

**Schedule 2  
FORM ECSRC - Q**

**(Select One)**

Quarterly Report For the period ended September 30, 2015

Issuer Registration Number: 345640

Grenreal Property Corporation Limited  
(Exact name of reporting issuer as specified in its charter)

Grenada, W.I.  
(Territory or jurisdiction of incorporation)

Melville Street, P.O. Box 1950, St. George's, Grenada, W.I.  
(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): + 1 473 435 8372

Fax number: + 1 473 435 8373

Email address: info@grenreal.com

(Former name, former address and former financial year, if changed since last report)  
Not applicable

(Provide information stipulated in paragraphs 1 to 8 hereunder)

**1. Financial Statements:**

S. attached I & E and Financial Position.

**2. Management's Discussion and Analysis of Financial Condition and Results of Operation**

**Results of Operations:**

Rental income for the third quarter of 2015 increased to EC\$2.77 compared to the prior period (EC\$ 2.74 million). Total income incl. service recharge, parking and other income also increased to EC\$3.18 million from 2014 EC\$3.13 million. The company gained new contracts this year which contributed to the small growth in total income. The granting of non- budgeted and seasonal discounts to distressed tenants is expected to continue to maintain the tenant rental pool.

Operational expenses remain unchanged at EC\$ 1.07 million, general expenses had a significant increase to EC\$1.44 million from 2014 (EC\$ 0.51 million). This increase is mainly due to the high professional service fees from the bank and debt restructuring costs.

Interest costs totaling EC\$1.95 million were slightly lower at 10% than that of the prior period quarter 2014 (EC\$2.17 million) in light of refinancing with new bankers.

The company recorded a gain for the nine month period ended September 2015 of EC\$11.8 million which stems from the debt restructuring gain EC\$13.09 million allocated to the profit and loss at date of the loan payoff.

Management continues to implement cost minimization measures and consider alternative strategies to generate growth in revenue.

#### **Balance Sheet and Cash Flows:**

The financial position has improved due to a higher fair market valuation of its properties coupled with the recent debt refinancing gain. The Company's equity position reflects this change with equity financing at 52% from 30% in 2014.

Trade receivables has decreased from EC\$0.66 million in 2014 to EC\$0.50 million and trade payables showed minimal change at EC\$2 million. The company continues to operate under cash flow constraints however we expect improved liquidity in line with the debt refinancing.

#### **Off Balance Sheet Arrangements:**

The Company does not have any off-balance sheet arrangements.

### **3. Disclosure of Risk Factor**

No additional risk factors to the ones already stated in the Prospectus dated June 30, 2008 (see attachment Risk Factors), occurred.

### **4. Legal Proceedings**

The Company is not involved in any ongoing legal proceedings other than using its legal rights to enforce compliance with the terms and conditions of the lease against a few tenants.

### **5. Changes in Securities and Use of Proceeds**

There have been no changes to number and type of securities since listing in July 2008.

## 6. Defaults upon Senior Securities

The Company never had any event of default before and since listing in July 2008.

## 7. Submission of Matters to a Vote of Security Holders

The following matters were submitted for voting and agreed upon at the shareholders meeting held Thursday the 9<sup>th</sup> of July 2015:

- i. Refinance debt EC\$37.3 million to EC\$24.4 million from FirstCaribbean International Bank Limited to Grenada Co-operative Bank Limited.
- ii. Amendment to the Articles of Incorporation to change the total number of directors from nine (9) to eleven (11).
- iii. Appointment of Directors, a new slate of directors was approved with the appointment of two additional members Mr. Richard Duncan and Mr. Fitzroy O'Neale and the resignation of Mr. Ambrose Phillip.
- iv. Reappointment of PKF as Auditors for the company.

## 8. Other Information

The Transfer of Mortgage from FirstCaribbean International Bank Limited was duly executed by all parties on the 30<sup>th</sup> day of September 2015 in settlement of the loan refinancing agreement.

## 9. Attachments

- Statement of Comprehensive Income & Expenditure
- Statement of Financial Position
- Statement of Cash Flow

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report.

CLASS	NUMBER
Ordinary Shares	7,662,598



### SIGNATURES

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Quarterly Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts, and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

Spencer Thomas

Name of Director:

RONALD HUGHES

SIGNED AND CERTIFIED

SIGNED AND CERTIFIED

Signature

Signature

24/11/15

01/12/15

Date

Date

Name of Chief Financial Officer:

Sukru Evrengun

SIGNED AND CERTIFIED

23/11/15

Date

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30th, SEPTEMBER 2015

	30-Sep 2015 EC\$	31-Dec 2014 EC\$	30-Sep 2014 EC\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investment property	61,790,500	61,790,500	57,923,000
Computers and Office furniture	100	945	2,422
	-	-	-
	<u>61,790,600</u>	<u>61,791,445</u>	<u>57,925,422</u>
<b>Current Assets</b>			
Inventory	-	-	1,994
Receivables and prepayments	503,673	548,029	655,991
Cash and cash equivalents	141,484	60,496	225,094
	<u>645,156</u>	<u>608,525</u>	<u>883,079</u>
<b>TOTAL ASSETS</b>	<u><b>62,435,756</b></u>	<u><b>62,399,970</b></u>	<u><b>58,808,501</b></u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Stated capital	25,365,000	25,365,000	25,365,000
Accumulated surplus	7,196,161	(4,611,143)	(7,867,926)
Total equity	<u>32,561,161</u>	<u>20,753,857</u>	<u>17,497,074</u>
<b>Non-Current Liabilities</b>			
Long term loan	23,371,576	32,531,451	34,035,969
Shareholders loan	1,705,900	1,611,505	1,563,781
<b>Current Liabilities</b>			
Trade and other payables	2,095,169	2,138,244	2,181,191
Amount due to related party	1,673,527	1,090,622	785,910
Short-term borrowings	1,028,424	4,274,291	2,744,576
Proposed building improvements	-	-	-
	<u>4,797,119</u>	<u>7,503,157</u>	<u>5,711,677</u>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<u><b>62,435,756</b></u>	<u><b>62,399,970</b></u>	<u><b>58,808,501</b></u>

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE  
FOR THE PERIOD JANUARY - SEPTEMBER 2015

	30-Sep 2015 EC\$	30-Sep 2014 EC\$
<b>INCOME</b>		
Net Rental Income - retail units + kiosks	2,777,462	2,738,799
Service re-charge	145,287	143,304
Parking	209,358	182,708
Other income	55,975	61,884
	<u>3,188,082</u>	<u>3,126,695</u>
Net gain from fair value on investment Property	-	-
	<u><b>3,188,082</b></u>	<u><b>3,126,695</b></u>
<b>EXPENSES</b>		
<b>Operational expenses</b>		
Insurance	240,829	242,268
Security	155,990	169,671
Janitorial Services	117,950	110,497
Marketing and Public Relations	15,849	15,447
Utilities	229,162	275,459
Property Management / Salaries	208,508	192,251
Parking lot	18,385	39,966
Maintenance and other costs	72,186	33,597
Office supplies	11,973	7,107
	<u>1,070,831</u>	<u>1,086,263</u>
<b>General expenses</b>		
Office Rent	39,933	39,933
Auditor Fees	13,500	18,749
Subscription ECCSR	15,247	17,253
Banking Fees	1,973	4,097
Penalties and Fines	2,046	11,612
Legal Fees (Corporate)	4,321	8,410
Directors Fees	10,200	38,200
Corporate Management Fee	75,000	123,750
Director's liability insurance	-	5,000
Professional Fees	1,281,534	246,743
	<u>1,443,755</u>	<u>513,747</u>
<b>Total operational and general expenses</b>	<u><b>2,514,586</b></u>	<u><b>1,600,011</b></u>
<b>Operating Income before interest and depreciation</b>	<u><b>673,496</b></u>	<u><b>1,526,684</b></u>
Deduct: Depreciation	845	2,535
Bad debt	1	1
Bank Interest	1,952,063	2,171,343
Finance Income	-	-
	<u><b>1,952,909</b></u>	<u><b>2,173,879</b></u>
Extraordinary Cost	<b>(13,086,716)</b>	-
<b>Profit for the year</b>	<u><b>11,807,303</b></u>	<u><b>(647,195)</b></u>

**GRENREAL PROPERTY CORPORATION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD SEPTEMBER 2015**

	30-Sep 2015 EC\$
<b>Cash Flow from Operating Activities</b>	
Profit for the period	11,807,303
Adjustments for:	
Depreciation	845
<b>Operating Cash Flow before working capital changes</b>	<u>11,808,148</u>
Inventory	-
Accounts receivable and prepayments	(87,525)
Accounts payable and accrued expenses	(10,630)
Amount due to related parties	796,288
Proposed building improvements	-
<b>Net Cash from Operating Activities</b>	<u>698,132</u>
<b>Cash Flow from Investing Activities</b>	
Additions to investment property	-
Purchase of Vehicle	-
Purchase of equipment	-
<b>Net Cash from Investing Activities</b>	<u>-</u>
<b>Cash Flow from Financing Activities</b>	
Net proceeds from long term borrowings	(12,456,757)
Net proceeds from short term borrowings	-
Shareholders' Loan	31,465
<b>Net Cash from Financing Activities</b>	<u>(12,425,292)</u>
<b>Net Change in Cash and Cash Equivalents</b>	<u>80,988</u>
<b>Cash and Cash Equivalents - Beginning of Period</b>	60,496
<b>Cash and Cash Equivalents - End of Period</b>	<u>141,484</u>