

Taurus Services Limited

Financial Statements
(Expressed in Trinidad and Tobago Dollars)

30 September 2010

Taurus Services Limited

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Independent Auditor's Report

To the Shareholders of
Taurus Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Taurus Services Limited, which comprise the balance sheet as of 30 September 2010 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 auditors consider 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**CB Wharfe (Senior Partner), L Awai, F Aziz Mohammed, BA Hackett, H Mohammed,
NA Panchoo, F Parsotan, SW Ramirez, A West**
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Independent Auditor's Report (Continued)

Basis for Qualified Opinion

As discussed in Note 5 to the financial statements, the loan portfolio consists of non-performing loans transferred to the Company from a number of financial institutions. Due to the number of loans and the Company's existing systems, an assessment of the provision was done on an overall portfolio basis and a provision has been booked based on this assessment. In addition, the Company has recognised interest income on these loans on the receipts basis instead of the effective interest method

The determination of the provision for impairment together with the basis for interest recognition recorded by the Company on the non performing loan portfolio are not in accordance with International Accounting Standard (IAS) 39: Financial Instruments – Recognition and Measurement.

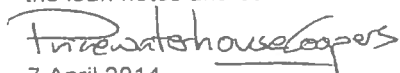
Due to the basis adopted by the Company in estimating the provision for impairment, we were not able to determine the extent of the provision that may be necessary as well as the interest income that should have been recognised had a proper assessment been performed. The Company has also not included all of the necessary financial risk disclosures relating to credit risk, market risk and liquidity risk for the non performing loans as required by International Financial Reporting Standard (IFRS) 7: Financial Instruments – Disclosure. These matters also resulted in a qualification of our audit report in the prior year.

Qualified Opinion

In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Taurus Services Limited as of 30 September 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without further qualifying our opinion, we draw attention to Note 3 in the financial statements which indicates that the Company incurred a net loss of \$104,703,166 (2009: \$129,842,491) during the year ended 30 September 2010 and, as of that date, the Company's total liabilities exceeded its total assets by \$1,282,526,898 (2009: \$1,382,890,726). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to service its liabilities is dependent on guarantees by the Government of the Republic of Trinidad and Tobago. The Government of the Republic of Trinidad and Tobago has agreed to guarantee the loan notes and bonds issued by the Company.



7 April 2014
Port of Spain
Trinidad, West Indies

Taurus Services Limited

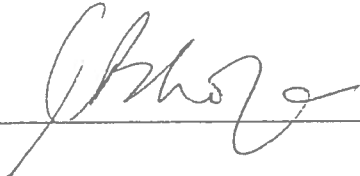
Balance Sheet

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 30 September	
		2010 \$	2009 \$
ASSETS			
Cash and cash equivalents	4	61,149,181	112,646,912
Interest receivable		41,605	59,007
Funds held in trust		516,014	111,412
Amounts due from the Ministry of Finance	6	115,080,885	136,032,681
Property, plant and equipment	7	578,692	946,017
Total Assets		<u>177,366,377</u>	<u>249,796,029</u>
EQUITY			
Capital And Reserves			
Share capital	8	5,398	5,398
Capital contributions	9	2,857,258,277	2,652,191,283
Accumulated deficit		(4,139,790,573)	(4,035,087,407)
		<u>(1,282,526,898)</u>	<u>(1,382,890,726)</u>
LIABILITIES			
Interest and accounts payable	11	14,932,097	18,795,202
Other liabilities and accrued charges		827,004	311,644
Taxation payable		64,385	91,198
Amounts due to First Citizens Bank Limited	6	113,296,084	133,939,872
Notes payable to First Citizens Bank Limited	12	821,827,126	890,312,719
Note payable to Agricultural Development Bank	13	9,625,000	11,500,000
Debt instruments due to Fincor	14	337,985,711	416,400,252
Amount due to Central Bank of Trinidad and Tobago	15	161,335,868	161,335,868
Total Liabilities		<u>1,459,893,275</u>	<u>1,632,686,755</u>
Total Equity And Liabilities		<u>177,366,377</u>	<u>249,796,029</u>

The accompanying notes on pages 7 to 30 form an integral part of these financial statements

On 3 April 2014, the Board of Directors of Taurus Services Limited authorised these financial statements for issue.



Director



Director

Taurus Services Limited

Statement Of Comprehensive Income (Expressed in Trinidad and Tobago Dollars)

		Year Ended 30 September	
	Notes	2010 \$	2009 \$
Interest income	18	10,743,113	14,259,848
Interest expense	19	<u>(147,379,851)</u>	<u>(166,649,110)</u>
Net Interest Expense		(136,636,738)	(152,389,262)
Commission income		44,707	43,060
Foreign exchange (losses)/gains		(309,321)	(1,494,037)
Other income	20	<u>15,625,871</u>	<u>12,837,043</u>
Net Interest And Other Expense		(121,275,481)	(141,003,196)
Recoveries on loans written off	5	26,939,876	19,695,677
Operating expenses	21	(10,205,583)	(8,389,386)
Administrative expenses	21	<u>(55,800)</u>	<u>(51,660)</u>
Loss Before Taxation		(104,596,988)	(129,748,565)
Taxation	22	<u>(106,178)</u>	<u>(93,926)</u>
Loss For The Year		<u>(104,703,166)</u>	<u>(129,842,491)</u>

The accompanying notes on pages 7 to 30 form an integral part of these financial statements.

