

**PEGASUS HOTELS OF JAMAICA LIMITED**

**Profit and Loss Account**

**Period ended 31 December 2009**

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Quarter Ending 31-Dec 2009 \$000	Unaudited Quarter Ending 31-Dec 2008 \$000	Unaudited 9 months to 31-Dec 2009 \$000	Unaudited 9 months to 31-Dec 2008 \$000	Audited Year 31-Mar 2009 \$000
Revenue	211,207	233,544	719,478	748,850	1,002,775
Direct expenses	(96,545)	(103,750)	(282,573)	(294,598)	(346,659)
Gross Profit	114,662	129,794	436,905	454,252	657,116
Administration expenses	(58,871)	(49,540)	(195,511)	(154,347)	(256,870)
Other operating expenses	(71,758)	(73,680)	(212,405)	(233,213)	(331,215)
Other operating income	2,988	1,359	4,767	4,782	3,156
Operating profit	(12,979)	7,933	33,756	71,474	72,187
Interest income	3,879	2,993	9,093	9,106	20,207
Interest expenses	(5,192)	(3,578)	(11,650)	(8,872)	(12,054)
Profit / before Taxation	(14,292)	7,348	31,199	71,708	80,340
Taxation		(2,572)		(26,797)	(25,097)
NET PROFIT	(14,292)	4,776	31,199	44,911	55,243
EARNINGS PER STOCK UNIT	\$ (0.12)	\$ 0.04	\$ 0.26	\$ 0.37	\$ 0.46

**NOTES:-**

1. The figures are unaudited and accounting policies remain as stated in the 2008/2009 Annual Account
2. The earnings per stock unit are based on 120,165,973 ordinary stock units, which represents the number of ordinary stock units issued at the end of the period.
3. Under Section 4 of the Hotel (Incentives) Act (1990), the Approved Hotel Extension (Jamaica Pegasus Hotel) Order, 2009 was granted. The benefits include waiver of GCT and Customs Duty for ten (10) years on a list of approved items and corporate tax relief for ten (10) years arising from the hotel's operations.

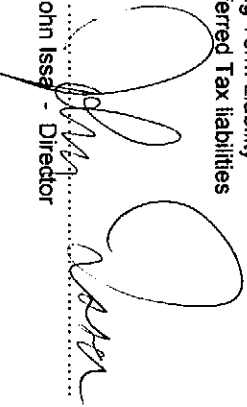
# PEGASUS HOTELS OF JAMAICA LIMITED

## Balance Sheet on 31 December 2009

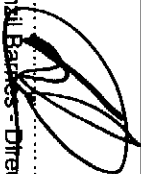
(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Dec-09 \$'000	Unaudited Dec 08 \$'000	Audited Mar-09 \$'000
<b>Non-Current Assets</b>			
Fixed Assets	5,061,417	4,352,324	5,001,996
Investments	94,122	108,404	62,353
<b>Current Assets</b>			
Inventories	40,755	36,984	33,417
Accounts receivable	57,775	82,502	115,752
Cash and short term deposits	0	0	45,345
	98,530	119,486	194,514
<b>Current Liabilities</b>			
Accounts payable	52,684	43,488	106,700
Bank overdraft	6,017	19,337	58
Taxation payable	6,025	36,036	20,717
Current portion of long term liability	42,857	42,857	42,857
	107,583	141,718	170,332
	-9,053	-22,232	24,182
<b>Net Current Assets</b>	<b>5,146,486</b>	<b>4,438,496</b>	<b>5,088,531</b>
<b>FINANCED BY</b>			
Share Capital	120,166	120,166	120,166
Capital Reserves	3,705,280	3,206,394	3,705,280
Replacement Reserve		5,733	
Fair value reserve	1,984		1,984
Retained earnings	21,129	21,655	31,987
	3,848,559	3,353,948	3,859,417
Long Term Liability	118,095	59,996	49,282
Deferred Tax liabilities	1,179,832	1,024,552	1,179,832
	5,146,486	4,438,496	5,088,531

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Dr. The Hon. John Issa - Director



