

**Schedule 2  
FORM ECSRC – OR**

(Select One)

**QUARTERLY FINANCIAL REPORT** for the period ended 31st MARCH 2018  
Pursuant to Section 98(2) of the Securities Act, 2001

**OR**

**TRANSITION REPORT**  
for the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Pursuant to Section 98(2) of the Securities Act, 2001  
(Applicable where there is a change in reporting issuer's financial year)

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)

**P.O. BOX 1950, MELVILLE STREET, ST. GEORGE, 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)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

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 Annual 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:

MR. DENNIS S.M. CORNWALL

SIGNED AND CERTIFIED

Signature

Date

26/04/2018

Name of Director:

MR. RONALD HUGHES / CHAIRMAN

SIGNED AND CERTIFIED

Signature

Date

26-04-2018

Name of Chief Financial Officer:

MR. SUKRU EVRENGUN - DEPUTY CHAIRMAN

SIGNED AND CERTIFIED

Signature

Date

26-4-2018

## **INFORMATION TO BE INCLUDED IN FORM ECSRC-OR**

### **1. Financial Statements**

Provide Financial Statements for the period being reported in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

- (a) Condensed Balance Sheet as of the end of the most recent financial year and just concluded reporting period.
- (b) Condensed Statement of Income for the just concluded reporting period and the corresponding period in the previous financial year along with interim three, six and nine months of the current financial year and corresponding period in the previous financial year.
- (c) Condensed Statement of Cash Flows for the just concluded reporting period and the corresponding period in the previous financial year along with the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
- (d) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

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

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim report.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

- 1. The quality of earnings;
- 2. The likelihood that past performance is indicative of future performance; and
- 3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures

**taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.**

### ***General Discussion and Analysis of Financial Condition***

Total Income for the quarter ended March 31st 2018 was EC\$1,146,694, (quarter ended March 31st 2017: EC\$1,115,315). The Total Income was higher for the period under review by 2.81 per cent. This results take into consideration the improvement in the occupancy level at the Mall .

Since the beginning of the year, Grenreal has had discussions with six (6) potential new tenants for the following : Office space on the second floor of the Bruce Street Mall, Diamond Internacional Company - a jewelry store, Herry Edwards Jewelry Store, a transfer of business from one tenant to another, Duty Free Caribbean - new product line of business, and a tenant that wish to set up a Pizza restaurant in the Esplanade Mall. Of the afore mentioned potential tenants, two (2) leases have already been signed and the others are in different stages of finalisation.

As at the quarter ended March 31st 2018, the four units formerly occupied by LIME were leased at a lower rental value to another tenants. Parking fees, Service Re-charge and other income were slightly higher for the quarter ended March 31st 2018 when compared to the quarter ended March 31st, 2017. The other income relates to some outstanding rent collected and revenue generated from the public washrooms where a user fee of EC\$1.00 is charged for use.

Operational expenses for the quarter ended March 31st 2018 was EC\$344,946 (quarter ended March 31st 2017: EC\$368,364), a decrease in cost by 6.63 %.

General expenses for the quarter ended March 31st 2018 was EC\$114,908, (quarter ended March 31st 2017: EC\$71,160 ), an increase in general expense by 61.48 per cent. Professional Fees associated with the Strategic and Financial Consultancy undertaken by Ernst and Young Services Limited on behalf of Grenreal Property Corporation Limited is part of that increase. The Board of Directors at the September 12th 2017 Board Meeting approved a contract for Ernst and Young Services Limited to provide Strategic and Financial Consultancy for Grenreal in order for the Company to restructure its operations going forward. The EC\$44,901 in professional Fees represent thirty-five (35%) of the total project cost of US\$42,000. This first payment only represent Mobilization Fee. Therefore, sixty-five (65%) of the Project cost is to be paid in two additional stages.