Taurus Services Limited

Statement Of Changes In Equity

(Expressed in Trinidad and Tobago Dollars)

	Note	Share Capital \$	Capital Contributions \$	Accumulated Deficit \$	Total Shareholders' Equity \$
Balance at 1 October 2008		5,398	2,346,407,505	(3,905,244,916)	(1,558,832,013)
Loss for the year		--	--	(129,842,491)	(129,842,491)
Total Comprehensive Income For The Year		--	--	(129,842,491)	(129,842,491)
Capital contribution for the period	9	--	305,783,778	--	305,783,778
Total Transactions With Owners Recognised Directly In Equity		--	305,783,778	--	305,783,778
Balance at 30 September 2009		5,398	2,652,191,283	(4,035,087,407)	(1,382,890,726)
Balance at 1 October 2009		5,398	2,652,191,283	(4,035,087,407)	(1,382,890,726)
Loss for the year		--	--	(104,703,166)	(104,703,166)
Total Comprehensive Income For The Year		--	--	(104,703,166)	(104,703,166)
Capital contribution for the period	9	--	205,066,994	--	205,066,994
Total Transactions With Owners Recognised Directly In Equity		--	205,066,994	--	205,066,994
Balance at 30 September 2010		5,398	2,857,258,277	(4,139,790,573)	(1,282,526,898)

The accompanying notes on pages 7 to 30 form an integral part of these financial statements.

Taurus Services Limited

Cash Flow Statement

(Expressed in Trinidad and Tobago Dollars)

	Note	Year Ended 30 September	
		2010 \$	2009 \$
Cash Flows From Operating Activities			
Loss before taxation		(104,596,988)	(129,748,565)
Adjustments to reconcile loss to net cash used in operating activities:			
Depreciation		417,426	410,091
Interest income		(10,743,113)	(14,259,848)
Interest income received		10,943,628	14,640,208
Interest expense		147,379,851	166,649,110
Interest paid		(149,840,358)	(168,712,084)
Foreign exchange losses/(gains)		309,321	1,494,037
		(106,130,233)	(129,527,051)
Net change in accounts payable		(1,548,243)	1,467,955
Net change in other current liabilities and accrued charges		515,360	(1,022,721)
Net change in funds held in trust		(404,602)	204
Taxation paid		(106,178)	(106,052)
Net Cash Outflow From Operating Activities		<u>(107,673,896)</u>	<u>(129,187,665)</u>
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(50,101)	(23,681)
Net Cash Outflow From Investing Activities		<u>(50,101)</u>	<u>(23,681)</u>
Cash Flows From Financing Activities			
Decrease in amounts due from the Ministry of Finance		20,760,984	20,485,351
Repayment in loan from First Citizens Bank Limited		(20,760,984)	(20,485,351)
Capital contributions received		205,066,994	305,783,778
Repayment of debt instrument due to Fincor		(78,480,134)	(78,126,490)
Repayment of note payable to the Agricultural Development Bank		(1,875,000)	(2,500,000)
Repayment of note payable to First Citizens Bank Limited		(68,485,594)	(68,485,594)
Net Cash Inflow From Financing Activities		<u>56,226,266</u>	<u>156,671,694</u>
(Decrease)/Increase In Cash And Cash Equivalents		<u>(51,497,731)</u>	<u>27,460,348</u>
Cash And Cash Equivalents			
At beginning of year		112,646,912	85,186,564
(Decrease)/increase for the year		(51,497,731)	27,460,348
End of year		<u>61,149,181</u>	<u>112,646,912</u>
Represented By:			
Cash and cash equivalents	4	<u>61,149,181</u>	<u>112,646,912</u>

The accompanying notes on pages 7 to 30 form an integral part of these financial statements.

Taurus Services Limited

Notes to the Financial Statements 30 September 2010

1 Incorporation And Principal Activity

Taurus Services Limited is incorporated in Trinidad and Tobago and is owned by the Government of the Republic of Trinidad and Tobago (GORTT). The Company's registered office is #34 Southern Main Road, Curepe. The Company was formed for the acquisition and recovery of some of the assets of Workers' Bank (1989) Limited, National Commercial Bank of Trinidad and Tobago and Trinidad Co-operative Bank Limited (now part of First Citizens Bank Limited) and other assets subsequently acquired through collections, sale of security or by any other means. The Company's principal business activity is recovery of delinquent debts.

2 Summary Of Significant Accounting Policies

a) Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) except for the recognition of interest income and the measurement of the loan loss provision which have not been recognised in accordance with IAS 39 Financial Instruments – Recognition and Measurement. In addition, the Company was unable to include all the financial risk disclosures required by IFRS 7 Financial Instruments – Disclosures. The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no significant critical accounting estimates included in the financial statements as at the year end other than the Company's loan loss provision.

Changes in International Financial Reporting Standards

a) *Standards, amendment and interpretations which are effective and have been adopted by the Company:*

The following standards, amendments and interpretations are effective and have been adopted by the Company in the current year

- **IAS 1 (revised), 'Presentation of financial statements'**
The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. This standard did not have a significant impact on the Company's financial statements.
- **IAS 39 and IFRS 7 (amendment), 'Reclassification of financial assets'**
This amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through income by the entity upon initial recognition) out of the fair value through income category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. This amendment did not have a significant impact on the Company's financial statements.

Taurus Services Limited

Notes to the Financial Statements (Continued) 30 September 2010

2 Summary Of Significant Accounting Policies (Continued)

a) Basis of preparation (continued)

Changes in International Financial Reporting Standards (continued)

a) *Standards, amendment and interpretations which are effective and have been adopted by the Company (continued):*

- IFRS 7, 'Financial instruments – Disclosures' (amendment), requires enhanced disclosures about fair value measurement and liquidity risk. The Company adopted the amendment to IFRS 7 from 1 October 2009. This amendment requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:
 - Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

This amendment did not have a significant impact on the Company's financial statements.

