
Taurus Services Limited

Financial Statements
(Expressed in Trinidad and Tobago Dollars)

30 September 2011

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 2011 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.

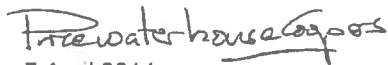
Due to the basis adopted by the Company in estimating the provision for impairment, we were not able to determine the extent of the provision that may be necessary as well as the interest income that should have been recognised had a proper assessment been performed. The Company has also not included 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 2011, 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 \$109,740,274 (2010: \$104,703,166) during the year ended 30 September 2011 and, as of that date, the Company's total liabilities exceeded its total assets by \$1,119,138,811 (2010: \$1,282,526,898). 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

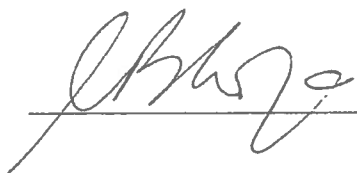
Taurus Services Limited

Balance Sheet (Expressed in Trinidad and Tobago Dollars)

		As at 30 September	
	Notes	2011 \$	2010 \$
ASSETS			
Cash and cash equivalents	4	73,491,491	61,149,181
Interest receivable		42,092	41,605
Funds held in trust		138,190	516,014
Amounts due from the Ministry of Finance	6	95,606,966	115,080,885
Property, plant and equipment	7	191,060	578,692
Total Assets		<u>169,469,799</u>	<u>177,366,377</u>
EQUITY			
Capital And Reserves			
Share capital	8	5,398	5,398
Capital contributions	9	3,130,386,638	2,857,258,277
Accumulated deficit		(4,249,530,847)	(4,139,790,573)
		<u>(1,119,138,811)</u>	<u>(1,282,526,898)</u>
LIABILITIES			
Interest and accounts payable	11	12,278,077	14,932,097
Other liabilities and accrued charges		326,770	827,004
Taxation payable		13,216	64,385
Amounts due to First Citizens Bank Limited	6	94,124,187	113,296,084
Notes payable to First Citizens Bank Limited	12	753,341,531	821,827,126
Note payable to Agricultural Development Bank	13	6,500,000	9,625,000
Debt instruments due to Fincor	14	260,688,961	337,985,711
Amount due to Central Bank of Trinidad and Tobago	15	161,335,868	161,335,868
Total Liabilities		<u>1,288,608,610</u>	<u>1,459,893,275</u>
Total Equity And Liabilities		<u>169,469,799</u>	<u>177,366,377</u>

The accompanying notes on pages 7 to 28 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	2011 \$	2010 \$
Interest income	18	7,782,665	10,743,113
Interest expense	19	<u>(130,096,805)</u>	<u>(147,379,851)</u>
Net Interest Expense		(122,314,140)	(136,636,738)
Commission income		19,611	44,707
Foreign exchange (losses)/gains		(1,789,372)	(309,321)
Other income	20	<u>10,933,279</u>	<u>15,625,871</u>
Net Interest And Other Expense		(113,150,622)	(121,275,481)
Recoveries on loans written off	5	13,194,664	26,939,876
Operating expenses	21	(9,664,767)	(10,205,583)
Administrative expenses	21	<u>(55,910)</u>	<u>(55,800)</u>
Loss Before Taxation		(109,676,635)	(104,596,988)
Taxation	22	<u>(63,639)</u>	<u>(106,178)</u>
Loss For The Year		<u>(109,740,274)</u>	<u>(104,703,166)</u>

The accompanying notes on pages 7 to 28 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 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)
Balance at 1 October 2010		5,398	2,857,258,277	(4,139,790,573)	(1,282,526,898)
Loss for the year		--	--	(109,740,274)	(109,740,274)
Total Comprehensive Income For The Year		--	--	(109,740,274)	(109,740,274)
Capital contribution for the period	9	--	273,128,361	--	273,128,361
Total Transactions With Owners Recognised Directly In Equity		--	273,128,361	--	273,128,361
Balance at 30 September 2011		5,398	3,130,386,638	(4,249,530,847)	(1,119,138,811)

