

# PEGASUS HOTELS OF JAMAICA LIMITED

## Profit and Loss Account

Period ended 30 June 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited 3 months to 30-Jun 2011 \$000	Unaudited 3 months to 30-Jun 2010 \$000	Audited Year 31-Mar 2011 \$000
Revenue	249,492	237,024	989,879
Direct expenses	<u>(107,704)</u>	<u>(101,022)</u>	<u>(369,105)</u>
<b>Gross Profit</b>	<b>141,788</b>	<b>136,002</b>	<b>620,774</b>
Administration expenses	(81,448)	(79,308)	(329,290)
Other operating expenses	(82,468)	(73,962)	(360,591)
Other operating income	<u>18,188</u>	<u>227</u>	<u>10,114</u>
<b>Operating profit</b>	<b>(3,940)</b>	<b>(17,041)</b>	<b>(58,993)</b>
Interest income	162	1,338	4,036
Interest expenses	<u>(2,910)</u>	<u>(4,646)</u>	<u>(23,615)</u>
<b>Profit / before Taxation</b>	<b>(6,688)</b>	<b>(20,349)</b>	<b>(78,572)</b>
Taxation	<u>-</u>	<u>-</u>	<u>36,566</u>
<b>NET PROFIT</b>	<b><u>(6,688)</u></b>	<b><u>(20,349)</u></b>	<b><u>(42,006)</u></b>
<b>EARNINGS PER STOCK UNIT</b>	<b><u>\$ (0.06)</u></b>	<b><u>\$ (0.17)</u></b>	<b><u>\$ (0.35)</u></b>

# PEGASUS HOTELS OF JAMAICA LIMITED

## Balance Sheet on 30 JUNE 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Jun-11 \$'000	Unaudited Jun-10 \$'000	Audited Mar-11 \$'000
<b>Non-Current Assets</b>			
Fixed Assets	5,905,888	5,744,179	5,944,484
Investments	13,076	90,607	13,076
<b>Current Assets</b>			
Inventories	53,076	50,928	49,230
Accounts receivable	92,724	83,028	137,095
Cash and short term deposits	39,294	0	47,197
	185,094	133,956	233,522
<b>Current Liabilities</b>			
Accounts payable	123,526	88,348	191,576
Bank overdraft	0	18,140	0
Taxation payable	22,248	22,363	22,248
Current portion of long term liabilities	55,239	60,427	55,239
	201,013	189,278	269,063
<b>Net Current Assets</b>	(15,919)	(55,322)	(35,541)
	5,903,045	5,779,464	5,922,019
<b>FINANCED BY:</b>			
Share Capital	120,166	120,166	120,166
Capital Reserves	4,376,351	4,176,351	4,376,351
Fair value reserve	(320)	(750)	(320)
Retained earnings	(78,996)	(13,261)	(72,308)
	4,417,201	4,282,506	4,423,889
Long Term Liabilities	23,809	72,871	36,095
Deferred Tax liabilities	1,462,035	1,424,088	1,462,035
	5,903,045	5,779,464	5,922,019
	0	0	0

Milton Samuda - Chairman

Denzil Barnes - Director

**PEGASUS HOTELS OF JAMAICA LIMITED**  
**Statement of Changes in Stockholders' Equity**  
**Three (3) Months ended 30 June, 2011**

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares 000	Share Capital \$'000	Capital Reserve \$'000	Replacement Reserve \$'000	Fair Value Reserve	Earnings/Accumulated Deficit \$'000	Total \$'000
<b>Balance as at 1 April 2010</b>	120,166	120,166	4,176,351	-	(750)	(30,302)	4,265,465
Profit for the Year	-	-	-	-	-	(42,006)	(42,006)
Other comprehensive income -							
Fair value adjustments, net of taxes:							
- Land and buildings	-	-	200,000	-	430	-	200,000
- Financial assets	-	-	-	-	-	-	430
<b>Total Comprehensive Income for 2010/2011</b>	-	-	200,000	-	430	(42,006)	158,424
Dividends paid	-	-	-	-	-	-	-
<b>Balance at 31 March 2011</b>	120,166	120,166	4,376,351	-	(320)	(72,308)	4,423,889
Loss for 1st quarter 2011/2012	-	-	-	-	-	(6,688)	(6,688)
Other comprehensive income -							
Fair value adjustments, net of taxes:							
- Land and buildings	-	-	-	-	-	-	-
- Financial assets	-	-	-	-	-	-	-
<b>Total Comprehensive Income for quarter 30 June 2011</b>	-	-	-	-	-	(6,688)	(6,688)
Dividends paid	-	-	-	-	-	-	-
<b>Balance at 30 June 2011</b>	120,166	120,166	4,376,351	-	(320)	(78,996)	4,417,201
<b>Balance at 30 June 2010</b>	120,166	120,166	4,176,351	-	(750)	(13,261)	4,282,506

