

Transport Board Annual Report 2008-2009

MISSION STATEMENT

“To be the principal provider of safe, reliable and efficient mass transit services
and to consistently deliver the highest level of customer satisfaction
to users of public transport in Barbados”

VISION

The Transport Board shall be an exemplary transportation institution,
exhibiting the highest standards of excellence and
contributing to the social and economic landscape of Barbados,
and in so doing assist in the sustainable development of the nation.

Board of Directors

Chairman	Mr. Pedro Stanford
Deputy Chairman	Mr. Muhammed Nassar
Director	Ms. Alphea Wiggins-Rock
Director	Mr. Wren Millar
Director	Mr. Reginald Lewis
Director	Mr. Colin Mascoll
Director	Mr. Anthony Goodridge

Senior Management

General Manager	Mr. Ian Jessamy
Deputy General Manager	Mr. Malcolm Bovell
Manager Marketing & Corp. Comm.	Mrs. Lynda Holder
Operations Manager	Mr. Desmond Sabir
Human Resources Manager	Mr. Markley Clarke
Financial Controller	Mrs. Felicia Sue
Quality Assurance Manager	Mr. Sylvan Codrington
Manager Information Technology	Mr. Phillip Lashley
Board Secretary/Admin Officer	Mrs. Dolores Catwell

Auditors

Ernst & Young

Legal Counsel

Mr. Patrick Phillips, LL.B.,

Bankers

Barbados National Bank Inc.

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CHAIRMAN'S STATEMENT

In accordance with section 12(4) of the Transport Board Act, Cap 297, Laws of Barbados, the Board of Directors has the honour to submit to you in your capacity as Minister of Transport and Works the institution's annual report for the year ended March 2009.

The Board of directors is pleased to report that during the financial year, total revenue increased by \$8.94 million. Fares increased to \$37.14 million. The charters section reflected a marginal decrease from \$3 million to \$2.54 million. However Bus and Terminus billboard advertising increased to \$0.42 million up from \$0.18 million which was reflected in the previous financial period. During the period under review, the Board earned other revenues of \$0.64m from Booth Rentals, Scenic Ride & Tours, Insurance, Interest Income and Loss of Use claims compared to \$0.63m in 2007-2008. This represented an increase of \$15k or 2% in these categories.

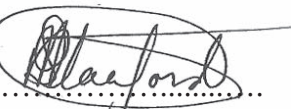
For the Financial Year 2008-2009, operating expenditure incurred was \$105m, an increase of \$20.3m or 23.96% compared to that for the previous year of \$84.7m. All categories of expenditure especially Vehicle operating, Administration and Vehicle maintenance increased over 2007-2008.

Interest on current loans decreased by \$1.56m or 29.2%. \$5.367m in interest expense was expended in 2007-2008 compared to \$3.801m 2008-2009.

For the year ended March 31, 2009 the Transport Board incurred an operating loss of \$58.9m before loan interest and Government subsidy. This was \$11.37m or 23.9% higher than those incurred for the previous financial year of \$47.57m and was due to an increase in expenses

The Financial Year 2008/09 has been a productive one for the Board although it struggled with its finances and was unable to meet certain statutory and other shareholder obligations.

On behalf of the directors, I would like to thank management and staff for their contribution in this financial year.


Pedro Stanford
CHAIRMAN

GENERAL MANAGER'S STATEMENT

During the Financial Year 2008/09 the Transport Board earned \$46m in revenue while incurring \$105m in expenditures not inclusive of Loan Interest. Revenue increased by \$8.94million or 24.05% over those recorded for the Financial Year 2007/08.

Revenue earned reflected increases in various categories. School tickets sales increased by \$4.17 million. This could be attributed to the new governmental landmark policy of student ridership. Advertising sales also increased by \$246,000.00 or approximately 139%. Additionally, Rental Incomes and Insurance Claims reflected increases. A new category was developed for the sale of diesel to Public Service Vehicles and this category generated income of \$5.35 million. The Board's fare revenues increased to \$37.14 million in 2008/2009 from \$33.35 million in 2007-2008 inclusive of the figure shown for School ticket sales.

Due to an improved maintenance programme the Board was able to realised higher levels of bus availability which averaged 194 buses in 2007/08, but increased to 211 for the financial year under review. This improvement, although well utilized, was still inadequate to supply the services required.

All categories of expenditures increased over those recorded for the Financial Year 2007/08. Much of the \$20.3 million or 23.96% increase in expenditures over those recorded for the Financial Year 2007/08 were associated with vehicle operating costs, administration and vehicle maintenance. This year, Vehicle operating costs were \$46.29 million compared to \$38.23 million. Also reflected is the \$4.8 million incurred in supplying diesel to Public Service Vehicles. Costs in Vehicle maintenance were \$21.41 million in 2008-2009.

Increases in staff costs were associated with wages and salaries increases and an increase in the staff component of ninety-seven (97) employees. This effectively increased the staff from eight hundred and thirty-one (831) persons in the previous financial year to nine hundred and twenty-eight (928) persons for the financial period under review.

Furthermore, the Board continued in its quest, during the financial year under review, to improve working conditions, provide appropriate staff amenities and engage in training activities to bolster employee knowledge base and customer services to facilitate greater efficiencies. None of this however, could have been achieved without the support and dedication of the Board of Directors, employees of the Transport Board, the Ministries of Transport and Works, Finance and Planning, the Barbados Workers' Union, and other suppliers of goods and services and more importantly the public of Barbados.


Sandra O. Forde
GENERAL MANAGER

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

OPERATIONS

The Operations Department continued to operate under challenging situations during the Financial Year (FYE) 2008/09. Among these challenges were inadequate levels of bus availability, adverse road conditions and diversions as a result of road works or damaged roads.

This year was the beginning of a new policy on Student Ridership which resulted in increased student ridership additional school services and changes to some services to support this policy. Additionally, The new traffic management system in the Wildey, St. Michael area increased the running times of several services and route change were made on the 11 Marley Vale, 11A Edey Village, 16A St. Patrick, 16S Silver Hill, 16L Lowlands, 28 Rock Hall to Oistin and 32 White Hill to Oistin services

Road Works	Bad roads
Featherbed Lane,	Gaskin Road
Checker Hall	Padmore Village
Greenidges	Glenburnie
Wellhouse	
Hindsbury Road,	
Glenburnie	

Table 1: A list of bad roads and areas where road works affected services

Operational Achievements and projects

The following new school services were implemented and/or extended:

- 1. St. Michael School to Princess Alice Terminal
- 2. Four Roads to Combermere
- 3. St. Leonards Secondary to Princess Alice Terminal
- 4. Extensions were done from Six Roads to Grantley Adams Memorial via Wilson Hill; and
- 5. To St. Judes Primary from Newbury and Ellemere

The route 19K Kendal service was extended to Sunbury Tenantry with services being provided for the outbound and inbound trips.

Special Services:

A Christmas Park and Ride service with Parking at the National Stadium and the Garfield Sobers complex was implemented during the month of December 2008. This service was not well patronised and therefore was not a success. The lessons learned were that: Such systems require adequate planning; There must be some indication that such services are required and the degree of readiness for it.

Total Ridership

Ridership is provided for the period 2004/2005 – 2008/2009. Total Ridership in the Financial Year 2008/2009 recorded 13.2% increase in the ridership for the FY 2007/2008 and 8.2% over the Budgeted ridership in the FY 2008/2009. Total ridership was influenced mainly by a 59% increase in School Passenger ridership and a 10.2% of service departures from the Terminals. An increase in average bus availability by 7.8% afforded a 9.1% increase in scheduled services.

General Passenger

General Passenger ridership increased by 5.9% Year to Date 2009 when compared with 2008. This category of passengers has also recorded increases over the last three Financial Years.

