

PEGASUS HOTELS OF JAMAICA LIMITED

Profit and Loss Account

Period ended 30 June 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited 3 months to 30-Jun 2010 \$000	Unaudited 3 months to 30-Jun 2009 \$000	Audited Year 31-Mar 2010 \$000
Revenue	237,024	270,375	965,977
Direct expenses	(101,022)	(94,699)	(337,939)
Gross Profit	136,002	175,676	628,039
Administration expenses	(79,308)	(74,431)	(289,384)
Other operating expenses	(73,962)	(71,179)	(323,979)
Other operating income	227	813	10,943
Operating profit	(17,041)	30,879	25,619
Interest income	1,338	2,142	14,154
Interest expenses	(4,646)	(2,891)	(16,679)
Profit / before Taxation	(20,349)	30,130	23,094
Taxation	-	-	(5,935)
NET PROFIT	(20,349)	30,130	17,159
EARNINGS PER STOCK UNIT	\$ (0.17)	\$ 0.26	\$ 0.14

NOTES:-


1. The figures are unaudited and accounting policies remain as stated in the 2009/2010 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 30 JUNE 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Jun-10 \$'000	Audited Mar-10 \$'000
Non-Current Assets		
Fixed Assets	5,744,179	5,779,819
Investments	90,607	90,607
Current Assets		
Inventories	50,928	46,699
Accounts receivable	83,028	118,730
Cash and short term deposits	0	21,243
	<u>133,956</u>	<u>186,672</u>
Current Liabilities		
Accounts payable	88,348	142,023
Bank overdraft	18,140	8,747
Taxation payable	22,363	31,087
Current portion of long term liabilities	60,427	60,427
	<u>189,278</u>	<u>242,284</u>
Net Current Assets	<u>(55,322)</u>	<u>(55,612)</u>
	<u>5,779,464</u>	<u>5,814,814</u>
FINANCED BY:		
Share Capital	120,166	120,166
Capital Reserves	4,176,351	4,176,351
Fair value reserve	(750)	(750)
Retained earnings	(13,261)	7,088
	<u>4,282,506</u>	<u>4,302,855</u>
Long Term Liabilities	72,871	87,871
Deferred Tax liabilities	1,424,088	1,424,088
	<u>5,779,464</u>	<u>5,814,814</u>



 Desmond Young - Director



 Denzil Barnes - Director

PEGASUS HOTELS OF JAMAICA LIMITED

Balance Sheet on 30 JUNE 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Jun-10 \$'000	Unaudited Jun-09 \$'000
Non-Current Assets		
Fixed Assets	5,744,179	4,988,637
Investments	90,607	81,224
Current Assets		
Inventories	50,928	30,982
Accounts receivable	83,028	85,489
Cash and short term deposits	0	24,685
	133,956	141,156
Current Liabilities		
Accounts payable	88,348	56,410
Bank overdraft	18,140	0
Taxation payable	22,363	15,820
Current portion of long term liabilities	60,427	42,857
	189,278	115,087
Net Current Assets	(55,322)	26,069
	5,779,464	5,095,930
FINANCED BY:		
Share Capital	120,166	120,166
Capital Reserves	4,176,351	3,705,280
Fair value reserve	(750)	1,984
Retained earnings	(13,261)	50,100
	4,282,506	3,877,530
Long Term Liabilities	72,871	38,568
Deferred Tax liabilities	1,424,088	1,179,832
	5,779,464	5,095,930

PEGASUS HOTELS OF JAMAICA LIMITED

Statement of Changes in Stockholders' Equity

Three (3) Months ended 30 June, 2010

(expressed in Jamaican dollars unless otherwise indicated)

Balance as at 1 April 2009

Profit for the Year

Other comprehensive income -

Fair value adjustments, net of taxes:

- Land and buildings

- Financial assets

Total Comprehensive Income for 2009/2010

Dividends paid

Balance at 31 March 2010

Loss for 1st quarter 2010/2011

Other comprehensive income -

Fair value adjustments, net of taxes:

- Land and buildings

- Financial assets

Total Comprehensive Income for quarter 30 June 2010

Dividends paid

Balance at 30 June 2010

Balance at 30 June 2009

Number of Shares 000	Share Capital \$'000	Capital Reserve \$'000	Replacement Reserve \$'000	Fair Value Reserve	Retained Earnings \$'000	Total \$'000
120,166	120,166	3,705,280	-	1,984	31,987	3,859,417
-	-	471,071	-	(2,734)	-	471,071
-	-	471,071	-	(2,734)	17,159	(2,734)
-	-	-	-	-	(42,058)	(42,058)
120,166	120,166	4,176,351	-	(750)	7,088	4,302,855
-	-	-	-	-	(20,349)	(20,349)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
120,166	120,166	4,176,351	-	(750)	(13,261)	4,282,506
120,166	120,166	3,705,280	-	1,984	50,100	3,877,530

