

Schedule 2
FORM ECSRC - Q

(Select One)

Quarterly Report For the period ended March 31, 2014

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 446, 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 P+L and Balance Sheet.

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

Results of Operations:

In the first quarter of 2014 rental income decreased by 8% to EC\$ 0.99 million compared to EC\$ 1.07 million in first quarter of 2013. Total income incl. service recharge, parking and other income decreased to EC\$ 1.15 million from 2013 (EC\$1.23 million). These declines are higher mainly caused by additional, non-budgeted discounts, which have been granted to retain the existing tenants and proactively prevent further declines in the occupancy level.

Operational expenses EC\$0.38 million has not changed significantly (quarter 1 of 2013 EC\$0.37 million) and almost in line with the budget for the period. The general expenses decreased by 29% to EC\$.097 million (EC\$0.136 million). The decrease was primarily due to the continued cost control measures implemented by management.

Interest costs totaling to EC\$ 0.65 million were slightly lower than that of quarter 1, 2013 (EC\$ 0.67 million).

Overall, a profit for the period of EC\$ 0.015 million was achieved, which was 35% below the result of the same period for 2013 (EC\$0.043) and 68% below budget management will continue to look for ways to further maximize revenues, minimize costs and actively market the location to increase occupancy levels.

Balance Sheet and Cash Flows:

The balance sheet has changed due to a lower fair market valuation of its properties. The Company's equity ratios reflect this change with equity financing of less than 50% and the Loan to Value ratio of 63% above the financial covenants agreed with the bank.

Notably trade receivables have increased to EC\$0.67 million (EC\$ 0.53 million) and short term borrowings continue to increase due to a rise in interest payments. The company still faces cash flow constraints however management continues to remain positive for future improvements.

Off Balance Sheet Arrangements:

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

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:

Spence Thomas

Signature

Date 28 - Aug - 14

Name of Director:

AMBROSE PHILLIP

Signature

Date

Name of Chief Financial Officer:

Sukru Evrengun

Signature

Date 27 - Aug - 14

INFORMATION TO BE INCLUDED IN THE REPORT

1. **Financial Statements**

Provide quarterly Financial Statements 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 quarter.
- (b) Condensed Statement of Income for the 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 interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
- (d) Examples of financial data items to be included in constructing financial statements for various types of businesses are provided in Parts A-D. These items are meant to serve as guidelines only.
- (e) 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 Operations**

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 quarterly report.

This section should be completed as per instructions for completing the MD&A.

3. Disclosure of 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 and only include factors that are unique to the company. 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.

4. Legal Proceedings.

A legal proceeding need only be reported in the ECSRC - Q filed for the quarter in which it first became a reportable event and in subsequent quarterly reports in which there have been material developments. Subsequent Form ECSRC - Q 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.

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.
- (b) 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)
 - Offer closing date (provide explanation if different from date disclosed in the registration statement)
 - Name and address of underwriter(s)
 - Amount of expenses incurred in connection with the offer
 - Net proceeds of the issue and a schedule of its use
 - Payments to associated persons and the purpose for such payments
- (b) Report any working capital restrictions and other limitations upon the payment of dividends.