- IAS 1 (Amendment), 'Presentation of financial statements' (effective from 1 January 2009). This amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39, 'Financial instruments: Recognition and measurement' are examples of current assets and liabilities respectively. This amendment did not give rise to any significant changes to the financial statements of the Company for the period.
 - IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009). Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. This amendment did not have a significant impact on the Company's financial statements for the period.
- b) *Standards, amendment and interpretations which are effective but which are not relevant to the Company's operations:*

The following standards, amendments and interpretations are effective for accounting periods beginning on or after 1 January 2009 but which are not relevant to the Company's operations:

- IFRS 8, 'Operating segments' (effective from 1 January 2009)
- IAS 32 (Amendment), Financial Instruments: Presentation and IAS 1 (Amendment) Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation (effective from 1 January 2009)
- IAS 40 (Amendment), Investment Property (and consequential amendment to IAS 16), (effective from 1 January 2009)

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

2 Summary Of Significant Accounting Policies (Continued)

a) Basis of preparation (continued)

Changes in International Financial Reporting Standards (continued)

b) *Standards, amendment and interpretations which are effective but which are not relevant to the Company's operations (continued):*

- IFRS 1 (Amendment) 'First time adoption of IFRS', and IAS 27 'Consolidated and separate financial statements' (effective from 1 January 2009)
- IFRS 2 (Amendment), Share based payments (effective from 1 January 2009)
- IAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from 1 January 2009)
- IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from 1 January 2009)
- IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows') (effective from 1 January 2009)
- IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009)
- IFRIC 9 and IAS 39 (Amendment) 'Embedded derivatives' (effective from 30 June 2009)
- IFRIC 15, 'Agreements for construction of real estates' (effective from 1 January 2009).
- IFRIC 18, 'Transfers of assets from customers' (effective 1 July 2009)
- IAS 27 (Amendment), 'Consolidated and separate financial statements' (effective from 1 January 2009)
- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009)
- IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009)
- IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption') (effective from 1 July 2009)
- IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009)
- IAS 31 (Amendment), 'Interests in joint ventures' (and consequential amendments to IAS 32 and IFRS 7) (effective from 1 January 2009)
- IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009)
- IAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from 1 January 2009)
- IAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009)
- IFRIC 17, 'Distribution to non-cash assets to owners' (effective from 1 July 2009).

c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:*

The following amendments, interpretations and revisions to existing standards have been published and are mandatory for the Company accounting periods beginning after 1 January 2010 and have not been early adopted by the Company.

- IAS 24 (Revised) - 'Related party disclosures' (effective 1 January 2011)
- IFRS 9 - 'Financial Instruments' (effective 1 January 2015)
- IFRS 7 (Amendment) - 'Transfer of Financial Assets' - (effective 1 July 2011)
- IFRS 7 (Amendment) - 'Disclosures offsetting Financial Assets and Financial liabilities' - (effective 1 January 2013)
- IFRS 13 - 'Fair value measurement' (effective 1 January 2013).

The Company is still assessing the impact of the above amendments and new accounting standards.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

2 Summary Of Significant Accounting Policies (Continued)

a) Basis of preparation (continued)

Changes in International Financial Reporting Standards (continued)

- d) *Standards, amendments and interpretations to existing standards that are not yet effective and are not relevant to the Company's operations*

The following amendments, interpretations and revisions to existing standards have been published and are mandatory for the Company accounting periods beginning after 1 January 2010 and have not been early adopted by the Company.

- IAS 28 - 'Investments in Associates and Joint Ventures' - (effective January 2013)
- IFRS 10 - 'Consolidated financial statements' (effective 1 January 2013)
- IFRS 11 - 'Joint arrangements' (effective 1 January 2013)
- IFRS 12 - 'Disclosures of interests in other entities' (effective 1 January 2013)
- IFRIC 19 - 'Extinguishing a financial liability with equity instruments' (effective 1 July 2010)
- IFRIC 20 - 'Stripping cost in the production phase of a surface mine' (effective 1 January 2013)
- IFRIC 21 - 'Levies' (effective 1 January 2013)
- IAS 19 - (Revised) - 'Employee Benefits' (effective 1 January 2013)
- IAS 27 (Revised) - 'Separate Financial Statements' (effective 1 January 2013).

b) Foreign currency translation

i) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates, the 'functional currency'. The financial statements are presented in Trinidad & Tobago Dollars, which is the Company's functional and presentation currency.

ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on monetary financial assets and liabilities are included in the statement of comprehensive income.

c) Financial assets

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

- a) those that the Company upon initial recognition designates as available-for-sale;
- b) those for which the holder may not recover substantially all its investment, other than because of credit deterioration.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

2 Summary Of Significant Accounting Policies (Continued)

c) Financial assets (continued)

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transactions costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all risks and rewards of ownership. Loans and receivable are carried at amortised cost.

d) Impairment of assets

i) *Impairment of non-financial assets*

Assets that have an indefinite useful life, for example land, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

ii) *Impairment of loans and receivables*

A provision for loan loss is established when the Company deems that a loan account is uncollectible and all avenues for repayment have been exhausted. The Company's loan portfolio consists mainly of delinquent loans acquired from other financial institutions and as a result, management does not accrue interest on these balances. Interest is accounted for when collected.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

2 Summary Of Significant Accounting Policies (Continued)

e) Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. The current income tax charge is calculated on the basis of the laws enacted at the balance sheet date.