The accompanying notes on pages 7 to 28 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	
		2011 \$	2010 \$
Cash Flows From Operating Activities			
Loss before taxation		(109,676,635)	(104,596,988)
Adjustments to reconcile loss to net cash used in operating activities:			
Depreciation		435,230	417,426
Interest income		(7,782,665)	(10,743,113)
Interest income received		8,126,179	10,943,628
Interest expense		130,096,805	147,379,851
Interest paid		(132,946,853)	(149,840,358)
Foreign exchange losses/(gains)		1,789,372	309,321
		(109,958,567)	(106,130,233)
Net change in accounts payable		(370,535)	(1,548,243)
Net change in other current liabilities and accrued charges		(500,234)	515,360
Net change in funds held in trust		377,824	(404,602)
Taxation paid		(63,639)	(106,178)
		<u>(110,515,151)</u>	<u>(107,673,896)</u>
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(47,598)	(50,101)
		<u>(47,598)</u>	<u>(50,101)</u>
Cash Flows From Financing Activities			
Decrease in amounts due from the Ministry of Finance		20,925,940	20,760,984
Repayment in loan from First Citizens Bank Limited		(20,925,940)	(20,760,984)
Capital contributions received		273,128,361	205,066,994
Repayment of debt instrument due to Fincor		(78,612,707)	(78,480,134)
Repayment of note payable to the Agricultural Development Bank		(3,125,000)	(1,875,000)
Repayment of note payable to First Citizens Bank Limited		(68,485,595)	(68,485,594)
		<u>122,905,059</u>	<u>56,226,266</u>
Net Cash Inflow From Financing Activities		<u>122,905,059</u>	<u>56,226,266</u>
Increase/(Decrease) In Cash And Cash Equivalents		<u>12,342,310</u>	<u>(51,497,731)</u>
Cash And Cash Equivalents			
At beginning of year		61,149,181	112,646,912
Increase/(decrease) for the year		<u>12,342,310</u>	<u>(51,497,731)</u>
End of year		<u>73,491,491</u>	<u>61,149,181</u>
Represented By:			
Cash and cash equivalents	4	<u>73,491,491</u>	<u>61,149,181</u>

The accompanying notes on pages 7 to 28 form an integral part of these financial statements.

Taurus Services Limited

Notes to the Financial Statements 30 September 2011

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' (effective 1 January 2010). Clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current, (providing the entity has the unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be requested by the counterparty to settle in shares at any time. This amendment did not have a significant effect on the Company's financial statements.
- IAS 7 'Statement of cash flows' (effective 1 January 2010). This states that only expenditure that results in recognising an asset can be classified as cash flow from investing activities. This amendment did not have a significant effect on the Company's financial statements.
- IAS 17 'Leases' (effective 1 January 2010). The classification of leases of land and building. Deletion of specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating using the general principles of IAS 17. This amendment did not have a significant effect on the Company's financial statements.

Taurus Services Limited

Notes to the Financial Statements (Continued) 30 September 2011

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:*

The following standards, amendments and interpretations are effective for accounting periods beginning on or after 1 January 2010 but which are not relevant to the Company's operations:

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Additional Exemptions for First-time Adopters (Amendments) - (effective from 1 July 2010)
- IFRS 1 First time adoption of IFRS'- Amendments relating to oil and gas assets and determining whether an arrangement contains a lease (effective from 1 January 2010)
- IFRS 2 (Amendment), Share based payments: Group Cash-settled Share-based payment transactions (effective from 1 January 2010)
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments' (effective 1 July 2010)
- IFRS 3 'Business combinations' (effective 1 July 2010)
- IAS 39 (Amendment), 'Financial instruments: recognition and measurement' (effective from 1 January 2010)
- IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (effective from 1 January 2010)
- IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2010).

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 2011

(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 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)
- IFRIC 14 - 'Prepayment of a minimum funding requirement' (Amendment) (effective 1 January 2011).

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 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 2011

(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.

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.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

2 Summary Of Significant Accounting Policies (Continued)

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.

g) Revenue recognition

Revenue is recognised as follows:

i) *Investment income*

Investment income is recognised for all 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 advanced by the Company to the Ministry of Finance (see Note 6). Interest on this facility is recognised using the effective interest method.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

2 Summary Of Significant Accounting Policies (Continued)

g) Revenue recognition (continued)

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, 30% 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 2011

(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 recognised 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 \$109,740,274 (2010: \$104,703,166) and at that date the company's total liabilities exceeded its assets by \$1,119,138,811 (2010: \$1,280,526,898). 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

	2011 \$	2010 \$
Money Market Accounts	69,591,421	54,814,415
Bank balances	<u>3,900,070</u>	<u>6,334,766</u>
	<u>73,491,491</u>	<u>61,149,181</u>

The average effective interest rate was 2.0% (2010: 2.75%). These deposits have an average maturity of 30 days (2010: 30 days).