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST, MARCH 2014

	31-Mar 2014 EC\$	31-Dec 2013 EC\$	31-Mar 2013 EC\$
ASSETS			
Non-Current Assets			
Investment property	57,923,000	57,923,000	60,665,000
Computers and office furniture	4,110	4,957	10,483
	-	-	-
	57,927,110	57,927,957	60,675,483
Current Assets			
Inventory	1,994	3,279	-
Receivables and prepayments	733,992	637,748	535,139
Cash and cash equivalents	141,106	278,260	256,994
	877,092	919,287	792,133
	877,092	919,287	792,133
TOTAL ASSETS	58,804,202	58,847,244	61,467,616
SHAREHOLDERS' EQUITY AND LIABILITIES			
Stated capital	25,365,000	25,365,000	25,365,000
Accumulated surplus	(7,205,300)	(7,230,896)	(3,643,918)
	18,159,700	18,134,104	21,721,082
	18,159,700	18,134,104	21,721,082
Non-Current Liabilities			
Long term loan	35,713,763	33,234,107	35,872,944
Shareholders loan	1,511,885	1,485,646	1,176,862
	37,225,648	34,719,753	37,049,806
	37,225,648	34,719,753	37,049,806
Current Liabilities			
Trade and other payables	1,967,903	2,098,319	2,028,472
Amount due to related party	624,312	588,482	135,918
Short-term borrowings	826,639	3,306,586	532,338
Proposed building improvements	-	-	-
	3,418,854	5,993,387	2,696,728
	3,418,854	5,993,387	2,696,728
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	58,804,202	58,847,244	61,467,616
	-	-	-
	-	-	-

GRENNREAL PROPERTY CORPORATION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE PERIOD JANUARY - MARCH 2014**

	31-Mar 2014 EC\$	31-Mar 2013 EC\$
INCOME		
Net Rental Income - retail units + kiosks	997,206	1,071,013
Service re-charge	48,910	53,538
Parking	77,655	89,972
Other income	21,303	20,582
	<u>1,145,074</u>	<u>1,235,105</u>
Net gain from fair value on investment Property	-	-
	<u>1,145,074</u>	<u>1,235,105</u>
EXPENSES		
Operational expenses		
Accounting Fees	-	-
Insurance	81,715	84,622
Security	55,277	43,268
Janitorial Services	36,737	31,852
Marketing and Public Relations	1,404	6,914
Utilities	99,805	112,361
Property Management / Salaries	70,878	66,115
Parking lot	16,377	11,321
Maintenance and other costs	15,346	17,068
Legal Fees-new rental contracts		
Office supplies	3,150	5,970
	<u>380,689</u>	<u>379,491</u>
General expenses		
Service Charge MPMC		-
Office Rent	13,314	44,832
Auditor Fees	6,250	6,250
Subscription ECCSR	5,751	5,751
Banking Fees	3,414	13,650
Legal Fees (Corporate)	8,410	1,530
Directors Fees	15,400	5,400
Corporate Management Fee	37,500	37,500
Director's liability insurance	2,500	2,500
Miscellaneous Expenses	-	3,220
Professional Fees	5,000	16,000
	<u>97,539</u>	<u>136,633</u>
Total operational and general expenses	<u>478,228</u>	<u>516,124</u>
Operating Income before interest and depreciation	<u>666,846</u>	<u>718,981</u>
Deduct: Depreciation	845	3,643
Bad debt	-	-
Bank Interest	650,571	671,466
Finance Income	-	-
	<u>651,416</u>	<u>675,109</u>
Profit for the year	<u>15,430</u>	<u>43,872.00</u>

**GRENNREAL PROPERTY CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD MARCH 2014**

	31-Mar 2014 EC\$
Cash Flow from Operating Activities	
Profit for the period	15,431
Adjustments for:	-
Depreciation	845
Operating Cash Flow before working capital changes	<u>16,276</u>
Inventory	1,282
Accounts receivable and prepayments	(79,156)
Accounts payable and accrued expenses	154,328
Amount due to related parties	(4,915)
Proposed building improvements	
Net Cash from Operating Activities	<u>87,815</u>
Cash Flow from Investing Activities	
Additions to investment property	-
Purchase of Vehicle	-
Purchase of equipment	-
Net Cash from Investing Activities	<u>-</u>
Cash Flow from Financing Activities	
Net proceeds from long term borrowings	(298,289)
Shareholders' Loan	25,949
Net Cash from Financing Activities	<u>(272,340)</u>
Net Change in Cash and Cash Equivalents	<u>(184,525)</u>
Cash and Cash Equivalents - Beginning of Period	325,630
Cash and Cash Equivalents - End of Period	<u>141,106</u>