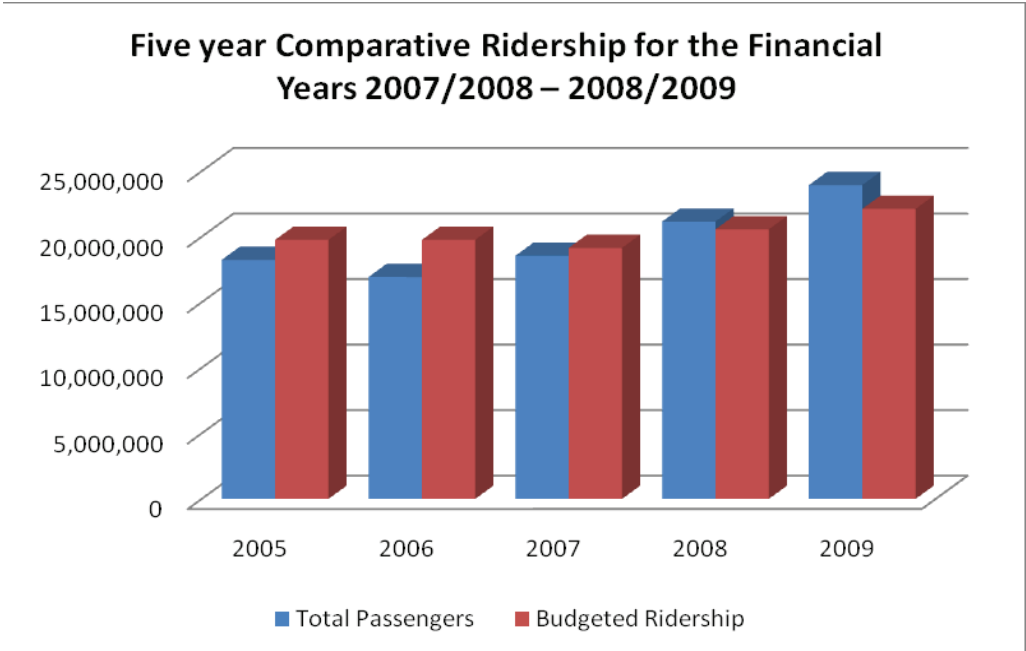


Figure 1: Five year comparative ridership for the financial years 2004/2005 – 2008/2009

	2005	2006	2007	2008	2009	% Change in 2009 over 2008
General Passengers	13,005,987	12,681,349	13,929,725	16,356,241	17,325,604	5.9%
Total School Passengers	3,182,232	2,442,527	2,719,181	2,744,990	4,363,940	59.0%
Pensioners	2,050,095	1,708,493	1,811,745	1,967,046	2,163,680	10.0%
Other Passengers		97,797	84,651	86,169	87,312	1.3%
Total Passengers	18,238,314	16,930,166	18,545,302	21,154,446	23,940,536	13.2%
Budgeted Ridership	19,762,842	19,762,842	19,149,800	20,565,183	22,126,103	7.6%
Actual Ridership : Budget	92.3%	85.7%	96.8%	102.9%	108.2%	

Table 2: Five year comparative ridership for the financial years 2004/2005 – 2008/2009

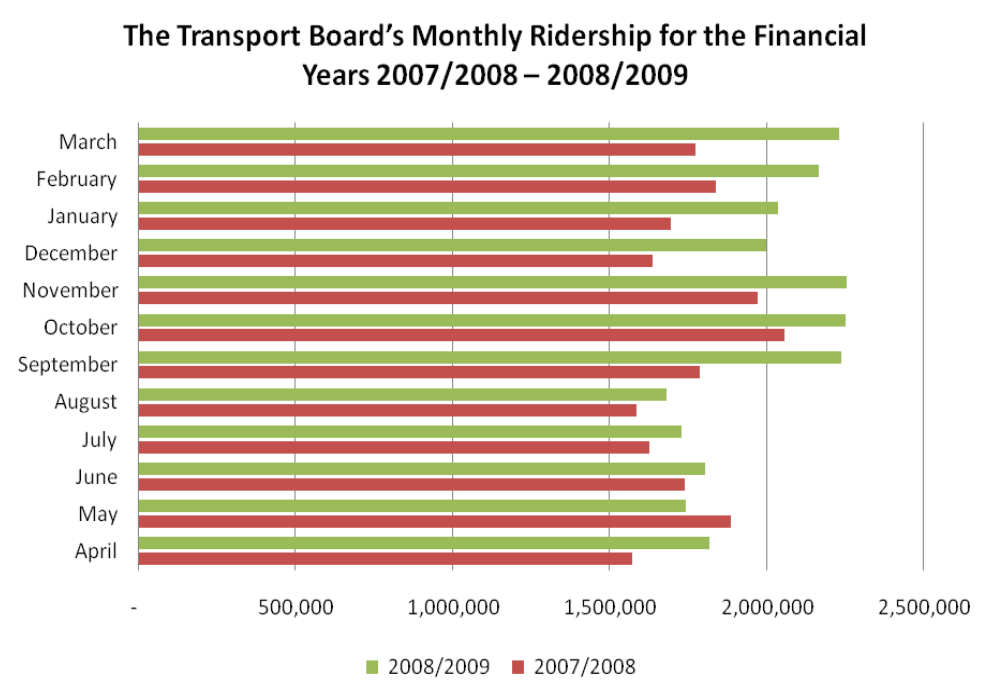


Figure 2: The Transport Board's Monthly Ridership for the financial years 2007/2008 – 2008/2009

	2007/2008	2008/2009	2009 Budget	2009/2008	2009 to budget
April	1,570,516	1,817,199	1,718,411	15.7%	5.7%
May	1,884,888	1,741,739	1,878,327	-7.6%	-7.3%
June	1,738,425	1,804,213	1,812,963	3.8%	-0.5%
July	1,626,253	1,727,307	1,731,266	6.2%	-0.2%
August	1,583,321	1,680,306	1,742,987	6.1%	-3.6%
September	1,785,367	2,236,726	1,868,052	25.3%	19.7%
October	2,055,021	2,252,358	1,962,031	9.6%	14.8%
November	1,971,025	2,254,453	1,922,564	14.4%	17.3%
December	1,636,209	1,996,914	1,865,531	22.0%	7.0%
January	1,693,829	2,036,930	1,957,687	20.3%	4.0%
February	1,837,387	2,163,873	1,747,275	17.8%	23.8%
March	1,772,205	2,228,518	1,919,009	25.7%	16.1%
	21,154,446	23,940,536	22,126,103	13.3%	8.1%

Table 3: The Transport Board's Monthly Ridership for the financial years 2007/2008 – 2008/2009

Student Ridership

A fundamental change in Government's Policy in relation to student travel allow qualified students to travel free from September 2008. This has impacted significantly on ridership which increased by 59% in FY 2008/2009 compared with the previous Year.

This new Government Policy on student travel required an increase in school services which necessitated the establishment of new routes. Additionally, it was necessary to increase general passenger services to facilitate the increased demand in ridership.



Comparative Student Passenger Ridership for the FYE 2007/2008 and 2008/2009 as at February 2009

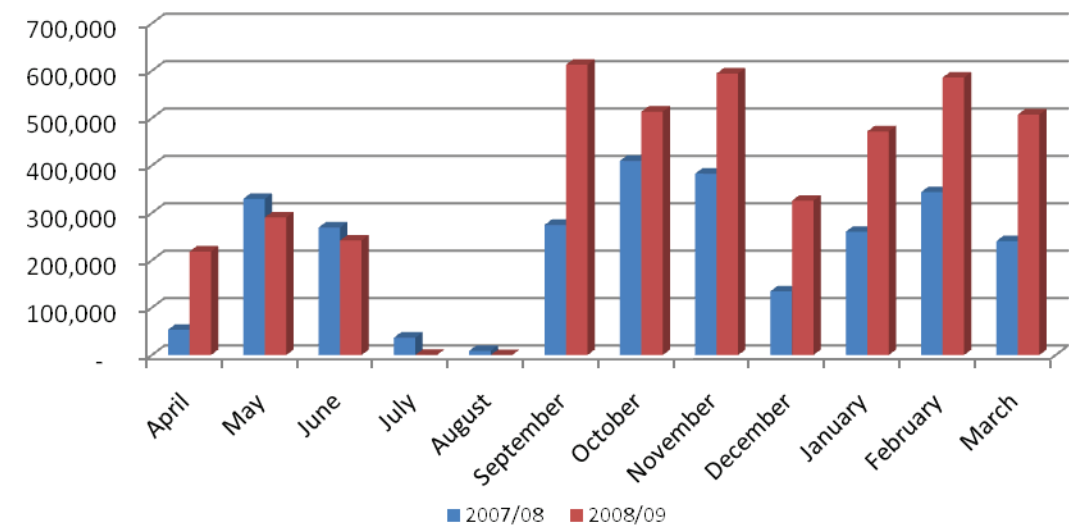


Figure 3 : Comparative Student Ridership for the period 2007-08 and 2008-09

	2007/2008	2008/2009	
April	204	188	-8.5%
May	200	196	-2.0%
June	194	193	-0.5%
July	195	194	-0.5%
August	190	207	8.2%
September	189	228	17.1%
October	190	223	14.8%
November	197	227	13.2%
December	188	215	12.6%
January	187	207	9.7%
February	189	224	15.6%
March	184	225	18.2%
Monthly Ave	194	211	10%

Table 5: Average monthly bus availability for FYE 2008 and 2009

	Weymouth			Speightstown			Mangrove		
	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change
April	123	120	-2%	36	31	-14%	45	36	-20%
May	125	122	-2%	33	32	-3%	42	43	2%
June	120	124	3%	36	30	-17%	38	40	5%
July	121	126	4%	33	30	-9%	39	38	-3%
August	120	134	12%	32	34	6%	37	39	5%
September	122	142	16%	32	39	22%	35	47	34%
October	121	137	13%	33	37	12%	35	48	37%
November	126	141	12%	34	40	18%	37	46	24%
December	121	141	17%	32	38	19%	35	44	26%
January	122	134	10%	30	34	13%	35	40	14%
February	123	144	17%	31	34	10%	36	43	19%
March	121	140	16%	31	37	19%	32	47	47%
Monthly Ave	122	134	10%	33	35	6%	37	43	15%
Peak Bus requirement	120	135	13%	37	41	11%	48	49	2%
Availability : requirement	102%	99%		89%	85%		77%	87%	

Table 6: Average weekday Bus availability at the Depot level for the financial years ending 2008 and 2009

Bus availability at the Depot Level varied throughout the year. The average bus availability to the Peak Bus Requirement was 99% at Weymouth but was lower at Speightstown Depot (87%) and Mangrove Depot (85%). Table 6 above provides a comparative summary of average bus availability by Depot for the FYE 2008 and 2009

Bus Availability

Average weekday bus availability increased by 10% in the period under review compared with the same period last year. The average number of buses available during the weekday period increased from 188 to 228 buses. This increase began during the second quarter of the financial year but peaked in the third quarter at 228 buses. By March 2009 the average weekday bus availability was 225 buses.