Profit for the quarter ended March 31st 2018 was EC\$1,377,496 compared to a profit of EC\$198,430 for the quarter ended 31st March 2017. Please note that EC\$1,158,167 was written back to the Income Statement for the 1st Quarter end 31st March 2018, representing Interest and Penalties on the (VAT Principal outstanding for the period January 2012 to February 2015) which was waived by the Government of Grenada by letter dated January 31st 2018. As indicated in previous reporting period, the Board and Management of Grenreal had requested a waiver of the Interest and Penalties on the VAT from Government.

Cost cutting measures implemented so far for the year as well as improved occupancy have also contributed to the profit for the period under review.

### **Liquidity and Capital Resources**

**Provide a narrative explanation of the following (but not limited to):**

- i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.**
- ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.**
- iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.**
- iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.**

- v) **Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.**
- vi) **Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.**
- vii) **The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.**
- viii) **The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.**
- ix) **Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.**

### ***Discussion of Liquidity and Capital Resources***

There have been some improvements in the cruise ship passengers arrivals and the number of cruise ship calls to Grenada in recent years. The new cruise ship season 2017/2018 commenced in October 2017. So far, the projections looks very promising. For instance, it is expected that there will be approximately 280 cruise ship calls, bringing 459,870 passengers and 169,422 crew members. (2016/2017 Cruise ship season actuals were approximately : 242 cruise ship calls and 309,199 passengers only. Please note that the 2017/2018 numbers are simply projections but the actual outcome is subject to change. For instance, the Grenada Tourism Authority has subsequently issued a Public Notice in October 2017 indicating that one of the cruise Lines in the 2017/2018 projections would not be available as previously indicated. That cruise line has been contracted by the Federal Emergency Management Authority (FEMA), United States Government to facilitate the relief efforts taking place in Puerto Rico and the Virgin Islands with the passage of hurricane Maria that devastated those islands.

Our tenants have not gotten back to the performance levels that existed prior to the crises period which started in 2008. However, everyone is hoping for a better performance during the 2017/2018 cruise ship season.

To improve and sustain the cash flow position, the company in the interim does not intend to increase rental rates. However, it is expected that the revenue will continue to gradually improve as more tenants come on board. It is also envisaged that if the cruise ship numbers are realised for the 2017/2018 period, the company may consider a gradual increase in rent. The current Strategic and Financial Consultancy undertaken by Ernst and Young Services Limited will also provide Management with guidance in improving the business model of the Company to deal with some of the difficulties experienced in the past.

Grenreal had to provide incentives in the form of discounts to tenants whose businesses depend on the cruise ship business for the most part. Some new and small tenants also received discounts in rent to maintain the current occupancy level in the mall.

Shareholders Liabilities have reduced slightly. In March 2018, a Payment Plan has been agreed upon between Grenreal and the Inland Revenue Department (IRD) to repay the outstanding VAT Principal in the sum of EC\$805,311.94. The VAT Interest and penalties payable to the Government for the period January 2012 to February 2015 have been 100% waived by the government. However, Grenreal has to liquidate the outstanding VAT Principal over a two year period in the monthly installments of EC\$35,000 until that VAT Principal liability is fully liquidated.

During that period (2011-2014), the company experienced difficulties since most tenants had difficulties in paying their rent on time. Some tenants did not pay the VAT due to Government for the period January 2012- February 2015 and some of that tax liability still remained outstanding. Grenreal had approached the Government of Grenada for a waiver on the Interest and Fines on the VAT principal outstanding. The Company has been making current VAT payment due to the Government since 2015 to present date.

The shareholders loans of approximately EC\$2.7 million as at December 31, 2017 continue to grow, since these loans do not have any specific repayment date. Interest rate on these loans are at ten (10) per annum. These loans were granted to the Company for varying reasons by some of the major shareholders.

In September 2015, Grenreal refinanced its Loan held with First Caribbean International Bank, and contracted a Syndicate Bond of EC\$24.4million from (Grenada Co-operative Bank Limited and the National Insurance Scheme, Grenada). This resulted in a lower interest cost for Grenreal going forward when compared to interest expenses paid on the First Caribbean International Bank in previous years. Interest rate on the Syndicate Bond is seven (7%) compared to the interest rate of 7.5% on the First Caribbean International Loan. In 2017, Grenreal again approached the Arrangers and the Trustee of the Syndicate Bond for a further restructuring of the Syndicate Bond. A decision is expected in the coming months since the Arrangers will be meeting on the matter in their May 2018 Board Meeting.

