORT SERVICE CORPORATION**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2002**

	2002	2001
<b>OPERATING ACTIVITIES</b>		
NET LOSS FOR THE YEAR	\$ 7,774,345	\$ 3,294,297
PRIOR YEAR ADJUSTMENT		
ADJUSTMENTS TO RECONCILE NET PROFIT		
AFTER TAX TO NET CASH PROVIDED :		
DEPRECIATION	\$ 13,972,202	\$ 13,900,132
	<hr/>	<hr/>
	\$ 21,746,546	\$ 17,194,429
<b>CHANGES IN WORKING CAPITAL</b>		
NET CHANGE IN INVENTORY	\$ (2,294,427)	\$ (1,788,120)
NET CHANGE IN SHORT TERM INVESTMENTS	\$ 586,352	\$ (1,374,340)
INCREASE IN ACCOUNTS RECEIVABLE	\$ (3,252,690)	\$ 2,674,008
INCREASE IN ACCOUNTS PAYABLE	\$ (83,391)	\$ 6,976,687
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	\$ 16,702,391	\$ 23,682,664
<b>INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	\$ (253,189)	\$ (2,616,196)
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	\$ (253,189)	\$ (2,616,196)
<b>FINANCING ACTIVITIES</b>		
LOANS AND BONDS	\$ (11,733,508)	\$ (21,111,073)
	<hr/>	<hr/>
NET CASH PROVIDED FROM FINANCING ACTIVITIES	\$ (11,733,508)	\$ (21,111,073)
<b>NET ( DECREASE ) IN CASH AND CASH EQUIVALENTS</b>		
	\$ 4,715,694	\$ (44,605)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	\$ (12,286,759)	\$ (12,242,154)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<b>\$ (7,571,065)</b>	<b>\$ (12,286,759)</b>
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CASH ON HAND AND AT BANK	\$ 123,806	\$ 363,695
BANK OVERDRAFT	\$ (7,694,872)	\$ (12,650,454)
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	<b>\$ (7,571,065)</b>	<b>\$ (12,286,759)</b>
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**PUBLIC TRANSPORT SERVICE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST DECEMBER, 2002**

**1 INCORPORATION AND PRINCIPAL ACTIVITY**

THE PUBLIC TRANSPORT SERVICE CORPORATION (PTSC) WAS INCORPORATED BY AN ACT OF PARLIAMENT NO. 11 OF 1965 TO OPERATE PUBLIC SERVICE VEHICLES SO AS TO ENSURE THE PROVISION OF A SAFE, ADEQUATE, ECONOMIC AND EFFICIENT PUBLIC TRANSPORT SYSTEM.

**2 SIGNIFICANT ACCOUNTING POLICES**

**(a) BASIS OF ACCOUNTING :**

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED UNDER THE HISTORICAL COST CONVENTION USING THE ACCRUALS BASIS AND NO ADJUSTMENT HAS BEEN TAKE INTO ACCOUNT THE EFFECTS OF INFLATION.

**(b) FOREIGN CURRENCY TRANSACTIONS :**

FOREIGN CURRENCY TRANSACTIONS ARE TRANSLATED INTO THE MEASUREMENT CURRENCY USING THE EXCHANGE RATE PREVAILING AT THE DATES OF THE TRANSACTIONS. FOREIGN EXCHANGE GAINS AND LOSSES RESULTING FROM THE SETTLEMENT OF SUCH TRANSACTIONS ARE RECOGNIZED IN THE STATEMENT OF INCOME.

**(c) CASH AND CASH EQUIVALENTS :**

CASH AND CASH EQUIVALENTS ARE CARRIED IN THE BALANCE SHEET AT COST. FOR THE PURPOSE OF THE CASH FLOW STATEMENT, CASH AND CASH EQUIVALENTS COMPRISE BALANCES HELD AS CASH ON HAND AND AT BANK.

