THE REIT

Kingston Properties Limited

Address: 36-38 Red Hills Road
Building B, 1st Floor
Kingston 6, Jamaica
Tel/Fax: (876) 754.7840
Email: info@kpreit.com
Website: www.kpreit.com

May 9, 2014

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2014

The Board of Directors is pleased to present, for the shareholders and the investing public at large, the unaudited consolidated financial statements for the quarter ended March 31, 2014.

Income Statement

For the three months ended March 31, 2014, **group rental income** was $25.0 million, an increase of 14.3% versus the March 2013 quarter. This reflects primarily scheduled rental increases.

Total group comprehensive income was $18.2 million, an increase of 19.3% versus the $15.2 million reported for the quarter ended March 31, 2013. **Group comprehensive income** consists of foreign currency translation differences for foreign operations. This was positive $15.8 million for the quarter ended March 2014 versus $22.5 million for the quarter ended March 2013, reflecting the positive impact on the group's non-financial assets from the approximately 3.2% devaluation of the Jamaican dollar against its US counterpart for the quarter under review.

Group operating expenses, which consist of direct property expenses and administrative costs, were $13.3 million, versus $14.8 million for the similar period a year ago. Direct property expenses include insurance, property taxes, homeowners' association (HOA) fees, broker fees and repairs & maintenance. These represented 59.7% of operating expenses for the March 2014 quarter versus 60.4% for the similar period last year. Direct property expenses declined by approximately $1.0 million or 11.3%. The major contributor was repairs & maintenance.

Group net finance costs were $12.5 million for the quarter ended March 31, 2014 compared with $19.9 million for the similar period in 2013. These amounts include unrealized foreign currency translation losses resulting from the devaluation of the Jamaican dollar of $8.5 million and $14.3 million respectively.

Balance Sheet

Kingston Properties' significant balance sheet assets are **Investment Properties** of $1.02 billion at March 31, 2014 versus $850.0 million at March 31, 2013. The increase is primarily as a result of $130.3 million of fair value gains on the Miami condominiums.

Cash & cash equivalent plus reverse repurchase agreements totaled $216.4 million compared with $200.5 million for the similar period last year. Included in cash & cash equivalent is restricted amounts of $208.2 million.

Total group liabilities were $443.1 million at March 31, 2014 versus $305.2 million at March 31, 2013. The liabilities are primarily mortgage loans collateralized by the properties. The year-over-year increase is mostly as a result of deferred taxes liabilities ($45.7 million) and loan payable ($41.8 million).

Cashflow

Net cash provided by operations was $13.4 million for the quarter ended March 31, 2014 versus $23.9 million for the similar period last year. This decline resulted from higher than normal receivables ($6.3 million).

Dividends Paid

Dividends paid in February 2014 to complete dividends for the 2013 year were $18.5 million, a 86.7% increase over the $9.9 million paid in the March 2013 quarter. Dividends declared in the March 2013 quarter were US$0.0015 per stock unit versus US$0.001 per stock unit in the quarter ended March 31, 2013.

Earnings Per Share

Earnings Per Share (EPS) for the quarter was $0.03 compared with negative $0.11 for the similar quarter last year.

Summary

For the quarter, the operations and property management results were as planned. Turnover of tenants remained low, rent collection met targets and our tenants ranked us highly for our prompt response to facilities issues they encountered. Against this background, we will continue to ensure high levels of tenant relations while seeking additional investment properties with strong underlying and diversified tenant base.

As always, thanks to our shareholders, employees and other stakeholders for your continued support as we seek to meet or exceed our corporate objectives.