This level of buses available was 94.2% of the buses required to operate the weekday peak hour services.

	FYE 2007	FYE 2008	FYE 2009	% Change
Buses Available	156	192	211	10%
Buses Required	179	199	224	12.6%
Bus Fleet	255	309	309	0.0%
Requirement to Available	86.8%	96.6%	94.2%	-2.5%
Bus Output to Bus Fleet	61.1%	62.4%	68.3%	9.4%

Table 4: Comparative Average weekday bus availability for FYE 2007 - 2009

Departures

On-time Departures

The Transport Board did not improve on its weekday on-time performance in the Year to Date 2009 when compared with the previous year. The on-time performance in the Year to Date 2009 was 91.9% compared with 93.1% in the Financial Year ending March 2008.

	System Average 2007/08	% On time performance for 2008/2009				System Average 2008/09
Operating period		FST	PAT	STOWN	Oistin	
Monday	93.4%	89.8%	97.0%	92.7%	85.2%	91.2%
Tuesday	93.3%	90.4%	97.9%	95.1%	85.8%	92.3%
Wednesday	92.6%	90.5%	97.9%	96.7%	84.8%	92.5%
Thursday	93.3%	90.5%	97.7%	97.0%	84.7%	92.5%
Friday	92.2%	87.2%	95.7%	97.4%	84.4%	91.2%
Total Weekday	93.1%	89.7%	97.2%	95.8%	85.0%	91.9%

Table 7: On time departures

Call-A-Ride

For the FY 08/09 23,925 passengers were transported by the Call-a-Ride section of the Operations Department. This section has grown steadily. Only five units are involved in this activity. As a result of the continued growth, the Board is finding it difficult to provide a service commensurate to demand. Due to on-going challenges with the vehicles, the unit cannot function efficiently with sometimes only one vehicle working.



Comparative Distribution of Ridership on the Call-A-Ride service for the FYE March 2008 and 2009

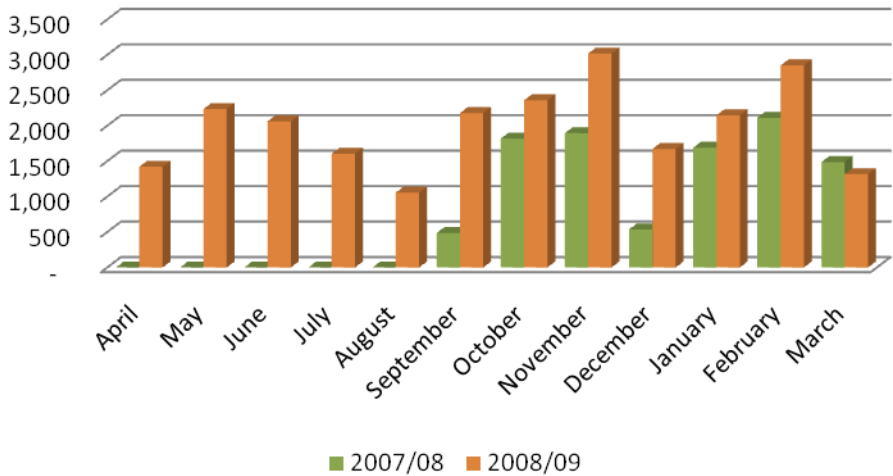


Figure 4 :Comparative ridership on the Call-A-Ride service

	2007/08			2008/09			% change
Months	Adult	Student	Total	Adult	Student	Total	
April	0	0	0	1,026	395	1,421	
May	0	0	0	1,104	1,132	2,236	
June	0	0	0	1,153	909	2,062	
July	0	0	0	1,549	55	1,604	
August	0	0	0	1,033	23	1,056	
September	170	316	486	1,132	1,047	2,179	348%
October	920	899	1,819	1,453	906	2,359	30%
November	897	999	1,896	1,473	1,546	3,019	59%
December	390	147	537	1,056	616	1,672	211%
January	1000	690	1,690	1,118	1,030	2,148	27%
February	1207	905	2,112	1,524	1,328	2,852	35%
March	930	558	1,488	898	419	1,317	-11%
Total	5,514	4,514	10,028	14,519	9,406	23,925	139%

Table 8: Comparative Distribution of Ridership on the Call-A-Ride service for the FY 2007/08 and 2008/09

MARKETING & CORPORATE COMMUNICATIONS

ADVERTISING SALES:

For the financial year ending March 2009, the department showed a marked improvement in revenue from advertising sales. This is reflected in the year to date figure of \$423,699.00 when compared with the same period last year of \$177,945.00.

The table below reflects cash received and includes funds for advertising that was installed for long contracts which were payable on a periodic basis. It shows funds received from advertising during the months of April 2008 to March 2009. The increase in bus availability has assisted the Marketing and Corporate Communications department in increasing the Board’s revenue base during the financial period under review.



	2008-09	2007-08	2006-07	2005-06	2004-05
INCOME \$					
Advertising Revenues	423,699.00	176,945.00	174,212.00	172,282.00	376,154.00

TABLE 9: COMPARATIVE ADVERTISING REVENUE FOR THE PERIOD 2004-05 TO 2008-09

SUNDAY SCENIC TOUR

The Sunday Scenic Tour continues to be an area of revenue generation for the Transport Board. A statistical analysis of the ridership from March 2008 to March 2009 is shown in the table below.

MONTH	BUSES	ADULT	CHILDREN	TOTAL PASSENGERS
March 08	28	712	207	919
April 08	32	878	270	1,148
May 08	104	3,408	867	4,275
June 08	79	2,385	571	2,956
July 08	11	294	65	359
August 08	21	519	87	606
September 08	05	123	23	146
October 08	52	1,662	327	1,989
November 08	49	1,344	365	1,709
December 08	08	87	59	248
January 09	17	441	118	559
February 09	47	1,400	361	1,761
March 09	11	304	66	370
Total	464	13,718	3,327	17,045

TABLE 10: SUNDAY SCENIC TOUR RIDERSHIP FOR MARCH 2008 TO MARCH 2009

The table gives a breakdown of the number of buses and the number of passengers who travelled on the Scenic Tour buses each Sunday during the period under review.

The year to date figure of \$271,764.00 reflects an increase of approximately \$59,137.00. Additionally, it reflects an increase over the budgeted figure of \$250,000.00. The financial information is shown in the table below for clarity.

	2008-09	2007-08	2006-07	2005-06	2004-05
INCOME					
Scenic Tour Revenues	271,764.00	212,627.00	150,853.00	156,313.00	88,661.00

Table 11 :Sunday Scenic Tour revenues for the period 2004-05 to 2008-09

CHARTERS

The Transport Board continued to operate special services which included Cropover 2008 specifically Party Monarch Finals, Services after the Pic O de Crop competition and Cohoblot. Shuttle services to and from Kensington Oval for cricket inclusive of Twenty/20 and ODIs during the English and Australian tours. The Board also was also the suppliers of services to both Primary and Secondary School sports as well as Agrofest.



This sector of the Board’s business continues to show great potential for generating additional revenue. However the true potential was not realised during the period under review due to declines in other areas of the Board business as a result of challenges with the Board’s stock. One major hindrance to growth in this sector was the Board’s decision to concentrate its efforts on its core business, as this resulted in a lack of resources being available to this sector. As the Transport Board is very cognizant of its social responsibility to the travelling public it could not utilise the resources to maximise the potential of this sector.

It must be noted that the level of charters that can be conducted is dependent on the daily bus availability. Any reduction in bus availability would have an impact on the level of charters which could have been conducted on specific days. Additionally, the lack of air-conditioned units continues to be a hindrance in the area of significant growth.

	2008-09	2007-08	2006-07	2005-06	2004-05
INCOME					
Charter Revenues	2,539,920.00	2,999,846.00	2,241,298.00	2,169,495.00	2,672,591.00

TABLE 12 : CHARTER REVENUES FOR THE PERIOD 2004-05 TO 2008-09

Event charters such as Reggae On the Hill and Gospel fest have shown the ability to be a lucrative avenue for increased revenues.

PUBLIC RELATIONS

As part of the comprehensive plan to ensure that the public are kept informed of the various changes that are taking place, the marketing department has maintained a current and up-to-date website, installed public address systems at each terminal and depot and also installed a public information system in the form of an electronic screen showing departures and arrivals of buses at the Board’s main terminal at Fairchild Street, Bridgetown. These new features allow the commuters to have a better knowledge and prompt information pertaining to their required services.

