



PORT AUTHORITY OF TRINIDAD AND TOBAGO

ADMINISTRATIVE REPORT

2007/2008

PORT AUTHORITY OF TRINIDAD AND TOBAGO
ADMINISTRATIVE REPORT
2007/2008

2007/2008 OBJECTIVES

The Port Authority of Trinidad and Tobago has always identified safety, increased productivity, and service excellence as contributing factors to the achievement of its fundamental objectives. In the 2007/2008 fiscal year the Authority continued the transformation process and maintained its focus on crystallizing the concept of separate business units. To this end, targets were set for each of the business units and a number of Capital projects were pursued under the public sector investment programme.

Following is a summary of the Authority's achievements for 2007 and the 2008 targets set for each of the Business Units falling under its purview. These set goals were targeted for completion in fiscal 2007/2008.

THE TRINIDAD AND TOBAGO INTER ISLAND TRANSPORT SERVICE (TTIT)

TTIT FERRY SERVICE ACHIEVEMENTS 2007

Satisfied with the introduction of the fast ferry 'The Cat' on a trial basis, the Port Authority persisted with Government's quest for improvement in the inter-island ferry service. This initiative saw the commissioning of the fast ferry the T & T Express in December 2006, and the acquisition of the fast ferry T&T Spirit in 2007. These purchases have resulted in an increase in the number of passengers and vehicles transported between the islands in 2007/2008.

The statistics for calendar year 2007 show that a total of 875,764 passengers used the fast ferry service as opposed to 673,335 passengers in 2006. This represents an increase of some 30.06%.

Vehicles transported between the islands also increased during this period as 174,146 vehicles were transported in 2007 as opposed to 124,948 vehicles transported in 2006 and an increase of some 39.37%.

TTT FERRY SERVICE ACHIEVEMENTS 2007 (Continued)

The 2008 statistics further highlights the increasing popularity of the inter island ferry service. The vessel's ability to carry a fairly large number of motor vehicles of vacationers has made it the preferred travel option between the islands for local holidaymakers. The statistics show that while 875,764 persons used the ferries in 2007, there were 965,910 persons using the service in 2008 representing a 10% increase. These ground breaking achievements were accompanied by improved customer service and an increased security presence both on shore and on board the ferries.

With the advent of the new ferries came the commissioning of the Government Shipping Service Ferry Terminal in Port of Spain, a spacious and modern facility with seating accommodation for 500 passengers in air conditioned comfort. This facility is geared to meet the needs of both business and leisure travelers.

The Port of Scarborough is not only the receiving port for many visitors, it also handles large numbers of various types of cargo coming from Trinidad. The Authority in its effort to boost the cargo handling capacity of the Port of Scarborough has purchased twenty (20) Mafi Roll Trailers to ensure faster ship to shore operations thus enhancing the entire cargo operations in Tobago.

TTT FERRY SERVICE TARGETS 2008

Having set the stage for an improved ferry service, the Port Authority charted and subsequently achieved its goals and targets for 2008. A summary of the targeted areas are listed below:-

- Acquisition of two passenger access ramps by March 2008.
- The provision of a more efficient ticket management system.
- Increase marketing initiatives through the sale of Advertising space.
- Improve customer service by regular Customer service training for staff.

THE PORT OF PORT OF SPAIN (PPOS)

PPOS ACHIEVEMENTS 2007 – (Equipment)

The activities of the Port of Port of Spain are heavily focused on cargo handling and in this respect the Authority has acquired five (5) new Kalmar Rubber Tyred Gantry (RTG) Cranes in 2007. Additionally, twelve (12) Terberg Trucks were also purchased that year to assist with the internal movement of containers.

PORT AUTHORITY OF TRINIDAD AND TOBAGO - ADMINISTRATIVE REPORT - 2007/2008

Reliability of service is heavily dependent on adequate and constant supplies of electricity. Mindful of its importance, the Authority installed a new High Voltage Electrical Switch Gear which has contributed to the reliability of the power supply on the Port.

PPOS ACHIEVEMENTS 2007 – (Cargo Handling)

During 2007 the Port of Port of Spain witnessed the arrival of some 732 container vessels, 63 Car Vehicles, 20 General Cargo Vessels and 30 Bulk Vessels. Cargo handling improved over the previous year by some 10.34% moving from 324,939 TEU's in 2006 to 358,541 TEU's in 2007. The Authority made available, an additional 500 Ground slots for the storing containers and the dwell time for Containers has now been reduced from an average of 13 days to just over 10 days. Transshipment activities also improved in 2007 by some 4.5%, resulting in the movement of some 165,000 TEU's.

PPOS TARGETS 2008 (Equipment)

The Port of Port of Spain target for equipment acquisition for the year 2008 included the commissioning of a fourth Ship to Shore Gantry Crane. The specifications of the new crane includes an outreach measuring 18 containers wide, Airdraft of 120 ft, a capacity of 65 long tons, and it has the capability of handling Post Panamax vessels.

PPOS TARGETS 2008 (General)

In addition to the above, the Port of Port of Spain had also set as goals for 2008 the following:-

- ❖ The repositioning of the West Gate (completed).
- ❖ The removal of Shed #9 (on going).
- ❖ The finalization of the 2008 - 2011 Industrial Agreement (on going).

THE PORT OF PORT OF SPAIN INFRASTRUCTURE COMPANY (POSINCO)

POSINCO ACHIEVEMENTS 2007

The Port of Port of Spain Infrastructure Company in 2007 was able to complete a number of its projects. Its achievements for this period were as follows:-

- Upgrade of the lighting at West Gate and at Sheds # 3 & # 4.
- Refurbishing of Sheds # 3 & # 4 for the Cricket World Cup.
- Installation of 17 water coolers throughout the Port Compound.
- Installation of Navigational aids in the Port of Spain Harbour.
- Completely refurbishing of the Crain Maintenance building.
- Upgrading of the lighting on Dock Road.
- Infrastructure works for CCTV at Shed #10 and West Gate.

POSINCO TARGETS 2008

The areas targeted for completion by the Port of Port of Spain Infrastructure Company for 2008 were as follows:-

- Reconstruction and upgrade of the lunch and change room facilities for Crane Maintenances employees.
- Installation of the necessary ducting and Cables for the fourth ship to shore crane.
- Reconstruction of the fencing at Caricom Wharf.
- Upgrading of the electrical system at Caricom Wharf.
- Reconstruction of the West Gate facilities.
- Rebuilding of the Crane maintenance shed.