Garfield Sinclair
Chairman

Fayval Williams
Executive Director

KINGSTON PROPERTIES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

THREE (3) MONTHS ENDED MARCH 31, 2014

KINGSTON PROPERTIES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2014

CONTENTS

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2014

	Notes	Unaudited Three (3) months ended March 31, 2014 $'000	Unaudited Three (3) months ended March 31, 2013 $'000	Audited Year ended December 31, 2013 $'000
Revenues:				
Rental income		**24,995**	21,864	91,470
Operating expenses		**(13,295)**	(14,802)	(52,013)
Results of operating activities before other income/gains		**11,700**	7,062	39,457
Other income/gains:				
Fair value gain on investment property		**-**	-	130,316
Miscellaneous income		**84**	72	910
		84	72	131,226
Results of operating activities		**11,784**	7,134	170,683
Finance income		**1,831**	1,625	6,908
Finance cost		**(14,295)**	(19,562)	(70,533)
Net finance costs	3	**(12,464)**	(17,937)	(63,625)
(Loss) / profit before income tax		**(680)**	(10,803)	107,058
Taxation credit / (charge)		**3,051**	3,561	(54,562)
Profit / (loss), being comprehensive income / (expense) for the period / year		**2,371**	(7,242)	52,496
Other comprehensive income				
Foreign currency translation differences for foreign operations being total comprehensive income		**15,801**	22,486	68,169
Total comprehensive income for the period / year		**18,172**	15,246	120,665
Earnings per share for profit attributable to the equity holders of the Company:				
Number of shares		**68,800**	68,800	68,800
Earnings per stock unit:		**3 cents**	(11) cents	76 cents

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT MARCH 31, 2014

	Notes	**Unaudited as at March 31, 2014 $'000**	Unaudited as at March 31, 2013 $'000	Audited as at December 31, 2013 $'000
NON-CURRENT ASSETS				
Investment properties	4	**1,016,131**	850,038	1,002,318
Land for development	5	**18,731**	-	18,497
Furniture, software and equipment		**3,008**	1,802	2,823
Deferred tax asset		**-**	10,711	-
Total non-current assets		**1,037,870**	862,551	1,023,638
CURRENT ASSETS				
Receivables and prepayments	6	**18,301**	11,649	11,688
Reverse repurchase agreements		**3,627**	5,485	14,557
Cash and cash equivalents		**212,781**	194,985	212,064
Total current assets		**234,709**	212,119	238,309
Total assets		**1,272,579**	1,074,670	1,261,947
EQUITY				
Share capital		**406,609**	406,609	406,609
Cumulative translation reserve		**165,848**	104,365	150,047
Retained earnings		**257,021**	213,444	273,182
Total equity		**829,478**	724,418	829,838
NON-CURRENT LIABILITIES				
Loans payable	7	**139,907**	139,076	142,048
Deferred tax liabilities		**45,727**	-	47,050
		185,634	139,076	189,098
CURRENT LIABILITIES				
Loans payable	7	**227,760**	186,002	218,238
Accounts payable and accrued charges	8	**26,829**	25,117	24,353
Bank overdraft		**2,757**	-	-
Income tax payable		**121**	57	420
Total current liabilities		**257,467**	211,176	243,011
Total equity and liabilities		**1,272,579**	1,074,670	1,261,947

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2014

	Share capital $'000	Cumulative translation reserve $'000	Retained earnings $'000	Total $'000
Audited, balances at December 31, 2012 as previously reported	406,609	81,879	230,613	719,101
Profit, being comprehensive income for the period	-	-	(7,242)	(7,242)
Translation of foreign subsidiaries' balances, being total other comprehensive income for the period	-	22,486	-	22,486
Contributions by and distributions to owners:				
Dividend declared , being total distributions to owners	-	-	(9,927)	(9,927)
Unaudited, balances at March 31, 2013	**406,609**	**104,365**	**213,444**	**724,418**
Audited, balances at December 31, 2013	**406,609**	**150,047**	**273,182**	**829,838**
Profit, being comprehensive income for the period	-	-	2,371	2,371
Translation of foreign subsidiaries' balances, being total other comprehensive income for the period	-	15,801	-	15,801
Contributions by and distributions to owners:				
Dividend declared , being total distributions to owners	-	-	(18,533)	(18,533)
Unaudited, balances at March 31, 2014	**406,609**	**165,848**	**257,020**	**829,477**