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary difference arises from the Company's tax losses carried forward.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

f) Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

The annual depreciation rates used are:-

Motor vehicles	25%
Other equipment	33.33%
Computer equipment	20%
Leasehold improvements	5 years

The assets' residual values and useful lives are reviewed at each balance sheet date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds to their carrying amounts and are taken into account in determining the loss for the year.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

2 Summary Of Significant Accounting Policies (Continued)

g) Revenue recognition

Revenue is recognised as follows:

i) *Investment income*

Investment income is recognised for all bank deposits and interest bearing instruments using the effective interest method.

ii) *Interest income*

Interest Income includes:

- a. Advances to customers: which relate to interest earned on loans and receivables made to customers from the Taurus and Agricultural Development Bank Portfolio. Interest is only credited to income when received.
- b. Ministry of Finance: which relate to interest earned on a loan receivables by the Company to the Ministry of Finance (see Note 6). Interest on this facility is recognised using the effective interest method.

iii) *Commissions income*

This relates to commission earned from Citibank. Taurus acts as agents for Citibank for collection of their delinquent Credit Card Portfolio. Of the amount collected by Taurus, 42.5% is recognised as commission income.

h) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with other banks and short term highly liquid investments with maturities of three months or less.

i) Borrowings

Borrowings are stated at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of the obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the rate specific to the obligation. The increase in the obligation due to the passage of time is recognised as interest expense.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

2 Summary Of Significant Accounting Policies (Continued)

k) Share capital and capital contribution

i) Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets.

ii) Payments made by the Government of the Republic of Trinidad and Tobago (GORTT) on behalf of the Company towards its loan obligations are treated as capital contributions since the GORTT has indicated that the Company will not be required to repay these amounts.

l) Leases

Leases in which a significant portion of the risk and rewards are retained by the lessor are classified as operating leases.

The Company has entered into operating leases where the total payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the period has expired, any penalty payment made to the lessor is recognized as an expense in the period in which termination takes place.

3 Going Concern

These financial statements have been prepared on a going concern basis. The Company incurred a loss of \$104,703,166 (2009: \$129,842,491) and at that date the company's total liabilities exceeded its assets by \$1,282,526,898 (2009: \$1,382,890,726). The existence of these factors may cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The ability of the Company to service its liabilities is dependent on guarantees by the GORTT. The GORTT has agreed to guarantee the loan notes and bonds issued by the Company.

4 Cash And Cash Equivalents

	2010	2009
	\$	\$
Money Market Accounts	54,814,415	106,164,234
Bank balances	<u>6,334,766</u>	<u>6,482,678</u>
	<u>61,149,181</u>	<u>112,646,912</u>

The average effective interest rate was 2.75% (2009: 4.91%). These deposits have an average maturity of 30 days (2009: 30 days).

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

5	Loans And Advances	2010 \$	2009 \$
	<i>i. Loans and advances</i>		
	Loans and advances	645,476,123	767,718,538
	Allowance for loan loss	<u>(645,476,123)</u>	<u>(767,718,538)</u>
	Carrying value at end of year	<u>---</u>	<u>---</u>
	<i>ii. Allowance for loan losses</i>		
	Allowance at beginning of year	(767,718,538)	(855,435,291)
	Loans charged off/written off for the year	95,302,539	68,021,076
	Recoveries for the year	<u>26,939,876</u>	<u>19,695,677</u>
	Allowance at end of year	<u>(645,476,123)</u>	<u>(767,718,538)</u>
	<i>iii. Recoveries on loans net of impairment loss</i>		
	Amount recovered during year	<u>26,939,876</u>	<u>19,695,677</u>
		<u>26,939,876</u>	<u>19,695,677</u>

The assessment of the loan loss provision above has not been established in accordance with the requirement of IAS 39. Due to the number of loans and the Company's existing systems, management has performed an assessment of the provision on an overall portfolio basis and the provision for loan loss has been booked based on this assessment.

6 Amounts Due From Ministry Of Finance

Principal	113,296,084	133,939,872
Interest	<u>1,784,801</u>	<u>2,092,809</u>
	<u>115,080,885</u>	<u>136,032,681</u>

This represents a loan in the sum of US\$30 million advanced by the Company to the Ministry of Finance. This loan was issued on behalf of the Government of the Republic of Trinidad and Tobago (GORTT) for partial financing of the purchase of shares in the Rights Issue by BWIA West Indies Airways Limited. This advance was financed via a loan received from First Citizens Bank Limited. Interest on this advance to the Ministry is charged at US Six Month Libor plus 3.4%, which is 5.29%, the same rate as the loan from First Citizens Bank Limited. This loan was originally repayable by 31 December 2004. Subsequently, the term of the loan was extended to December 2005. On 1 January 2006, a new agreement was entered into whereby accrued interest of US\$2.6 million was capitalised. The new facility is for a principal amount of US\$32.6 million and carries a fixed interest rate of 6.25%. This facility is guaranteed by the GORTT. The term is for 10 years and is repayable in twenty (20) semi-annual payments of US\$1.63 million commencing six (6) months after drawdown. The repayments have been received in accordance with the new agreement.