**INFRASTRUCTURAL PROJECTS PUBLIC SECTOR INVESTMENT
PROGRAMME PSIP 2007/2008**

A summary of Capital projects pursued under the Public Sector Investment Programme 2007/2008 are listed at **Appendix 1A**

FINANCIALS

Audit of the financial statements of the Port Authority of Trinidad and Tobago for fiscal 2007/2008 has not been completed. The un-audited draft financial statement as at September 30, 2008 is attached at **Appendix 2.**

LIST OF CAPITAL PROJECTS 2007/2008

Project Number	Project Name	Budget/ Contracted Cont (VAT Excl) TTS	Funding	Contract Awarded	Comments
CEP001	West Gate Relocation	\$6,300,000.00	Gov't Funding \$4.2M	Contract awarded	Works have commenced. 10% of works completed
CEP002	60m. X 40m. Shed (Tobago)	\$300,000.00	GSS Subvention	-	Designs to be completed by 15th May, 2008
CEP003	New Ship to Shore Gantry Tie Down and buffer stops	\$1,000,000.00	Recurrent Revenue	-	Evaluation team is in the process of evaluating the tender documents
CEP004	Power Supply for the New Crane	\$700,000.00	Recurrent Revenue	-	95% Completed
CEP005	Fast Ferry Ramps (Trinidad and Tobago)	\$10,000,000.00	GSS Subvention	Contract awarded	Received 3rd, 4th, 5th and 6th Container. Permanent Structure in Construction
CEP006	Re-Paving Storage Yard (Tobago)	\$1,500,000.00	GSS Subvention	-	Project scope to be properly quantified and costed, prior to obtaining board approval
CEP007	Purchase of Generators	\$2,500,000.00	Recurrent Revenue	-	To size one for Administration Bldg. and one for Cruise Shipping and go out to Tender in April 2008.
CEP008	Crane Maintenance Building (Lunch/Change Room)	\$600,000.00	Recurrent Revenue	-	Awaiting BOQ from GDC Architects. CDC will be delivered on Wednesday 23rd 2008
CEP009	Improvements to crane maintenance workshop (Covered Shed)	\$500,000.00	Recurrent Revenue	-	Evaluation completed. Contract is to be awarded at the April meeting of the Authority
CEP010	Caricom Wharf Electrical System Upgrade	\$2,450,300.00	Gov't Funding \$1,400,000.00	Contract awarded	Contract awarded and the contractor mobilized to the site. Low Voltage trench completed. To excavate the High Voltage trench and T&T for location of their HV switch gear plinth. Works to be completed by April 2008.
CEP011	Purchase and installation of 2 new transformers	\$1,700,000.00	Recurrent Revenue	Contract awarded	Tenders received; letter of award issued; 50% downpayment. Approved drawings authorized by Consultant. Transformers expected to be in the country by June 2008.
CEP012	Demolition of old GSS terminal Building	\$24,000.00	Gov't Funding	Contract awarded	Completed
CEP013	Infrastructure Development of the GSS Area (Design)	\$259,325.00	Gov't Funding	Contract awarded	Consultant Lee Young and Partners reviewed recommendations made by PATT Management and personnel from Bay Ferries. Drawing & Engineer's Estimate to be re-submitted following Stakeholder Meetings.
CEP014	Development of 4 Offices using Containers	\$400,000.00			Designs are completed. Invitation to Tender will be on Tuesday 29th, 2008 for two weeks.
	Total	\$28,233,625.00			

Financial Statements of

PORT AUTHORITY OF TRINIDAD AND TOBAGO

September 30, 2008

UNAUDITED

DRAFT

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Balance Sheet

September 30, 2008

	Note	2008	2007
ASSETS			
Property, Plant and Equipment	1	\$ 2,247,638,959	2,167,267,657
Capital Work-In-Progress		40,686,396	85,372,994
Investment Properties	2	809,109,556	809,109,556
Investments	3	1,265,250	840,000
TOTAL NON-CURRENT ASSETS		3,098,700,161	3,062,590,207
Inventory		17,281,349	17,105,695
Accounts Receivable	4	6,579,887	11,992,054
Other Receivables	5	369,828,918	428,222,468
Cash and Bank Balances	6	110,579,531	103,710,731
TOTAL CURRENT ASSETS		505,628,677	561,030,948
LIABILITIES			
Current Portion of Interest-Bearing Loans and Borrowings	7	1,200,027,377	1,187,367,664
Bank Overdraft	6	22,198,116	18,652,323
Accounts Payable and Accrued Liabilities	8	2,424,627,526	2,307,059,427
TOTAL CURRENT LIABILITIES		3,646,853,019	3,513,079,414
NET CURRENT LIABILITIES		(3,141,224,342)	(2,952,048,466)
Interest-Bearing Loans and Borrowings	7	647,656,399	694,483,176
Deferred Government Grants	9	79,637,567	67,728,998
Deferred Income	10	28,402,952	28,656,891
Retirement Benefits Obligations	11	53,323,355	44,941,400
TOTAL NON-CURRENT LIABILITIES		809,020,273	835,810,465
NET LIABILITIES		\$ (851,544,454)	(725,268,724)
RESERVES			
Capital Reserves		\$ 211,431,383	211,431,383
Revaluation Reserve		2,879,151,549	2,879,151,549
Accumulated Deficit		(3,942,127,386)	(3,815,851,656)
NET DEFICIT		\$ (851,544,454)	(725,268,724)

See accompanying notes to financial statements

Commissioner _____

Commissioner _____

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Statement of Revenue and Expenditure

Year ended September 30, 2008

	Note	2008	2007
REVENUE	12	\$ 282,039,627	272,320,650
OPERATING AND ADMINISTRATIVE EXPENSES	13	(382,525,510)	(391,611,248)
Loss from Operations		(100,485,883)	(19,290,598)
OTHER (EXPENSES) INCOME			
Government Grants	14	91,768,870	70,810,536
Other Income		9,969,364	11,480,815
Net Financing Costs	15	(27,293,111)	(113,323,250)
		(25,789,847)	(31,031,899)
Net Loss for the Year		\$ (26,275,730)	(150,322,497)

See accompanying notes to financial statements

UNAUDITED

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Statement of Changes in Reserves

September 30, 2008

	Note	Capital Reserve	Revaluation Reserve	Accumulated Deficit	Total
Year ended					
September 30, 2007					
Opening balance at October 1, 2007	\$	211,431,383	2,891,510,424	(3,677,888,024)	(574,946,227)
De-commissioning of property, plant and equipment		-	(12,358,875)	12,358,875	-
Net loss for the year		-	-	(150,322,497)	(150,322,497)
Closing balance at September 30, 2007	\$	<u>211,431,383</u>	<u>2,879,151,549</u>	<u>(3,815,851,656)</u>	<u>(725,268,724)</u>
Year ended					
September 30, 2008					
Opening balance at October 1, 2007	\$	211,431,383	2,879,151,549	(3,815,851,656)	(725,268,724)
Net loss for the year		-	-	(126,275,730)	(126,275,730)
Closing balance at September 30, 2008	\$	<u>211,431,383</u>	<u>2,879,151,549</u>	<u>(3,942,127,386)</u>	<u>(851,544,454)</u>

See accompanying notes to financial statements

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Statement of Cash Flows

Year ended September 30, 2008

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss for the Year	\$ (126,275,730)	(150,322,497)
Adjustments for:		
Interest Expense	133,098,507	122,576,277
Interest Income	(5,569,297)	(9,300,138)
Depreciation	45,457,811	47,199,040
De-commissioning of Property, Plant and Equipment	-	13,046,466
Bad Debts	397,761	292,604
Amortisation of Government Grants	(3,627,471)	(3,077,450)
Unrealised Loss on Investments	(125,250)	(288,750)
Deferred Income	(255,938)	(173,522)
Retirement Benefit Obligations	8,881,955	12,038,800
Operating Profit before Working Capital Changes	1,178,393	30,990,810
Inventory	(2,095,651)	7,267,665
Accounts Receivable	5,461,472	2,717,598
Other Receivables	58,893,551	(410,633,578)
Accounts Payable and Accrued Liabilities	33,612,004	22,841,752
Net Cash (used in) from Operations	147,049,769	(346,815,753)
Interest Paid	(49,522,474)	(37,957,837)
Interest Received	5,569,297	9,300,138
Net Cash (used in) from Operating Activities	<u>103,096,592</u>	<u>(375,473,452)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(125,829,120)	(15,746,210)
Capital Work-In-Progress	44,686,598	(72,927,577)
Net Cash used in Investing Activities	<u>(81,142,522)</u>	<u>(88,673,787)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Capital Grant	15,536,000	35,140,000
Proceed from Interest-Bearing Loans and Borrowings	51,455,442	455,685,248
Repayment of Interest-Bearing Loans and Borrowings	(85,622,505)	(63,213,314)
Net Cash from (used in) Financing Activities	<u>(18,631,063)</u>	<u>(427,611,934)</u>

See accompanying notes to financial statements.