# PEGASUS HOTELS OF JAMAICA LTD

## Statement of Cash Flows

Period ended 30 JUNE 2011

(expressed in Jamaican dollars unless otherwise indicated)

	3 Months to 6/30/2011 \$000	3 Months to 30/06/2010 \$000	Audited 3/30/2011 \$000
<b>Cash Flow from Operating Activities</b>	-	-	-
Net Profit	(6,688)	(20,349)	(42,006)
Adjusted for:			
Depreciation	38,596	35,807	140,940
(Gain) /Loss on disposal of fixed assets	-	-	-
Exchange gain on foreign balances	-	-	1,798
Interest income	(162)	(1,338)	(4,036)
Interest expense	2,910	4,646	15,902
Taxation expense	-	-	(36,566)
	34,656	18,766	76,032
Changes in operating assets and liabilities:			
Inventories - (increase)/decrease	(3,846)	(4,229)	(2,531)
Receivables - (increase)/decrease	44,371	35,702	(18,651)
Payables - increase/(decrease)	(68,050)	(53,675)	(6,531)
	7,131	(3,436)	48,320
Taxation paid	-	(8,724)	(16,035)
Net cash provided by operating activities	<b>7,131</b>	<b>(12,160)</b>	<b>32,285</b>
<b>Cash Flows From Financing Activities</b>			
Dividend paid	-	-	-
Long term loan received	-	-	-
Long term loan repaid	(12,286)	(15,000)	(56,965)
Interest paid	(2,910)	(4,646)	(15,902)
Net cash (used in )/provided by financing activities	(15,196)	(19,646)	(72,866)
<b>Cash Flows from Investing Activities</b>			
Interest received	162	1,338	3,951
Investments	-	-	78,448
Purchase of fixed assets	-	(168)	(5,605)
Proceeds on disposal of fixed assets	-	-	-
Net cash used in investing activities	162	1,170	76,794
Exchange gain on net foreign cash balances	(7,903)	(30,636)	36,213
	-	-	(1,512)
Net increase /(decrease) in cash and cash equivalent	(7,903)	(30,636)	34,701
Cash and short term deposits at beginning of year	47,197	12,496	12,496
<b>CASH AND SHORT TERM DEPOSITS AT END OF PERIOD</b>	<b>39,294</b>	<b>(18,140)</b>	<b>47,197</b>
Add Investments	<b>13,076</b>	<b>90,607</b>	<b>13,076</b>
<b>CASH AND CASH EQUIVALENT AT END OF PERIOD</b>	<b>52,370</b>	<b>72,467</b>	<b>60,273</b>

## **PEGASUS HOTELS OF JAMAICA LIMITED**

Notes to the Quarterly Financial Statements  
30 June 2011

### **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 62.71 % owned by Quivin Holdings Limited.

The company owns and operates the hotel "The Jamaica Pegasus".

The company is a public 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, 2011.

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**

On 8 January 2009, pursuant to Section 4 of the Hotels (Incentives) Act 1990, the company was granted 'The Approved Hotel Extension (Jamaica Pegasus Hotel) Order, 2009', for a period of 10 years commencing 31 March 2009.

The benefits to be derived under the Hotel Incentive Order include:

- (1) Waiver of GCT and Customs Duty on items as per approved schedule of the Hotel Incentive Act for ten (10) years. There is no waiver on services ; and
- (2) Corporate Tax Relief for ten years arising from profits earned from the hotel's extensions which are subject to the order.