Taurus Services Limited

Notes to the Financial Statements (Continued) 30 September 2010 (Expressed in Trinidad and Tobago Dollars)

7 Property, Plant And Equipment

	Motor Vehicles \$	Computer Equipment \$	Leasehold Improvements \$	Other Equipment \$	Land \$	Total \$
Year ended 30 September 2010						
Opening net book amount	--	91,202	854,627	187	1	946,017
Additions	--	50,101	--	--	--	50,101
Depreciation charge	--	(61,484)	(355,755)	(187)	--	(417,426)
Closing net book amount	--	79,819	498,872	--	1	578,692
At 30 September 2010						
Cost	353,855	307,215	1,923,197	14,889	1	2,599,157
Accumulated depreciation	(353,855)	(227,396)	(1,424,325)	(14,889)	--	(2,020,465)
Closing net book amount	--	79,819	498,872	--	1	578,692
Year ended 30 September 2009						
Opening net book amount	--	116,896	1,210,379	5,151	1	1,332,427
Additions	--	23,681	--	--	--	23,681
Depreciation charge	--	(49,375)	(355,752)	(4,964)	--	(410,091)
Closing net book amount	--	91,202	854,627	187	1	946,017
At 30 September 2009						
Cost	353,855	257,114	1,923,197	14,889	1	2,549,056
Accumulated depreciation	(353,855)	(165,912)	(1,068,570)	(14,702)	--	(1,603,039)
Closing net book amount	--	91,202	854,627	187	1	946,017
At 30 September 2008						
Cost	353,855	233,433	1,923,197	14,889	1	2,525,375
Accumulated depreciation	(353,855)	(116,537)	(712,818)	(9,738)	--	(1,192,948)
Closing net book amount	--	116,896	1,210,379	5,151	1	1,332,427

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

8	Share Capital	2010 \$	2009 \$
	Authorised An unlimited number of shares of no par value		
	Issued and fully paid 5,398 ordinary shares of no par value	<u>5,398</u>	<u>5,398</u>
9	Capital Contributions		
		In respect of	
		Notes	Debt
		Payable to	Instruments
		First Citizens	due to
		Bank Limited	Fincor
		\$	\$
		Total	\$
	Capital contributions at 1 October 2009	1,363,748,633	1,288,442,650
	Capital contributions for the year	<u>85,295,524</u>	<u>119,771,470</u>
	Capital contributions at 30 September 2010	<u>1,449,044,157</u>	<u>1,408,214,120</u>
	Capital contributions at 1 October 2008	1,186,975,589	1,159,431,916
	Capital contributions for the year	<u>176,773,044</u>	<u>129,010,734</u>
	Capital contributions at 30 September 2009	<u>1,363,748,633</u>	<u>1,288,442,650</u>
	These represent payments made by the Government of the Republic of Trinidad and Tobago (GORTT) directly to First Citizens Bank Limited under its guarantee of the interest and principal on the notes payable and to Fincor under its guarantee of the debt instruments due.		
10	Deferred Taxation		
	As stated in Note 3, the Company is in a loss making position and it is not likely that taxable profits would be made in the future. As a result, no deferred income tax asset is recognised in these financial statements. The Company has unrecognised tax losses of over \$4.1 billion (2009: \$4.0 billion) which have not been recognised due to the uncertainty of their recovery. These losses have not yet been agreed with the Board of Inland Revenue.		
11	Interest And Accounts Payable	2010 \$	2009 \$
	Interest payable to Fincor	10,652,059	12,658,922
	Interest payable on loan from First Citizens Bank Limited	1,784,801	2,092,800
	Amounts due to Citibank	53,966	111,412
	Amount due to Central Bank of Trinidad and Tobago	462,048	--
	Amounts due to Wallenvale Estates	321,335	494,608
	Management services fee payable to First Citizens Bank Limited	<u>1,657,888</u>	<u>3,437,460</u>
		<u>14,932,097</u>	<u>18,795,202</u>

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

12 Notes Payable To First Citizens Bank Limited	2010 \$	2009 \$
Current portion	68,485,594	68,485,594
Non current portion	<u>753,341,532</u>	<u>821,827,125</u>
Total	<u>821,827,126</u>	<u>890,312,719</u>

This balance represents several interest bearing notes issued to First Citizens Bank Limited as consideration for loans and notes purchased. These notes were restructured in October 2000. The new notes are to be repaid over 20 years commencing in 2002 and are guaranteed by the Government of the Republic of Trinidad and Tobago (GORTT), with an interest rate of 4½ % below prime with a floor rate of 11½%. These notes are callable and are non-transferable.

13 Note Payable To The Agricultural Development Bank

Current portion	2,500,000	2,500,000
Non current portion	<u>7,125,000</u>	<u>9,000,000</u>
Total	<u>9,625,000</u>	<u>11,500,000</u>

This note represents consideration for loans purchased from the Agricultural Development Bank. The original duration of the note was for seven (7) years; re-payment commenced in October 1995. The repayment agreement has since been amended by mutual consent of the parties whereby quarterly repayments of \$625,000 are made on the loan portfolio. This note is non interest bearing.

14 Debt Instruments Due To Fincor

Current portion	78,380,732	78,385,932
Non current portion	<u>259,604,979</u>	<u>338,014,320</u>
Total	<u>337,985,711</u>	<u>416,400,252</u>

This represents bonds issued to Fincor as consideration for acquisition of the public sector enterprises loans.

- (i) A bond valued at \$244.4 million repayable by 26 equal semi-annual instalments plus interest commencing 28 August 1999. Interest at 4.75% below Republic Bank Limited's base commercial lending rates is charged in arrears. Interest for the period to 28 February 1999 was capitalised. The bond was constituted by a trust deed dated 27 March, 1997 and a supplemental trust deed dated 11 December 1997 and is guaranteed by the Government of the Republic of Trinidad and Tobago (GORTT).
- (ii) Bonds valued at \$494 million and US\$31.4 million repayable by 28 equal semi-annual instalments plus interest commencing 8 June 2002. Interest is fixed at 11.5% and 10.125% respectively and accrued interest was capitalised at semi-annual intervals for the first twelve months from the issue date. These bonds are guaranteed by GORTT.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

15 Amount Due To Central Bank Of Trinidad And Tobago

Taurus Services Limited assumed this liability from First Citizens Bank Limited (formerly Workers' Bank (1989) Limited) in consideration for loans acquired. This liability is non interest bearing and carries no fixed repayment terms.