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Statement of Cash Flows (continued)

Year ended September 30, 2008

	2008	2007
Net (Decrease) Increase in cash and cash equivalents during the year	\$ 3,323,007	(36,535,305)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>85,058,408</u>	<u>121,593,713</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 88,381,415</u>	<u>85,058,408</u>
CASH AND CASH EQUIVALENTS REPRESENTED BY:		
Bank Balances	\$ 38,828,820	28,694,311
Call Deposits	4,896,711	75,016,420
Bank Overdraft	<u>(2,198,116)</u>	<u>(18,652,323)</u>
	<u>\$ 88,381,415</u>	<u>85,058,408</u>

See accompanying notes to financial statements.

UNAUDITED

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Notes to Financial Statements

September 30, 2008

Incorporation and Principal Activity

Port Authority of Trinidad and Tobago ("the Port Authority") was established under Port Authority Act, Chapter 51:01, with the principal activity being the provision of a co-ordinated and integrated system of harbour facilities and port services connected therewith. In accordance with the aforementioned Act, the Port Authority also operates the Government Shipping Service (GSS) as an agent of the State, with GSS meaning the services supplies by vessels owned by the State and engaged in the carriage of passengers and goods between Trinidad and Tobago.

These financial statements were authorised for issue by the Commissioners on May 27, 2009.

Significant Accounting Policies

a) Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued and adopted by the International Accounting Standards Board.

b) Going Concern

These financial statements have been prepared on a going concern basis on the assumption that the Government of Trinidad and Tobago (the Government) will continue to provide financial support to the Port Authority.

c) Basis of Measurement

These financial statements have been prepared on the historical cost basis except that the following assets are stated at their fair value: property, plant and equipment, available-for-sale investments and investment property.

d) Reporting and Functional Currency

The financial statements are presented in Trinidad and Tobago dollars which is the functional currency of the Port Authority.

e) Use of Estimates

The preparation of these financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, contingent assets and contingent liabilities at the date of the financial statements and, income and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

September 30, 2008

Significant Accounting Policies (continued)

e) Use of Estimates (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 1 - Property, Plant and Equipment

Note 4 - Accounts Receivable

Note 5 - Other Receivables

f) Property, Plant and Equipment

(i) Owned Assets

As at September 30, 2008, property, plant and equipment, except for certain administrative assets, are stated at values determined by independent valuation performed as at March 28, 2006. The valuator indicated that there would be no significant differences in the values if the valuation had been performed as at September 30, 2005.

All other assets, except for administrative assets, are valued on the depreciated replacement cost basis. The administrative assets are stated at depreciated replacement cost as determined by management.

The revaluation surplus arising from the above valuation is classified as a revaluation reserve.

The cost of self-constructed assets includes the cost of materials and direct labour. Assets that are constructed for future use are classified as capital work-in-progress and are stated at cost until construction is complete, at which time it is reclassified as property, plant and equipment.

Significant Accounting Policies (continued)

(f) Property, Plant and Equipment (continued)

(ii) Subsequent Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in an item of property, plant and equipment. All other expenditure is recognised in the statement of revenue and expenditure as an expense when incurred.

(iii) Depreciation

Depreciation is calculated using the straight-line method at rates, which are considered adequate to allocate the carrying value of these assets over their estimate useful lives. Land is not depreciated. The rates used are as follows:

<u>Assets</u>	<u>Percentages</u>
Buildings	2.64 - 33.3
Wharves	2.64 - 33.3
Plant and Equipment	5 - 20
Marine	7.15 - 20
Motor Vehicles	7.7 - 50
Coastal Steamers	10 - 20

(g) Investment Properties

Investment properties are properties which are held to earn rental income or for capital appreciation or both. Investment properties are stated at fair value. The fair values are based on market values determined by independent valuation as at March 28, 2006.

Any gain or loss arising from a change in fair value is recognized in the statement of revenue and expenditure. Rental income from investment property is accounted for as described in accounting policy (p) below.

When an item of property, plant and equipment is transferred to investment property following a change in its use any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized directly in equity if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the statement of revenue and expenditure.

If an investment property becomes owner-occupied, then it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

September 30, 2008

Significant Accounting Policies (continued)

(g) Investment Properties (continued)

The Port Authority's policy is to revalue its investment properties every five (5) years or at such shorter intervals as determined by management if in their opinion there is a material change to market values.

(h) Investments

Available-for-sale investments are financial assets that are not held for trading purposes. These investments are initially measured at cost, including transaction costs. Subsequent to initial recognition, all available-for-sale investments are measured at fair value less impairment losses.

Gains and losses arising from a change in the fair value of available-for-sale investments are recognized in the Statement of Revenue and Expenditure.

(i) Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is calculated using the average cost method and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is the estimated price in the ordinary course of business less impairment losses.

(j) Accounts receivable and prepayments

Accounts receivable and prepayments are stated net of any specific provision established to recognize anticipated losses for bad and doubtful debts. Bad debts are written off during the year in which they are identified.

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft.

(l) Trade and Other Payables

Trade and other payables are stated at cost.

(m) Interest-bearing Loans and Borrowings

Interest-bearing borrowings are recognized at cost, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognized in the statement of revenue and expenditure over the period of borrowing on the effective interest rate basis.

Significant Accounting Policies (continued)

(n) Government Shipping Service

In accordance with Port Authority Act, the cost of financing or subsidizing the GSS is not to be borne by the Port Authority. Any deficit in any year arising out of the operations of the GSS shall be met by a subvention from the Government. A surplus in any year arising out of the operations of the services shall be transferred to a special account to be kept by the Port Authority and, subject to the discretion of the President of Trinidad and Tobago, shall be used either to offset any deficits arising out of the operation of the service in any year or years or for such other purposes as the President may determine.

(o) Employee benefits

The Port Authority operates three defined benefit pension plans and a retirement obligation plan. This obligation is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. This benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The discount rate is the yield at balance sheet date on government bonds that have the maturity dates approximating the terms of Port Authority obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

In calculating the Port Authority's obligation in respect of the plans, to the extent that any cumulative unrecognized actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, it is recognized in the statement of revenue and expenditure over the expected average remaining working lives of the employees participating in the plans. Otherwise, the actuarial gain or loss is not recognized.

When the benefits of the plans are improved, the portion of the increased benefit related to past service by employees is recognized as an expense in the statement of revenue and expenditure on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of revenue and expenditure.

When the calculation results in the plans' assets exceeding liabilities, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any currently available future refunds from the plans or reductions in future contributions to the plans.

September 30, 2008

Significant Accounting Policies (continued)

(p) Revenue

(i) Cargo Handling Revenue

Cargo handling revenue, except for store rent, is recognized based on the arrival date of the vessel.

