Property Mutual Fund

PRAETORIAN FUND

Consolidated Financial Statements

September 30, 2018

Trustees' Report

(for the year ended September 30, 2018)

The Trustees of the Praetorian Property Mutual Fund provides the following summary of the audited financial performance of the Funds for the last 12 months ending September 30, 2018.

As was discussed in a recent circular dated November 3, 2018, the Portfolio Managers took a decision post the report date to extend the fund for a further 12 months to November 2019, due to our inability to dispose of the remaining properties of the Fund.

However, it was noted that the sale of the largest remaining property, located in Barbados, is underway and expected to be concluded in the coming weeks. Following the sale, the Fund's Portfolio Managers will meet to make a decision on a further distribution to unitholders. Additionally, they continue to work towards the sale of the remaining properties.

Carver Trim
Trustee

Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	As at September 30 2018 $	2017 $
Assets		
Non-current assets		
Investment properties	36,972,773	38,646,138
	36,972,773	38,646,138
Current assets		
Rental income receivable	32,378,037	30,230,416
Other receivables	4,864,377	17,506,230
Investments at fair value through profit or loss	37,410,375	104,673,897
Cash at bank	5,360,946	2,506,693
	80,013,735	154,917,236
Total assets	116,986,508	193,563,374
Current liabilities		
Fees payable	--	199,855
Other payables	32,997,056	30,670,130
Units – Class B	200	200
	32,997,256	30,870,185
Total liabilities	32,997,256	30,870,185
Total net assets	83,989,252	162,693,189
Fund value		
Units – Class A	120,000,000	200,000,000
Accumulated deficit	(36,010,748)	(37,306,811)
Total fund value	83,989,252	162,693,189
Net asset value per unit	2.100	4.067

On December 21, 2018, the Trustees of the Praetorian Property Mutual Fund authorised these consolidated financial statements for issue.

Trustee   Trustee

Consolidated Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Year ended September 30 2018 $	2017 $
Income		
Interest	879,719	1,188,543
Dividend	113,279	321,832
Service charges	1,190,263	1,268,687
Rental income	1,535,973	3,581,408
Net foreign exchange gains	--	2,726,358
Realised gains from sale of financial assets	187,807	75,055
Total income	3,907,041	9,161,883
Expenses		
Realised losses from sale of investment properties	--	(966,127)
Market value depreciation in investment properties	(1,063,435)	(554,593)
Fees, commissions and service charges	(2,571,562)	(7,718,176)
Other administrative expenses	(25,097)	(49,938)
Fair value losses on financial assets	(222,686)	(27,541)
Net foreign exchange losses	(736,924)	--
Total expenses	(4,619,705)	(9,316,375)
Net investment loss before taxation	(712,664)	(154,492)
Taxation	2,008,727	(45,462)
Net investment income/(loss) after taxation	1,296,063	(199,954)
Total comprehensive income/(loss) for the year	1,296,063	(199,954)

Consolidated Statement of Changes in Net Assets

(Expressed in Trinidad and Tobago Dollars)

	Units $	Accumulated deficit $	Total $
Year ended September 30, 2018			
Balance at beginning of year	200,000,000	(37,306,811)	162,693,189
Repurchase of units	(80,000,000)	--	(80,000,000)
Total comprehensive income for the year	--	1,296,063	1,296,063
Balance at end of year	120,000,000	(36,010,748)	83,989,252
Year ended 30 September 2017			
Balance at beginning of year	200,000,000	(37,106,857)	162,893,143
Total comprehensive loss for the year	--	(199,954)	(199,954)
Balance at end of year	200,000,000	(37,306,811)	162,693,189

Consolidated Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Year ended September 30 2018 $	2017 $
Cash flows from operating activities		
Net investment loss before taxation	(712,664)	(154,492)
Adjustments:		
Interest income	(879,719)	(1,188,543)
Dividend income	(113,279)	(321,832)
Realised losses from sale of investment properties	--	966,127
Realised gains on sale of financial assets	(187,807)	(75,055)
Unrealised exchange loss/(gain) on investment properties	609,930	(2,301,590)
Foreign exchange gains	(122,590)	(186,485)
Net fair value losses on mutual funds	222,686	27,541
Market value depreciation in investment properties	1,063,435	554,593
Net investment loss before working capital changes	(120,008)	(2,679,736)
Decrease in receivables	10,493,841	31,315,519
Increase/(decrease) in payables	4,156,171	(36,434,347)
	14,530,004	(7,798,564)
Net taxation paid	(20,373)	(37,504)
	14,509,631	(7,836,068)
Interest received	880,110	1,187,240
Dividend received	113,279	321,832
Net cash flows generated from/ (used in) operating activities	15,503,020	(6,326,996)
Cash flows from investing activities		
Capitalised expenditure on investment properties	--	(8,039)
Proceeds from sale of investment properties	--	26,189,131
Proceeds on sale of investments	68,944,157	4,641,443
Purchase of investments	(1,671,673)	(24,419,907)
Net cash flows generated from investing activities	67,272,484	6,402,628
Cash flows from financing activities		
Repurchase of units	(80,000,000)	--
Net cash flows used in financing activities	(80,000,000)	--
Net increase in cash and cash equivalents	2,775,504	75,632
Cash and cash equivalents at beginning of year	2,506,693	2,417,351
Exchange gains on cash and cash equivalents	78,749	13,710
Cash and cash equivalents at end of year	5,360,946	2,506,693
Represented by:		
Cash at bank	5,360,946	2,506,693