16 Financial Instruments

Credit risk

Credit exposures arise principally from the recovery of loans and advances and in investment activities that bring debt securities and other bills into the Company's asset portfolio. This risk relates to the possibility that a counter party will cause a financial loss to the Company by failing to discharge an obligation. There are accounts that are collectable based on the collateral held whether it be mortgage of a property or land and in some cases judgment on the debt.

(a) *Maximum exposure to credit risk before collateral held or other credit enhancement*

	Gross Maximum Exposure 2010 \$	Gross Maximum Exposure 2009 \$
Credit risk exposures relating to balance sheet financial assets are as follows:		
Cash and cash equivalents	61,149,181	112,646,912
Interest receivable	41,605	59,007
Funds held in trust	516,014	111,412
Amounts due from the Ministry of Finance	<u>115,080,885</u>	<u>136,032,681</u>
	<u>176,787,685</u>	<u>248,850,012</u>

Taurus Services Limited

Notes to the Financial Statements (Continued) 30 September 2010 (Expressed in Trinidad and Tobago Dollars)

16 Financial Instruments (Continued)

Credit risk (continued)

(b) Assets bearing credit risk

Below is an analysis of financial assets bearing credit risk:-

As at 30 September 2010	Loans and advances \$	Funds held in Trust \$	Amounts due from the Ministry of Finance \$	Cash and Cash Equivalents \$
Neither past due nor impaired	--	516,014	115,080,885	61,149,181
Individually impaired	645,476,123	--	--	--
Gross	645,476,123	516,014	115,080,885	61,149,181
Less: Allowance for impairment	(645,476,123)	--	--	--
Net	--	516,014	115,080,885	61,149,181
As at 30 September 2009				
Neither past due nor impaired	--	111,412	136,032,681	112,646,912
Individually impaired	767,718,538	--	--	--
Gross	767,718,538	111,412	136,032,681	112,646,912
Less: Allowance for impairment	(767,718,538)	--	--	--
Net	--	111,412	136,032,681	112,646,912

(c) Repossessed collateral

Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. The Company does not assume title of these assets, and as a result, they are not included in the balance sheet. The Company, in every effort to recover loans, will foreclose on the collateral and apply the proceeds to the outstanding indebtedness.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

16 Financial Instruments (Continued)

Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise three types of risk, currency risk, interest rate risk and other price risk.

Interest rate risk

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and future cash flows. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of the changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company takes on exposure to the effects of fluctuations in the prevailing level of market interest rates on both its fair value and cash flow risks.

The Company's interest rate risk arises mainly from its long term borrowings. Borrowings issued at floating rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The table below summarises the Company's exposure to interest rate risk.

ASSETS	1 - 3 Mths \$	3 - 12 Mths \$	1 - 5 years \$	More than 5 years \$	Non- interest Bearing \$	Total \$	Interest Rate %
As at 30 September 2010							
Cash and cash equivalents	61,149,181	--	--	--	--	61,149,181	2.75%
Funds held in Trust	--	--	--	--	516,014	516,014	
Amounts due from the Ministry of Finance	10,299,644	10,299,644	82,397,152	10,299,644	1,784,801	115,080,885	6.25%
Total Assets	71,448,825	10,299,644	82,397,152	10,299,644	2,300,815	176,746,080	
LIABILITIES	1 - 3 Mths \$	3 - 12 Mths \$	1 - 5 years \$	More than 5 years \$	Non- interest Bearing \$	Total \$	Interest Rate %
As at 30 September 2010							
Amounts due to First Citizens Bank Limited	10,299,644	10,299,644	82,397,152	10,299,644	--	113,296,084	6.25%
Notes payable to First Citizens Bank Limited	--	68,485,594	273,942,376	479,399,156	--	821,827,126	11.5%
Notes payable to Agricultural Development Bank	--	--	--	--	9,625,000	9,625,000	4.75 &
Debt instruments due to Fincor	27,551,826	50,828,906	232,053,151	27,551,828	--	337,985,711	11.75%
Amount due to Central Bank of Trinidad and Tobago	--	--	--	--	161,335,868	161,335,868	
Total Liabilities	37,851,470	129,614,144	588,392,679	517,250,628	170,960,868	1,444,069,789	
Interest Sensitivity Gap	33,597,355	(119,314,500)	(505,995,527)	(506,950,984)			

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

16 Financial Instruments (Continued)

Interest rate risk (continued)

ASSETS	1 - 3 Mths \$	3 - 12 Mths \$	1 - 5 years \$	More than 5 years \$	Non- interest Bearing \$	Total \$	Intere Rate %
As at 30 September 2009							
Cash and cash equivalents	112,646,912	--	--	--	--	112,646,912	4.91
Funds held in Trust	--	--	--	--	111,412	111,412	
Amounts due from the Ministry of Finance	10,303,067	10,303,067	82,424,536	30,909,201	2,092,810	136,032,681	6.25
Total Assets	122,949,979	10,303,067	82,424,536	30,909,201	2,204,222	248,791,005	
LIABILITIES	1 - 3 Mths \$	3 - 12 Mths \$	1 - 5 years \$	More than 5 years \$	Non- interest Bearing \$	Total \$	Inter Rat %
As at 30 September 2009							
Amounts due to First Citizens Bank Limited	10,303,067	10,303,067	82,424,536	30,909,202	--	133,939,872	6.
Notes payable to First Citizens Bank Limited	--	68,485,593	273,942,375	547,884,751	--	890,312,719	11.
Notes payable to Agricultural Development Bank	--	--	--	--	11,500,000	11,500,000	
Debt instruments due to Fincor	27,554,426	50,831,506	255,351,028	82,663,292	--	416,400,252	4. 11
Amount due to Central Bank of Trinidad and Tobago	--	--	--	--	161,335,868	161,335,868	
Total Liabilities	37,857,493	129,620,166	611,717,939	661,457,245	172,835,868	1,613,488,711	
Interest Sensitivity Gap	85,092,486	(119,317,099)	(529,293,403)	(630,548,044)			

As at the balance sheet date, 67.2% (2009: 65.8%) of the Company's long term borrowings are floating rate instruments and 32.8% (2009: 35.2%) are fixed rate instruments.