(ii) Store Rent

Store rent revenue is recognized when the container or cargo is delivered to the consignee or the container is exported.

(iii) Rental Income

Rental income from investment properties is recognized in the statement of revenue and expenditure on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income.

(iv) Government Grants

Unconditional grants related to the ongoing operations of the Authority are recognized in the statement of revenue and expenditure as revenue when the grant becomes receivable.

Grants that compensate the Authority for the cost of an asset are recognized in the statement of revenue and expenditure as revenue on a systematic basis over the life of the asset.

(v) Other Revenue

Revenue from operations is recognized in the statement of revenue and expenditure on the accruals basis.

(q) Net Financing Costs

Net financing costs comprise interest incurred on borrowings and interest income on funds invested. Interest income is recognized on the accrual basis taking into account the effective yield on the asset. All interest and other costs incurred with borrowings are expensed as part of net financing costs.

September 30, 2008

Significant Accounting Policies (continued)

(r) Provisions

A provision is recognized in the balance sheet when the Authority has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments at the time value of money and, where appropriate, the risks specific to the liability.

(s) Foreign Currency Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Trinidad and Tobago dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate ruling at the date of the transaction.

(t) Taxation

In accordance with Port Authority Act, the Port Authority is exempt from the liability to corporation tax and business levy. The Port Authority is liable to green fund levy calculated on its gross sales or receipts.

(u) Impairment

The carrying amounts of the Authority's assets, other than property, plant and equipment, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of revenue and expenditure.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Significant Accounting Policies (continued)

(u) Impairment (continued)

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

UNAUDITED

DRAFT

UNAUDITED

DRAFT

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Notes to Financial Statements (continued)

September 30, 2008

	2008	2007
2. Investment Properties		
Balance at beginning of Year	\$ 809,109,556	809,109,556
Transfer from Property, Plant and Equipment	-	-
Balance at end of Year	<u>\$ 809,109,556</u>	<u>809,109,556</u>
Rental Income	<u>\$ 6,582,472</u>	<u>6,630,426</u>
3. Investments – available for sale		
Available-for-sale investments comprise of 105,000 ordinary shares of Point Lisas Industrial Port Development Corporation	<u>\$ 1,265,250</u>	<u>840,000</u>
4. Accounts Receivable		
Trade Receivables	\$ 11,898,855	16,980,266
Provision for Doubtful Debts and Outstanding Claims	<u>(5,379,973)</u>	<u>(4,988,212)</u>
Net Trade Receivables	<u>6,518,882</u>	<u>11,992,054</u>
5. Other Receivables		
Government receivable	\$ 6,120,280	6,120,280
Interest receivable on fixed deposits	827,561	827,561
Ministry of Works – CES Transport	1,907,960	7,712,200
Ministry of Works – Incat Fast Ferries	353,980,168	399,718,535
Prepaid Expenses	5,567,051	5,767,255
State Loans and Advances	4,814,665	5,053,586
VAT	<u>2,428,466</u>	<u>9,340,284</u>
	<u>375,646,151</u>	<u>434,539,701</u>
Provision for Doubtful Debts	<u>(6,317,233)</u>	<u>(6,317,233)</u>
	<u>\$ 369,328,918</u>	<u>428,222,468</u>

DRAFT

UNAUDITED

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Notes to Financial Statements (continued)

September 30, 2008

	2008	2007
6. Cash and Bank Balances		
Bank Balances	\$ 38,682,820	28,694,311
Call Deposits	<u>71,896,711</u>	<u>75,016,420</u>
	110,579,531	103,710,731
Bank Overdraft	<u>(22,198,145)</u>	<u>(18,652,323)</u>
Cash and cash equivalents for purposes of the Cash flow Statement	\$ <u>88,381,425</u>	<u>85,058,408</u>

Included in bank balances above is an amount of \$11,061,934 (2007: \$8,585,397) being held for the account of GSS. Call deposits totaling \$37,975,089 (2007: \$48,661,982) are being held on behalf of GSS as well. Call deposits, amounting to \$11,708,699 (2007: \$11,201,131) have been pledged as security for the bank overdraft. An additional amount of \$1,701,288 (2007: \$1,653,665) has also been pledged against a customs bond. The balance of the bank overdraft is unsecured. Interest is charged on the bank overdraft at the prime rate of interest less 1% (2007: 9.75%) annually.

	2008	2007
Call Deposits comprises the following:		
Customs Bond Facility	\$ 1,018,740	1,000,000
Three year customs bond	682,548	653,665
San Fernando Jetty Project	1,683,193	-
Group Health Surplus		301,210
Berth 7 Project		292,848
Beaufort Security Deposit		-
Equipment Maintenance Complex	828,398	782,037
Overdraft Security	11,708,699	11,201,131
GSS Funds	37,975,089	48,661,982
Capital Projects – GSS Upgrade	4,200,000	-
Capital Projects – West Gate	507,925	-
Operations Incremental	1,450,000	-
Reserved for Creditors	1,200,000	-
Equipment Purchase – two (2) RTG's	269,157	1,376,067
Ship to shore crane		3,747,067
Hauliers	77,090	-
Anomally	1,000,000	-
Reserved for Debt Servicing	<u>9,295,872</u>	<u>7,009,333</u>
	\$ <u>71,896,711</u>	<u>75,016,420</u>

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Notes to Financial Statements (continued)

September 30, 2008

	2008	2007
7. Interest-bearing Loans and Borrowings		
a) Loan to finance voluntary retirement of employees	\$ 6,221,618	6,221,618
b) Loan re Salaries and Wages	169,259,850	169,259,850
c) Loan re Operating Expenses	902,296,014	902,296,014
d) Loan re Development Programme	854,300	854,300
e) Loan re Storm Damage Repairs	2,922,000	2,922,000
f) Loan re Port Contractors Limited	16,400,000	16,400,000
g) Loan re Port Contractors Limited	3,773,151	3,773,151
h) Loan to finance repairs to Dredger "Port of Spain II"	5,100,000	5,100,000
i) Colonial Life Insurance Company (Trinidad) Limited	2,979,305	2,979,305
j) Loan to Commence Capital Projects	66,666,717	66,666,717
k) Loan to Finance Acquisition of Fast Ferries	399,095,428	399,095,428
l) Loan to Finance Equipment Acquisition	35,534,871	35,534,871
m) Loan to Reconstruct Berth 7, Purchase Equipment and Restructure Indebtedness Bridging Loan	<u>247,530,115</u>	<u>270,747,586</u>
	1,847,683,776	1,881,850,840
Less Current Portion	<u>(1,200,027,377)</u>	<u>(1,187,367,664)</u>
	\$ <u>647,656,399</u>	<u>694,483,176</u>

Interest – bearing Loans and Borrowings

(a) Loan to Finance Voluntary Retirement of Employees

This loan was an advance made by the Government in 1970 to finance the voluntary retirement of employees. It bears interest at a rate of 7.75% per annum and the loan is repayable over a period of seven years. No payments have been made to date.

(b) Loan Re Salaries and Wages

These are advances made by the Comptroller of Accounts over a period of time. Interest accrues at a rate of 7.75% per annum and the loan is repayable over a period of seven years. No payments have been made to date.

(c) Loans Re Operating Expenses

These are advances made by the Comptroller of Accounts over a period of time. Interest accrues at a rate of 7.75% per annum and the loan is repayable over a period of seven years. No payments have been made to date.