**(d) FIXED ASSETS AND DEPRECIATION :**

LANDS AND BUILDINGS OWNED BY THE CORPORATION ON THE 31ST DECEMBER, 1973 ARE SHOWN AT THEIR VALUATION AS AT THAT DATE. SUBSEQUENT ADDITIONS TO LANDS AND BUILDING AND OTHER FIXED ASSETS ARE VALUED AT COST.

RENEWALS, IMPROVEMENTS AND MAJOR REPAIRS THAT MATERIALLY EXTEND THE LIFE OF PROPERTY, PLANT AND EQUIPMENT ARE CAPITALIZED, WHILE MAJOR MAINTENANCE, REPAIRS AND IMPROVEMENTS ARE CHARGED TO INCOME AS INCURRED.

DEPRECIATION IS PROVIDED FOR ON A STRAIGHT LINE BASIS DESIGNED TO WRITE - OFF THE ASSETS' COSTS OVER THEIR ESTIMATED USEFUL ECONOMIC LIVES AS FOLLOWS :

BUILDINGS	5%	FURNITURE AND FITTINGS	15%
PLANT, MACHINERY AND EQUIPMENT	15%	AIR CONDITION EQUIPMENT	15%
REVENUE VEHICLES	12.50%	COMPUTER EQUIPMENT	33.33%
NON-REVENUE VEHICLES	25%	COMPUTER SOFTWARE	33.33%

**(e) INVENTORIES :**

INVENTORIES ARE VALUED AT THE LOWER OF COST AND NET REALIZABLE VALUE . THE INVENTORY ITEMS ARE VALUED AT AVERAGE COST.

**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER , 2002**

**2 SIGNIFICANT ACCOUNTING POLICES ( CONTINUED )**

**(f) FINANCIAL INSTRUMENTS :**

FINANCIAL INSTRUMENTS CARRIED ON THE BALANCE SHEET INCLUDE CASH AND BANK BALANCES, RECEIVABLES AND PAYABLES. THE PARTICULAR RECOGNITION METHODS ADOPTED ARE DISCLOSED IN THE INDIVIDUAL POLICY STATEMENTS ASSOCIATED WITH EACH ITEM.

**(g) BORROWING COSTS :**

BORROWING COSTS DIRECTLY ATTRIBUTABLE TO THE ACQUISITION, CONSTRUCTION OR PRODUCTION OF QUALIFYING ASSETS, WHICH ARE ASSETS THAT NECESSARILY TAKE A SUBSTANTIAL PERIOD OF TIME TO GET READY FOR THEIR INTENDED USE OR SALE, ARE ADDED TO THE COST OF THOSE ASSETS, UNTIL SUCH TIME AS THE ASSETS ARE SUBSTANTIALLY READY FOR THEIR INTENDED USE.

INVESTMENT INCOME EARNED ON THE TEMPORARY INVESTMENT OF SPECIFIC BORROWINGS PENDING THEIR EXPENDITURE ON QUALIFYING ASSETS IS DEDUCTED FROM THE BORROWING COSTS ELIGIBLE FOR CAPITALIZATION.

ALL OTHER BORROWING COSTS ARE RECOGNIZED IN THE STATEMENT OF INCOME IN THE PERIOD IN WHICH THEY ARE INCURRED.

**(h) GOVERNMENT LOANS, ADVANCES AND BONDS :**

THESE ARE STATED AT PRINCIPAL OUTSTANDING. INTEREST IS NOT ACCRUED ON THE OUTSTANDING BALANCE .