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF CASH FLOWS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2014

	Unaudited Three (3) months ended March 31, 2014 $'000	Unaudited Three (3) months ended March 31, 2013 $'000	Audited Year ended December 31, 2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period /year	**2,371**	(7,242)	52,496
Adjustments to reconcile profit for the period / year to net cash provided by / (used in) operating activities:			
Translation difference	**15,801**	22,486	68,169
Taxation credit	**(3,051)**	(3,561)	54,562
Depreciation	**95**	86	401
Interest income	**(1,831)**	(1,625)	(6,908)
Interest expense and commitment fees	**5,787**	5,022	19,437
Increase in investment property due to:			
- foreign currency translation gain	**(11,648)**	(15,952)	(37,407)
- fair value gain	**-**	-	(130,316)
Decrease in office equipment due to foreign currency translation	**-**	(1)	-
Unrealized foreign exchange loss	**8,454**	14,258	47,694
Operating profit before changes in working capital	**15,978**	13,471	68,128
Changes in:			
Other receivables	**(5,010)**	3,488	345
Accounts payable and accrued charges	**2,476**	6,975	2,544
Income tax paid	**-**	-	(7)
Net cash provided by operations	**13,444**	23,934	71,010
Cash flows from investing activities			
Interest received	**228**	197	8,584
Reverse repurchase agreements	**10,929**	(2,599)	(11,670)
Additions to office equipment	**(281)**	(79)	(1,412)
Land held for development	**(233)**	-	(18,497)
Additions to investment property	**(735)**	-	(509)
Net cash provided by /(used in) investing activities	**9,908**	(2,481)	(23,504)
Cash flows from financing activities			
Interest paid	**(5,787)**	(5,022)	(15,771)
Dividend paid	**(18,533)**	(9,927)	(9,927)
Change in loans payable	**7,381**	16,207	51,418
Net cash (used in) / provided by financing activities	**(16,939)**	1,258	25,720
Net increase in cash and cash equivalents	**6,413**	22,711	73,226
Cash and cash equivalents at beginning of period:	**212,064**	186,532	186,532
Effect of exchange rate fluctuations on cash and cash equivalents	**(8,453)**	(14,258)	(47,694)
Cash and cash equivalents at end of period / year	**210,024**	194,985	212,064
Represented by:			
Bank overdraft	**(2,757)**	-	-
Cash and cash equivalents	**212,781**	194,985	212,064
	210,024	194,985	212,064

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2014

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

Kingston Properties Limited (the "Company ") was incorporated in Jamaica under the Companies Act on April 21, 2008. The Company is domiciled in Jamaica, with its registered office at 7 Stanton Terrace, Kingston 6, Jamaica. The Company is listed on the Jamaica Stock Exchange.

The Company has two wholly owned subsidiaries:

(i) Carlton Savannah REIT (St. Lucia) Limited, incorporated in St. Lucia under the International Business Companies Act of 1999 on May 8, 2008; and its wholly owned subsidiary:

(ii) Kingston Properties Miami LLC, incorporated in Florida under the Florida Limited Liability Company Act on March 12, 2010.

The Company and its subsidiaries are collectively referred to as "Group". In these financial statements 'parent' refers to the Company and intermediate parent refers to its wholly owned subsidiary, Carlton Savannah REIT (St. Lucia) Limited.

The principal activity of the Group is to make accessible to investors, the income earned from the ownership of real estate properties.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The interim financial statements have been prepared under the historical cost basis, and as modified by the revaluation of certain fixed and financial assets and are expressed in Jamaican dollars.

These financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting.

The interim financial report is to be read in conjunction with the audited financial statements for the year ended December 31, 2013. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended December 31, 2013.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended December 31, 2013.