PEGASUS HOTELS OF JAMAICA LTD

Statement of Cash Flows

Period ended 30 JUNE 2010

(expressed in Jamaican dollars unless otherwise indicated)

	3 Months to 30/06/2010 \$000	3 Months to 30/6/09 \$000
Cash Flow from Operating Activities	-	-
Net Profit	(20,349)	30,130
Adjusted for:		
Depreciation	35,807	28,399
(Gain) /Loss on disposal of fixed assets	-	-
Exchange gain on foreign balances	-	-
Interest income	(1,338)	(2,142)
Interest expense	4,646	2,891
Taxation expense	-	-
	18,766	59,278
Changes in operating assets and liabilities:		
Inventories - (increase)/decrease	(4,229)	2,435
Receivables - (increase)/decrease	35,702	30,263
Payables - increase/(decrease)	(53,675)	(50,290)
	(3,436)	41,686
Taxation paid	(8,724)	(4,897)
Net cash provided by operating activities	(12,160)	36,789
Cash Flows From Financing Activities		
Dividend paid	-	(12,017)
Long term loan received	-	-
Long term loan repaid	(15,000)	(10,714)
Interest paid	(4,646)	(2,891)
Net cash (used in)/provided by financing activities	(19,646)	(25,622)
Cash Flows from Investing Activities		
Interest received	1,338	2,142
Investments	-	(18,871)
Purchase of fixed assets	(168)	(15,040)
Proceeds on disposal of fixed assets	-	-
Net cash used in investing activities	1,170	(31,769)
	(30,636)	(20,602)
Exchange gain on net foreign cash balances	-	-
Net increase /(decrease) in cash and cash equivalent	(30,636)	(20,602)
Cash and short term deposits at beginning of year	12,496	45,287
CASH AND SHORT TERM DEPOSITS AT END OF PERIOD	(18,140)	24,685
	90,607	81,224
Add Investments	72,467	105,909
CASH AND CASH EQUIVALENT AT END OF PERIOD		

PEGASUS HOTELS OF JAMAICA LTD

Statement of Cash Flows

Period ended 30 JUNE 2010

(expressed in Jamaican dollars unless otherwise indicated)

	3 Months to 30/06/2010 \$000	Audited 30/03/2010 \$000
Cash Flow from Operating Activities	-	-
Net Profit	(20,349)	17,159
Adjusted for:		
Depreciation	35,807	112,565
(Gain) /Loss on disposal of fixed assets	-	(500)
Exchange gain on foreign balances	-	(1,217)
Interest income	(1,338)	(13,475)
Interest expense	4,646	16,679
Taxation expense	-	5,935
	18,766	137,146
Changes in operating assets and liabilities:		
Inventories - (increase)/decrease	(4,229)	(13,282)
Receivables - (increase)/decrease	35,702	(2,978)
Payables - increase/(decrease)	(53,675)	35,323
	(3,436)	156,209
Taxation paid	(8,724)	(17,969)
Net cash provided by operating activities	(12,160)	138,240
Cash Flows From Financing Activities		
Dividend paid	-	(42,058)
Long term loan received	-	100,000
Long term loan repaid	(15,000)	(43,841)
Interest paid	(4,646)	(16,679)
Net cash (used in)/provided by financing activities	(19,646)	(2,578)
Cash Flows from Investing Activities		
Interest received	1,338	12,297
Investments	-	(30,046)
Purchase of fixed assets	(168)	(152,282)
Proceeds on disposal of fixed assets	-	500
Net cash used in investing activities	1,170	(169,531)
	(30,636)	(33,869)
Exchange gain on net foreign cash balances	-	1,078
Net increase /(decrease) in cash and cash equivalent	(30,636)	(32,791)
Cash and short term deposits at beginning of year	12,496	45,287
CASH AND SHORT TERM DEPOSITS AT END OF PERIOD	(18,140)	12,496
	90,607	90,607
Add Investments	72,487	103,103
CASH AND CASH EQUIVALENT AT END OF PERIOD		

PEGASUS HOTELS OF JAMAICA LIMITED

Notes to the Quarterly Financial Statements

30 June 2010

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.