These systems continue to be used not only as a tool to promote the activities and innovations at the Board, but the website continues to be utilized by persons who are interested in choosing Barbados as their travel destination to collect information on the island. Additionally all of the Board’s routes and schedules are posted on the website for easy access.

Information Technology

During financial year 2008/9, several initiatives were implemented by the Transport Board, to assist in reducing cost and improving efficiency. Special mention must be made of the closed circuit television systems which were installed on the buses.

Closed Circuit Television (CCTV)

Beginning in April 2008, on bus CCTV was implemented. The CCTV features four cameras:

- one looking at the door, as patrons enter the bus
- one looking towards the rear of the bus, from the front
- one at the front of the vehicle, looking towards the rear of the bus
- one in the front of the vehicle looking out unto oncoming traffic

There is also a monitor for the driver to view what is occurring on each camera.

The implementation of the CCTV has effected a reduction in vandalism on units, and has assisted the Board, insurers and the police on numerous occasions.

Quality Assurance

The Board engaged the outside suppliers namely Trans Tech, Quality Care Vehicle Maintenance and Commercial Vehicle maintenance to assist with routine maintenance to enhance bus availability.

As part of an educational programme the suppliers of tyres to the Transport Board held a seminar to educate operators and maintenance personnel on the correct procedures of tyre management and the importance of having tyres inflated to the correct tyre pressure.

A Computer Diagnostic Tester and Mini Dag were acquired by the department to assist in trouble-shooting of premature mechanical or electrical failures.



The Mangrove Depot workshop was retrofitted with a new compressor as part of improvements aimed at increasing bus availability. This compressor forms part of a process meant to give maintenance personnel adequate air supply to facilitate tyre pressure checks. Additionally, low pressure pumps were installed at the Speightstown and Mangrove Depots to assist with the daily maintenance of the Board buses, washing of radiators, inner-coolers and removing any foreign matter that may accumulate in the cooling compartment.

It has been recommended that Rotary Rams be placed at each of the Board’s depots. This recommendation also forms part of the process of improving bus availability and would be used to assist maintenance personnel by offering easy access to carry out repairs (e.g.) adjust wheel bearings, brakes and the checking of kingpins.

Human Resources

Training

As part of the ongoing thrust to ensure that our employees are kept informed of all new or changes employment practices, the Board continued with various forms of training. To this end, one Senior Manager and one Middle Manager attended the one-day workshop “Effective Management and Leadership: Towards the Creation of Successful Organization”, while two Senior Managers and two Supervisors attended various seminars/workshops during the “Week of Excellence” programme facilitated by the Barbados Workers’ Union. Additionally, four Senior Managers attended the one-day workshop “Negotiating procedures & collective bargaining” facilitated by Industrial Relations Solutions Ltd. (IRS).

During the year under review eighty-one (81) prospective Driver recruits commenced training and acquired their omnibus license. Thirty-eight (38) have been employed as Drivers assigned to Operations, nineteen (19) as Duty Drivers assigned to Administration and one as Duty Driver assigned to Finance respectively.

One Supervisor, three Drivers and two Clerks attended the one-day seminar/workshop “Wellness” facilitated by the Barbados Workers’ Union. Also one Driver attended the five-day seminar “Employment Law and ILO Standards” also facilitated by the Barbados Workers’ Union. The objective of the seminar was to give participants an overview of the Industrial Relations Systems used in Barbados and the examination of the International Labour Organization (ILO) work in formulating Employment Standards.

The Barbados Workers’ Union, in their role as the workers representative and a major stakeholder in the operations of the Transport Board, facilitate numerous seminars/workshops during the period under

review. These seminars/workshops included “Conflict Resolution and Problem Solving”, “Training the Shop Steward” and “Organizations and the Human Resources”.

Ninety-five employees of the Board, along with members of the Board of Directors and Ministry Officials attended a Retreat sponsored by the Transport Board. The theme chosen was “Cultural Change in a Modern Transportation Environment”. This retreat was given good reviews.



Thirteen employees graduated and were awarded certificates for completing an in-house training course “Introduction to Computers”, with emphasis on Microsoft Word and the Internet. This was facilitated by the Board’s IT Department.

Other stakeholders also conducted training of the Transport Board employees during the period under review. These included seminars/workshops by the Training Administration Division in the areas of “Occupational Safety and Health Workshop” and “Supervisory Management”. As well as a seminar “Healthy Caribbean 2008 – A Wellness Revolution” was facilitated by the Government of Barbados in association with the Heart and Stroke Foundation of Barbados and the Pan American Health Organization. Additionally, a seminar “Steeping into Supervisory Management” was facilitated by the Barbados Employers’ Confederation.

One Accident Officer and one Driver Trainer attended the two-day “Road Safety Audit Workshop” facilitated by the Ministry of Transport and Works. The topics covered included Barbados’ Approach to Road Safety, Audit Procedures, Common Issues & Challenges, Understanding Risks & Safety and Introduction to Case Study.

EMPLOYEE RELATIONS PROGRAMME

Staff meetings

Management held departmental and staff meetings at Weymouth Headquarters, Mangrove Depot and Speightstown Terminal to inform employees on developments and requirements and to address concerns.

Medical Unit

The number of visits to the Medical Unit in the financial year 2008/09 increased by 36% when compared to the previous year. This increase can be attributed to the fact that a greater cross section of employees has been utilizing the services offered at the Medical Unit, and the availability of the Industrial Nurses at all five locations.

APL 08 – MAR 09				APL 07 – MAR 08			
Month	No. Visit to Medical Unit	No. of Employees in Group Medical Plan	Total Employees at the Board	Month	No. Visit to Medical Unit	No. of Employees in Group Medical Plan	Total Employees at the Board
APL	290	636	827	APL	145	525	777
MAY	284	644	828	MAY	174	498	791
JUN	302	637	831	JUN	178	514	798
JUL	326	634	834	JUL	214	578	799
AUG	265	637	846	AUG	186	581	799
SEPT	392	638	864	SEPT	240	610	804
OCT	444	638	881	OCT	234	618	812
NOV	351	642	904	NOV	307	602	823
DEC	277	641	911	DEC	239	613	827
JAN	377	658	922	JAN	324	611	833
FEB	338	656	928	FEB	349	613	832
MAR	302	676	928	MAR	316	613	831
TOTAL	3948	-	-	TOTAL	2906	-	-
Ave.	329	645	875	Ave	242	581	811

Table 13: Number of Visits to the Medical Unit

Notably, there was an 11% increase of employees in the group medical and insurance plan.

Driver Awards

During the year under review presentations were hosted for Drivers of the Month. Sixty (60) persons received monetary awards of \$200 each. The Board’s insurers Consumers’ Guarantee Insurance Co (CGI) and broker Insurance General Services Ltd. (IGS) continues to sponsor this programme.

Retirement and associated Social functions

The Recreation Room at Weymouth Headquarters was refurbished and renamed the Gerald “Seaman” Hunte Recreational Hall in honor of a driver who also retired during the period under review.

Two retirement functions were hosted during the period under review for twenty-one employees, two Supervisors, sixteen Drivers, one Cashier, one General Workers and one Fleet Attendant who retired after serving 8 to 40 years respectively at the Board.

The Transport Board Sports, Social & Cultural Club was launched during the year under review. This club was established with the view of fostering stronger interpersonal relationships among all categories of employees and the greater community.

Industrial Relations

Management sent correspondence and held various discussions with the Barbados Workers’ Union to resolve issues related to the appointment of Artisans and Secretaries assigned to Head of Departments as well as new wages/salaries agreement for 2007 - 2009.

Meeting were also held with Management and Delegates to inform them of the Boards’ short and long term plans, as well as to discuss issues and concerns reported by various employees.

Employment Statistics

Table 14 highlights employment statistics as at March 31, 2009 with comparative information for the four previous years.

Category	March 2009	March 2008	March 2007	March 2006	March 2005
Administrative/ Clerical	137	133	114	104	129
Drivers	518	472	445	411	412
General Workers	132	97	76	75	83
Fuel Porters	17	17	13	12	7
Fleet Attendant	12	11	14	-	-
Supervisors/ Inspectors	59	61	54	41	28
Security Guards	38	27	35	30	23
Vehicle Inspectors	15	13	12	11	10
Total	928	831	763	684	692

Table 14: Employment Statistics

Analysis of the above table indicates that ninety-seven (97) new employees joined the Board during the period under review.

Accident Report

Tables 15 and 16 detail the number of accidents involving the Board’s buses:

	Other Vehicles	Passengers	Pedestrians	Property	TOTAL 2008- 2009	TOTAL 2007- 2008
Speightstown	126	26	7	50	209	207
Mangrove	84	36	7	31	158	190
Weymouth	346	101	24	82	553	565
TOTAL	556	163	38	163	920	962

Table 15: Accidents

	TOTAL 2008 - 2009	TOTAL 2007- 2008	Percent Change
Transport Board liability	301	371	-19%
Other party’s liability	251	246	+2%
Undecided accidents	368	345	+7%
TOTAL	920	962	-4%

Table 16: Liability for accidents

Accidents decreased by 4% over the previous year. The decrease can be attributed to the on-going counselling and advice given to drivers who become involved in minor accidents, to the persistent on-the-road monitoring by Inspectors who traverse the various routes on a daily basis and to the disciplinary actions and counselling that take place during hearings. However, traffic congestion, roads works and inadequate turning points at destinations continued to pose a challenge to accident-free driving.

