

**Schedule 2  
FORM ECSRC – OR**

(Select One)

**QUARTERLY FINANCIAL REPORT** for the period ended March 31, 2017  
Pursuant to Section 98(2) of the Securities Act, 2001

**OR**

**TRANSITION REPORT**  
for the transition period from January 2017 to March 2017  
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'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

Not Applicable

(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

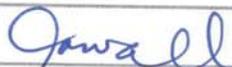
**SIGNATURES**

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:

Dennis S.M. Cornwall



Signature

27/6/2017

Date

Name of Director:

Ronald Hughes



Signature

27/06/2017

Date

Name of Chief Financial Officer:

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

## 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*

Revenue for January to March 2017 was EC\$1,115,314.60 or 4.18 % more than the Budgeted figure of EC\$1,070,550.00, but lower the revenue of EC\$1,194,181 or 7% less than for 2016.

Total income for March 2017 was EC\$369,529.23 compared to EC\$398,794.78 for the same period in 2016, a decline in revenue of 7.34 %.

Indications are that the revenue performance will be around the same level when compared to the 2016 results. Overall vacancy is at December 31, 2016 was 19%, however, there are signs that the occupancy level will increase during the year 2017.

Total Operating expenses of EC\$370,409 as at March 2017 were lower than the EC\$445,963 as at March 2016. Maintenance cost on the Bruce Street Mall (Dr. Jan Bosh Building) in 2016 were much higher due to repairs to the roof and to treat with some issues.

The profit of EC\$196,398 as at March 2017 was lower than the EC\$213,774 achieved for March 2016.

### 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*

The company main source of revenue is derived from rental income approximately 90%, while 10 % from other indirect services. There is a dependence on the cruise ship sector during the peak season and the retail sector all year round. There is signs of economic turnaround in the economy, although not at the level prior to the Financial crises which began in 2008. Grenada has recently completed its Home Grown Structural Adjustment Program and has received positive feedback from the International Monetary Fund. It is anticipated that the tourism sector as well as the overall economic performance of the country will improve in the medium term.

To improve and sustain the cash flow position apart from the benefits derived from the debt restructuring in 2015, the company in the interim does not intend to increase rental rates to keep the steady stream of cash flow inflows.

The company has gradually improved the tenancy base to ensure the retail shopping outlet are not monopolised by product base businesses and includes more service based operations. The rental arrears are more manageable in comparison to previous years as we have improved management of the the receivable and payables.

### 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*

The Balance sheet declined slightly due to lower fair market value valuation of the property. The value of the property has decreased from the December 2015 assessment by EC\$996,800 or 1.5% mainly due to the lower occupancy level in the Dr. Jan Bosh Building. Currently there are ongoing discussions with at least three potential new tenants that will increase the occupancy level in the Mall.

The expected strong performance of the Tourism Sector and the stabilisation of the economy should see sustained property values going forward.

The company loan to value ratio at 36% has improved due to the debt restructuring of 2015.

Trade receivables has decreased, trade and other payables remains low, and interest cost are lower. The overall cash flow position has improved and management continues to have tight control to meet the working capital needs of the company.

**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.

No additional risk factors to the ones already stated in the Prospectus dated June 30, 2008. In addition, the company continues to monitor its risk on an ongoing basis and take necessary measures to minimise potential problems.

#### **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 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)

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

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- Name and address of underwriter(s)

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- Amount of expenses incurred in connection with the offer

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

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- Payments to associated persons and the purpose for such payments

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

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**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.

There were no material changes during the first Quarter of 2017.

**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.

No Shareholders or special meeting has taken place in the first Quarter of 2017.

- (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.