(d) Loans Re Development Programme

This loan was obtained from the Comptroller of Accounts in October 1977. There are no specific repayment terms and bears interest at a rate of 7.75% per annum. No payments have been made to date.

September 30, 2008

7. **Interest-bearing Loans and Borrowings** (continued)

(e) **Loan Re Storm Damage Repairs**

This loan was obtained from the Comptroller of Accounts in 1975 to finance storm damage repairs at the Port Authority. There are no specific repayment terms and bears interest at a rate of 7.75% per annum. No payments have been made to date.

(f) **Loan Re Port Contractors Limited – (Arrears of Pension Contributions, National Insurance Contributions and Pay As You Earn (P.A.Y.E))**

This loan was obtained from the Government in 1977 to finance the payment of arrears of pension contributions, national insurance contributions and P.A.Y.E. for Port Contractors Limited. It bears interest at a rate of 8% per annum and is repayable over twenty years. No payments have been made to date.

(g) **Loan Re Port Contractors Limited – Stevedoring Deficit (1977 and 1978)**

This loan was obtained from the Comptroller of Accounts in 1978. It bears interest at a rate of 8% per annum and is repayable over twenty years. No payments have been made to date.

(h) **Loan to finance repairs to dredger 'Port of Spain II'**

This loan was obtained from the Comptroller of Accounts in 1980 to finance repairs to the Port of Spain II dredger. The loan bears interest at 7.75% per annum and is repayable from proceeds of the insurance claim. No payments have been made to date.

(i) **Colonial Life Insurance Company (Trinidad) Limited**

This original amount of \$18,600,000 represents the excess of value of the joint liabilities arising from the value of the merged pension funds as at August 31, 1995, which was purchased by Colonial Life Insurance Company (Trinidad) Limited ("Clco"), over the value of their assets as at that date. It is payable to Clco in ten annual payments of \$2,752,000 including interest at the rate of 10% per annum from November 1, 1998. The instruments supporting the purchase of the joint liabilities of the merged pension funds by, and the transfer of their assets to, Clco and the funding of this obligation have not yet been executed.

(j) **Loan to Finance Capital Projects**

This loan of \$150,000,000 was obtained under a fixed rate bond issue. It is guaranteed by the Government and is repayable over a period of ten years with a twelve month moratorium on principal repayments. Interest is charged at the rate of 11.5% per annum. Principal instalments of \$8,333,333 and interest are repayable in January and July annually with the final instalment due in July 2011. Part of the loan was used to repay the bridging loans obtained in the previous year.

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Notes to Financial Statements (continued)

September 30, 2008

7. Interest-bearing Loans and Borrowings (continued)

(k) Loan to Finance Acquisition of Fast Ferries

This loan of US\$66,500,000 was obtained under a fixed rate private placement. It is guaranteed by the Government and is repayable over a period of ten years. Interest is charged at the rate of 5.54% per annum. Principal instalments of US\$3,325,000 and interest are repayable in March and September annually with the final instalment due in March 2017.

(l) Loan to Finance Equipment Acquisition

This loan of US\$13,400,000 was obtained under a Government guaranteed fixed rate loan note. It bears interest at a rate of 6.5% per annum and it is repayable semi-annually over a ten year period at the rate of US\$670,000 per instalment, excluding interest, commencing April 2009 with the final instalment due in October 2018.

(m) Loan to Reconstruct Berth 7, Purchase Equipment and Restructure Indebtedness

This loan of \$340,400,000 was obtained under a fixed rate bond issue and is guaranteed by the Government. The first bond of \$228,000,000 is repayable in 29 semi-annual instalments of \$7,862,069 and bears interest at a rate of 5.8% per annum. The second bond of \$112,400,000 is repayable in 30 semi-annual instalments of \$3,746,667 and bears interest at a rate of 6.05% per annum. The semi-annually instalments of principal and interest are made in March and September commencing in 2005. The loan was obtained to reconstruct Berth 7, purchase equipment to upgrade the efficiency and capacity of the Port Authority and to restructure existing debt.

8. Payable and Accrued Liabilities

	2008	2007
Trade Payables	\$ 103,608,120	17,817,603
Other Payables	25,197,707	28,671,292
Prepaid Rent	1,350,757	1,350,757
Green Fund Liability	801,277	801,277
Ministry of Public Utilities	13,012,691	55,672,781
Accrued Liabilities	55,763,559	61,808,400
Accrued Loan Interest	<u>2,224,893,415</u>	<u>2,140,937,317</u>
	<u>\$ 2,424,627,526</u>	<u>2,307,059,427</u>

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Notes to Financial Statements (continued)

September 30, 2008

	2008	2007
9. Deferred Government Grants		
Balance Brought Forward	\$ 67,728,998	35,666,448
Grants Received for the Year	15,536,000	35,140,000
Amortisation for the Year	<u>(3,627,431)</u>	<u>(3,077,450)</u>
	<u>\$ 79,637,567</u>	<u>67,728,998</u>
10. Deferred Income		
Lease Premium	\$ 28,656,891	28,830,413
Amortisation of Lease Premium	<u>(253,939)</u>	<u>(173,522)</u>
	<u>\$ 28,402,952</u>	<u>28,656,891</u>
11. Retirement Benefit Obligations		
a) The retirement benefit obligations comprise the following:		
Defined benefit pension plans	\$	2,466,400
Retirement obligations for temporary monthly-paid employees		2,733,200
Retirement obligations for casual daily-paid employees		<u>39,741,800</u>
	\$	<u><u>44,941,400</u></u>
b) Defined Benefit Pension Plans		
i) Trinidad and Tobago Port Contractors Limited Staff Pension Plan		
This plan covers monthly paid employees who contribute 5% of annual basic salary. The Port Authority's current rate of contribution is 18% of employees' salaries.		
ii) The Trinidad and Tobago Port Contractors Limited Pension Fund Plan		
This plan covers the daily and weekly paid employees who contribute 6.25% of gross earnings and the Port Authority 12.5% of employees' gross earnings.		
iii) The Port Authority of Trinidad and Tobago Daily and Weekly Paid Plan		
This plan covers the daily and weekly paid employees who contribute 6.25% of gross earnings and the Port Authority 12.5% of employees' gross earnings.		

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Notes to Financial Statements (continued)

September 30, 2008

	2008	2007
11. Retirement Benefit Obligations (continued)		
b) Defined Benefit Pension Plans (continued)		
iv) Employee Benefits		
The net liabilities of all three plans have been combined and are as follows:		
Present value of obligations	\$	121,794,700
Fair value of plan assets		(182,319,200)
Unutilisable asset		29,304,328
Unrecognised actuarial losses		<u>33,686,572</u>
Net Liabilities	\$	<u><u>2,466,400</u></u>
v) Expenses recognized in the statement of revenue and expenditure are as follows:		
Current service cost	\$	3,913,600
Interest on obligations		10,444,400
Expected return on plan assets		(14,593,300)
Adjustment to opening liability		125,800
Income not recognized due to asset limit		(586,900)
Recognised actuarial loss		<u>7,648,700</u>
	\$	<u><u>6,952,300</u></u>
vi) Movement in the net obligations recognised in the balance sheet is as follows:		
Net liability at beginning of year	\$	4,814,400
Contributions paid		(9,300,300)
Net amount recognized in the statement of revenue and expenditure		<u>6,952,300</u>
Balance at end of year	\$	<u><u>2,466,400</u></u>
vii) Liability for defined benefit obligation		
The principal actuarial assumptions used as at September 30, 2008 are as follows: (expressed as weighted averages)		
Discount Rate	-	8.5%
Expected return on plan assets	-	9.0%
Future Salary increases	-	4.0%

The actual return on plan assets for the year ended September 30, 2008 was \$15,093,400 (2007 - \$15,093,400).