FINANCE

Farebox Recovery Ratio (FRR)

The farebox recovery ratio is the Transport Board’s Fare Revenue divided by Total Expenditure, and is an indication of how much of its costs are covered by passenger fares. Figure and Table provides a comparative summary of the Farebox Recovery Ratio for the Financial Years 2005 - 2009

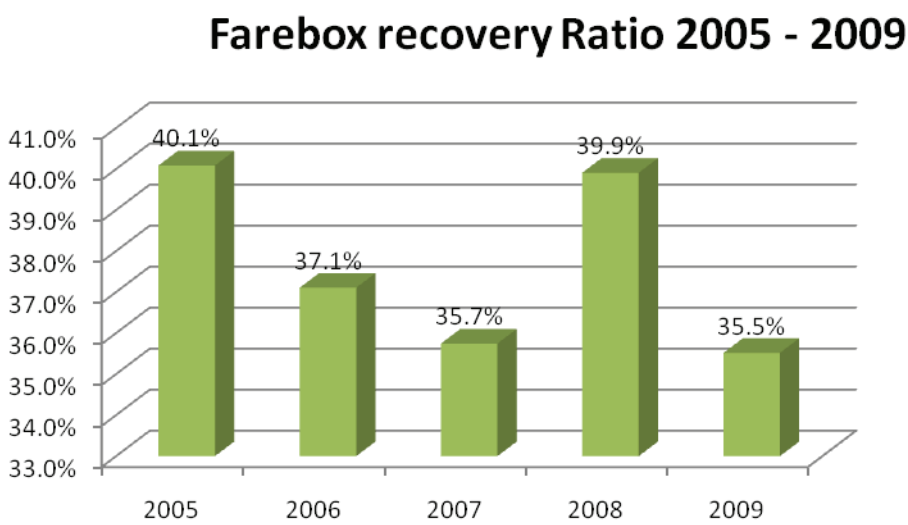


Figure 5: A five year comparison of the Transport Board’s Farebox Recovery

During the year the average Farebox recovery ratio was 35.5% compared 39.9% for the previous year ending March 2008. There was a 35% increase in cost which contributed to this reduction in 2009.

	Total Expenditure	Farebox revenue	Farebox recovery Ratio
2005	62,492,724	25,050,693	40.1%
2006	65,104,212	24,157,624	37.1%
2007	73,843,254	26,395,178	35.7%
2008	76,645,605	30,588,503	39.9%
2009	103,725,709	36,840,463	35.5%
Average	76,362,301	28,606,492	37.7%

Table 17: Five year comparison of the Farebox Recovery Ratio for 2005 - 2009

Revenue

Operating Revenue

Total revenue earned by the Transport Board for the year 2008-2009 was \$46.1m compared to \$37.16m in 2007-2008. This represented an overall increase of \$8.94m or 24.06%.

The Board collected \$30.42m in fare revenue (\$36.43m inclusive of revenue from schools) in 2008/2009 compared to \$30.8m in 2007-2008.

School ticket sales were \$0.71m up to August 2008. Revenue earned as a result of the Free Bus Ride facility which commenced in September 2008 was \$6.01m. Total revenue earned from School children amounted to \$6.72m.

Charters revenue for the year decreased by \$0.46m or 15.33% to \$2.54m compared to \$3m for 2007-2008. However, revenue earned from Bus and Terminus Billboard advertising increased by \$0.25m to \$0.42m for the year 2008-2009, up from \$0.18m for the previous year.

Other Revenues

In 2008-2009, the Board earned other revenues of \$0.64m from Booth Rentals, Scenic Ride & Tours, Insurance, Interest Income and Loss of Use claims compared to \$0.63m in 2007-2008. This represented an increase of \$15k or 2.46% in these categories. \$5.35m in diesel sales were recorded for the year.

Expenditure

Operating Expenditure

For the Financial Year 2008-2009, operating expenditure incurred were \$90m, an increase of \$15.67m or 21.08% compared to that for the previous year of \$74.33m. Vehicle operating costs were \$46.29m compared to \$38.23m. The increase of \$8.1m or 21% in Vehicle operational expenses was due mainly to higher costs for fuel and tyres. In Administration, expenditure moved from \$18.71m in 2007-2008 to \$22.27m. The increase of \$3.56m or 19.03% was due to salaries, wages and pensions. Costs in Vehicle maintenance were \$21.41m and \$17.39m in 2008-2009 and 2007-2008, respectively. The increase of \$4.02m or 23.12% was as a result of the rise in costs of bus parts to effectively maintain the fleet of 240 buses.

Other Expenditure

Expenditure for Diesel – Public Service Vehicles was \$4.82m in 2008-2009.

Significant Items Of Expenditure

The Transport Board has noted significant items of expenditures which are reflected in the following table and graph for the last five-year period.

Year	Fuel (\$)	Payroll (\$)	Insurance (\$)	Loan Interest (\$)	Depreciation (\$)
2004/2005	6,169,360	26,118,651	4,021,954	5,104,881	7,343,770
2005/2006	6,594,934	26,557,459	3,887,894	4,494,105	6,799,947
2006/2007	8,171,867	29,909,843	3,986,526	5,043,355	9,796,351
2007/2008	8,672,347	35,815,791	3,956,889	5,366,973	10,392,454
2008/2009	13,760,470	39,500,165	4,128,372	3,800,642	10,237,790

Table 18 – Five- year Comparison of Significant Items of Expenditure

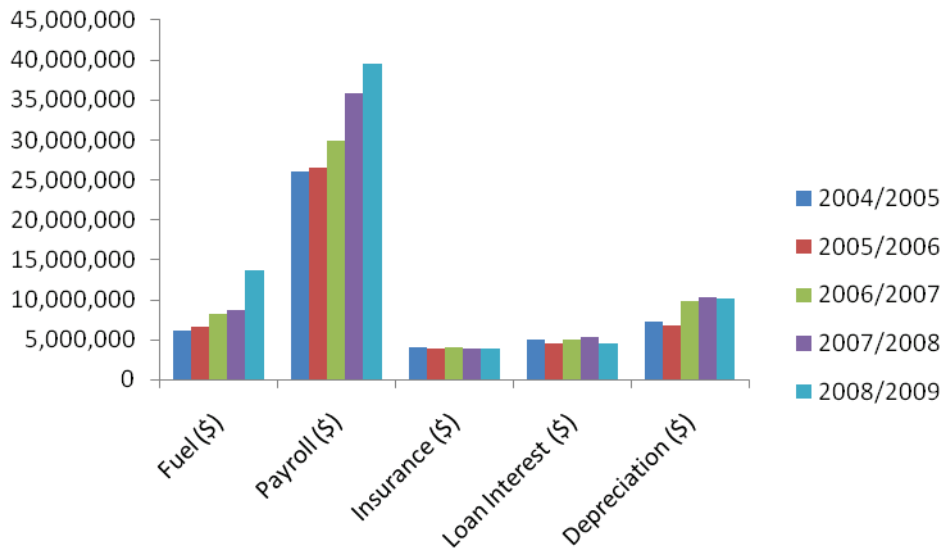


Figure 6 – Five-year Comparison of Significant Items of Expenditure

Fuel Expenses

Diesel costs for the year were \$13.76m, an increase of \$5.09m or 58.71% above those incurred for the financial year 2007-2008 of \$8.67m. This was due to the increase in the cost of fuel and the increase in buses to be serviced.

Payroll Expenses

Payroll costs for the year including National Insurance contributions were \$39.5m. This amount reflected an increase of \$3.68m or 10.27% higher than those incurred for 2007-2008 of \$35.82m. This increase in payroll costs was due to a 3% increase in wages and salaries that were based upon the Collective Agreement with the Barbados Workers Union. 2008-2009 was the second year for the three-year Agreement.

Insurances

Bus insurance costs for the year 2008-2009 were \$3.64m, an increase of \$0.14m or 4% above those recorded for 2007-2008 of \$3.5m.

Loan Interest

Loan interest expenses for the year under review were \$3.8m compared to \$5.37m for 2007-2008. This reflects a decrease of \$1.57m or 29.24%.

Depreciation

Depreciation expenses decreased slightly to \$10.24m from \$10.39m, a decline of \$0.15m or 1.4% compared to 2007-2008.

Operating Loss

For the year ended March 31, 2009 the Transport Board incurred an operating loss of \$58.94m before loan interest and Government subsidy. This was \$11.37m or 23.9% higher than those incurred for the previous financial year of \$47.57m. This was because of the significant increase in vehicle operating costs.

The following table and graph depict the Transport Board’s operational deficits for the past five (5) years.