Generally, the economic conditions locally, regionally and international can impact the level of businesses that our tenants are able to generate. Some of these factors are outside the control of Grenreal. For instance, the Grenada Tourism Authority is responsible for promoting Grenada as a tourist destination. The level of resources earmarked for promotion of the country as well as the level of concessions afforded by the authorities have consequences for the success of the tourism industry. The spending power of our visitors is dependent on other factors not controlled by Grenreal.

### Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

- i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.
- ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.
- iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off-balance sheet arrangements.
- iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

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

## Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

- i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.
- ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.
- iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.
- v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.
- vi) Matters that will have an impact on future operations and have not had an impact in the past.
- vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations
- viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.
- ix) Performance goals, systems and, controls.

### *Overview of Results of Operations*

Since the start of the financial year 2018, the Company's objectives are to improve the occupancy level in the Mall, address long outstanding business issues and improving the Balance Sheet of the Company.

As at December 31 2017, the joint vacancy ratio in the Esplanade and Bruce Street Mall averaged 13 per cent. This vacancy level will impact positively during the valuation of the property for the period ended 31st December 2017. The gain or loss on the investment property will be reflected in the Audited Financial Statements for the period ended 31st December 2017.

The goal is to improve the occupancy level and to reduce the vacancy level in the mall to average (11%) by the end of 2018. At the end of March 2018, the joint vacancy ratio as a percentage of total floor space was 15%, while the vacancy of total rental units was 13.4%. A re-valuation of the property is conducted at the end of each financial year and the vacancy rate is one of the factors used in the re-valuation calculation. The valuation is normally done by an independent valuator.

During the first quarter 2018, three (3) new tenants have already signed new leases for units that they intend to occupy - Diamond Internacional Inc. and Kalaloo inc. in the Esplanade Mall and CBN Gaming - Office space in the Bruce Street Mall respectively. Two (2) other potential tenants are expected to come on board shortly. This situation is likely to further improve the occupancy level of the mall while at the same time lowering of the vacancy rate.

The successful operations of our tenants imply success for Grenreal's operations. However, the cruise ship season runs for six months (November - April), while the closed cruise season or slow period runs from May to October. In peak periods such as Christmas, Easter and Carnival the tenants may benefit from increased traffic from locals and returning nationals.

It should be noted that Grenada went through a Home Grown Structural Adjustment Programme in the past four (4) years. During that period, every sector had to make certain sacrifices for a positive outcome of the Programme. The Home Grown Structural Adjustment Programme impacted on tenants' business as well as customers' ability to shop or not.

Notwithstanding, the Home Grown Structural Adjustment Programme was a major success for the Government of Grenada. It is anticipated, that improved government activities and programmes could spur economic activities in the country going forward. If the projected growth in the cruise ship business materialises, then this could imply increased business for our tenants and improved cash flow for Grenreal.

Grenada is considered to be a stable country with improved GDP growth rate averaging 3.3% in the medium term, coming out of the Structural Adjustment Programme in the recent past. This also has implications for the business community as well as the general shopping public.



### 3. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

Risk factors that may impact on Grenreal's operations:

Nature of the real estate industry:

There is disparity in the availability of rental units in Grenada mainly due to location. There are existing shopping malls in Grenada that can be viewed as competitors of Grenreal. In terms of pricing they can have lower rates. However, Grenreal as the sole cruise passenger mall on the island retains a competitive edge.

Dependency on economic conditions:

Limited economic activity has an adverse impact on revenue collections. Grenada has experienced increases in GDP in 2017 and positive economic growth forecast in the medium term of 3.3%. At the end of the cruise season 2017/2018 tenants may have better results. Grenreal offers slow season discounts for duty free tenants and general discounts for non duty free tenants. in other to maintain the occupancy level. Going forward, the Company may introduce increase in rental charges with expected positive outcome in the cruise ship business.

