



**Premier Commercial Real Estate
Investment Corporation Limited**

**Unaudited Interim Consolidated Financial Statements
For the quarter ended June 30, 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 June 30, 2012

(With comparative figures as at June 30, 2011)

(Expressed in Bahamian Dollars)

	Note	2012	2011
Assets			
Cash and cash equivalents	3	\$261,597	\$178,680
Due from property manager	4	10,742	45,568
Other assets		14,225	20,225
Rents and recharges receivables	5	146,122	101,425
Equipment (net)		66,993	68,270
Investment properties	6	15,710,000	16,480,000
		\$16,209,679	\$16,894,168
Liabilities			
Accrued expenses and other payables		\$114,606	\$88,197
Advance rent	7	42,509	-
Security deposits from tenants	8	132,144	49,628
Credit facilities	9	2,332,385	2,693,670
		2,621,644	2,831,495
Equity			
Share capital	10	10,828,850	10,828,850
Retained earnings		2,759,185	3,233,823
		13,588,035	14,062,673
		16,209,679	\$16,894,168
Net assets attributable to holders of non-redeemable participating ordinary shares		\$13,588,035	\$14,062,673
Net Assets Value Per Share			
Attributable to participating ordinary shares (based on 1,082,885 shares outstanding)		\$12.55	\$12.99

See accompanying notes to unaudited interim consolidated financial statements.

Approved by The Board on _____, 2012:

Director

Director

PREMIER COMMERCIAL REAL ESTATE INVESTMENT CORPORATION LIMITED

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended June 30, 2012

(With comparative figures for the nine months ended June 30, 2011)

(Expressed in Bahamian Dollars)

	Note	2012	2011
Income			
Rental income		\$898,446	\$989,227
Less: Common area maintenance expense		(264,836)	(289,157)
Other income		1,999	131
		635,609	700,201
Expenses			
Property manager's commissions	11	234,979	-
Consulting, legal and advisory	12	89,000	(6,357)
Interest and bank charges		45,079	48,511
Property management fee		39,939	39,600
Administration fees		30,550	28,650
Directors' fees		22,949	24,680
Licenses and Permits		16,294	11,501
Depreciation		11,057	1,157
Professional fees		5,880	5,485
Others		303	2,029
		496,030	155,256
Net income		139,579	544,945
Dividends paid		-	-
Retained earnings, beginning of the year		2,619,606	2,688,878
Retained earnings, end of quarter		\$2,759,185	\$3,233,823

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 June 30, 2012

(With comparative figures for the quarter ended June 30, 2011)

(Expressed in Bahamian Dollars)

	2012	2011
Income		
Rental income	\$295,285	\$314,163
Less: Common area maintenance expense	(81,956)	(70,189)
Other income	136	43
	213,465	244,017
Expenses		
Property manager's commissions	138,631	-
Consulting, legal and advisory	79,500	(15,732)
Interest and bank charges	13,948	15,440
Property management fee	11,613	9,275
Administration fees	9,550	9,550
Directors' fees	7,949	8,548
Licenses and Permits	5,010	2,363
Depreciation	3,902	1,157
Professional fees	1,750	1,750
	271,853	32,351
Net income	(58,388)	211,666
Dividends paid	-	-
Retained earnings, beginning of quarter	2,817,573	3,022,157
Retained earnings, end of quarter	\$2,759,185	\$3,233,823

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 June 30, 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	\$255,183	\$172,399
CIBC First Carribean International Bank (FCIB) - Time Deposit	6,414	6,281
	\$261,597	\$178,680

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 June 30, 2012, cash balance under this account is \$10,742 (2011: \$45,568).

5. RENTS AND RECHARGES RECEIVABLES

This account is consist of:

	2012	2011
ABC Company, Inc.	\$51,730	\$23,136
Moss and Associates	35,790	25,564
Argus Advisors	28,289	17,615
First Carribean International Bank	25,616	29,616
Carribean Bottling	6,378	6,378
Central Bank of the Bahamas	(1,681)	(1,198)
Smit-Lloyd (Antillean) NV, Ltd.	-	314
	\$146,122	\$101,425

On March 22, 2012, Smit-Lloyd vacated their space. Moreover, Argus Advisors sent a notice to terminate its tenancy effective July 31, 2012.

6. INVESTMENT PROPERTIES

Appraised value of the investment properties are as follows:

	2012	2011
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
	\$15,710,000	\$16,480,000

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	2,501
	\$132,144	\$49,628

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 June 30, 2012, carrying value of the loan is \$2,332,385 (2011: \$2,693,670).

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.

On June 28, 2012, Pisari Investments Ltd. sold its 487 shares to Royal Fidelity Merchant Bank and Trust Limited.

11. PROPERTY MANAGER'S COMMISSIONS

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

- a. Ten year lease with new tenant, Okyanos Operating Company Ltd. (\$138,631);
- b. Ten (10) year lease renewal with CIBC FCIB (\$82,848);
- c. Capital improvements at FCCL / installation of new chiller system (\$8,500); and
- d. Insurance recoveries for the damages caused by power outages and mold infestation (\$5,000).

There is a proportionate and reasonable claw back provision on all lease commissions and fees earned by the property manager in the event any tenancy related to such commission and fees does not go to full term.

12. CONSULTING, LEGAL AND ADVISORY

This account is composed of the following:

- a. Provision for the security for costs in relation to the interpleader proceedings between The Fund, Globe-X Management Limited and Olympus Uninvest Limited (\$75,000); and
- b. Accrual of audit fees for the year ended September 30, 2012 (\$14,000)