



**Premier Commercial Real Estate
Investment Corporation Limited**

**Unaudited Interim Consolidated Financial Statements
For the Quarter ended December 31, 2011**

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

PREMIER COMMERCIAL REAL ESTATE INVESTMENT COMMERCIAL LIMITED

TABLE OF CONTENTS

	Page
Unaudited Interim Consolidated Statement of Financial Position	1
Unaudited Interim Consolidated Statement of Comprehensive <i>(Year-to-date)</i>	2
Unaudited Interim Consolidated Statement of Comprehensive <i>(Quarter-end)</i>	3
Notes to Unaudited Interim Consolidated Financial Statements	4 - 6

PREMIER COMMERCIAL REAL ESTATE INVESTMENT CORPORATION LIMITED

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2011

(With comparative figures as at December 31, 2010)

(Expressed in Bahamian Dollars)

	Note	2011	2010
Assets			
Cash and cash equivalents	3	\$149,226	\$64,396
Due from property manager	4	30,386	69,750
Other assets		15,500	9,500
Rents and recharges receivables	5	115,835	65,183
Equipment (net)		74,798	-
Investment properties	6	15,710,000	16,480,000
		16,095,745	16,688,829
Liabilities			
Accrued expenses and other payables		47,443	47,118
Security deposits from tenants	7	49,628	72,830
Credit facilities	8	2,514,495	2,871,925
		2,611,566	2,991,873
Equity			
Share capital	9	10,828,850	10,828,850
Retained earnings		2,655,329	2,868,106
		13,484,179	13,696,956
		\$16,095,745	\$16,688,829
Net assets attributable to holders of non-redeemable participating ordinary shares		\$13,484,179	\$13,696,956
Net Assets Value Per Share			
Attributable to participating ordinary shares (based on 1,082,885 shares outstanding)		\$12.45	\$12.65

See accompanying notes to unaudited interim consolidated financial statements.

Approved by The Board:

Director

Director

PREMIER COMMERCIAL REAL ESTATE INVESTMENT CORPORATION LIMITED**UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****For the three months ended December 31, 2011****(With comparative figures for the three months months ended December 31, 2011)***(Expressed in Bahamian Dollars)*

	2011	2010
Income		
Rental income	\$302,185	\$334,883
Less: Common area maintenance expense	(104,200)	(99,954)
Interest income	43	46
	198,028	234,975
Expenses		
Property manager's commissions	96,348	-
Interest and bank charges	16,288	16,050
Property management fee	13,913	13,913
Administration fees	11,450	9,550
Directors' fees	7,500	8,074
Licenses and Permits	6,298	1,530
Consulting, legal and advisory	5,000	-
Depreciation	3,252	-
Professional fees	1,980	6,485
Others	276	100
	162,305	55,702
Net income	\$35,723	\$179,273
Dividends paid	-	-
Retained earnings, beginning of quarter	2,619,606	2,688,833
Retained earnings, end of quarter	2,655,329	2,868,106

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 December 31, 2011****(With comparative figures for the quarter ended December 31, 2010)***(Expressed in Bahamian Dollars)*

	2011	2010
Income		
Rental income	\$302,185	\$334,883
Less: Common area maintenance expense	(104,200)	(99,954)
Interest income	43	46
	\$198,028	234,975
Expenses		
Property manager's commissions	96,348	-
Interest and bank charges	16,288	16,050
Property management fee	13,913	13,913
Administration fees	11,450	9,550
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Professional fees	1,980	6,485
Others	276	100
	162,305	55,702
Net income	35,723	\$179,273
Dividends paid	-	-
Retained earnings, beginning of quarter	2,619,606	2,688,833
Retained earnings, end of quarter	2,655,329	2,868,106

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 December 31, 2011

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 Company 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 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.

3. CASH AND CASH EQUIVALENTS

This account is consist of:

	2011	2010
CIBC First Carribean International Bank (FCIB) - Bahamian Dolla	\$142,858	\$58,200
CIBC First Carribean International Bank (FCIB) - Time Deposit	6,368	6,196
	\$149,226	\$64,396

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 \$55,650, which will subsequently be revised in January 2012.

CDM maintains a checking account with CIBC FCIB under its name to service the Fund's expenses. As at December 31, 2011, cash balance under this account is \$30,386 (2010: \$69,750)

5. RENTS AND RECHARGES RECEIVABLES

This account is consist of:

	2011	2010
ABC Company, Inc.	\$42,254	\$26,780
First Carribean International Bank	29,616	29,616
Argus Advisors	23,225	11,743
Moss and Associates	15,339	5,113
Carribean Bottling	6,378	6,378
Smit-Lloyd (Antillean) NV, Ltd.	705	283
Central Bank of the Bahamas	(1,681)	(1,199)
Graham Thompson	-	(13,532)
	\$115,835	\$65,183

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
	\$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. SECURITY DEPOSITS FROM TENANTS

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

	2011	2010
Oakes Central Properties (2003) Limited	\$47,127	\$47,127
First Commercial Center Limited	2,501	25,703
	\$49,628	\$72,830

8. 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 December 31, 2011, carrying value of the loan is \$2,514,495 (2010: \$2,871,925).

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.

9. 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.