Development of the tourism industry

The Grenada Tourism Authority (GTA) has earmarked 2017/2018 cruise season to have increased cruise passenger arrivals. This is expected to continue provided there is consistency in the approach of the GTA to actively engage cruise liners and the cruise liners continue to agree to include Grenada in their destination package. So far, the GTA are working hard at making needed improvements to the marketing of the destination of Grenada and to welcome cruise ship all year round instead of only during the six monthly cycle.

Liquidity risk

Grenreal can face difficulty in meeting its financial obligations in particular loan payments. The company as far as possible continues to mitigate same by ensuring sufficient resources are available when due, under both stressed and normal conditions. As part of receivables management tenants are actively engaged to comply with lease terms and conditions and granted discounts.

Changes in legislations

Grenada has implemented a structural adjustment program with increased taxation which has reduced the availability of disposal income, impacting negatively on the business owner and consumer. Grenreal is expected to continue with a depressed pricing strategy to sustain occupancy and attract potential tenants. However, going forward the Company may consider increasing rental rates in line with growth in the overall economy.

Operational risks

The possibility of deficiencies in company information and control systems, human error and disasters are assessed regularly and measured implemented to reduce same. In particular continuous upgrades to systems, supervisory control to minimize human error, insurance coverage for natural disasters and other policies where applicable.

#### **4. Legal Proceedings.**

A legal proceeding need only be reported in the ECSRC – OR filed for the period in which it first became a reportable event and in subsequent interim reports in which there have been material developments. Subsequent Form ECSRC – OR filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

The company is not involved in any ongoing legal proceedings.

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

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

There has not been any changes to the number and type of securities since the company's listing in July 2008

(a) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)

Not Applicable

- Offer closing date (provide explanation if different from date disclosed in the registration statement)

Not Applicable

- Name and address of underwriter(s)

Not Applicable

- Amount of expenses incurred in connection with the offer Not Applicable

- Net proceeds of the issue and a schedule of its use

Not Applicable

- Payments to associated persons and the purpose for such payments

Not Applicable

(c) Report any working capital restrictions and other limitations upon the payment of dividends.

Not Applicable

**6. Defaults upon Senior Securities.**

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 per cent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

The company never had any event of default before the securities listing in July 2008.

- (b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

Not Applicable

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

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.

Not Applicable

- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

Not Applicable

- (c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

Not Applicable

- (d) A description of the terms of any settlement between the registrant and any other participant.

Not Applicable

- (e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

Not Applicable

**8. Other Information.**

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report (used to report material changes), with respect to which information is not otherwise called for by this form, provided that the material change occurred within seven days of the due date of the Form ECSRC-OR report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC – OR report.

Mrs. Lindy McLeod, Financial Officer (Ag.), has replaced Ms. Maryam Abdul-Lateef as Financial Officer effective 30th April 2018. Ms. Abdul-Lateef resigned from the Position of Financial Officer effective 30th April 2018.

**GRENREAL PROPERTY CORPORATION LIMITED**

**CONDENSED STATEMENT OF FINANCIAL POSITION AS AT**

	<b>Unaudited 31-Mar 2018 EC\$</b>	<b>Unaudited 31-Dec 2017 EC\$</b>	<b>Unaudited 31-Mar 2017 EC\$</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investment property	65,956,100	65,956,100	65,956,100
Computers and Office furniture	30,268	33,659	38,244
	-	-	-
	<b>65,986,368</b>	<b>65,989,759</b>	<b>65,994,344</b>
<b>Current Assets</b>			
Inventory	-	-	-
Receivables and prepayments	228,113	400,461	605,597
Cash and cash equivalents	1,253,827	833,683	736,684
	1,481,940	1,234,144	1,342,281
<b>TOTAL ASSETS</b>	<b>67,468,308</b>	<b>67,223,903</b>	<b>67,336,625</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Stated capital	25,365,000	25,365,000	25,365,000
Accumulated surplus	11,823,428	10,561,605	10,714,349
Total equity	37,188,428	35,926,605	36,079,349
<b>Non-Current Liabilities</b>			
Long term loan	24,400,000	24,400,000	24,400,000
Shareholders loan	2,732,273	2,691,834	2,557,439
	27,132,273	27,091,834	26,957,439
<b>Current Liabilities</b>			
Trade and other payables	1,788,403	2,886,254	3,033,120
Amount due to related party	1,359,204	1,319,211	1,266,717
Short-term borrowings	-	-	-
	3,147,607	4,205,464	4,299,837
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>67,468,308</b>	<b>67,223,903</b>	<b>67,336,625</b>