**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2002**  
**(continued)**

<b>3 REVENUE</b>	<b>2002</b>	<b>2001</b>
<b>OPERATING REVENUE</b>		
ECS SERVICE	\$ 12,116,739	\$ 10,275,129
KNOW YOUR COUNTRY TOURS	\$ 267,997	\$ -
MIN OF SOCIAL DEVELOPMENT - PENSIONERS	\$ 4,144,500	\$ 2,894,635
MINISTRY OF EDUCATION - SCHOOL BUS SERVICE	\$ 11,549,212	\$ 11,735,560
RURAL TRANSPORT SERVICE	\$ 668,548	\$ 377,573
SALES DISCOUNTS	\$ (685,739)	\$ (799,636)
SHORT TERM RENTAL	\$ 17,830	\$ (44,884)
SPECIAL EVENTS / TOURS / CHARTER	\$ 3,942,071	\$ 3,389,564
THA SCHOOL BUS SERVICE	\$ 816,597	\$ 799,440
THA TRANSIT BUS SERVICE	\$ 575,600	\$ 683,180
TRANSIT SERVICE	\$ 4,908,320	\$ 5,545,475
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	\$ 38,321,676	\$ 34,856,036
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<b>OTHER INCOME</b>		
BAD DEBTS RECOVERED	\$ -	\$ 1,414,816
BANK INTEREST	\$ 370,658	\$ 432,877
BILLBOARD / WALL ADVERTISEMENTS	\$ 143,195	\$ 403,491
CAR PARK	\$ 47,775	\$ 46,050
COMMERCIAL SERVICES	\$ 129,899	\$ 298,590
COMMISSION	\$ 41,630	\$ 4,000
CONCESSIONAIRE BOOTHS	\$ 1,414,995	\$ 1,183,915
DISTRIBUTION FEES (SCHOLAR)	\$ 20,756	\$ 20,756
GOVERNMENT GRANTS	\$ 77,139,472	\$ 72,711,535
INSURANCE CLAIMS	\$ 94,393	\$ (17,931)
MAXI FACILITY USER FEE	\$ 1,163,731	\$ 567,999
MAXI TAXI FEES	\$ 3,134,640	\$ 2,541,560
OTHER MISCELLANEOUS INCOME	\$ 46,143	\$ 80,143
PUBLIC SERVICE VEHICLE LICENSE FEE	\$ 78,000	\$ 163,500
PURCHASES DISCOUNTS	\$ -	\$ 2,702
SALE OF ASSETS	\$ 3,500	\$ 156,298
TENANCY CONTRACTS	\$ 745,630	\$ 4,139
TRAINING SERVICES	\$ 4,000	\$ -
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	\$ 84,578,416	\$ 80,014,439
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<b>TOTAL INCOME</b>	<b>\$ 122,900,091</b>	<b>\$ 114,870,476</b>
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**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2002**  
(continued)

	2002	2001
<b>4 COST OF OPERATIONS</b>		
DEPRECIATION	\$ 9,413,501	\$ 9,413,501
FUEL AND OIL	\$ 3,849,373	\$ 3,670,921
INSURANCE	\$ 1,199,764	\$ 2,153,843
MAXI TAXI DIRECT EXPENSES	\$ -	\$ 95,520
REPAIRS AND MAINTENANCE	\$ 6,973,925	\$ 20,046,472
SALARIES AND WAGES	\$ 31,920,345	\$ 7,632,237
UNIFORMS	\$ 6,106	\$ 8,265
	<hr/>	<hr/>
	\$ 53,363,014	\$ 43,020,759
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<b>5 DISTRIBUTION EXPENSES</b>		
ADVERTISING AND PROMOTIONS	\$ 174,275	\$ 173,126
MOTOR VEHICLES EXPENSE	\$ 59,569	\$ 69,048
TRAVELING	\$ 330,164	\$ 222,785
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	\$ 564,008	\$ 464,959
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<b>6 ADMINISTRATIVE EXPENSES</b>		
ACCOUNTING FEES	\$ 55,000	\$ 55,000
AUDIT FEES	\$ 30,000	\$ 30,000
DEPRECIATION EXPENSE	\$ 4,558,701	\$ 4,486,631
DIRECTORS' FEES AND EXPENSES	\$ 209,787	\$ 52,758
ELECTRICITY	\$ 1,081,725	\$ 1,174,496
FREIGHT	\$ 677,352	\$ 434,639
INSURANCE	\$ 272,514	\$ 273,461
OFFICE EXPENSES	\$ 177,972	\$ 110,192
PENSIONS	\$ 5,145,556	\$ 5,132,975
PROFESSIONAL AND LEGAL FEES	\$ 171,752	\$ 162,626
RENT	\$ 815,008	\$ 394,054
REPAIRS	\$ 1,680,177	\$ 1,843,312
SALARIES AND WAGES	\$ 6,573,346	\$ 6,784,034
SECURITY	\$ 2,524,027	\$ 2,674,281
SEVERANCE	\$ 887,196	\$ 1,047,834
STATIONERY	\$ 243,456	\$ 159,391
TELEPHONE	\$ 570,987	\$ 440,692
TRAINING	\$ 148,617	\$ 265,747
WATER RATES AND LAND TAXES	\$ 335,418	\$ 731,345
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	\$ 26,158,592	\$ 26,253,469
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<b>7 FINANCE COST</b>		
BANK CHARGES	\$ 20,645	\$ 75,138
LOAN AND BOND INTEREST	\$ 33,057,877	\$ 40,566,534
OVERDRAFT INTEREST	\$ 1,961,612	\$ 1,195,320
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	\$ 35,040,133	\$ 41,836,992
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**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2002**  
(continued)

