

**KINGSTON PROPERTIES LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**(UNAUDITED)**

**NINE (9) MONTHS ENDED SEPTEMBER 30, 2009**

**KINGSTON PROPERTIES LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
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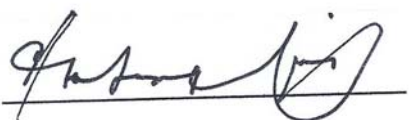
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**KINGSTON PROPERTIES LIMITED**  
**GROUP BALANCE SHEET**  
**UNAUDITED**  
**AS AT SEPTEMBER 30, 2009**

	Unaudited as at September 30, 2009	Unaudited as at September 30, 2008	Audited as at December 31, 2008
<b>ASSETS</b>	<b><u>J\$'000</u></b>	<b><u>J\$'000</u></b>	<b><u>J\$'000</u></b>
<b>Non-current Assets</b>			
Property under construction	380,777	284,170	341,788
Cash and cash equivalents	150,442	126,297	137,992
Other receivables	106	9	79
<b>Total assets</b>	<b>531,325</b>	<b>410,476</b>	<b>479,859</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital	406,609	406,609	406,609
Translation reserve	74,954	210	36,015
Other reserve	23,581	-	23,581
Retained earnings	25,265	3,262	11,817
	<b>530,409</b>	<b>410,081</b>	<b>478,022</b>
<b>Current Liabilities</b>			
Payables and accruals	916	395	1,837
<b>Total equity and liabilities</b>	<b>531,325</b>	<b>410,476</b>	<b>479,859</b>

**On behalf of the Board:**



Garfield Sinclair  
Chairman



Fayval Williams  
Executive Director



**KINGSTON PROPERTIES LIMITED**  
**GROUP STATEMENT OF COMPREHENSIVE INCOME**  
**UNAUDITED**  
**FOR NINE (9) MONTHS ENDED SEPTEMBER 30, 2009**

	Unaudited Quarter ended September 30, 2009	Unaudited Quarter ended September 30, 2008	Unaudited Nine (9) ended September 30, 2009	Unaudited Four (4) months ended September 30, 2008	Audited Seven (7) months ended December 31, 2008
	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
<b>Expenses:</b>					
Company formation, share issue and listing, net	-	-	-	(22)	(370)
Other administrative and general expenses	<u>(1,188)</u>	<u>(402)</u>	<u>(3,236)</u>	<u>(460)</u>	<u>(2,671)</u>
<b>Operating result</b>	<u>(1,188)</u>	<u>(402)</u>	<u>(3,236)</u>	<u>(482)</u>	<u>(3,041)</u>
Net finance income	<u>1,061</u>	<u>3,956</u>	<u>19,053</u>	<u>3,745</u>	<u>17,052</u>
<b>(Loss) / Profit for the period</b>	<b>(128)</b>	<b>3,554</b>	<b>15,817</b>	<b>3,262</b>	<b>14,011</b>
<b>Other comprehensive income:</b>					
Exchange differences on translation of operations	<b>52</b>	-	<b>38,939</b>	210	36,015
Reserve on consolidation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,581</u>
<b>Total Comprehensive Income for the period</b>	<u><u>(76)</u></u>	<u><u>3,554</u></u>	<u><u>54,756</u></u>	<u><u>3,472</u></u>	<u><u>73,607</u></u>
<b>Earnings per share for profit attributable the equity holders of the company:</b>					
Number of shares	<b>68,800</b>	68,800	<b>68,800</b>	68,800	68,800
Earnings per stock unit	<b>(0.002) cents</b>	0.05 cents	<b>23 cents</b>	0.05 cents	20 cents

**CARLTON SAVANNAH REIT JAMAICA LIMITED**  
**GROUP STATEMENT OF CHANGES IN EQUITY**  
**UNAUDITED**  
**FOR NINE (9) MONTHS ENDED SEPTEMBER 30, 2009**

	<u>Share capital</u> J\$'000	<u>Other reserve</u> J\$'000	<u>Cumulative translation adjustments</u> J\$'000	<u>Retained earnings</u> J\$'000	<u>Total</u> J\$'000
Paid-in capital	406,609	-	-	-	406,609
Exchange rate differences arising in the translation of subsidiary balances	-	-	210	-	210
Net profit for the period	-	-	-	3,262	3,262
<b>Unaudited balance at September 30, 2008</b>	<b>406,609</b>	<b>-</b>	<b>210</b>	<b>3,262</b>	<b>410,081</b>
Total comprehensive income for the period	-	23,581	35,805	10,749	70,135
Dividends paid	-	-	-	(2,193)	(2,193)
<b>Audited balance at December 31, 2008</b>	<b>406,609</b>	<b>23,581</b>	<b>36,015</b>	<b>11,817</b>	<b>478,023</b>
Total comprehensive income for the period	-	-	38,939	15,817	54,756
Dividends paid	-	-	-	(2,369)	(2,369)
<b>Unaudited balance at September 30, 2009</b>	<b>406,609</b>	<b>23,581</b>	<b>74,954</b>	<b>25,265</b>	<b>530,409</b>