(b) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Actual results could differ from these estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Consolidation:

(i) Subsidiaries
A subsidiary is an enterprise controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date the control ceases.

(ii) Transactions eliminated on consolidation
Intra-group balances and any unrealized gain and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidating financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(d) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements, (referred to in IAS 24 *Related Party Disclosures* as the 'reporting entity', in this case the Group).

(1) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(2) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items, are included in the statement of comprehensive income for the period.

(f) Investment properties

Investment properties, comprising, a commercial complex, warehouse building and residential condominiums, are held for long-term rental yields and capital gain.

Investment properties are initially recognized at cost, including transaction costs. The carrying amount includes the cost of additions to an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the cost of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are carried at fair value.

Fair value is determined every three years by an independent registered valuer and in each of the two intervening years by the directors. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognized in profit or loss.

(g) Furniture, software and equipment

(i) Items of office equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of replacing part of an item is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

The costs of day-to-day servicing of office equipment are recognized in the statement of comprehensive income as incurred.

(ii) Depreciation is recognized in the statement of comprehensive income on the straight-line basis, over the estimated useful life of the asset. The depreciation rate for the furniture, software equipment are as follows:

Software	33⅓%
Computer and accessories	20%
Furniture and fixtures	10%

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Receivables

Receivables are stated at amortized cost less, impairment losses, if any.

(i) Reverse repurchase agreements

Reverse repurchase agreements are transactions in which the Group makes funds available to institutions by entering into short-term agreements with those institutions. On delivering the funds, the Group receives the securities, or other documents evidencing a claim on the securities, and agrees to resell the securities, or surrender the documents evidencing the claim, on a specified date and at a specified price. Reverse repurchase agreements are accounted for as short-term collateralized lending. The difference between sale and purchase consideration is recognized as interest income on the accrual basis over the term of the agreement.

(j) Cash and cash equivalents

Cash and cash equivalent are carried at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(k) Accounts payable and accrued charges

Accounts payable and accrued charges are stated at cost.

(l) Revenue recognition:

Rental income and maintenance income are recorded in these financial statements on the accrual basis using the straight line method.

(m) Income tax

The income tax charge for the year comprises current and deferred tax. Income tax is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognized only to the extent management can demonstrate that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current and deferred tax assets and liabilities are offset in the statement of financial position if they apply to the same tax authority.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments for which discrete information is available are reviewed regularly by the Group's Board of Directors to make decisions about resources to be allocated to the segment and to assess their performance.

Segment results that are reported to the board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

(o) Land held for development

Land held for development is carried at the lower of cost and net realizable value. Cost includes acquisition costs and transaction costs.

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2014

3. Finance costs

	Unaudited Quarter ended Mach 31, 2014 $'000	Unaudited Quarter ended Mach 31, 2013 $'000	Audited Year end December 31, 2013 $'000
Finance income			
Interest income	**1,831**	1,625	6,908
Finance costs:			
Interest expense	**(5,527)**	(4,546)	(19,437)
Commitment fees-bank loan	**(260)**	(476)	(2,210)
Foreign exchange gains and losses arising from investing and financing activities:			
Unrealized losses on translation of foreign currency balances	**(8,453)**	(14,258)	(47,694)
Realized losses on conversion of foreign exchange	**(55)**	(282)	(1,192)
Total finance cost	**(14,295)**	(19,562)	(70,533)
Net finance cost	**(12,464)**	(17,937)	(63,625)

4. Investment properties

Investment properties held by the group are as follows:

		Unaudited Quarter ended March 31, 2014	Unaudited Quarter ended March 31, 2013	Audited Year ended December 31, 2013
(i)	Hagley Park Road warehouse	**200,747**	200,000	200,509
(ii)	Miami residential condominium	**434,887**	270,038	421,809
(iii)	Red Hills Road commercial complex	**380,497**	380,000	380,000
		1,016,131	850,038	1,002,318

(i) This represents 26,000 square feet of commercial property located on Hagley Park Road, Kingston, Jamaica.

