

PEGASUS HOTELS OF JAMAICA LIMITED

Balance Sheet on 30 SEPTEMBER 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited 30 Sep 2011 \$'000	Unaudited 30 Sep 2010 \$'000	Audited 31 Mar 2011 \$'000
Non-Current Assets			
Fixed Assets	5,870,095	5,709,480	5,944,484
Investments	13,076	70,151	13,076
Current Assets			
Inventories	53,783	48,942	49,230
Accounts receivable	85,405	89,446	137,095
Cash and short term deposits	0	0	47,197
	139,188	138,388	233,522
Current Liabilities			
Accounts payable	89,230	103,898	191,576
Bank overdraft	51	9,538	0
Taxation payable	16,889	22,363	22,248
Current portion of long term liabilities	55,239	60,427	55,239
	161,409	196,227	269,063
Net Current Assets	(22,221)	(57,839)	(35,541)
	5,860,950	5,721,792	5,922,019
FINANCED BY:			
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	(108,233)	(56,413)	(72,308)
	4,387,964	4,239,354	4,423,889
Long Term Liabilities	10,951	58,350	36,095
Deferred Tax liabilities	1,462,035	1,424,088	1,462,035
	5,860,950	5,721,792	5,922,019

Director

Director

PEGASUS HOTELS OF JAMAICA LTD
Statement of Cash Flows
Period ended 30 September 2011
(expressed in Jamaican dollars unless otherwise indicated)

	6 Months to 30/9/2011 \$000	6 Months to 30/9/2010 \$000	Audited 3/30/2011 \$000
Cash Flow from Operating Activities			
Net Profit	(35,925)	(34,995)	(42,006)
Adjusted for:			
Depreciation	74,389	70,721	140,940
(Gain) /Loss on disposal of fixed assets	-	-	-
Exchange gain on foreign balances	-	-	1,798
Interest income	(304)	(2,542)	(4,036)
Interest expense	5,375	8,852	15,902
Taxation expense	-	-	(36,566)
	43,535	42,037	76,032
Changes in operating assets and liabilities:			
Inventories - (increase)/decrease	(4,553)	(2,243)	(2,531)
Receivables - (increase)/decrease	51,690	29,284	(18,651)
Payables - increase/(decrease)	(102,346)	(66,631)	(6,531)
	(11,674)	2,447	48,320
Taxation paid	(5,359)	(8,724)	(16,035)
Net cash provided by operating activities	(17,033)	(6,277)	32,285
Cash Flows From Financing Activities			
Dividend paid	-	-	-
Long term loan received	-	-	-
Long term loan repaid	(25,144)	(29,521)	(56,965)
Interest paid	(5,375)	(8,852)	(15,902)
Net cash (used in)/provided by financing activities	(30,519)	(38,373)	(72,866)
Cash Flows from Investing Activities			
Interest received	304	2,542	3,951
Investments	-	20,456	78,448
Purchase of fixed assets	-	(380)	(5,605)
Proceeds on disposal of fixed assets	-	-	-
Net cash used in investing activities	304	22,618	76,794
	(47,248)	(22,033)	36,213
Exchange gain on net foreign cash balances	-	-	(1,512)
Net increase /(decrease) in cash and cash equivalent	(47,248)	(22,033)	34,701
Cash and short term deposits at beginning of year	47,197	12,496	12,496
CASH AND SHORT TERM DEPOSITS AT END OF PERIOD	(51)	(9,537)	47,197
	13,076	70,151	13,076
Add Investments	13,076	60,614	60,273
CASH AND CASH EQUIVALENT AT END OF PERIOD	13,076	60,614	60,273

PEGASUS HOTELS OF JAMAICA LIMITED

Profit and Loss Account

Period ended 30 September 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited 2nd Quarter 30-Sep 2011 \$000	Unaudited 2nd Quarter 30-Sep 2010 \$000	Unaudited 6 months to 30-Sep 2011 \$000	Unaudited 6 months to 30-Sep 2010 \$000	Audited Year 31-Mar 2011 \$000
Revenue	228,265	237,896	477,757	477,627	989,879
Direct expenses	(105,807)	(91,329)	(213,511)	(208,084)	(369,105)
Gross Profit	122,458	146,567	264,246	269,543	620,774
Administration expenses	(79,720)	(62,209)	(161,168)	(152,326)	(329,290)
Other operating expenses	(87,156)	(69,468)	(169,624)	(151,197)	(360,591)
Other operating income	17,504	966	35,692	5,296	10,114
Operating profit	(26,914)	15,856	(30,854)	(28,684)	(58,993)
Interest income	142	3,072	304	2,542	4,036
Interest expenses	(2,465)	(3,567)	(5,375)	(8,852)	(23,615)
Profit / before Taxation	(29,237)	15,361	(35,925)	(34,995)	(78,572)
Taxation	-	(3,948)	-	-	36,566
NET PROFIT	(29,237)	11,413	(35,925)	(34,995)	(42,006)
EARNINGS PER STOCK UNIT	\$ (0.24)	\$ (0.09)	\$ (0.30)	\$ (0.29)	\$ (0.35)

PEGASUS HOTELS OF JAMAICA LIMITED
Statement of Changes in Stockholders' Equity
SIX (6) Months ended 30 September, 2011
(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/ Accumulated \$'000	Total \$'000
Balance as at 1 April 2010	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
Total Comprehensive Income	-	-	200,000	-	430	(42,006)	158,424
Dividends paid	-	-	-	-	-	-	-
Balance at 31 March 2011	120,166	120,166	4,376,351	-	(320)	(72,308)	4,423,889
Loss for 1st quarter 2011/2012						(35,925)	(35,925)
Other comprehensive income -							
Fair value adjustments, net of taxes:							
- Land and buildings	-	-	-	-	-	-	-
- Financial assets	-	-	-	-	-	-	-
Total Comprehensive Income for half year 30 September 2011	-	-	-	-	-	(35,925)	(35,925)
Dividends paid	-	-	-	-	-	-	-
Balance at 30 September 2011	120,166	120,166	4,376,351	-	(320)	(108,233)	4,387,964
Balance at 30 September 2010	120,166	120,166	4,176,351	-	(750)	(56,413)	4,239,354

PEGASUS HOTELS OF JAMAICA LIMITED

Notes to the Quarterly Financial Statements

30 September 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 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, 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.