**GRENREAL PROPERTY CORPORATION LIMITED**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE**

	<b>Unaudited Quarter Ended</b>		<b>Unaudited Three Months Ended</b>	
	<b>31-Mar 2018 EC\$</b>	<b>31-Mar 2017 EC\$</b>	<b>31-Mar 2018 EC\$</b>	<b>31-Mar 2017 EC\$</b>
<b>INCOME</b>				
Net Rental Income - retail units + kiosks	1,014,036	987,957	1,014,036	987,957
Service re-charge	49,372	47,639	49,372	47,639
Parking	47,002	49,615	47,002	49,615
Other income	36,284	30,105	36,284	30,105
	<u>1,146,694</u>	<u>1,115,315</u>	<u>1,146,694</u>	<u>1,115,315</u>
Net gain from fair value on investment Property	-	-	-	-
	<u><b>1,146,694</b></u>	<u><b>1,115,315</b></u>	<u><b>1,146,694</b></u>	<u><b>1,115,315</b></u>
<b>EXPENSES</b>				
<b>Operational expenses</b>				
Insurance	67,367	80,276	67,367	80,276
Security	57,408	56,026	57,408	56,026
Janitorial Services	38,992	37,756	38,992	37,756
Marketing and Public Relations	-	10,477	-	10,477
Utilities	68,267	69,334	68,267	69,334
Property Management / Salaries	77,935	66,481	77,935	66,481
Parking lot	6,919	7,804	6,919	7,804
Maintenance and other costs	26,295	37,417	26,295	37,417
Office supplies	1,763	2,792	1,763	2,792
	<u>344,946</u>	<u>368,364</u>	<u>344,946</u>	<u>368,364</u>
<b>General expenses</b>				
Office Rent	13,311	13,311	13,311	13,311
Auditor Fees	6,000	6,000	6,000	6,000
Subscription ECCSR	1,541	4,625	1,541	4,625
Banking Fees	487	724	487	724
Legal Fees (Corporate)	460	-	460	-
Directors Fees	12,500	13,500	12,500	13,500
Corporate Management Fee	30,000	30,000	30,000	30,000
Director's liability insurance	5,709	-	5,709	-
Professional Fees	44,901	3,000	44,901	3,000
	<u>114,908</u>	<u>71,160</u>	<u>114,908</u>	<u>71,160</u>
<b>Total operational and general expenses</b>	<u><b>459,854</b></u>	<u><b>439,524</b></u>	<u><b>459,854</b></u>	<u><b>439,524</b></u>
<b>Operating Income before interest and depreciation</b>	<u><b>686,840</b></u>	<u><b>675,791</b></u>	<u><b>686,840</b></u>	<u><b>675,791</b></u>
Deduct: Depreciation	2,525	1,500	2,525	1,500
Bad debt	-	-	-	-
Bank Interest	464,986	475,862	464,986	475,862
Interest and fines waived	(1,158,167)	-	(1,158,167)	-
Finance Income	-	-	-	-
	<u>(690,656)</u>	<u>477,362</u>	<u>(690,656)</u>	<u>477,362</u>
<b>Profit for the year</b>	<u><b>1,377,496</b></u>	<u><b>198,430</b></u>	<u><b>1,377,496</b></u>	<u><b>198,430</b></u>