**8 PROPERTY, PLANT AND EQUIPMENT**

	LAND	BUILDINGS	PLANT & EQUIPMENT	REVENUE VEHICLES	NON-REVENUE VEHICLES	FURNITURE & FITTINGS	TOTAL
<b>COST AT 31/12/01</b>	\$ 23,617,393	\$ 74,089,485	\$ 11,215,577	\$ 163,146,791	\$ 1,870,871	\$ 6,059,432	\$ 279,999,549
ADDITIONS	\$ -	\$ -	\$ 227,771	\$ -	\$ -	\$ 25,419	\$ 253,189
DISPOSALS							\$ -
<b>COST AT 31/12/02</b>	\$ 23,617,393	\$ 74,089,485	\$ 11,443,347	\$ 163,146,791	\$ 1,870,871	\$ 6,084,850	\$ 280,252,738
<b>ACCUMULATED DEPRECIATION</b>							
BALANCE B/F 31/12/01	\$ (2,179,262)	\$ (66,862,043)	\$ (10,277,071)	\$ (143,109,943)	\$ (1,870,871)	\$ (5,892,099)	\$ (230,191,289)
RATE	0%	5%	15%	13%	25%	25%	
CHARGE FOR THE PERIOD	\$ -	\$ (3,704,474)	\$ (812,289)	\$ (9,413,501)	\$ -	\$ (41,938)	\$ (13,972,202)
DISPOSALS							\$ -
<b>BALANCE C/F 31/12/01</b>	\$ (2,179,262)	\$ (70,566,517)	\$ (11,089,360)	\$ (152,523,444)	\$ (1,870,871)	\$ (5,934,036)	\$ (244,163,490)
<b>W.D.V. AT 31/12/02</b>	\$ 21,438,131	\$ 3,522,968	\$ 353,988	\$ 10,623,347	\$ -	\$ 150,814	\$ 36,089,248
<b>W.D.V. AT 31/12/01</b>	\$ 21,438,131	\$ 7,227,442	\$ 938,506	\$ 20,036,848	\$ -	\$ 167,333	\$ 49,808,260