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

5	Loans And Advances	2011 \$	2010 \$
	i. <i>Loans and advances</i>		
	Loans and advances	542,011,158	645,476,123
	Allowance for loan loss	<u>(542,011,158)</u>	<u>(645,476,123)</u>
	Carrying value at end of year	<u> --</u>	<u> --</u>
	ii. <i>Allowance for loan losses</i>		
	Allowance at beginning of year	(645,476,123)	(767,718,538)
	Loans charged off/written off for the year	90,270,301	95,302,539
	Recoveries for the year	<u>13,194,664</u>	<u>26,939,876</u>
	Allowance at end of year	<u>(542,011,158)</u>	<u>(645,476,123)</u>
	iii. <i>Recoveries on loans net of impairment loss</i>		
	Amount recovered during year	<u>13,194,664</u>	<u>26,939,876</u>
		<u>13,194,664</u>	<u>26,939,876</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	2011 \$	2010 \$
	Principal	94,124,187	113,296,084
	Interest	<u>1,482,779</u>	<u>1,784,801</u>
		<u>95,606,966</u>	<u>115,080,885</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 recognised in accordance with the new agreement.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(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 2011						
Opening net book amount	--	79,819	498,872	--	1	578,692
Additions	--	47,598	--	--	--	47,598
Depreciation charge	--	(79,333)	(355,897)	--	--	(435,230)
Closing net book amount	--	48,084	142,975	--	1	191,060
At 30 September 2011						
Cost	353,855	354,813	1,923,197	14,889	1	2,646,755
Accumulated depreciation	(353,855)	(306,729)	(1,780,222)	(14,889)	--	(2,455,695)
Closing net book amount	--	48,084	142,975	--	1	191,060
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
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

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

8	Share Capital	2011 \$	2010 \$
	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	Instrument
		First Citizens	due to
		Bank Limited	Fincor
		\$	\$
			Total
			\$
	Capital contributions at 1 October 2010	1,449,044,157	1,408,214,120
	Capital contributions for the year	<u>161,021,358</u>	<u>112,107,003</u>
	Capital contributions at 30 September 2011	<u>1,610,065,515</u>	<u>1,520,321,123</u>
	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>
	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 \$4.2 billion (2010: \$4.1 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	2011 \$	2010 \$
	Interest payable to Fincor	8,670,596	10,652,059
	Interest payable on loan from First Citizens Bank Limited	1,482,779	1,784,801
	Amounts due to Citibank	91,316	53,966
	Amount due to Central Bank of Trinidad and Tobago	46,874	462,048
	Amounts due to Wallenvale Estates	33,646	321,335
	Management services fee payable to First Citizens Bank Limited	<u>1,952,866</u>	<u>1,657,888</u>
		<u>12,278,077</u>	<u>14,932,097</u>

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

12 Notes Payable To First Citizens Bank Limited	2011 \$	2010 \$
Current portion	68,485,594	68,485,594
Non current portion	<u>684,855,937</u>	<u>753,341,532</u>
Total	<u>753,341,531</u>	<u>821,827,126</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>4,000,000</u>	<u>7,125,000</u>
Total	<u>6,500,000</u>	<u>9,625,000</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	66,983,078	78,380,732
Non current portion	<u>193,705,883</u>	<u>259,604,979</u>
Total	<u>260,688,961</u>	<u>337,985,711</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 2011

(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 2011 \$	Gross Maximum Exposure 2010 \$
Credit risk exposures relating to balance sheet financial assets are as follows:		
Cash and cash equivalents	73,491,491	61,149,181
Interest receivable	42,092	41,605
Funds held in trust	138,190	516,014
Amounts due from the Ministry of Finance	<u>95,606,966</u>	<u>115,080,885</u>
	<u>169,278,739</u>	<u>176,787,685</u>

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(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:-

	Loans and advances	Funds held in Trust	Amounts due from the Ministry of Finance	Cash and Cash Equivalents
As at 30 September 2011	\$	\$	\$	\$
Neither past due nor impaired	--	138,190	95,606,966	73,491,491
Individually impaired	542,011,158	--	--	--
Gross	542,011,158	138,190	95,606,966	73,491,491
Less: Allowance for impairment	(542,011,158)	--	--	--
Net	--	138,190	95,606,966	73,491,491

	Loans and advances	Funds held in Trust	Amounts due from the Ministry of Finance	Cash and Cash Equivalents
As at 30 September 2010	\$	\$	\$	\$
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