**KINGSTON PROPERTIES LIMITED**  
**GROUP STATEMENT OF CASH FLOWS**  
**UNAUDITED**  
**FOR NINE (9) MONTHS ENDED SEPTEMBER 30, 2009**

	Unaudited Nine (9) months ended September 30, 2009 <u>J\$'000</u>	Unaudited Four (4) months ended September 30, 2008 <u>J\$'000</u>	Audited Seven (7) months ended December 31, 2008 <u>J\$'000</u>
<b>CASH FLOWS FROM OPERATING</b>			
<b>Profit for the period</b>	15,817	3,262	14,011
Adjustments to reconcile for non cash items:			
Reserve on consolidation	-	-	23,581
Translation difference	38,938	-	36,015
Interest earned	(4,110)	-	(2,713)
Unrealised foreign exchange gain	(14,740)	-	(14,339)
Operating profit before changes in working capital and provisions	35,905	3,262	56,554
Increase/decrease in:			
Other receivables	(27)	-	(79)
Accounts payable and accrued charges	(921)	386	1,837
Net cash provided by operating activities	34,957	3,648	58,312
<b>CASH FLOW FROM INVESTING</b>			
Property under construction	(38,988)	(284,170)	(341,788)
Interest received	4,110	-	2,713
Net cash used in investing activities	(34,878)	(284,170)	(339,075)
<b>CASH FLOW FROM FINANCING</b>			
Paid-in capital	-	406,609	406,609
Dividends paid	(2,369)	-	(2,193)
Net cash provided by financing activities	(2,369)	406,609	404,416
<b>Net increase in cash and cash equivalents</b>	(2,290)	126,087	123,653
Effect of exchange rate fluctuation	14,740	210	14,339
	12,450	126,297	137,992
<b>Cash and cash equivalents at beginning of year:</b>	137,992	-	-
<b>Cash and cash equivalents at end of period:</b>	150,442	126,297	137,992

**KINGSTON PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**NINE (9) MONTHS ENDED SEPTEMBER 30, 2009**

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**1. IDENTIFICATION**

Kingston Properties Limited (the "Company ") is a company limited by shares, incorporated and domiciled in Jamaica.

The Company was incorporated on April 21, 2008 under the name Carlton Savannah REIT (Jamaica) Limited; and was listed on the Jamaica Stock Exchange on August 5, 2008. On October 8, 2009 the name of the Company was changed to Kingston Properties Limited.

The company owns 100% of the issued share capital of Carlton Savannah REIT (St. Lucia) Limited ("the "Subsidiary"), Company") incorporated and domiciled in St. Lucia.

The primary purpose of the company and its subsidiary is to make accessible to investors, the income earned from the ownership of real estate properties.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The consolidated financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars.

The group's consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS).

**(b) Basis of consolidation**

A subsidiary is an entity over which the company, directly or indirectly, has an interest of more than 50% of the voting rights; or is otherwise able to govern and exercise control over the operations.

A subsidiary is fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

All inter-group transactions, balances and unrealized surpluses and deficits on transactions between companies within the group have been eliminated.

**(c) Use of estimates**

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

**(d) Cash and cash equivalents**

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

Exchange differences are recognized in profit or loss for the period in which they arise.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**(e) Foreign currencies**

Transactions in foreign currencies are converted to Jamaican dollars at the rate of exchange ruling at the date of each transaction. Assets and liabilities denominated in foreign currencies are translated to Jamaican dollars at the exchange rates ruling at balance sheet date. Exchange differences are recognized in the profit or loss of the period in which they arise.

**(f) Taxation**

Income tax expense represents the sum of the current tax payable and deferred tax.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

**(g) Earnings per stock unit**

The calculation of earnings per stock unit is based on the group's net profit for the period (including unrealized foreign exchange gains) and 68,800,102 ordinary stock units in issue.

**3. Subsequent event**

On October 12, 2009, the Company accepted the proposal of Balton Properties Limited, developers of the Carlton Savannah Hotel in Trinidad, to repurchase its beneficial ownership of the seven (7) units held in the hotel. The Company has earned interest income on deposits held in relation to these beneficial rights over the life of the investment.