	Operating Losses (\$)
2004/2005	31,359,126
2005/2006	35,598,126
2006/2007	41,423,727
2007/2008	47,566,942
2008/2009	58,935,747

Table 19 – Five-year (2004/2005 to 2008/2009) Comparison of Operating Losses



Figure 7 – Five-year Comparison of Operating Losses

Net Losses (After Loan Interest & Government Subsidies)

The Transport Board incurred net losses of \$52.97m for the year 2008-2009. These losses were \$7.04m or 15.33% higher than the \$45.93m recorded for the previous financial year, 2007-2008.

The following table depicts the Transport Board’s overall losses for the past five (5) years.

	Net Losses (\$)
2004/2005	31,521,824
2005/2006	27,181,721
2006/2007	39,467,082
2007/2008	45,933,915
2008/2009	52,966,389

Table 20 – Five-year (2004/2005 to 2008/2009) Comparison of Overall Losses

Subsidy

Government subsidy increased slightly over the previous year’s by \$2.77m or 39.6%. The Board received an operating subsidy of \$9.77m during the year 2008-2009 to assist with its operations; \$7m was received in 2007-2008. Government also made further contributions to the Transport Board through the facilitation of loan payments inclusive of interest and principal payments. In addition, \$30m was contributed to the board’s operations by way of Supplementary funding. The monies were used primarily to pay outstanding creditors and to purchase capital items.

The following table depicts the operating subsidies received by the Board for the past five (5) years.

	Subsidies (\$)
2004/2005	5,000,000
2005/2006	12,911,000
2006/2007	7,000,000
2007/2008	7,000,000
2008/2009	9,770,000

Table 21 – Five-year (2004/2005 to 2008/2009)

Transport Board Financial Statements

Year ended 31 March 2009
(Expressed In Barbados Dollars)

TRANSPORT BOARD

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Year ended 31 March 2009

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AUDITORS' REPORT

To the Shareholder of Transport Board

We have audited the accompanying financial statements of Transport Board ("the Board"), which comprise the statement of financial position as of 31 March 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed below, 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The Board recorded additions to buildings amounting to \$902,924 but we were unable to obtain sufficient appropriate audit evidence for these additions. Consequently, we were unable to determine whether any adjustments were required to the Board's assets, net loss for the year and shareholder's deficit.

Qualified Opinion

In our opinion, except for the possible effects of the matters disclosed in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Transport Board as of 31 March 2009 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 2 to the financial statements. The Board reported losses of \$52,966,389 for the year then ended 31 March 2009 (2008 - \$45,933,915) and, as at that date, the Board's total liabilities exceeded total assets by \$39,959,686 (2008 - \$23,766,766). These conditions indicate the existence of material uncertainty that may raise substantial doubt about the Board's ability to continue as a going concern.

CHARTERED ACCOUNTANTS

Barbados
29 March 2012

TRANSPORT BOARD

Statement of Comprehensive Income
Year ended 31 March 2009

	Notes	2009 \$	2008 \$
Revenue			
Fares		30,419,216	30,801,130
School children/tickets		6,721,368	2,552,492
Diesel- PSV		5,348,060	-
Charters		2,541,594	2,999,846
Advertising		423,699	176,945
Rental income		387,298	357,967
Insurance claims		237,070	213,776
Interest income		18,175	55,379
		46,096,480	37,157,535
Expenses			
Vehicle operating		46,294,088	38,233,016
Administration		22,271,627	18,709,910
Vehicle maintenance		21,412,559	17,389,097
Depreciation	11	10,237,790	10,392,454
Diesel – PSV		4,816,163	-
		105,032,227	84,724,477
Loss before undernoted items		(58,935,747)	(47,566,942)
Loan interest		(3,800,642)	(5,366,973)
Government subsidy		9,770,000	7,000,000
Net loss for the year		(52,966,389)	(45,933,915)

The accompanying notes form part of these financial statements.

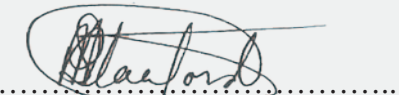
TRANSPORT BOARD

Statement of Financial Position
As of 31 March 2009

	Notes	2009 \$	2008 \$
Current assets			
Cash	5	1,972,798	3,895,664
Trade and other receivables	6	12,444,507	8,988,640
Prepayments		4,040,766	3,755,680
Inventory	7	4,287,563	3,581,185
Due from associated company	8	241,280	227,989
Taxation recoverable		55,124	55,124
		23,042,038	20,504,282
Current liabilities			
Bank overdraft	9	12,504,755	-
Trade and other payables	10	16,609,098	13,191,834
Due to associated company	8	1,223,066	1,000,026
Current portion of long-term loans	9	3,568,715	3,323,578
		34,708,044	17,515,438
Working capital (deficiency) surplus		(10,863,596)	2,988,844
Property, plant and equipment	11	41,646,766	45,049,276
Long-term loans	9	(39,427,932)	(43,172,685)
Pension liability	12	(31,314,924)	(28,632,201)
Net liabilities		(39,959,686)	(23,766,766)
Equity capital			
Ministry of Transport and Works		100,147,362	99,205,974
Ministry of Finance and Economic Affairs		295,957,672	260,125,591
Ministry of Energy and Public Utilities		675,000	675,000
		396,780,034	360,006,565
Accumulated deficit		(436,739,720)	(383,773,331)
Shareholder's deficit		(39,959,686)	(23,766,766)

The accompanying notes form part of these financial statements.

Approved by the Board on 26 April 2012 and signed on its behalf by:


Chairman


General Manager

TRANSPORT BOARD

Statement of Changes in Equity
Year ended 31 March 2009

	Equity capital \$	Accumulated deficit \$	Total \$
Balance at 31 March 2007	325,033,414	(337,839,416)	(12,806,002)
Government contributions	34,973,151	-	34,973,151
Net loss for the year	-	(45,933,915)	(45,933,915)
Balance at 31 March 2008	360,006,565	(383,773,331)	(23,766,766)
Government contributions	36,773,469	-	36,773,469
Net loss for the year	-	(52,996,389)	(52,966,389)
Balance at 31 March 2009	396,780,034	(436,739,720)	(39,959,686)

The accompanying notes form part of these financial statements.

TRANSPORT BOARD

Statement of Cash Flows
Year ended 31 March 2009

	2009 \$	2008 \$
Cash flows from operating activities		
Net loss for the year	(52,966,389)	(45,933,915)
Adjustments for:		
Depreciation	10,237,790	10,392,454
Interest income	(18,175)	(55,379)
Interest expense	3,800,642	5,366,973
Pension	2,682,723	2,758,269
Operating loss before working capital changes	(36,263,409)	(27,471,598)
Increase in trade and other receivables	(3,455,867)	(1,913,123)
(Increase) decrease to prepayments	(285,086)	142,585
Increase (decrease) in inventory	(706,378)	310,375
Increase in trade and other payables	3,417,264	5,105,551
Increase in amount due from associated company	(13,291)	(227,989)
Increase in amount due to associated company	223,040	645,099
Cash used in operations	(37,083,727)	(23,409,100)
Interest received	18,175	446,039
Interest paid	(3,800,642)	(4,580,818)
Net cash used in operating activities	(40,866,194)	(27,543,879)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,835,280)	(6,242,059)
Cash flows from financing activities		
Government contributions	36,773,469	34,973,151
Proceeds from borrowings	-	21,435,178
Repayment of long-term loans	(3,499,616)	(3,039,150)
Net cash from financing activities	33,273,853	53,369,179
(Decrease) increase in cash	(14,427,621)	19,583,241
Cash - beginning of the year	3,895,664	(15,687,577)
Cash - end of the year	(10,531,957)	3,895,664
Represented by:		
Cash	1,972,798	3,895,664
Bank overdraft	(12,504,755)	-
Cash – end of year	(10,531,957)	3,895,664

The accompanying notes form part of these financial statements.

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

1. Incorporation, principal activity and registered office

The Transport Board (the Board) was established in Barbados under the provisions of the Transport Board Act, 1955. Its sole shareholder is the Government of Barbados.

The principal activity of the Board is the provision of transportation to the general public.

The registered office is located at Weymouth, St, Michael, Barbados.

2. Going concern

The Board incurred a loss of \$52,966,389 for the year then ended 31 March 2009 (2008 - \$45,933,915) and, as at that date, the Board's total liabilities exceeded total assets by \$39,959,686 (2008 - \$23,766,766). These conditions cast significant doubt about the Board's ability to continue as a going concern and realize its assets and discharge its liabilities in the ordinary course of business without the continuing support of the Government of Barbados.

3. Significant accounting policies

a) Basis of accounting and financial statement preparation

The financial statements have been prepared on a historical cost basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies adopted are consistent with those of the previous year, except that the Board has adopted the following new and revised IFRS and IFRIC (International Financial Reporting Interpretations Committee) interpretations that are mandatory for annual accounting periods beginning on or after 1 January 2007 and which are relevant to the Board's operations.

b) Changes in accounting policies and disclosures

The Board adopted the following new and amended IFRS and IFRC interpretations during the year.

