

PEGASUS HOTELS OF JAMAICA LIMITED

Statement of Changes in Stockholders' Equity

Nine (9) Months ended 31 December, 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares	Share Capital	Capital Reserve	Replacement Reserve	Fair Value Reserve	Retained Earnings	Total
	000	\$'000	\$'000	\$'000		\$'000	\$'000
Balance as at 1 April 2009	120,166	120,166	3,705,280	-	1,984	3,481	3,830,911
Profit for the Year						8,276	8,276
Other comprehensive income -							
Fair value adjustments, net of taxes:							
- Land and buildings	-	-	471,071	-		-	471,071
- Financial assets					(2,734)		(2,734)
Total Comprehensive Income for 2009/2010	-	-	471,071	-	(2,734)	8,276	476,613
Dividends paid	-	-	-	-		(42,058)	(42,058)
	-	-	-	-		-	-
Balance at 31 March 2010	120,166	120,166	4,176,351	-	(750)	(30,301)	4,265,466
Loss for 3rd Quarter 2010/2011						(56,783)	(56,783)
Other comprehensive income -							
Fair value adjustments, net of taxes:							
- Land and buildings	-	-	-	-		-	-
- Financial assets					-		-
Total Comprehensive Income for quarter 30 September 2010	-	-	-	-	-	(56,783)	(56,783)
Dividends paid	-	-	-	-		-	-
	-	-	-	-		-	-
	-	-	-	-		-	-
Balance at 31 December 2010	120,166	120,166	4,176,351	-	(750)	(87,084)	4,208,683
Balance at 31 December 2009	120,166	120,166	3,705,280	-	1,984	21,128	3,848,558

PEGASUS HOTELS OF JAMAICA LIMITED

Balance Sheet on 31 DECEMBER 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited 31 Dec 2010 \$'000	Unaudited 31 Dec 2009 \$'000	RESTATED 31 Mar 2010 \$'000
Non-Current Assets			
Fixed Assets	5,679,027	5,061,417	5,779,819
Investments	53,917	94,122	90,607
Current Assets			
Inventories	56,076	40,755	46,699
Accounts receivable	60,002	57,775	118,730
Cash and short term deposits	0	0	21,243
	116,078	98,530	186,672
Current Liabilities			
Accounts payable	104,710	52,684	198,107
Bank overdraft	4,094	6,017	8,747
Taxation payable	22,363	6,025	31,087
Current portion of long term liabilities	60,427	42,857	60,427
	191,594	107,583	298,368
Net Current Assets	(75,516)	-9,053	(111,696)
	5,657,428	5,146,486	5,758,730
FINANCED BY:			
Share Capital	120,166	120,166	120,166
Capital Reserves	4,176,351	3,705,280	4,176,351
Fair value reserve	(750)	1,984	(750)
Retained earnings	(87,084)	21,129	(30,302)
	4,208,683	3,848,559	4,265,465
Long Term Liabilities	43,351	118,095	87,871
Deferred Tax liabilities	1,405,394	1,179,832	1,405,394
	5,657,428	5,146,486	5,758,730

Director

Director

Corbin

	Unaudited Quarter Ending 31-Dec 2010 \$000	Unaudited Quarter Ending 31-Dec 2009 \$000	Unaudited 9 months to 31-Dec 2010 \$000	Unaudited 9 months to 31-Dec 2009 \$000	Audited Year 31-Mar 2010 \$000
Revenue	235,966	211,207	713,593	719,478	965,977
Direct expenses	(102,414)	(96,545)	(310,498)	(282,573)	(337,938)
Gross Profit	133,552	114,662	403,095	436,905	628,039
Administration expenses	(72,228)	(58,871)	(224,554)	(195,511)	(302,707)
Other operating expenses	(82,021)	(71,758)	(233,218)	(212,405)	(323,979)
Other operating income	1,299	2,988	6,595	4,767	10,943
Operating profit	(19,398)	(12,979)	(48,082)	33,756	12,296
Interest income	1,328	3,879	3,870	9,093	14,154
Interest expenses	(3,719)	(5,192)	(12,571)	(11,650)	(16,679)
Profit / beforeTaxation	(21,789)	(14,292)	(56,783)	31,199	9,771
Taxation	-	-	-	-	(1,495)
NET PROFIT	(21,789)	(14,292)	(56,783)	31,199	8,276
EARNINGS PER STOCK UNIT	\$ (0.18)	\$ (0.12)	\$ (0.47)	\$ 0.26	\$ 0.07

PEGASUS HOTELS OF JAMAICA LTD

Statement of Cash Flows

Period ended 31 December 2010

(expressed in Jamaican dollars unless otherwise indicated)

	9 Months to 31/12/2010 \$000	9 Months to 31/12/2009 \$000
Cash Flow from Operating Activities	-	-
Net Profit	(56,783)	31,199
Adjusted for:		
Depreciation	106,528	82,387
(Gain) /Loss on disposal of fixed assets	-	
Exchange gain on foreign balances	-	
Interest income	(3,870)	(9,093)
Interest expense	12,571	11,650
Taxation expense	-	
	58,446	116,143
Changes in operating assets and liabilities:		
Inventories - (increase)/decrease	(9,377)	(7,338)
Receivables - (increase)/decrease	58,728	57,977
Payables - increase/(decrease)	(93,397)	(54,016)
	14,400	112,766
Taxation paid	(8,724)	(14,692)
Net cash provided by operating activities	5,676	98,074
Cash Flows From Financing Activities		
Dividend paid	-	(42,058)
Long term loan received	-	100,000
Long term loan repaid	(44,520)	(31,187)
Interest paid	(12,571)	(11,650)
Net cash (used in)/provided by financing activities	(57,091)	15,105
Cash Flows from Investing Activities		
Interest received	3,870	9,093
Investments	36,690	(31,769)
Purchase of fixed assets	(5,735)	(141,807)
Proceeds on disposal of fixed assets	-	
Net cash used in investing activities	34,825	(164,483)
Exchange gain on net foreign cash balances	(16,590)	(51,304)
	-	-
Net increase /(decrease) in cash and cash equivalent	(16,590)	(51,304)
Cash and short term deposits at beginning of year	12,496	45,287
CASH AND SHORT TERM DEPOSITS AT END OF PERIOD	(4,094)	(6,017)
	53,917	94,122
Add Investments	49,823	88,105
CASH AND CASH EQUIVALENT AT END OF PERIOD		

PEGASUS HOTELS OF JAMAICA LIMITED

Notes to the Quarterly Financial Statements

31 December 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 Quivin Holding Limited . 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.

5. Tax Audit for Years 2005 to August 2009.

These financials include adjustments for the captioned.