**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2002**  
**(continued)**

	<b>2002</b>	<b>2001</b>
<b>9 INVENTORY</b>		
OIL STOCK	\$ 13,139	\$ 8,968
FUEL STOCK	\$ 130,617	\$ 87,268
TRADER TICKETS	\$ 75,854	\$ 48,461
TIRES AND LUBES	\$ 97,007	\$ 62,764
SPARES	\$ 5,252,738	\$ 3,070,738
STATIONERY	\$ 24,234	\$ 20,202
SMART CARDS	\$ 9,585	\$ 19,710
OTHER MATERIALS	\$ 37,740	\$ 28,378
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	\$ 5,640,914	\$ 3,346,487
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<b>10 DEBTORS AND PREPAYMENTS</b>		
TRADE DEBTORS	\$ 5,436,929	\$ 2,037,187
EMPLOYEE LOANS	\$ 274,714	\$ 502,949
VAT	\$ 837,578	\$ 756,396
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	\$ 6,549,222	\$ 3,296,532
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<b>11 SHORT-TERM INVESTMENTS</b>		
REPUBLIC BANK LIMITED	\$ 3,857,600	\$ 3,640,634
UNIT TRUST CORPORATION	\$ 216,532	\$ 1,019,850
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	\$ 4,074,132	\$ 4,660,484
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<b>12 CASH ON HAND AND AT BANK</b>		
PETTY CASH FLOATS	\$ 15,400	\$ 13,400
REPUBLIC BANK LIMITED	\$ 6,629	\$ 228,982
FIRST CITIZEN'S BANK LIMITED	\$ 101,777	\$ 121,313
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	\$ 123,806	\$ 363,695
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**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER , 2002**  
(continued)

	<b>2002</b>	<b>2001</b>
<b>13 CAPITAL RESERVES</b>		
CAPITAL RESERVE	\$ 7,181,390	\$ 7,181,390
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	\$ 7,181,390	\$ 7,181,390
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<b>14 BANK OVERDRAFT</b>		
REPUBLIC BANK LIMITED	\$ 3,094,183	\$ 2,666,322
FIRST CITIZEN'S BANK LIMITED	\$ 4,600,688	\$ 9,984,133
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	\$ 7,694,872	\$ 12,650,454
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<b>15 CREDITORS</b>		
TRADE CREDITORS	\$ 9,064,631	\$ 8,167,292
STATUTORY DEDUCTIONS	\$ 6,994,257	\$ 9,674,427
ACCRUALS	\$ 13,580,519	\$ 11,881,078
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	\$ 29,639,407	\$ 29,722,798
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**PUBLIC TRANSPORT SERVICE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2002**  
**(continued)**

<b>16 LOANS AND BONDS</b>		<b>2002</b>	<b>2001</b>
<b>BONDS</b>			
1	CITICORP TT \$40 MILLION BOND ISSUE	\$ 16,470,588	\$ 18,823,529
2	FINCOR TT \$75.3 MILLION BOND ISSUE	\$ 55,713,813	\$ 61,019,893
3	CITICORP TT \$130.1 MILLION BOND ISSUE	\$ 143,140,021	\$ 151,560,023
4	FINCOR TT \$42 MILLION BOND ISSUE	\$ 37,875,693	\$ 43,702,739
5	FCB LTD. TT \$20 MILLION BOND ISSUE	\$ 20,000,000	\$ -
TOTAL BONDS		\$ 273,200,115	\$ 275,106,184
<b>LOANS</b>			
6	REPUBLIC BANK LIMITED - 4 MILLION	\$ -	\$ 1,321,010
7	FIRST CITIZEN'S BANK LIMITED - 25 MILLION	\$ 21,428,571	\$ 25,000,000
8	FIRST CITIZEN'S BANK LIMITED - EXECUTIVE BUS	\$ 1,102,500	\$ 1,837,500
9	VEMCOTT LOAN	\$ -	\$ 4,200,000
10	GOVERNMENT LOANS AND ADVANCES	\$ 1,127,669,543	\$ 1,127,669,543
TOTAL LOANS		\$ 1,150,200,614	\$ 1,160,028,053
TOTAL LOANS AND BONDS		\$ 1,423,400,729	\$ 1,435,134,237
CURRENT - PORTION		\$ 13,473,748	\$ 11,625,508
LONG TERM PORTION		\$ 1,409,926,981	\$ 1,423,508,729

1 THE PTSC BORROWED TT **\$40 MILLION** UNDER GOVERNMENT GUARANTEE FROM CITIBANK TRINIDAD AND TOBAGO LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FLOATING AND FIXED RATE BONDS 1989 - 2009. THE FULL AMOUNT OF THIS LOAN HAS BEEN DRAWN DOWN. INTEREST PAYMENTS ARE SEMI-ANNUAL, DUE IN APRIL 5 AND OCTOBER 5 EACH YEAR. THE PRINCIPAL IS PAYABLE IN THIRTY-FOUR SEMI-ANNUAL PAYMENTS OF \$1,176,470 FROM APRIL 1993.