IAS 39 (Amendment)	–	Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures - Reclassification of Financial Assets (Amendments)
IFRIC 9	–	Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement Embedded Derivatives (Amendments)
IFRIC 12	–	Service Concession Arrangements
IFRIC 13	–	Customer Loyalty Programmes
IFRIC 14/IAS 19	–	The Limit or a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
IFRIC 16	–	Hedges of Net Instrument in a Foreign Operation

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

3. Significant accounting policies (cont'd)

c) Standards issued but not yet effective

New standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Board are as follows:

IFRS 1	–	First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements (Amendments)
IFRS 3R	–	Business Combinations and IAS 27R Consolidated and Separate Financial Statements
IFRS 7	–	Financial Instruments: Disclosures (Amendments)
IFRS 8	–	Operating Segments
IAS 1	–	Revised Presentation of Financial Statements
IAS 23	–	Borrowing Costs
IAS 32	–	Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
IAS 39	–	Financial Instruments: Recognition and Measurement – Eligible Hedged Items

These new standards, interpretations and amendments do not apply to the activities of the Board or have no impact on its financial statements.

d) Revenue recognition

Revenue is recognized to the extent that it is possible that the economic benefits will flow to the Board and the revenue can be reliably measured. Advertising, rental and other income are recognized on an accrual basis.

e) Inventory

Inventory comprises spare parts and consumable supplies and is valued on a first in, first out (FIFO) basis.

f) Financial liabilities

Financial liabilities consist of long term borrowings, for which the fair value option is not applied, and are measured at amortized cost. Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between proceeds net of transaction costs and the redemption value is recognized in the profit for the year in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or expires.

g) Impairment of financial assets

The Board assesses at each statement of financial position whether a financial asset or group of financial assets is impaired.

3. Significant accounting policies (cont'd)

g) Impairment of financial assets (cont'd)

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through use of an allowance account and the amount of the loss is recognized in income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in income.

h) Impairment of non-financial assets

The Board assesses at each reporting date whether there is an indication that an asset maybe impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

i) Property, plant and equipment

Property, plant and equipment is stated at cost excluding the costs of day-to-day servicing, less any accumulated depreciation. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Provision for depreciation is made using the straight line method over the useful lives of the assets which are estimated as follows:

Leasehold buildings	33 years
Buses, vans and trucks, land-rovers	10 years
Cars	5 years
Equipment	8 years

3. Significant accounting policies (cont'd)

j) Investment in associated company

The investment in associated company is accounted for using the equity method.

k) Subsidies

Subsidies in respect of the Board's operations are the amounts approved for payment by the Government of Barbados to the Board for the relevant financial year.

l) Currency

These financial statements are expressed in Barbados dollars which is the functional and presentation currency of the Board. Monetary assets and liabilities denominated in currencies other than Barbados dollars are translated at the rate of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions denominated in currencies other than Barbados dollars are translated at the rate of exchange ruling at the date of the transaction. Foreign exchange gains or losses are included in the statement of comprehensive income.

m) Taxation

The Board follows the liability method of accounting for taxation, whereby the future tax asset or liability resulting from timing differences is provided for at the estimated future corporation tax rate that is expected to apply to the period when the asset is realized or liability settled. Deferred tax assets are recognized only when it is probable that future taxable profits will be available to utilize these assets.

n) Employee retirement benefits

Employees at the Transport Board are eligible for pension after ten years continuous service. All employees who retire thereafter but before 20 years service, the pension is adjusted to reflect twenty years of service.

Monthly employees are eligible to retire at any time in the 5-year period preceding the age of 65.5 increasing to age 67 by 2016. These employees receive full pension by the Board until the age stipulated for receipt of pension by the National Insurance Scheme. On the other hand weekly paid persons are eligible to retire at the age of 65.5 increasing to age 67 by 2016; their pension will be administered by the National Insurance. In both instances, if the pension paid by National Insurance is less than that calculated by the Transport Board, both categories of employees are paid the difference until death.

If an employee retires medically unfit, they are eligible for pension upon retirement.

The Board has an unfunded post-retirement pension plan which is assessed annually by independent actuaries. The projected unit credit method is used to calculate the Board's defined benefit obligation. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees, in accordance with the advice of independent qualified actuaries.

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

3. Significant accounting policies (cont'd)

n) Employee retirement benefits (cont'd)

The pension obligation is measured as the present value of the estimated cash flows, together with adjustments for unrecognized actuarial gains or losses and past service costs using interest rates of Government Securities which have terms to maturing approximating the terms of the related liability. Actuarial gain and losses are recognised at the rate of 20% of the balance bought forward. The assumptions used are the Board's best estimate of future experiences planned each year. All actuarial gains and losses are spread forward over the average remaining service lives of employees.

4. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon likely timing and level of future taxable profits together with future tax planning strategies.

Employee retirement benefits

The cost of the defined benefit pension plan is determined using actuarial valuations. This involves making assumptions about discount rates, future pension increases, future salary increases, proportion of employees opting for early retirement, future changes in the NIS ceiling and inflation. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Assumptions used are disclosed in Note 12.

Impairment of financial and non-financial assets

The Board assesses whether there are any indicators of impairment for all assets at each reporting date. Assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are performed, management must estimate the expected future cash flows from the asset of cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

5. Cash

Included in cash is an amount of \$479,189 (2008: \$461,013) which earns interest at the rate of 3% (2008: 4.75%) per annum.

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

6. Trade and other receivables

	2009 \$	2008 \$
Trade receivables	12,215,443	8,716,278
Other receivables	229,064	272,362
	<u>12,444,507</u>	<u>8,988,640</u>
Gross trade receivables	12,396,078	8,804,701
Provision for doubtful debts	(180,635)	(88,423)
	<u>12,215,443</u>	<u>8,716,278</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms.

Movements in the provision for impairment of receivables are as follows:

	Total \$
At 1 April 2007	125,380
Write-offs	(36,957)
	<u>88,423</u>
At 31 March 2008	88,423
Charge for the year	92,212
Write-offs	-
	<u>180,635</u>
At 31 March 2009	

As at 31 March 2009, the ageing analysis of trade receivables is as follows:

Past due but not impaired						
Neither past		due nor	<30	30-60	60-90>90	
	Total	impaired	days	days	days	days
2009	12,215,443	3,171,061	5,245	33,224	294,244	8,711,669
2008	8,716,278	902,828	233,789	-	-	7,579,661

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

7. Inventory

	2009 \$	2008 \$
Spare parts	4,481,538	3,999,822
Diesel and oils	1,096,378	915,329
Goods-in-transit	98,893	55,280
	5,676,809	4,970,431
Less: provision for spare parts	(1,389,246)	(1,389,246)
	4,287,563	3,581,185

8. Associated company transactions and balance

The balance due from/to the associated company, United Commercial Autoworks Limited, is unsecured, interest-free and payable on demand. The investment in United Commercial Autoworks Limited is fully written down.

During the year, the services rendered by United Commercial Autoworks Limited to the Board totalled \$8,004,037 (2008: \$7,641,090) which is disclosed in vehicle operating expenses in the Statement of Comprehensive Income.

9. Long-term loans and bank overdraft

	2009 \$	2008 \$
(a) Barbados National Bank Inc.	21,561,469	25,061,085
(b) RBTT Merchant Bank Limited	21,435,178	21,435,178
	42,996,647	46,496,263
Less: Current portion:	(3,568,715)	(3,323,578)
Long-term portion	39,427,932	43,172,685

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

9. Long-term loans and bank overdraft (cont'd)

a) Barbados National Bank Inc.

These loans were obtained from the Trust Division of the Barbados National Bank. They are fully secured by Letters of Comfort and the Undertaking from the Government of Barbados to honour the Board's obligations to the Barbados National Bank. The first loan for \$12 million is repayable over a period of 10 years, inclusive of a one-year moratorium on principal payments. Installments are \$154,900 monthly, blending principal with interest at a rate of 9.45% (2008: 10%) per annum. The second loan of \$10 million is repayable over a period of 10 years, inclusive of a one-year moratorium on principal payments, with instalments of \$141,056 monthly, blending principal with interest at a rate of 9.45% (2008: 10%) per annum. The third loan of \$18 million is repayable over a period of 15 years, inclusive of a one-year moratorium on principal payments, with instalments of \$190,050 monthly, blending principal and interest, with an interest rate of 9.45% (2008: 10%) per annum. To date, repayments of interest have been made by the Ministry of Finance and Economic Affairs on behalf of the Board.

b) RBTT Merchant Bank Limited

On 31 March 2007, the Board was issued a 15 year fixed rate non-callable bond with a value of USD \$11,000,000 which was issued at discount of 98.85%. The financial liability has a fixed interest rate of 6.974% with bi-monthly interest payment of USD\$767,140 in arrears, beginning 6 months after the issue date. The loan is fully secured by a letter of Comfort from the Government of Barbados.

Bank overdraft

Barbados National Bank Inc.

The bank overdraft is secured by a Letter of Comfort from the Government of Barbados. At 31 March 2009 the rate of interest was 9.45% (2008: 10.00%) per annum.

