

PEGASUS HOTELS OF JAMAICA LIMITED
NOTES TO FINANCIAL STATEMENTS.

1. Identification and Principal Activity

Pegasus Hotels of Jamaica Limited is a company limited by shares and incorporated under the laws of Jamaica. The company is 59.8% owned by National Hotels and Properties Limited, a wholly owned subsidiary of Urban Development Corporation, which is owned by the Government of Jamaica.

The company owns and operates the hotel “The Jamaica Pegasus”.

The company is a publicly listed company and its registered office is 81 Knutsford Boulevard, Kingston 5.

2. Significant Accounting Policies

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB) and comply with the provisions of the Companies Act 2004.

These financial statements have been prepared using the same accounting policies and methods of computation as compared with the audited financial statements for the year ended March 31, 2008.

The financial statements are prepared using the historical cost basis.

3. Other Operating Income

Other income is comprised mainly of gains on foreign currencies. It also includes other miscellaneous income.

Last year’s figure for other income include insurance proceeds resulting from the fire in August 2007.

4. Hotel Incentives

Under Section 4 of the Hotel (Incentives) Act (1990) the Approved Hotel Extension (Jamaica Pegasus Hotel) Order 2009 was granted for a period of ten (10) years commencing March 31, 2009. The Hotel will benefit from waiver of GCT and Customs Duty on eligible items and relief on corporate tax arising from the hotel operations.