.....  
Rev. Dennis Barrow - Director



**PEGASUS HOTELS OF JAMAICA LIMITED**

**Statement of Changes in Stockholders' Equity**

**Nine (9) Months ended 31 December, 2009**

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares 000	Share Capital \$'000	Capital Reserve \$'000	Replacement Reserve \$'000	Fair Value Reserve	Retained Earnings \$'000	Total \$'000
<b>Balance as at 1 April 2008</b>	120,166	120,166	3,206,394	-	-	24,810	3,351,370
Income recognised in equity:							
- Fair value adjustments to land and buildings, net of taxation	-	-	498,886	-	-	-	498,886
- Fair value gain on Investments	-	-	-	-	1,984	-	1,984
<b>Total recognised in equity</b>			498,886		1,984		500,870
Income recognised in equity						55,243	55,243
- Net profit	-	-	-	-	-	55,243	55,243
<b>Total recognised in income for 2009</b>			498,886		1,984	55,243	556,113
Dividends paid	-	-	-	-	-	(48,066)	(48,066)
<b>Balance at 31 March 2009</b>	120,166	120,166	3,705,280	-	1,984	31,987	3,859,417
Income recognised in equity:							
- Fair value adjustments to land and buildings, net of taxation	-	-	-	-	-	-	-
- Fair value gain on Investments	-	-	-	-	-	-	-
<b>Total recognised in equity</b>			-		-	-	-
Income recognised in equity						31,199	31,199
- Net profit	-	-	-	-	-	31,199	31,199
<b>Total recognised in income for 3rd quarter 2009/2010</b>			-		-	31,199	31,199
Dividends paid	-	-	-	-	-	(42,058)	(42,058)
<b>Balance at 31 December 2009</b>	120,166	120,166	3,705,280	-	1,984	21,128	3,848,558
<b>Balance at 31 December 2008</b>	120,166	120,166	3,206,394	5,733	-	21,665	3,353,948

# PEGASUS HOTELS OF JAMAICA LTD

## Statement of Cash Flows

Period ended 31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	9 Months to 12/31/2009 \$000	Un-Audited 12/31/2008 \$000	Audited 31/3/09 \$000
<b>Cash Flow from Operating Activities</b>			
Net Profit	31,199	39,316	55,243
Adjusted for:			
Depreciation	82,387	39,658	87,475
Replacement Provision		26,443	
Replacement Reserve Spent		(24,337)	
(Gain) /Loss on disposal of fixed assets	-		(210)
Exchange gain on foreign balances	-		(7,334)
Interest income	(9,093)	(6,113)	(9,661)
Interest expense	11,650	5,294	12,054
Taxation expense	-	24,225	25,097
	116,143	104,486	162,664
Changes in operating assets and liabilities:			
Inventories - (increase)/decrease	(7,338)	(7,251)	(2,543)
Receivables - (increase)/decrease	57,977	26,036	(21,053)
Payables - increase/(decrease)	(54,016)	(42,601)	20,697
	112,766	80,670	159,765
Interest Received		2,592	
Taxation paid	(14,692)	(3,879)	(23,985)
Net cash provided by operating activities	<b>98,074</b>	<b>79,383</b>	<b>135,780</b>
<b>Cash Flows From Financing Activities</b>			
Dividend paid	(42,058)	(24,033)	(48,066)
Long term loan received	100,000	50,000	50,000
Long term loan repaid	(31,187)	(9,070)	(34,837)
Interest paid	(11,650)	(5,294)	(12,054)
Net cash (used in )/provided by financing activities	15,105	11,603	(44,957)
<b>Cash Flows from Investing Activities</b>			
Interest received	9,093	-	9,661
Investments	(31,769)	(99,909)	(60,369)
Purchase of fixed assets	(141,807)	(65,349)	(116,934)
Proceeds on disposal of fixed assets	-		210
Net cash used in investing activities	(164,483)	(165,258)	(167,432)
Exchange gain on net foreign cash balances	(51,304)	(74,272)	(76,609)
Net increase /(decrease) in cash and cash equivalent	-	-	11,543
Cash and short term deposits at beginning of year	(51,304)	(74,272)	(65,066)
<b>CASH AND SHORT TERM DEPOSITS AT END OF PERIOD</b>	<b>45,287</b>	<b>74,114</b>	<b>110,353</b>
	<b>(6,017)</b>	<b>(158)</b>	<b>45,287</b>
<b>Add Investments</b>	<b>94,122</b>	<b>136,148</b>	<b>62,353</b>
<b>CASH AND CASH EQUIVALENT AT END OF PERIOD</b>	<b>88,105</b>	<b>135,990</b>	<b>107,640</b>

## **PEGASUS HOTELS OF JAMAICA LIMITED**

Notes to the Quarterly Financial Statements

31 December 2009

### **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, 2009.

The financial statements are prepared using the historical cost basis.

### **3. Other Operating Income**

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

### **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.