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Notes to Financial Statements (continued)

September 30, 2008

11. Retirement Benefit Obligations (continued)

c) Retirement obligations for the temporary monthly-paid Employees

i) This plan covers all temporary monthly-paid employees of the Port Authority. The Port Authority provides a lump-sum entitlement at retirement, on death in service or retrenchment. Lump-sum payments are funded on a pay-as-you-go basis.

	2008	2007
ii) Employee benefits		
The net liabilities of the plan is as follows:		
Present value of obligations	\$ 1,906,900	1,906,900
Unrecognised actuarial losses		826,300
Net liabilities	\$	2,733,200

iii) Expenses recognised in the statement of revenue and expenditure

The amounts recognized in the statement of Revenue and expenditure are as follows:

Current service cost	\$ 433,000	433,000
Interest on obligations		215,600
	\$	648,600

iv) Movement in the net obligations recognised in the balance sheet is as follows:

Net liability at beginning of year	\$ -	-
Net amount recognized in the Statement of revenue and expenditure		2,733,200
Balance at end of year	\$	2,733,200

v) Liability for retirement obligation

The principal actuarial assumptions used as at September 30, 2007 are as follows: (expressed as weighted averages)

Discount rate	-	8.5%
Future salary increases	-	4.0%

September 30, 2008

11. Retirement Benefit Obligations (continued)

d) Retirement obligations for the casual daily-paid Employees

i) This plan covers all casual daily-paid employees of the Port Authority. The Port Authority provides a lump-sum entitlement at retirement, on death in service or retrenchment. Lump-sum payments are funded on a pay-as-you-go basis.

	2008	2007
ii) Employee benefits		
The net liabilities of the plan is as follows:		
Present value of obligations	\$	37,105,400
Unrecognised actuarial gain (losses)		(2,636,400)
Net liabilities	\$	39,741,800

iii) Expenses recognised in the statement of revenue and expenditure

The amounts recognized in the statement of Revenue and expenditure are as follows:

Current service cost	\$	2,004,800
Interest on obligations		3,639,200
Adjustment to previous year's net liability		5,845,500
Net Actuarial Loss Recognised		164,100
	\$	11,653,600

iv) Movement in the net obligations recognised in the balance sheet is as follows:

Net liability at beginning of year	\$	28,088,200
Net amount recognized in the Statement of revenue and expenditure		11,653,600
Balance at end of year	\$	39,741,800

v) Liability for retirement obligation

The principal actuarial assumptions used as at September 30, 2007 are as follows: (expressed as weighted averages)

Discount rate	-	8.5%
Future salary increases	-	4.0%

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Notes to Financial Statements (continued)

September 30, 2008

	<u>2008</u>	<u>2007</u>
12. Revenue		
Wharves	\$ 257,418,137	246,926,324
Marine	8,786,979	9,383,756
Cruise Ship Terminal	3,001,025	4,132,242
Port of Scarborough	2,570,470	3,415,295
Port Dues	<u>10,263,010</u>	<u>9,463,033</u>
	\$ 282,039,621	272,320,650
13. Operating and Administrative Expenses		
Wharves	\$ 136,517,073	179,153,119
Equipment	39,215,958	42,182,332
Port of Scarborough	4,139,857	4,656,861
Marine	19,271,671	21,967,053
Cruise Ship Terminal	708,552	880,063
Overheads	<u>132,689,537</u>	<u>142,771,820</u>
	\$ 382,542,648	391,611,248
14. Government Grants		
Amounts related to income	\$ 78,098,789	58,059,679
Amortisation of capital grants	3,627,431	3,077,450
Government subventions – Portia	<u>10,043,750</u>	<u>9,673,407</u>
	\$ 91,769,970	70,810,536
15. Net Financing Costs		
Interest on investments and deposits	\$ 5,569,298	10,127,699
Interest expense on Government loans	(84,215,668)	(84,215,668)
Interest expense on other loans	(48,882,839)	(38,765,561)
Interest on bank overdraft	<u>-</u>	<u>(469,720)</u>
	\$ (127,529,211)	(113,323,250)

September 30, 2008

16. Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purposes of these financial statements, financial assets have been determined to include cash and cash equivalents, accounts receivable, other receivables and investments. Financial liabilities have been determined to include accounts payable and interest-bearing loans and borrowings.

Exposure to credit, interest rate and foreign currency risks through the normal course of the Port Authority's business are as follows:

Credit Risk

The Port Authority's credit control policy provides for the establishment of a bond for all agents, a review of debtors with balances outstanding for more than 60 days and the determination of an appropriate course of action to be taken. The Port Authority's exposure to credit risk is monitored on an ongoing basis and this is facilitated by a small customer base.

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than that of the Port Authority.

At balance sheet date there was no significant concentration of credit risk.

Interest Rate Risk

The Port Authority has ensured that its exposure to changes in interest rates on loans and borrowings are minimized as all loans and borrowings are on a fixed rate basis.

Foreign Currency Risk

The Port Authority incurs foreign currency risks on minor portion of its receipts arising from revenue of insurance claims settlement and on its purchases, which are denominated in a currency other than Trinidad and Tobago Dollars. The currency giving rise to this risk is primarily the United States Dollar (US\$). The Port Authority hedges its foreign currency risk by maintaining a US\$ account through which most receipts and payments in US\$ are managed.

16. **Financial Instruments** (continued)

Fair Values

Fair Value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable and willing parties who are under no compulsion to act and is best evidenced by a quoted market price if one exists. The estimated fair value of the Port Authority's financial instruments is based on the market prices and valuation methodologies as set out below.

Most of the Port Authority's financial instruments lack an available trading market, therefore, these instruments have been valued using a generally accepted alternative technique. Accordingly, the estimates presented here may not be indicative of the amounts realisable in an immediate settlement of the instruments. In addition, the calculation of estimated fair value is based on market conditions prevailing at a specific point in time and will not be reflective of future fair values.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

Determination of Fair Values

<u>Financial Asset/Liability</u>	<u>Method</u>
Available for sale - Investments	These values are based on quoted market prices at the balance sheet date.
Cash and Cash Equivalents	Assumed to be their carrying value due to their liquidity.
Accounts Receivable	Assumed to be their carrying value due to their short-term nature.
Other Receivable	Assumed to be their carrying value due to their short-term nature.
Accounts Payable	Assumed to be their carrying value due to their short-term nature.
Interest-bearing Loans and borrowings	Assumed to be their carrying value since all loans and borrowings are on a fixed rate basis.

17. Employees

The average number of employees during the year was 1,836 (2007 – 1,836).

18. Contingent Liabilities

Contingent liabilities in respect of legal actions in the High Court brought against The Port Authority by various third parties approximates \$25.1 million (2007: \$25.1 million).

19. Related Parties

Key Management Personnel

Key management personnel receive compensation in the form of short-term employee benefits and post-employment benefits.

Key management personnel receive compensation of \$4.8 million (2007: \$4.8 million) for the year. Total remuneration is included in salaries and wages.