(ii) This represents 16,092 square feet of residential condominium space (19 units) in the Loft II building located at 133 NE 2nd Avenue in downtown Miami, Florida.

(iii) This represents 47,865 square feet of commercial property located on Red Hills Road, Kingston, Jamaica.

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2014

5. Land held for development

	Unaudited March 31, 2014 $'000	Unaudited March 31, 2013 $'000	Audited December 31, 2013 $'000
	18,731	-	18,497

This represents land held for development in Waterworks, Westmoreland, Jamaica.

6. Receivables and prepayments

	Unaudited March 31, 2014 $'000	Unaudited March 31, 2013 $'000	Audited December 31, 2013 $'000
Rent receivables	**656**	89	-
Withholding tax recoverable	**3,807**	3,795	3,804
Security deposits	**2,556**	2,306	2,554
Prepayments	**4,144**	3,956	1,311
Interest receivables	**-**	-	3,487
Other receivables	**7,138**	1,503	532
	18,301	11,649	11,688

7. Loans payable

	Unaudited March 31, 2014 $'000	Unaudited March 31, 2013 $'000	Audited December 31, 2013 $'000
Bank loan - Sagicor Bank Jamaica Limited [see (i)]			
Face amount	**208,191**	168,107	202,118
Un-amortized transaction costs	**(259)**	-	(416)
Carrying value	**207,932**	168,107	201,702
Vendor's mortgage [see (ii)]	**50,149**	59,956	52,729
Total bank loans and vendor's mortgage	**258,082**	228,063	254,431
Other mortgage loan - Best Meridian Insurance Company [see (iii)]			
Face amount	**117,026**	105,610	113,611
Un-amortized transaction costs	**(7,440)**	(8,595)	(7,756)
	109,586	97,015	105,855
Total loans payable	**367,667**	325,078	360,286

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2014

7. Loans payable (Cont'd):

	Unaudited March 31, 2014 $'000	Unaudited March 31, 2013 **$'000**	Audited December 31, 2013 $'000
Classified as follows:			
Non-current			
Vendor's mortgage [see (ii)]	**30,321**	42,061	36,193
Other mortgage loan [see (iii)]	**109,586**	97,015	105,855
	139,907	139,076	142,048
Current			
Bank loan (i)	**207,932**	168,107	201,702
Vendor's mortgage (ii)	**19,828**	17,895	16,536
	227,760	186,002	218,238

(i) **Bank loans**

Sagicor Bank Jamaica Limited (formerly Pan Caribbean Bank Limited)

This represents a draw down under a credit facility of US$1,899,988 (J$208,191,360)]; [March 31, 2013; (US$1,699,988, J$168,107,050]; December 31, 2013 (US$1,899,988 (J$202,117,692) evidenced by a promissory note. The loan currently attracts interest at a rate of 5% per annum. The loan was renewed on August 15, 2013, and is repayable twelve months from date of disbursement.

It is secured by hypothecation of a deposit of US$1,952,000, [March 31, 2013: 1,699,988];(December 31, 2013: US$1,952,000) held by a subsidiary with the bank, and a corporate guarantee of that subsidiary limited to the extent of the facility.

(ii) **Vendor's mortgage**

This represents balance owing under a mortgage of US$780,000 from the vendor of the Red Hills Road property. It bears interest at a rate of 6% per annum and is repayable in sixty (60) monthly installments, which commenced on January 1, 2012. The balance at March 31, 2014 is US$457,676 (J$50,149,524); [March 31, 2013: (US$ 606,301, J$59,955,023); December 31, 2013 (US$495,671, J$52,728,313)].