A 1% increase in interest rates will cause an increase in the loss of \$12.7 million (2009: \$14.4 million).

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

16 Financial Instruments (Continued)

Currency risk (continued)

FINANCIAL ASSETS

	TT\$	US\$ TT\$ Equivalent	Total TT\$
As at 30 September 2010			
Amounts due from the Ministry of Finance	--	115,080,885	115,080,885

LIABILITIES

As at 30 September 2010

Interest and accounts payable	10,426,466	4,505,631	14,932,097
Amounts due to First Citizens Bank Limited	--	113,296,084	113,296,084
Debt instruments due to Fincor	251,946,907	86,038,804	337,985,711
Total Liabilities	262,373,373	203,840,519	466,213,892

FINANCIAL ASSETS

As at 30 September 2009

Amounts due from the Ministry of Finance	--	136,032,681	136,032,681
--	----	-------------	-------------

LIABILITIES

As at 30 September 2009

Interest and accounts payable	15,578,607	3,216,595	18,795,202
Amounts due to First Citizens Bank Limited	--	133,939,872	133,939,872
Debt instruments due to Fincor	314,684,236	101,716,016	416,400,252
Total Liabilities	330,262,843	238,872,483	569,135,326

Other price risk

Other price risk arises due to the possibility that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no significant exposure to other price risk.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

16 Financial Instruments (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will be unable to generate or obtain sufficient cash or its equivalent in a timely and cost-effective manner to meet its commitments when they fall due under normal and stress circumstances and arises from fluctuation in cash flows. The Company's liquidity risk is mitigated as a result of the First Citizens Loan Note and the Fincor bond payable being guaranteed by the Government of the Republic of Trinidad and Tobago (GORTT). The Agricultural Development Bank Limited Loan, is covered by the collections on the portfolio. Monthly cash flow statements are generated to mitigate against this type of risk.

The table below analyses financial assets and liabilities of the Company into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	1 – 3 Mths \$	3 – 12 Mths \$	1-5 years \$	More than 5 years \$	Total \$
FINANCIAL LIABILITIES					
As at 30 September 2010					
Accounts payable	2,495,237	--	--	--	2,495,237
Amounts due to First Citizens Bank Limited	13,869,247	13,491,828	96,583,853	10,624,153	134,569,081
Notes payable to First Citizens Bank Limited	--	161,021,358	565,564,354	686,318,060	1,412,903,772
Notes payable to Agricultural Development Bank	625,000	1,875,000	7,125,000	--	9,625,000
Debt instruments due to Fincor	44,432,963	67,469,806	299,670,006	29,086,475	440,659,250
Amount due to Central Bank	161,335,868	--	--	--	161,335,868
Total Financial Liabilities	222,758,315	243,857,992	968,943,213	726,028,688	2,161,588,208
Total Assets	75,576,051	13,491,828	96,583,853	10,624,153	196,275,885

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

16 Financial Instruments (Continued)

Liquidity risk (continued)

FINANCIAL LIABILITIES	1 – 3 Mths \$	3 – 12 Mths \$	1-5 years \$	More than 5 years \$	Total \$
As at 30 September 2009					
Accounts payable	4,043,480	--	--	--	4,043,480
Amounts due to First Citizens Bank Limited	14,488,688	14,166,717	101,742,787	32,841,026	163,239,218
Notes payable to First Citizens Bank Limited	--	168,897,201	597,067,727	815,836,045	1,581,800,973
Notes payable to Agricultural Development Bank	625,000	1,875,000	9,000,000	--	11,500,000
Debt instruments due to Fincor	47,506,577	72,814,375	339,500,792	91,855,206	551,676,950
Amount due to Central Bank	161,335,868	--	--	--	161,335,868
Total Financial Liabilities	227,999,613	257,753,293	1,047,311,306	940,532,277	2,473,596,489
Total Assets	127,306,019	14,166,717	101,742,787	32,841,026	276,056,549

Capital Management

The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of balance sheet are:

- to safeguard the company's ability to continue as a going concern; and
- to maintain an optimal capital base to reduce the cost of capital.

The ability of the Company to service its liabilities and continue as a going concern is dependent on guarantees by the Government of the Republic Trinidad and Tobago (GORTT). The GORTT has agreed to guarantee the loan notes and bonds issued by the Company.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

16 Financial Instruments (Continued)

Fair value of financial assets and liabilities

The following table summarises the carrying amounts and fair values of the financial assets and financial liabilities presented on the Company's balance sheet.