(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 2011

(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 2011							
Cash and cash equivalents	73,491,491	--	--	--	--	73,491,491	2%
Funds held in Trust	--	--	--	--	138,190	138,190	
Amounts due from the Ministry of Finance	10,458,243	10,458,243	73,207,701	--	1,482,779	95,606,966	6.25%
Total Assets	83,949,734	10,458,243	73,207,701	--	1,620,969	169,236,647	
LIABILITIES	1 – 3 Mths \$	3 – 12 Mths \$	1-5 years \$	More than 5 years \$	Non-interest Bearing \$	Total \$	Interest Rate %
As at 30 September 2011							
Amounts due to First Citizens Bank Limited	10,458,243	10,458,243	73,207,701	--	--	94,124,187	6.25%
Notes payable to First Citizens Bank Limited	--	68,485,594	273,942,376	410,913,561	--	753,341,531	11.5%
Notes payable to Agricultural Development Bank	--	--	--	--	6,500,000	6,500,000	4.75 &
Debt instruments due to Fincor	27,672,269	39,310,809	193,705,883	--	--	260,688,961	11.75%
Amount due to Central Bank of Trinidad and Tobago	--	--	--	--	161,335,868	161,335,868	
Total Liabilities	38,130,512	118,254,646	540,855,960	410,913,561	167,835,868	1,275,990,547	
Interest Sensitivity Gap	45,819,222	(107,796,403)	(467,648,259)	(410,913,561)			

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(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 \$	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	

	1 – 3 Mths \$	3 – 12 Mths \$	1-5 years \$	More than 5 years \$	Non-Interest Bearing \$	Total \$	Interes Rate %
LIABILITIES							
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)			

As at the balance sheet date, 69% (2010: 67%) of the Company's long term borrowings are floating rate instruments and 31% (2010: 33%) are fixed rate instruments.

A 1% increase in interest rates will cause an increase in the loss of \$11.1 million (2010: \$12.7 million).

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(Expressed in Trinidad and Tobago Dollars)

16 Financial Instruments (Continued)

The carrying amounts of the fixed rate and floating rate interest borrowings are as follows:

	Carrying Amount	
	2011 \$	2010 \$
Fixed Rate Instruments	343,174,608	416,366,175
Floating Rate Instruments	764,980,071	856,742,746
	<u>1,108,154,679</u>	<u>1,273,108,921</u>

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign currency risk arises mainly from its debt obligations and the amount due from the Ministry of Finance. The Company borrowings are denominated in the functional currency and the United States dollars. The tables below summarises the Company's exposure to currency risk.

	Per Balance Sheet TT\$	Effect on Income	
		1% Appreciation TT\$	1% Depreciation TT\$
As at 30 September 2011			
<i>US Dollar Denominated</i>			
Financial Assets			
Amounts due from the Ministry of Finance	95,606,966	(956,070)	956,070
Financial Liabilities			
Interest and accounts payable	(3,743,191)	37,432	(37,432)
Amounts due to First Citizens Bank Limited	(94,124,187)	941,242	(941,242)
Debt instruments due to Fincor	(71,479,368)	714,794	(714,794)
As at 30 September 2010			
<i>US Dollar Denominated</i>			
Financial Assets			
Amounts due from the Ministry of Finance	115,080,885	(1,150,809)	1,150,809
Financial Liabilities			
Interest and accounts payable	(4,505,631)	45,056	(45,056)
Amounts due to First Citizens Bank Limited	(113,296,084)	1,132,961	(1,132,961)
Debt instruments due to Fincor	(86,038,804)	860,388	(860,388)

There were no changes in the assumptions and method used in performing the sensitivity analysis as compared to prior years.

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(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 2011			
Amounts due from the Ministry of Finance	–	95,606,966	95,606,966

LIABILITIES

As at 30 September 2011

Interest and accounts payable	8,534,886	3,743,191	12,278,077
Amounts due to First Citizens Bank Limited	--	94,124,187	94,124,187
Debt instruments due to Fincor	189,209,592	71,479,369	260,688,961
Total Liabilities	197,744,478	169,346,747	367,091,225

FINANCIAL ASSETS

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

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 2011

(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 2011					
Accounts payable	2,124,702	--	--	--	2,124,702
Amounts due to First Citizens Bank Limited	13,423,780	13,065,641	82,369,408	--	108,858,829
Notes payable to First Citizens Bank Limited	--	153,382,869	533,974,670	564,524,874	1,251,882,413
Notes payable to Agricultural Development Bank	625,000	1,875,000	4,000,000	--	6,500,000
Debt instruments due to Fincor	41,539,135	51,829,853	236,746,211	--	330,115,199
Amount due to Central Bank of Trinidad and Tobago	161,335,868	--	--	--	161,335,868
Total Financial Liabilities	219,048,485	220,153,363	857,090,289	564,524,874	1,860,817,011
Total Assets	87,095,557	13,065,641	82,369,408	--	182,530,606