2 THE PTSC BORROWED TT **\$75.3 MILLION** UNDER GOVERNMENT GUARANTEE FROM REPUBLIC FINANCE AND MERCHANT LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FLOATING AND FIXED RATE BONDS 1993 - 2013. THE FULL AMOUNT OF THIS LOAN HAS BEEN DRAWN DOWN AND THE ISSUE DATE WAS MAY 18TH 1993. DURING THE FIRST TWO YEARS OF ISSUE, INTEREST WAS ACCRUED AND ADDED TO THE PRINCIPAL IN MAY 1995. INTEREST PAYMENTS ARE SEMI-ANNUAL, DUE IN MAY AND NOVEMBER EACH YEAR. THE PRINCIPAL IS PAYABLE IN THIRTY-SIX SEMI-ANNUAL PAYMENTS OF \$2,653,040 FROM NOVEMBER 1995.



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- 3 THE PTSC BORROWED TT **\$130.1 MILLION** UNDER GOVERNMENT GUARANTEE FROM REPUBLIC FINANCE AND MERCHANT LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FLOATING AND FIXED RATE BONDS 1994 - 2019. THE FULL AMOUNT OF THIS LOAN HAS BEEN DRAWN DOWN AND THE ISSUE DATE WAS DECEMBER 21ST 1994. DURING THE FIRST THREE YEARS OF ISSUE, INTEREST WAS ACCRUED AND ADDED TO THE PRINCIPAL IN JUNE 1998 THE PRINCIPAL AND CAPITALIZED INTERESTED WOULD BE REPAID. INTEREST PAYMENTS ARE SEMI-ANNUAL , DUE IN JUNE AND DECEMBER EACH YEAR. THE PRINCIPAL IS PAYABLE IN FORTY-FOUR SEMI-ANNUAL PAYMENTS OF \$4,210,001 FROM JUNE 1998.
- 4 THE PTSC BORROWED TT **\$42 MILLION** UNDER GOVERNMENT GUARANTEE FROM REPUBLIC FINANCE AND MERCHANT LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FLOATING AND FIXED RATE BONDS 1999 - 2009. THE FULL AMOUNT OF THIS LOAN HAS BEEN DRAWN DOWN . DURING THE FIRST TWO YEARS OF ISSUE, INTEREST WAS ACCRUED AND ADDED TO THE PRINCIPAL IN NOVEMBER 1999 THE PRINCIPAL AND CAPITALIZED INTERESTED WOULD BE REPAID. INTEREST PAYMENTS ARE SEMI-ANNUAL . THE PRINCIPAL IS PAYABLE FROM MAY 2001.
- 5 THE PTSC BORROWED TT **\$20 MILLION** UNDER GOVERNMENT GUARANTEE FROM FIRST CITIZENS BANK LIMITED. THE ARRANGEMENT INVOLVED THE ISSUE AND SALE OF FLOATING RATE BONDS 2002 - 2007. THE FULL AMOUNT OF THIS LOAN HAS BEEN DRAWN DOWN AND THE ISSUE DATE WAS OCTOBER 9TH 2002. DURING THE FIRST YEAR OF ISSUE, INTEREST WAS ACCRUED AND ADDED TO THE PRINCIPAL IN APRIL 2003 THE PRINCIPAL AND CAPITALIZED INTERESTED WOULD BE REPAID. INTEREST PAYMENTS ARE SEMI-ANNUAL , DUE IN APRIL AND OCTOBER EACH YEAR. THE PRINCIPAL IS PAYABLE IN NINE SEMI-ANNUAL PAYMENTS OF \$2,325,826 FROM OCTOBER 2003.
- 6 THIS LOAN WAS GRANTED TO PURCHASE 55 MINI BUSES . THE LOAN BEARS INTEREST AT 17% PER ANNUM . IT IS TO BE REPAID BY INSTALLMENTS OF \$142,611.00 PER MONTH INCLUSIVE OF INTEREST AND PRINCIPAL FOR 36 MONTHS. THE FIRST PAYMENT WAS MADE ON THE 30TH NOVEMBER, 1999. INTEREST FOR THE FIRST 12 MONTHS WAS ACCRUED AND ADDED TO THE PRINCIPAL.
- 7 THIS LOAN WAS GRANTED BY FIRST CITIZENS' BANK TRUST AND MERCHANT BANK LIMITED . IT IS REPAYABLE OVER 8 YEARS AND IT BEARS INTEREST AT 12.75% PER ANNUM. THIS LOAN IS TO BE REPAID BY SEMI-ANNUAL INSTALLMENTS OF \$1,785,714.29 EXCLUSIVE OF INTEREST.
- 8 THIS LOAN WAS GRANTED BY FIRST CITIZENS' BANK TRUST AND MERCHANT BANK LIMITED TO PURCHASE 5 MINI BUSES. IT IS REPAYABLE OVER 3 YEARS AND IT BEARS INTEREST AT 15% PER ANNUM. THIS LOAN IS TO BE REPAID BY SEMI-ANNUAL INSTALLMENTS OF \$367,500 EXCLUSIVE OF INTEREST.
- 9 THIS LOAN WAS GRANTED BY THE VEHICLE MAINTENANCE CORPORATION OF TRINIDAD AND TOBAGO TO REFURBISH 16 BUSES FOR THE UNDER 17 WORLD CUP . THE LOAN IS TO BE REPAID BY THE MINISTRY OF FINANCE IN JANUARY 2002.
- 10 THIS IS LOANS AND ADVANCES MADE BY THE GOVERNMENT TO THE CORPORATION. THESE AMOUNTS DOES NOT HAVE ANY FIXED TERMS OF REPAYMENT NOR IS INTEREST CHARGED ON THESE BALANCES .

