



**Premier Commercial Real Estate  
Investment Corporation Limited**

**Unaudited Interim Consolidated Financial Statements  
For the Quarter ended March 31, 2012**

*Disclaimer: These interim financial statements  
are for management purposes only and have not  
been audited.*

# PREMIER COMMERCIAL REAL ESTATE INVESTMENT COMMERCIAL LIMITED

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**PREMIER COMMERCIAL REAL ESTATE INVESTMENT CORPORATION LIMITED**

**UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at March 31, 2012

(With comparative figures as at March 31, 2011)

(Expressed in Bahamian Dollars)

	Note	2012	2011
<b>Assets</b>			
Cash and cash equivalents	3	\$354,306	\$60,791
Due from property manager	4	1,867	29,193
Other assets		16,960	15,088
Rents and recharges receivables	5	130,887	166,830
Equipment (net)		70,896	-
Investment properties	6	15,710,000	16,480,000
		<b>\$16,284,916</b>	<b>\$16,751,902</b>
<b>Liabilities</b>			
Accrued expenses and other payables		\$40,801	\$44,990
Advance rent	7	42,509	-
Security deposits from tenants	8	132,144	72,830
Credit facilities	9	2,423,039	2,783,075
		<b>2,638,493</b>	<b>2,900,895</b>
<b>Equity</b>			
Share capital	10	10,828,850	10,828,850
Retained earnings		2,817,573	3,022,157
		<b>13,646,423</b>	<b>13,851,007</b>
		<b>\$16,284,916</b>	<b>\$16,751,902</b>
<b>Net assets attributable to holders of non-redeemable participating ordinary shares</b>		<b>\$13,646,423</b>	<b>\$13,851,007</b>
<b>Net Assets Value Per Share</b>			
Attributable to participating ordinary shares (based on 1,082,885 shares outstanding)		<b>\$12.60</b>	<b>\$12.79</b>

See accompanying notes to unaudited interim consolidated financial statements

Approved by The Board on **June 4,** 2012:  
  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**PREMIER COMMERCIAL REAL ESTATE INVESTMENT CORPORATION LIMITED****UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended March 31, 2012

(With comparative figures for the six months months ended March 31, 2011)

*(Expressed in Bahamian Dollars)*

	Note	2012	2011
<b>Income</b>			
Rental income		\$603,161	\$675,064
Less. Common area maintenance expense		(182,881)	(218,968)
Other income		1,864	88
		<b>422,144</b>	<b>456,184</b>
<b>Expenses</b>			
Property manager's commissions	11	96,348	-
Interest and bank charges		31,132	33,071
Property management fee		28,326	30,325
Administration fees		21,000	19,100
Directors' fees		15,000	16,132
Licenses and Permits		11,283	9,138
Consulting, legal and advisory		9,500	9,375
Depreciation		7,155	-
Professional fees		4,130	3,735
Others		303	2,029
		<b>224,177</b>	<b>122,905</b>
<b>Net income</b>		<b>197,967</b>	<b>333,279</b>
<b>Dividends paid</b>		<b>-</b>	<b>-</b>
<b>Retained earnings, beginning of the year</b>		<b>2,619,606</b>	<b>2,688,878</b>
<b>Retained earnings, end of quarter</b>		<b>\$2,817,573</b>	<b>\$3,022,157</b>

*See accompanying notes to unaudited interim consolidated financial statements.*

**PREMIER COMMERCIAL REAL ESTATE INVESTMENT CORPORATION LIMITED**

**UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the quarter ended March 31, 2012

(With comparative figures for the quarter ended March 31, 2011)

(Expressed in Bahamian Dollars)

	2012	2011
<b>Income</b>		
Rental income	\$300,976	\$340,180
Less: Common area maintenance expense	(78,680)	(119,014)
Other income	1,821	43
	<b>224,117</b>	<b>221,209</b>
<b>Expenses</b>		
Interest and bank charges	14,843	17,021
Property management fee	14,414	16,413
Administration fees	9,550	9,550
Directors' fees	7,500	8,057
Licenses and Permits	4,985	7,609
Consulting, legal and advisory	4,500	4,875
Depreciation	3,903	-
Professional fees	2,150	1,750
Others	28	1,929
	<b>61,873</b>	<b>67,204</b>
<b>Net income</b>	<b>162,244</b>	<b>154,005</b>
<b>Dividends paid</b>	<b>-</b>	<b>-</b>
<b>Retained earnings, beginning of quarter</b>	<b>2,655,329</b>	<b>2,868,152</b>
<b>Retained earnings, end of quarter</b>	<b>\$2,817,573</b>	<b>\$3,022,157</b>

See accompanying notes to unaudited interim consolidated financial statements.

**PREMIER COMMERCIAL REAL ESTATE INVESTMENT CORPORATION LIMITED**  
**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the quarter ended March 31, 2012

**1. GENERAL INFORMATION**

Premier Commercial Real Estate Investment Corporation Limited ("the Fund") was incorporated under the laws of The Commonwealth of The Bahamas on February 4, 2003. On February 10, 2003, the Fund was granted a Mutual Fund license under the Investment Fund Act, 2003 which supersedes the Mutual Funds Act, 1995. The Fund operates as a closed-end investment fund. On July 9, 2003, the Fund was given approval for listing on the Bahamas International Securities Exchange (BISX) with the objective of spreading its risk by investing in a diverse portfolio of commercial real estate properties in The Bahamas with long-term leases to first class tenants.