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(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 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 of Trinidad and Tobago	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

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 2011

(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	
	2011 \$	2010 \$	2011 \$	2010 \$
Financial Assets				
Cash and cash equivalents	73,491,491	61,149,181	73,491,491	61,149,181
Funds held in trust	138,190	516,014	138,190	516,014
Financial assets: -				
Loan Note- Amount due from Ministry of Finance	95,606,966	115,080,885	95,450,311	114,502,584
Financial Liabilities				
Notes payable to First Citizens Bank Limited	753,341,531	821,827,126	969,364,192	1,075,826,252
Amounts due to First Citizens Bank Limited	94,124,187	113,296,084	93,967,532	112,717,782
Note Payable - Agricultural Development Bank	6,500,000	9,625,000	5,736,300	8,012,713
Debt Instruments - due to Fincor	260,688,961	337,985,711	309,935,830	400,356,406
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 2011

(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:

	2011 \$	2010 \$
Assets		
Bank balances - First Citizens Bank Limited	<u>3,900,070</u>	<u>6,334,766</u>
Amount due from the Ministry of Finance (Note 6)	<u>95,606,966</u>	<u>115,080,885</u>
Liabilities		
Notes Payable to First Citizens Bank Limited (Note 12)	<u>753,341,531</u>	<u>821,827,126</u>
Note Payable to The Agricultural Development Bank (Note 13)	<u>6,500,000</u>	<u>9,625,000</u>
Amounts due to First Citizens Bank Limited	<u>94,124,187</u>	<u>113,296,084</u>
Interest and accounts payable	<u>1,482,779</u>	<u>1,784,801</u>
Management services fee payable to First Citizens Bank Limited (Note 11)	<u>1,952,866</u>	<u>1,657,888</u>
Capital and Reserves		
Capital contributions from GORTT (Note 9)	<u>3,130,386,638</u>	<u>2,857,258,277</u>
Income		
Interest income - Ministry of Finance (Note 18)	<u>6,521,622</u>	<u>7,927,498</u>
Expenses		
Interest on amounts due to First Citizens Bank Limited (Note 19)	<u>6,521,622</u>	<u>7,927,498</u>
Interest on notes due to First Citizens Bank Limited (Note 19)	<u>92,535,765</u>	<u>100,411,608</u>
Management fees (Note 21)	<u>4,706,918</u>	<u>4,601,215</u>
18 Interest Income		
Investment income	1,261,043	2,815,615
Loan to Ministry of Finance	<u>6,521,622</u>	<u>7,927,498</u>
	<u>7,782,665</u>	<u>10,743,113</u>
19 Interest Expense		
Amounts due to First Citizens Bank Limited	6,521,622	7,927,498
Notes due to First Citizens Bank Limited	92,535,765	100,411,608
Other debt instruments	<u>31,039,418</u>	<u>39,040,745</u>
	<u>130,096,805</u>	<u>147,379,851</u>

Taurus Services Limited

Notes to the Financial Statements (Continued)

30 September 2011

(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

	2011 \$	2010 \$
Administration Expenses		
Audit and accounting fees	55,200	55,200
Service fees	710	600
	<u>55,910</u>	<u>55,800</u>
Operating Expenses		
Depreciation	435,230	417,426
Professional fees	1,477,451	1,522,096
Management fees	4,706,918	4,601,215
Other operating expenses	2,404,068	3,023,746
Rent	641,100	641,100
	<u>9,664,767</u>	<u>10,205,583</u>

22 Taxation

Current Tax	<u>63,639</u>	<u>106,178</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>(109,676,635)</u>	<u>(104,596,988)</u>
Tax calculated at the rate of 25%	(27,419,159)	(26,149,247)
Unrecognised tax losses for the year	27,419,159	26,149,247
Business levy	<u>63,639</u>	<u>106,178</u>
	<u>63,639</u>	<u>106,178</u>

23 Operating Lease Commitments

The Company leases offices and a vehicle 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	303,200	603,425
Later than 1 year and not later than 5 years	<u>159,800</u>	<u>200,000</u>
	<u>463,000</u>	<u>803,425</u>

24 Subsequent Events

In October 2011, the Company agreed to lease another vehicle for three years at the cost of \$5,000 monthly (vat inclusive). The vehicle is 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.