**GRENREAL PROPERTY CORPORATION LIMITED**

**CONDENSED STATEMENT OF CASH FLOWS**

	Unaudited		Unaudited	
	Quarter Ended		Three Months Ended	
	31-Mar	31-Mar	31-Mar	31-Mar
	2018	2017	2018	2017
	EC\$	EC\$	EC\$	EC\$
<b>Cash Flow from Operating Activities</b>				
Profit for the period	1,377,496	198,430	1,377,496	198,430
Adjustments for:				
Depreciation	2,525	1,500	2,525	1,500
<b>Operating Cash Flow before working capital changes</b>	<b>1,380,021</b>	<b>199,930</b>	<b>1,380,021</b>	<b>199,930</b>
Inventory	-	-	-	-
Accounts receivable and prepayments	168,360	(18,609)	168,360	(18,609)
Accounts payable and accrued expenses	(1,202,646)	(71,990)	(1,202,646)	(71,990)
Amount due to related parties	39,994	(35,192)	39,994	(35,192)
Proposed building improvements	-	-	-	-
<b>Net Cash from Operating Activities</b>	<b>385,730</b>	<b>74,138</b>	<b>385,730</b>	<b>74,138</b>
<b>Cash Flow from Investing Activities</b>				
Additions to Investment property	-	-	-	-
Purchase of vehicle	-	-	-	-
Purchase of equipment	(6,025)	-	(6,025)	-
<b>Net Cash from Investing Activities</b>	<b>(6,025)</b>	<b>-</b>	<b>(6,025)</b>	<b>-</b>
<b>Cash Flow from Financing Activities</b>				
Net proceeds from long term borrowings	-	-	-	-
Shareholders' Loan	40,439	19,214	40,439	19,214
<b>Net Cash from Financing Activities</b>	<b>40,439</b>	<b>19,214</b>	<b>40,439</b>	<b>19,214</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>420,144</b>	<b>93,353</b>	<b>420,144</b>	<b>93,353</b>
<b>Cash and Cash Equivalents - Beginning of Period</b>	<b>833,682</b>	<b>643,318</b>	<b>833,682</b>	<b>643,318</b>
<b>Cash and Cash Equivalents - End of Period</b>	<b>1,253,826</b>	<b>736,671</b>	<b>1,253,826</b>	<b>736,671</b>

## **NOTES TO THE CONDENSED FINANCIAL STATEMENTS ENDED 31ST MARCH 2018**

### **1 Corporate Information**

Grenreal Property Corporation Limited formerly St. George's Cruise Terminal Limited was incorporated on August 27th, 2004 under the Grenada Companies Act 1994 and commenced operations on April 14, 2005. Grenreal was established to undertake the revitalization and operations of a shopping Centre with duty free facilities adjacent to the new Cruise Ship Port complex in St. George's. In 2007 Grenreal, in accordance with Sect 219 (225) of the Company's Act 1994, entered into an amalgamation agreement with Bruce Street Commercial Complex Limited, the owners of the Jan Bosch Building, a commercial center located adjacent to the port complex in St, George's.

Following the amalgamation Grenreal continued to operate under the same name and was listed on the Eastern Caribbean Securities Exchange on July 21, 2008. The registered office is situated at Melville Street St. Georges in the Jan Bosch Building.

### **2 Basis of Preparation**

The interim financial statements for the period ended 31st March 2018 has been prepared in accordance with IAS 34 'Interim Financial Reporting' and should be reviewed in conjunction with the annual audited financial statements for the year ended 31st December 2017 subject to submission to the ECSRC.

### **3 Significant Accounting Policies**

The accounting policies adopted in the preparation of the interim financial statements are consistent with the International Financial Reporting Standards (IFRS) followed in the preparation of the annual financial statements for the year ended December 31st 2016.

The preparation of financial statements using IFRS requires the use of certain critical accounting estimates, assumptions and management's judgement in the process of applying the Company's accounting policies.

In preparing these interim financial statements management has exercised their judgement, made estimates and assumptions that affect the application of accounting policies and by extension the amounts reported as assests, liabilities, income and expenses. The significant judgements, estimates and assumptions made are similar to those applied in the interim financial statements and those of the previous financial year ended.