(iii) **Other mortgage loan - Best Meridian Insurance Company**

This represents a promissory note of US$1,068,000 (2013: US$1,068,000) payable by Kingston Properties Miami LLC to Best Meridian Insurance Company, a Florida corporation. The note attracts interest at a rate of 6.5% per annum, with monthly interest payments US$5,785, which commenced on October 1, 2012. These monthly payments continue on the first day of each month thereafter until September 01, 2017, at which time the remaining unpaid principal balance and accrued interest will become due and payable. The note is secured by a mortgage over the condominiums, known as Loft II, located in Miami-Dade County, Florida, owned by the Group. The balance at March 31, 2014 is US$1,068,000, (J$117,025,460); [(March 31, 2013: US$1,068,000, (J$105,610,782); December 31, 2013 US$1,068,000, (J$113,611,384)].

Transaction costs of approximately US$99,000 were incurred in obtaining the loan. These costs were deducted from the loan balance and are being amortized over the life of the loan. The balance at March 31, 2014 is (US$67,896, J$7,400,322); [March 31, 2013: (US$87,769, J$8,595,670); (December 31, 2013 US$72,865, J$7,703,066)].

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2014

8. Accounts payable and accrued charges

	Unaudited March 31, 2014 $'000	Unaudited March 31, 2013 $'000	Audited December 31, 2013 $'000
Accounts payable	**2,093**	4,225	456
Interest payable	**-**	-	4,204
Accounting and audit fees	**1,149**	-	2,909
Dividend payable	**1,904**	484	260
Other payables and accrued charges	**9,701**	9,967	4,635
Security deposits held	**11,982**	10,441	11,889
	26,829	25,117	24,353

9. Segment reporting

The Group has one operating segment, rental of real estate, which includes the earning of income from the ownership of real estate. Internal management reports are reviewed monthly by the Board. Information regarding the reportable segment is included below.

Performance is measured on segment profit before income tax, as included in the internal management reports that are reviewed by the Board. Segment report is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segment compared to other entities that operated within these industries.

Geographical information

Unaudited
Three (3) months ended March 31, 2014

	Jamaica $'000	**United States of America $'000**	**St. Lucia $'000**	**Consolidated adjustments and eliminations $'000**	**Total Group $'000**
Revenues	**16,437**	**8,558**	**-**	**-**	**24,995**
(Loss) / profit for the period	**(1,371)**	**2,260**	**1,482**	**-**	**2,371**

Unaudited
as at March 31, 2014

	Jamaica $'000	**United States of America $'000**	**St. Lucia $'000**	**Consolidated adjustments and eliminations $'000**	**Total Group $'000**
Segment assets	**938,330**	**597,512**	**420,839**	**(684,102)**	**1,272,579**
Segment liabilities	**428,153**	**416,136**	**757**	**(401,945)**	**443,101**

9. Segment reporting (Cont'd):

	Unaudited Three (3) months ended March 31, 2013				
	Jamaica $'000	United States of America $'000	St. Lucia $'000	Consolidated adjustments and eliminations $'000	Total Group $'000
Revenues	14,228	7,636	-	-	21,864
(Loss) / profit for the period	(11,483)	2,968	1,273	-	(7,242)

	Unaudited as at March 31, 2013				
	Jamaica $'000	United States of America $'000	St. Lucia $'000	Consolidated adjustments and eliminations $'000	Total Group $'000
Segment assets	919,410	397,176	398,058	(639,974)	1,074,670
Segment liabilities	363,316	339,680	5,074	(357,818)	350,252

	Audited Year ended December 31, 2013				
	Jamaica $'000	United States of America $'000	St. Lucia $'000	Consolidated adjustments and eliminations $'000	Total Group $'000
Revenues	59,418	32,052	-	-	91,470
(Loss) / Profit for the year	(37,495)	84,294	5,697	-	52,496

	Audited as at December 31, 2013				
	Jamaica $'000	United States of America $'000	St. Lucia $'000	Consolidated adjustments and eliminations $'000	Total Group $'000
Segment assets	946,995	575,736	468,470	(729,254)	1,261,947
Segment liabilities	416,913	406,269	6,454	(397,527)	432,109