Not Applicable

**GRENREAL PROPERTY CORPORATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2017**

	<b>31-Mar 2017 EC\$</b>	<b>31-Dec 2016 EC\$</b>	<b>31-Mar 2016 EC\$</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investment property	65,956,100	65,956,100	66,952,900
Computers and Office furniture	38,244	39,744	1,741
	-	-	-
	<u>65,994,344</u>	<u>65,995,844</u>	<u>66,954,641</u>
<b>Current Assets</b>			
Inventory	-	-	-
Receivables and prepayments	605,597	594,907	406,216
Cash and cash equivalents	736,684	643,319	379,021
	<u>1,342,281</u>	<u>1,238,225</u>	<u>785,237</u>
<b>TOTAL ASSETS</b>	<b><u>67,336,625</u></b>	<b><u>67,234,070</u></b>	<b><u>67,739,878</u></b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Stated capital	25,365,000	25,365,000	25,365,000
Accumulated surplus	<u>10,714,349</u>	<u>10,520,054</u>	<u>12,474,515</u>
Total equity	<u>36,079,349</u>	<u>35,885,054</u>	<u>37,839,515</u>
<b>Non-Current Liabilities</b>			
Long term loan	24,400,000	24,400,000	24,400,000
Shareholders loan	<u>2,557,439</u>	<u>2,538,225</u>	<u>2,368,829</u>
<b>Current Liabilities</b>			
Trade and other payables	3,033,120	3,108,882	2,107,025
Amount due to related party	1,266,717	1,301,909	1,024,509
Short-term borrowings	-	-	-
	<u>4,299,837</u>	<u>4,410,791</u>	<u>3,131,534</u>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b><u>67,336,625</u></b>	<b><u>67,234,070</u></b>	<b><u>67,739,878</u></b>
	-	-	-

**GRENREAL PROPERTY CORPORATION LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE  
FOR THE PERIOD JANUARY - MARCH 2017**

<b>INCOME</b>	<b>31-Mar 2017 EC\$</b>	<b>31-Mar 2016 EC\$</b>
Net Rental Income - retail units + kiosks	987,957	1,041,340
Service re-charge	47,639	48,654
Parking	49,615	68,854
Other income	30,105	35,333
	1,115,315	1,194,181
Net gain from fair value on investment Property	-	-
	<b>1,115,315</b>	<b>1,194,181</b>
 <b>EXPENSES</b>		
<b>Operational expenses</b>		
Insurance	80,276	80,726
Security	56,026	55,776
Janitorial Services	37,683	37,479
Marketing and Public Relations	10,477	4,416
Utilities	68,420	83,882
Property Management / Salaries	66,481	64,342
Parking lot	7,804	6,719
Maintenance and other costs	40,450	107,176
Office supplies	2,792	5,448
	370,409	445,963
<b>General expenses</b>		
Office Rent	13,311	13,311
Auditor Fees	6,000	4,500
Subscription ECCSR	4,625	4,753
Banking Fees	710	711
Legal Fees (Corporate)	-	-
Directors Fees	13,500	15,200
Corporate Management Fee	30,000	37,500
Professional Fees	3,000	-
	71,146	75,975
<b>Total operational and general expenses</b>	<b>441,555</b>	<b>521,938</b>
<b>Operating Income before interest and depreciation</b>	<b>673,760</b>	<b>672,243</b>
Deduct: Depreciation	1,500	1,227
Bad debt	-	-
Bank Interest	429,000	425,830
Finance Cost/ Income	46,862	31,412
	<b>477,362</b>	<b>458,469</b>
<b>Profit for the year</b>	<b>196,398</b>	<b>213,774</b>

**GRENNREAL PROPERTY CORPORATION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD MARCH 2017**

	<b>31-Mar 2017 EC\$</b>
<b>Cash Flow from Operating Activities</b>	
Profit for the period	196,398
Adjustments for:	
Depreciation	1,500
Gain on Revaluation of investment property	-
<b>Operating Cash Flow before working capital changes</b>	<u><b>197,898</b></u>
Inventory	-
Accounts receivable and prepayments	(10,688)
Accounts payable and accrued expenses	(77,868)
Amount due to related parties	(35,192)
Proposed building improvements	-
<b>Net Cash from Operating Activities</b>	<u><b>74,151</b></u>
<b>Cash Flow from Investing Activities</b>	
Additions to Investment property	-
Purchase of vehicle	-
Purchase of Fixtures and Fittings	-
<b>Net Cash from Investing Activities</b>	<u><b>-</b></u>
<b>Cash Flow from Financing Activities</b>	
Net proceeds from long term borrowings	-
Shareholders' Loan	19,214
<b>Net Cash from Financing Activities</b>	<u><b>19,214</b></u>
<b>Net Change in Cash and Cash Equivalents</b>	<u><u><b>93,365</b></u></u>
<b>Cash and Cash Equivalents - Beginning of Period</b>	<b>643,319</b>
<b>Cash and Cash Equivalents - End of Period</b>	<u><u><b>736,684</b></u></u>