20. Subsequent Events – Vesting Order

By virtue of Legal Notice No. 68 of 2006 the Port Authority of Trinidad and Tobago (Vesting) Order, 2006, and with effect from March 15, 2006, the real estate, equipment, plant and buildings and other non-real property rights and obligations of the Port Authority are transferred and vested in the Port of Spain Infrastructure Company Limited (“POSINCO”), a company incorporated under the laws of Trinidad and Tobago, as the private entity to assume the responsibility for port operations.

Notwithstanding the publication of the Vesting Order on March 26, 2006, the Port Authority continued to conduct the operations of Port Authority of Trinidad and Tobago in the name of and under the land of the Port Authority, subject to terms providing for the indemnification of POSINCO by the Port Authority.

Supplementary Information to
Financial Statements of

PORT AUTHORITY OF TRINIDAD AND TOBAGO

September 30, 2008

UNAUDITED

DRAFT

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Index of Supplementary Information to Financial Statements

September 30, 2008

	Page Nos.
Revenue	30
Wharves	
Marine	
Cruise Ship Terminal	
Port Dues	
Summary of Operating and Administrative Expenses	31-34
Operating and Administrative Expenses	
Wharves	
Equipment Maintenance	
Port of Scarborough	
Marine	
Cruise Ship Terminal	
Overhead Accounts	
Summary of Overhead Accounts	35
Overhead Accounts	35-38
Administration and Internal Audit	
Finance	
Property Management	
Security	
Waterfront Clinic	
General Overheads	
Other Income	38

DRAFT

UNAUDITED

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Supplementary Information to Financial Statements

September 30, 2008
(with comparative figures for 2007)

	2008	2007
REVENUE		
Wharves		
Berth Occupancy Charges	\$ 6,358,763	6,073,004
Berthing Charges	2,436,445	2,445,985
Equipment Hire	876,907	877,034
Goods and Equipment Sales	2,615,986	4,732,535
Labour and Overtime Recoverable	5,357,125	4,655,523
Other Income	67,336	87,589
Receiving, Storing and Delivering	172,707,959	155,783,677
Stevedoring	605,678	1,953,250
Store Rent	4,634,291	68,611,359
Throughput Charges	1,566,570	893,807
Water Sales	269,382	389,009
Wharf Dues	360,107	423,552
	<u>257,418,137</u>	<u>246,926,324</u>
Marine		
Towage Services	8,786,979	9,383,756
	<u>8,786,979</u>	<u>9,383,756</u>
Cruise Ship Terminal		
Fees from Tour Operators	151,092	307,995
Head Tax	1,301,520	2,426,895
Rental of Booths	1,185,942	1,120,084
Other Income	362,471	277,268
	<u>3,001,025</u>	<u>4,132,242</u>
Port of Spain Group	<u>2,570,476</u>	<u>2,415,295</u>
Port Dues	<u>10,263,010</u>	<u>9,463,033</u>
Total Revenue	\$ <u>282,039,627</u>	<u>272,320,650</u>

DRAFT

UNAUDITED

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Supplementary Information to Financial Statements

September 30, 2008
(with comparative figures for 2007)

	Page Reference	2008	2007
SUMMARY OF OPERATING AND ADMINISTRATIVE EXPENSES			
Wharves	33	\$ 186,517,073	179,153,119
Equipment Maintenance	34	39,215,933	42,182,332
Port of Scarborough	34	4,139,857	4,656,861
Marine	35-36	19,271,671	21,967,053
Cruise Ship Terminal	36	808,452	880,063
Overheads	37-40	32,672,399	142,771,820
Total Operating and Administrative Expenses		\$ 312,525,510	391,611,248

OPERATING AND ADMINISTRATIVE EXPENSES

Wharves			
Administration			
Claims		\$ 1,889,221	2,615,274
Overtime		8,843,164	7,011,723
Salaries		22,270,701	21,946,810
Travelling and Subsistence		519,336	464,133
Vacation Leave		89,666	69,640
Workmen's Compensation		1,008,771	602,927
		<u>34,620,860</u>	<u>32,710,507</u>
Operations and Maintenance Charges			
Depreciation		43,826,272	45,116,128
Electricity and Power		4,196,027	3,598,405
Fuel and Oil for Equipment		11,637	15,257
Hire of Mari Taxi		949,650	638,650
Incidentals		6,617,005	3,480,251
Minor Equipment Purchases		123,170	270,646
Protective Clothing		830,573	166,658
Wages – Berthing		2,755,384	2,496,987
Wharves and Equipment Maintenance		82,260	463,019
Wages – Cargo Handling		<u>92,504,234</u>	<u>90,196,611</u>
		<u>151,896,213</u>	<u>146,442,612</u>
		\$ 186,517,073	179,153,119

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Supplementary Information to Financial Statements

September 30, 2008

(with comparative figures for 2007)

	2008	2007
OPERATING AND ADMINISTRATIVE EXPENSES (continued)		
Equipment Maintenance		
Administration		
Allowances	\$ 61,622	81,139
Group Life Insurance	123,963	174,178
Overtime	1,883,592	1,758,172
Salaries	4,288,998	4,882,451
Traveling and Subsistence	54,233	124,052
Workmen's Compensation	100,467	594,869
Vacation leave	-	47,378
	<u>6,620,793</u>	<u>7,662,239</u>
Operations and Maintenance		
Fuel and Oil	3,606,170	4,854,734
Incidentals	1,004,004	1,025,173
Insurance	674,603	2,122,855
Minor Equipment Purchases	80,437	63,280
Overseas Travel	27,183	41,629
Repairs and Maintenance	11,105,376	9,789,569
Stationery	40,221	35,031
Training	8,835	40,245
Uniforms	146,378	22,803
Wages	15,901,959	16,524,774
	<u>32,595,165</u>	<u>34,520,093</u>
	<u>\$ 39,215,958</u>	<u>42,182,332</u>
Port of Scarborough		
Group Life Insurance	\$ 33,669	33,705
Incidentals	52,627	4,271
Overseas Travel	-	-
Overtime	485,341	454,874
Repairs and Maintenance	86,378	43,338
Salaries	832,006	898,841
Special Allowances	18,360	18,360
Stationery	-	1,775
Wages	2,643,475	3,199,041
Workmen's Compensation	(12,000)	2,656
	<u>\$ 4,139,857</u>	<u>4,656,861</u>

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Supplementary Information to Financial Statements

September 30, 2008
(with comparative figures for 2007)

	2008	2007
OPERATING AND ADMINISTRATIVE EXPENSES (continued)		
Marine		
Administration		
Fuel and Oil	\$ 11,020	12,588
Depreciation	940,400	929,058
Group Life Insurance	72,553	86,168
Incidentals	251,227	870,941
Minor Equipment Purchases	-	(75,550)
NIS Contributions	54,242	399,839
Overseas Travel	30,061	26,808
Overtime to Staff	147,468	101,142
Provision for Staff Indebtedness	-	125,847
Rental of Office Equipment	-	913
Repairs and Maintenance	25,929	16,119
Salaries	1,390,950	1,387,502
Savings Plan	4,328	3,940
Special Allowances	7,091	6,079
Stationery	17,309	21,848
Training	-	2,220
Travelling	56,642	41,355
Uniforms	2,703	340
Vacation Leave	-	-
Wages	3,028,670	3,281,307
Workmen's Compensation	-	-
	<u>6,132,139</u>	<u>7,238,464</u>
Towage		
Hire of Private Tugs	352,448	1,845,087
Fuel, Oil and Water	472,602	488,121
Incidentals	80,380	98,484
Insurance	729,109	115,132
Minor Equipment Purchases	-	81,258
Overseas Travel	-	630
Overtime	3,271,143	2,498,098
Repairs and Maintenance	1,251,390	2,049,392
Salaries	5,294,975	6,027,534
Special Allowance	4,860	4,905
Training	-	-
Uniforms	2,027	17,651
Vacation Leave	-	-
Wages	<u>1,360,929</u>	<u>909,506</u>
	<u>\$ 12,819,862</u>	<u>14,135,798</u>