The Fund has two subsidiaries, which it owns 100%: (1) the First Commercial Centre Limited (FCCL) which was incorporated under the laws of The Commonwealth of The Bahamas on December 2, 1996; and (2) the Oakes Central Properties (2003) Limited which was incorporated on May 9, 2003.

The Fund's registered office is located at Equity Trust Bahamas Limited, de la Plaine House #28 Parliament Street, Nassau, Bahamas.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of preparation

These unaudited interim consolidated financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. These unaudited interim consolidated financial statements comply with IAS 34 (Amended): "Interim Financial Reporting".

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent company, using consistent accounting policies. All intercompany balances and transactions are fully eliminated.

Use of estimates

The Fund uses accounting estimates and assumptions in the preparation of these unaudited interim consolidated financial statements. Although these estimates are based on management's best knowledge of current events and transactions, actual results may ultimately differ from those estimates. The effect of any changes in estimates will be recorded in the Fund's financial statements when determinable. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income and expenses

Rental income as well as expenses are generally recognized on an accrual basis when the service has been provided.

#### Investment properties

Investment properties are initially recorded at cost, which approximates their transaction value. At each balance sheet date, the Fund will make its best effort to determine the fair value of its investment properties, with any resulting gains or losses to be included in the consolidated statement of comprehensive income.

#### Equipment

Equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight line method over five years, which approximates its estimated useful life.

### 3. CASH AND CASH EQUIVALENTS

This account is consist of:

	2012	2011
CIBC First Carribean International Bank (FCIB) - Bahamian Dollar	\$347,912	\$54,552
CIBC First Carribean International Bank (FCIB) - Time Deposit	6,394	6,239
	<b>\$354,306</b>	<b>\$60,791</b>

### 4. DUE FROM PROPERTY MANAGER

The Fund has contracted Commercial Domicile Management (CDM) for the property management services including tenant billing, collection of rent and management of expenses. For this, CDM receives an annual fee of \$57,654.

CDM maintains a checking account with CIBC FCIB under its name to service the Fund's expenses. As at March 31, 2012, cash balance under this account is \$1,867 (2011: \$29,193).

### 5. RENTS AND RECHARGES RECEIVABLES

This account is consist of:

	2012	2011
ABC Company, Inc.	\$45,271	\$20,867
Moss and Associates	30,677	10,226
First Carribean International Bank	27,415	29,616
Argus Advisors	22,827	11,743
Carribean Bottling	6,378	100,632
Central Bank of the Bahamas	(1,681)	(1,199)
Smit-Lloyd (Antillean) NV, Ltd.	-	(2,500)
Graham Thompson	-	(2,555)
	<b>\$130,887</b>	<b>\$166,830</b>

On March 22, 2012, Smit-Lloyd vacated their space.

## 6. INVESTMENT PROPERTIES

Appraised value of the investment properties are as follows:

	2011	2010
First Commercial Centre - Freeport	\$9,360,000	\$9,500,000
Caribbean Bottling Company - Thompson Blvd. Plant, Nassau	5,650,000	6,180,000
Caribbean Bottling Company - Distribution Centre, Freeport	700,000	800,000
	<b>\$15,710,000</b>	<b>\$16,480,000</b>

The above valuations are performed by H.G. Christie Ltd., an independent appraiser, utilizing both the cost approach and income capitalization approach as of December 16, 2011 (Nassau property) and December 12, 2011 (Freeport properties).

## 7. ADVANCE RENT

This pertains to the first month rent of Okyanos Operating Company, Ltd. which started its occupancy on January 1, 2012. Said rent will be applied after the six months free rent entitlement of Okyanos.

## 8. SECURITY DEPOSITS FROM TENANTS

The Fund holds the following security deposits on behalf of its two subsidiaries:

	2012	2011
Oakes Central Properties (2003) Limited	\$47,127	\$47,127
First Commercial Center Limited	85,017	25,703
	<b>\$132,144</b>	<b>\$72,830</b>

## 9. CREDIT FACILITIES

The Fund has a credit facility with CIBC FCIB totaling \$5,800,000 granted in September 2003 and collateralized by the Fund's investment properties. The Facility bears an annual interest at US \$ LIBOR rate + 1.75%. As at March 31, 2012, carrying value of the loan is \$2,423,039 (2011: \$2,783,075).

On January 31, 2012, the Central Bank of The Bahamas approved the Fund's foreign exchange request to service the loan for the year 2012 totaling \$449,379.72.

## **10. SHARE CAPITAL**

The Fund's authorised share capital comprises 30,000,000 ordinary shares of \$0.01 par value each. The Fund's issued and fully paid capital is \$10,828,850 comprising of 1,082,885 shares at \$10 per share. The shares of the Fund are closely held.

The minimum initial subscription that will be accepted from a new investor is \$100,000 with minimum additional increments of \$50,000. The Board of Directors may, in their absolute discretion, by giving not less than ten business days notice to any holder of shares, effect the compulsory redemption of all (but not some) of the shares. There were no subscriptions or redemptions of shares during the period. No dividends were declared as well.

## **11. PROPERTY MANAGER'S COMMISSIONS**

This account refers to the commissions received by the property manager in relation to the following:

- a. Ten (10) year lease renewal with CIBC FCIB (\$82,848);
- b. Capital improvements at FCCL / installation of new chiller system (\$8,500); and
- c. Insurance recoveries for the damages caused by power outages and mold infestation (\$5,000).