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**17 CONTINGENT LIABILITIES AND COMMITMENTS**

AT THE YEAR END , THE CORPORATION HAD THE FOLLOWING CONTINGENT LIABILITIES ARISING IN THE ORDINARY COURSE OF BUSINESS.

- a) **IIA 13A OF 1983** - THIS IS A LONG OUTSTANDING INDUSTRIAL RELATIONS MATTER . THE POTENTIAL LIABILITY IS \$530,000.00.
- b) **ICA 16 OF 1999** - CLAIM FOR WAGES AND COST OF LIVING ALLOWANCE ( COLA ) FOR PART TIME DRIVERS AND CONDUCTORS. THE ESTIMATED LIABILITY IS EXPECTED TO BE IN THE VICINITY OF \$1.6 MILLION DOLLARS.
- c) **HAC NO. 2962 OF 2001** - THIS IS A MALICIOUS DAMAGE CASE AND THE POTENTIAL LIABILITY IS \$700,000.00.
- d) **HAC NO. 1133 OF 2002** - THIS IS AN UNFAIR DISMISSAL OF AN EMPLOYEE CASE AND THE POTENTIAL LIABILITY IS \$200,000.00.

**18 TAXATION**

SECTION 45 OF THE PUBLIC TRANSPORT SERVICE ACT STATES THAT "THE PRESIDENT MAY BY ORDER EXEMPT THE CORPORATION IN WHOLE OR IN PART FROM PAYMENT OF ANY TAX IMPOSED BY OR UNDER ANY WRITTEN LAW".

SECTION 3A SUB SECTION (2) D OF THE FINANCE ACT OF 1998 STATES THAT THE PUBLIC SERVICE CORPORATION IS EXEMPTED FROM THE PAYMENT OF BUSINESS LEVY.