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Supplementary Information to Financial Statements

September 30, 2008
(with comparative figures for 2007)

	2008	2007
OPERATING AND ADMINISTRATIVE EXPENSES (continued)		
Dredging		
Incidentals	\$ 4,738	6,877
Insurance	-	10,836
Overtime	21,411	245,916
Repairs and Maintenance	10,536	29,448
Salaries	169,078	256,900
Uniforms	332	2,596
Wages	21,785	37,158
Victualling	-	3,060
	<u>319,670</u>	<u>592,791</u>
	\$ 19,271,671	21,967,053
 Cruise Ship Terminal		
Depreciation	\$ 95,825	153,853
Group Life Insurance	4,389	4,389
Incidentals	39,052	119,285
Janitorial Services	116,600	96,000
Minor Equipment Purchases	9,655	8,636
Overseas Travel	13,957	17,710
Overtime	15,506	25,899
Printing and Stationery	6,416	9,849
Repairs and Maintenance	31,131	48,236
Salaries	358,723	373,887
Special Allowance	1,799	2,193
Telephone Cards	-	3,720
Travelling	15,499	16,406
	<u>708,552</u>	<u>880,063</u>
	\$ 708,552	880,063

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Supplementary Information to Financial Statements

September 30, 2008
(with comparative figures for 2007)

	Page Reference	2008	2007
SUMMARY OF OVERHEAD ACCOUNTS			
Administration and Internal Audit	37	\$ 20,072,417	20,251,135
Finance	37	5,145,469	4,886,874
Property Management	38	16,722,083	17,136,448
Security	39	15,967,712	17,320,739
Waterfront Clinic	39	385,473	262,960
General Overheads	39-40	58,313,413	65,470,859
Commissioners Remuneration		271,200	312,000
Professional Charges		4,527,585	4,891,864
Pension Plan Contributions		1,166,680	12,238,941
		<u>\$ 132,672,399</u>	<u>142,771,820</u>
TOTAL OPERATING AND ADMINISTRATIVE EXPENSES		<u>\$ 382,525,510</u>	<u>391,611,248</u>

OVERHEAD ACCOUNTS

Administration and Internal Audit

Salaries	\$ 18,218,912	19,736,922
Overtime	1,085,284	(280,324)
Vacation Leave	73,567	33,251
Wages	694,653	761,286
	<u>\$ 20,072,417</u>	<u>20,251,135</u>

Finance

Salaries	\$ 4,634,154	4,364,616
Overtime	324,396	389,357
Vacation Leave	40,919	822
Wages	145,999	132,079
	<u>\$ 5,145,469</u>	<u>4,886,874</u>

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Supplementary Information to Financial Statements

September 30, 2008
(with comparative figures for 2007)

	2008	2007
OVERHEAD ACCOUNTS (continued)		
Property Management – Administration		
Allowances	\$ 860	4,919
Group Life Insurance	2,740	13,362
Incidentals	6,952	10,792
Insurance	7,237,601	1,906,519
Overseas Travel	33,473	600
Overtime	49,223	41,739
Salaries	511,574	505,583
Stationery	2,954	1,039
Travelling and Subsistence	5,001	17,826
Wages	-	-
	<u>7,847,346</u>	<u>2,502,379</u>
Property Management – Civil Engineering		
External Works	-	-
Fuel and Oil	166,952	479,332
Group Life Insurance	3,826	24,355
Incidentals	129,243	106,810
Janitorial Services	1,175,481	976,032
Land Surveys	-	-
Overseas Travel	4,050	14,720
Overtime	58,621	78,285
Repairs and Maintenance	5,603,812	11,540,538
Rental – Office Equipment	37,010	9,340
Salaries	718,514	442,975
Special Allowances	4,663	2,588
Stationery	7,872	12,733
Travelling and Subsistence	43,245	21,679
Wages	921,452	924,682
	<u>8,874,745</u>	<u>14,634,069</u>
	<u>\$ 16,722,088</u>	<u>17,136,448</u>

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Supplementary Information to Financial Statements

September 30, 2008
(with comparative figures for 2007)

	2008	2007
OVERHEAD ACCOUNTS (continued)		
Security		
Fuel and Oil	\$ 23,867	29,189
Maintenance of Vehicles	659	5,870
Miscellaneous	1,665,675	1,703,834
Overtime	5,413,898	4,910,980
Rental of Office Equipment	15,586	3,600
Salaries	8,551,603	10,425,199
Travelling	126,381	106,386
Uniforms	239,672	133,737
Vacation Leave	24,470	1,944
	<u>\$ 15,967,712</u>	<u>17,320,739</u>
Waterfront Clinic		
Salaries	\$ 239,072	177,459
Miscellaneous	106,336	43,344
Overtime	32,126	34,667
Travelling	7,900	7,490
	<u>\$ 385,435</u>	<u>262,960</u>
General Overheads		
Accommodation – Portia	\$ 1,499,016	1,595,394
Withholding Taxes – Portia	2,038,585	687,059
Management Fees – Portia	3,181,738	4,769,946
Advertising	447,274	320,513
Gratuity to Workers	11,240,009	13,607,857
Green Fund Levy	-	283,559
Incidentals	8,872,712	6,155,815
Insurance	3,563,049	1,278,862
Decommissioning of Fixed Assets	-	12,358,876
Minor Equipment Purchases	742,912	288,982
NIS Contributions	7,651,767	4,857,859
Office Equipment and Furniture	38,534	7,325
Overseas Travel	694,756	683,532
Provision for Bad and Doubtful Debts	391,761	292,604
Provision for Obsolete Stocks	34,719	4,708,866
Rent	57,794	81,020

PORT AUTHORITY OF TRINIDAD AND TOBAGO

Supplementary Information to Financial Statements

September 30, 2008
(with comparative figures for 2007)

	<u>2008</u>	<u>2007</u>
OVERHEAD ACCOUNTS (continued)		
General Overheads (continued)		
Rates and Taxes	14,057,698	11,261,555
Savings Plan	261,353	210,746
Stationery	821,641	805,660
Staff Training	163,876	321,877
Telephones	1,887,123	1,723,034
Travelling and Subsistence	30,837	676,837
Uniforms	7,794	(4,562)
Vacation Leave	-	(1,502,357)
	<u>\$ 28,413,813</u>	<u>65,470,859</u>
OTHER INCOME		
Insurance Claim	\$ 175,967	-
Land and Office Rent	6,584,972	6,630,426
Miscellaneous Income	201,849	172,144
Gain on Disposal of Fixed Assets	-	-
Recovery of CES Fees	2,695,760	2,419,059
Security Services	166,596	81,886
Use of Equipment/ Labour for Asset Construction	-	2,062,000
Wharf Passes	144,250	115,300
	<u>\$ 9,969,394</u>	<u>11,480,815</u>
Total Other Income		

UNAUDITED

DRAFT