	Carrying Value		Fair Value	
	2010 \$	2009 \$	2010 \$	2009 \$
Financial Assets				
Cash and cash equivalents	61,149,181	112,646,912	61,149,181	112,646,912
Funds held in trust	516,014	111,412	516,014	111,412
Financial assets: -				
Loan Note- Amount due from Ministry of Finance	115,080,885	136,032,681	114,502,584	138,853,680
Financial Liabilities				
Notes payable to First Citizens Bank Limited	821,827,126	890,312,719	1,075,826,252	1,184,872,823
Amounts due to First Citizens Bank Limited	113,296,084	133,939,872	112,717,782	136,760,870
Note Payable - Agricultural Development Bank	9,625,000	11,500,000	8,012,713	10,497,501
Debt instruments - due to Fincor	337,985,711	416,400,252	400,356,406	498,361,760
Due to Central Bank of Trinidad and Tobago	161,335,868	161,335,868	161,335,868	161,335,868

The fair values of the Company's financial instruments are determined in accordance with International Accounting Standard (IAS) 39 "Financial instruments: Recognition and Measurement".

Financial instruments where carrying value is equal to fair value

Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is equal to fair value include cash, funds held in trust and the amounts due to Central Bank of Trinidad and Tobago.

Loan notes

The fair value of the loan notes is calculated using discounted cash flow analyses of comparable government borrowing rates for the terms indicated.

Note and debt instruments

The fair value of the notes payables and debt instruments are computed using discounted cash flow analyses using market interest rates for similar instruments.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

17 Related Party Transactions

At the inception of the Company, the non-performing portfolios of various financial institutions were sold to the Company in consideration for an equivalent amount of Government-guaranteed notes and commercial paper. The current amount outstanding on these obligations and the related income and expenses are disclosed below:

	2010 \$	2009 \$
Assets		
Bank balances - First Citizens Bank Limited	<u>6,334,766</u>	<u>6,482,411</u>
Amount due from the Ministry of Finance (Note 6)	<u>115,080,885</u>	<u>136,032,681</u>
Liabilities		
Notes Payable to First Citizens Bank Limited (Note 12)	<u>821,827,126</u>	<u>890,312,719</u>
Note Payable to The Agricultural Development Bank (Note 13)	<u>9,625,000</u>	<u>11,500,000</u>
Amounts due to First Citizens Bank Limited	<u>113,296,084</u>	<u>133,939,872</u>
Interest and accounts payable	<u>1,784,801</u>	<u>2,092,800</u>
Management services fee payable to First Citizens Bank Limited (Note 11)	<u>1,657,888</u>	<u>3,437,460</u>
Capital and Reserves		
Capital contributions from GORTT (Note 9)	<u>2,857,258,277</u>	<u>2,652,191,283</u>
Income		
Interest income - Ministry of Finance (Note 18)	<u>7,927,498</u>	<u>9,530,742</u>
Expenses		
Interest on amounts due to First Citizens Bank Limited (Note 19)	<u>7,927,498</u>	<u>9,530,742</u>
Interest on notes due to First Citizens Bank Limited (Note 19)	<u>100,411,608</u>	<u>108,287,451</u>
Management fees (Note 21)	<u>4,601,215</u>	<u>4,276,031</u>
18 Interest Income		
Interest income	--	8,722
Investment income	2,815,615	4,720,384
Loan to Ministry of Finance	<u>7,927,498</u>	<u>9,530,742</u>
	<u>10,743,113</u>	<u>14,259,848</u>
19 Interest Expense		
Amounts due to First Citizens Bank Limited	7,927,498	9,530,742
Notes due to First Citizens Bank Limited	100,411,608	108,287,451
Other debt instruments	<u>39,040,745</u>	<u>48,830,917</u>
	<u>147,379,851</u>	<u>166,649,110</u>

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

20 Other Income

This amount represents interest collected by the Company on the delinquent loan portfolio for the year.

21 Expenses By Nature

	2010 \$	2009 \$
Administration Expenses		
Audit and accounting fees	55,200	51,000
Service fees	<u>600</u>	<u>660</u>
	<u>55,800</u>	<u>51,660</u>
Operating Expenses		
Depreciation	417,426	410,091
Professional fees	1,522,096	1,477,354
Management fees	4,601,215	4,276,031
Other operating expenses	3,023,746	1,584,810
Rent	<u>641,100</u>	<u>641,100</u>
	<u>10,205,583</u>	<u>8,389,386</u>

22 Taxation

Current tax	<u>106,178</u>	<u>93,926</u>
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Tax on the Company's loss before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

Loss before taxation	<u>(104,596,988)</u>	<u>(129,748,565)</u>
Tax calculated at the rate of 25%	(26,149,247)	(32,437,141)
Unrecognised tax losses for the year	26,149,247	32,437,141
Business levy	<u>106,178</u>	<u>93,926</u>
	<u>106,178</u>	<u>93,926</u>

23 Operating Lease Commitments

The Company leases offices and vehicles under operating leases. The leases have varying terms and conditions. The future minimum lease payments under these operating leases are as follows:

No later than 1 year	603,425	641,100
Later than 1 year and not later than 5 years	<u>200,000</u>	<u>806,850</u>
	<u>803,425</u>	<u>1,447,950</u>

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2010

(Expressed in Trinidad and Tobago Dollars)

24 Subsequent Events

Effective November 2010, the Company agreed with the landlord to renew the lease for the South office for three years at the monthly rent of \$3,425 for the first twelve (12) months and \$3,800 for the remaining twenty four (24) months.

In September 2011 and October 2011, the Company agreed to lease two vehicles for three years at the cost of \$5,000 and \$4,800 monthly (vat inclusive). These vehicles are used by Account Officers to conduct field visits to mortgage properties and to locate customers. Effective February 2012, the Company agreed with the Landlord to renew the lease for the Curepe Office for three (3) years at the monthly rental of \$55,000 plus VAT.

In September 2013, the Central Bank of Trinidad and Tobago agreed to forgive the liability of \$161 million which was transferred from the former Workers' Bank of Trinidad and Tobago Limited when the Company was incorporated in 1989.