10. Trade and other payables

	2009 \$	2008 \$
Trade payables	5,171,570	2,196,745
Other payables	11,437,528	10,192,628
Interest payable	-	802,461
	16,609,098	13,191,834

Terms and conditions of the above liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 day terms.
- Other payables are non-interest bearing and have an average term of two months.

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

11. Property, plant and equipment

Year ended 31 March 2009

	At 1 April 2008 \$	Additions \$	2009 \$
Cost			
Buses	87,219,964	3,065,943	90,285,907
Vans and trucks	314,572	18,796	333,368
Cars	108,920	-	108,920
Land rovers	74,140	-	74,140
Equipment	18,466,309	2,847,617	21,313,926
Leasehold buildings	3,909,010	902,924	4,811,934
	110,092,915	6,835,280	116,928,195
Accumulated depreciation			
Buses	52,826,540	8,296,065	61,122,605
Vans and trucks	200,699	26,194	226,893
Cars	66,049	21,784	87,833
Land rovers	74,140	-	74,140
Equipment	10,974,017	1,747,931	12,721,948
Leasehold buildings	902,194	145,816	1,048,010
	65,043,639	10,237,790	75,281,429
Net book value			
Buses	34,393,424		29,163,302
Vans and trucks	113,873		106,475
Cars	42,871		21,087
Equipment	7,492,292		8,591,978
Leasehold buildings	3,006,816		3,763,924
	45,049,276		41,646,766

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2008

11. Property, plant and equipment (cont'd)

Year ended 31 March 2008

	At 1 April 2007 \$	Additions \$	At 31 March 2008 \$
Cost			
Buses	83,648,417	3,571,547	87,219,964
Vans and trucks	295,102	19,470	314,572
Cars	108,920	-	108,920
Land rovers	74,140	-	74,140
Equipment	16,590,377	1,875,932	18,466,309
Leasehold buildings	3,133,900	775,110	3,909,010
	103,850,856	6,242,059	110,092,915
Accumulated depreciation			
Buses	44,001,515	8,825,025	52,826,540
Vans and trucks	176,063	24,636	200,699
Cars	44,265	21,784	66,049
Land rovers	74,140	-	74,140
Equipment	9,571,463	1,402,554	10,974,017
Leasehold buildings	783,739	118,455	902,194
	54,651,185	10,392,454	65,043,639
Net book value			
Buses	39,646,902		34,393,424
Vans and trucks	119,039		113,873
Cars	64,655		42,871
Equipment	7,018,914		7,492,292
Leasehold buildings	2,350,161		3,006,816
	49,199,671		45,049,276

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

12. Pension liability

The Board maintains a non-contributory defined benefit plan which covers active employees with stored pensions and current pensioners. No assets are accumulated or invested but pensions are paid when due, from revenue.

At year-end, the pension plan obligation can be specified as follows:

	2009	2008
	\$	\$
Present value of obligations	(29,719,908)	(27,430,983)
Fair value of plan assets	-	-
Present value of unfunded obligations	(29,719,908)	(27,430,983)
Unrecognized actuarial gains	(1,595,014)	(1,201,218)
Liability in the Statement of Financial Position	(31,314,924)	(28,632,201)

The amounts recognized in the Statement of Comprehensive Income are as follows:

	2009	2008
	\$	\$
Current service costs	1,285,401	1,124,824
Interest on obligation	2,155,634	2,133,291
Net actuarial (gains) losses recognized in the year	(240,242)	106,605
Total included in staff costs	3,200,793	3,364,720

The movement in the net liability recognized in the Statement of Comprehensive Income is as follows:

	2009	2008
	\$	\$
Liability, beginning of year	(28,632,201)	(25,873,932)
Expense recognized in Statement of Comprehensive Income	(3,200,793)	(3,364,720)
Contributions	518,070	606,451
Liability, end of year	(31,314,924)	(28,632,201)

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

12. Pension liability (cont'd)

The principal actuarial assumptions for accounting purposes are as follows:

	2009	2008
Discount rate	7.25%	7.75%
Future promotional salary increases	1.00%	1.00%
Future inflationary salary increases	3.75%	4.25%
Future changes on NIS ceiling	4.25%	3.75%

13. Compensation of key management personnel of the Board

	2009	2008
	\$	\$
Short-term employee benefits	736,865	749,193
Post-employment benefits		

14. Tax losses

The Board has unutilized tax losses of \$208,256,828 (2008: \$232,694,142) available to be carried forward and set off against future taxable income. The losses and their expiry dates are as follows:

Year of income	Amount of losses	Expiry date
	\$	
2001	18,195,359	2010
2002	14,565,468	2011
2003	16,650,542	2012
2004	19,617,899	2013
2006	21,944,715	2014
2006	18,092,169	2015
2007	27,530,228	2016
2008	31,973,322	2017
2009	38,958,752	2018
	207,528,454	

The losses have not been agreed with the Commissioner of Inland Revenue, but they are not in dispute.

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

15. Financial risk management objectives and policies

The Board’s principal financial liabilities comprise trade and other payables, bank overdraft and long-term loans. The Board has financial assets such as cash and short-term deposits and trade and other receivables which arise directly from its operations. The Board does not enter into derivative transactions. The main risks arising from the Board’s financial instruments are credit risk, currency risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these which are summarized below.

Credit risk management

Credit risk arises from the possibility that counterparties may default on their obligations to the Board. The amount of the Board’s maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

Cash is placed with reputable banking institutions which constitute low-risk. The Board is subject to credit risk relating to trade accounts receivable. The Board performs on-going credit evaluations of customers and generally does not require collateral. Provisions are made for potential credit losses. Approximately 96% of these balances are due from government institutions.

Currency risk

The Board has transactional currency exposures. Certain of the Board’s purchases are denominated in United States dollars but as the Barbados dollar is fixed to the United States dollar, there is no significant currency risk exposure.

Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses.

Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Board monitors its liquidity risk by considering the maturity of both its financial assets and projected cash flows from operations. Where possible, the Board utilizes available credit facilities such as loans, overdrafts and other financing options where required.

The Board’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

15. Financial risk management objectives and policies (cont’d)

Liquidity risk (cont’d)

The table below summarizes the maturity profile of the Board’s financial liabilities at 31 March based on contractual undiscounted payments.

Year ended 31 March 2009

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade and other payables	-	16,609,098	-	-	-	16,609,098
Long-term loans	-	-	7,366,361	24,041,931	43,431,175	74,839,467

Year ended 31 March 2008

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade and other payables	-	13,191,834	-	-	-	13,191,884
Long-term loans	-	-	7,376,969	25,048,124	49,271,417	81,696,510

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will effect future cash flows or the fair value of financial instruments. The Board’s borrowings are at variable rates of interest except the bond payable as disclosed in note 9.

Interest rate risk sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with other variables held constant of the Board’s loss before taxation.

	Increase/decrease in basis points	Effect on loss before taxation
2009		
Bds dollar	+/- 50	125,305
2008		
Bds dollar	+/- 50	125,305

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

15. Financial risk management objectives and policies (cont'd)

Capital management

The Board manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 March 2009 and 31 March 2008.

Fair value of financial instruments

Set out below is a comparison by category of carrying amounts and fair values of all the Board's financial instruments that are carried in the financial statements:

	Carrying amount		Fair value	
	2009	2008	2009	2008
	\$	\$	\$	\$
Financial assets				
Cash	1,972,798	3,895,664	1,972,798	3,895,664
Trade and other receivables	12,444,507	8,988,640	12,444,507	
8,988,640				
	Carrying amount		Fair value	
	2009	2008	2009	2008
	\$	\$	\$	\$
Financial liabilities				
Bank overdraft	12,504,755	-	12,504,755	-
Trade and other payables	16,609,098	13,191,834	16,609,098	13,191,834
Long-term loans	42,996,647	46,496,263	36,863,036	45,999,827

The carrying of financial assets and liabilities comprise the Board's cash, accounts receivable, accounts payable and bank overdrafts approximate their fair values because of their short-term maturities.

TRANSPORT BOARD

Notes to the Financial Statements
Year ended 31 March 2009

16. Contingent liabilities

At 31 March 2008, four individuals had commenced actions against the Board for compensation consequent upon motor vehicle accidents which occurred. To date, no sums have been agreed in these matters and therefore no amounts have been provided for in the financial statements.

At 31 March 2008, there was a legal claim against the Board by Autocraft Engineering Services Inc. The plaintiff is claiming the sum of \$111,475 plus VAT thereon from the Transport Board alleging breach of contract for the cannibalization of forty nine obsolete buses. The amount has not been provided for in the Board's financial statements since the outcome had not been determined at the end of the financial year.

At 31 March 2008, a previous Attorney-at-law has filed a claim against the Board for legal fees. The Board was required to pay by the Court costs below \$100,000 plus VAT. The amount was paid during the 2009 financial year.

At 31 March 2008, a judgment was registered against Wayne Worrell, a previous booth attendant, in the sum of \$52,948.11 together with interest thereon at 8% per annum. He was required to pay equal monthly installments of \$2,500 commencing from 31 January 2007. The individual has not paid any monies towards satisfaction of this registered judgment for the year.

