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GRENREAL PROPERTY CORPORATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER, 2010

GRENREAL PROPERTY CORPORATION LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2010

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GRENREAL PROPERTY CORPORATION LIMITED

COMPANY PROFILE

Directors

Mr. Ambrose Phillip, Chairman, (Grenada)
Mr. Hendrik A. Van Dijk, CEO, (Netherlands)
Mr. Sükrü Errenngün (Netherlands)
Mr. Ronald Hughes, (Grenada)
Mr. Nigel John
Mr. Alfred Logie
Mr. Philbert Lewis

Company Secretary

Mr. Ian Evans

Auditors

Messrs. PKF
Accountants and Business Advisers

Solicitors

Messrs. Renwick & Payne.
Attorneys-at-law, Conveyancers & Notary Public

Registered Office

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Accountants &
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

GRENREAL PROPERTY CORPORATION LIMITED

We have audited the accompanying financial statements of the company which comprise the statement of financial position at 31st December, 2010 and the related statement of comprehensive income, changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Responsibility for the Financial Statements

Those charged with governance are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the company as of 31st December, 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

GRENADA:

PKF

April 12th, 2011

Accountants & business advisers:

PKF

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER, 2010

ASSETS	Notes	2010	2009
Non-Current Assets			
Plant and equipment	4	35,015	46,116
Investment property	5	71,500,000	79,000,000
Public listing	6	132,591	151,532
		71,667,606	79,197,648
Current Assets			
Trade and other receivables	7	216,180	390,104
Cash and cash equivalents	8	17,911	516,035
		234,091	906,139
TOTAL ASSETS		$71,901,697	$80,103,787
EQUITY AND LIABILITIES			
Stated Capital	9	25,365,000	25,365,000
Retained earnings		7,400,810	14,296,764
TOTAL EQUITY		32,765,810	39,661,764
Non-Current Liabilities			
Long-term borrowings	10	35,285,053	36,173,052
Shareholders' loan	11	384,572	683,307
		35,669,625	36,856,359
Current Liabilities			
Trade and other payables	12	1,699,503	1,527,832
Short-term borrowings	10	1,716,201	1,462,048
Amount due to related parties	13	50,558	116,524
Proposed building improvement	14	-	479,260
		3,466,262	3,585,664
TOTAL LIABILITIES		39,135,887	40,442,023
TOTAL EQUITY AND LIABILITIES		$71,901,697	$80,103,787

Partners: Henry A. Joseph FCCA (Managing), Pearlena J. Sylvester FCCA (Mrs.), Michelle A. Millet B.A. CGA (Mrs.)

: Director

: Director

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2010

	Notes	**2010**	2009
Rental income - rental units		5,574,516	5,392,118
- kiosks		161,164	160,875
Service re-charge		283,948	258,616
Parking		168,199	169,575
		6,187,827	5,981,184
Operational expenses	18	(2,085,013)	(2,164,711)
General expenses	19	(364,624)	(465,765)
Depreciation		(43,819)	(43,432)
Bad debt		(65,000)	(31,437)
Other income		54,885	13,560
		(2,503,571)	(2,691,785)
Operating profit		3,684,256	3,289,399
Finance income	15	7,480	18,527
Finance cost	16	(2,885,807)	(2,768,788)
Profit for the year		805,929	539,138
Other comprehensive income:			
Loss in fair value on investment property		(7,701,883)	(8,180,968)
Total comprehensive deficit for the year		$(6,895,954)	$(7,641,830)

The notes on pages 8 to 21 form an integral part of these financial statements

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st DECEMBER, 2010

	Stated Capital	Retained Earnings	Total Equity
Balance at 1st January, 2009	25,365,000	22,934,731	48,299,731
Dividends	-	(996,137)	(996,137)
Total comprehensive deficit for the year	-	(7,641,830)	(7,641,830)
Balance at 31st December, 2009	25,365,000	14,296,764	39,661,764
Total comprehensive deficit for the year	-	(6,895,954)	(6,895,954)
Balance at 31st December, 2010	$25,365,000	$7,400,810	$32,765,810

The notes on pages 8 to 21 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010	2009
OPERATING ACTIVITIES		
Net loss for the year	(6,895,954)	(7,641,830)
Adjustments for:		
Depreciation	43,817	43,432
Loss on fair value adjustment of investment property	7,701,883	8,180,968
Operating profit before working capital changes	849,746	582,570
Decrease/(increase) in trade and other receivables	173,924	(77,801)
Increase in trade and other payables	171,671	369,558
Decrease in amount due to related parties	(65,966)	(377,257)
Decrease in proposed building development	(479,260)	(2,581,286)
Net cash provided by/(used in) operating activities	650,115	(2,084,216)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,777)	(2,659)
Purchase of investment property	(201,883)	(180,968)
Net cash used in investing activities	(215,660)	(183,627)
FINANCING ACTIVITIES		
Net (repayments)/proceeds from borrowings	(808,683)	2,142,799
(Decrease)/increase in shareholders' loan	(298,733)	683,307
Dividends paid	-	(996,137)
Net cash (used in)/provided by financing activities	(1,107,416)	1,829,969
Net decrease in cash and cash equivalents	(672,961)	(437,874)
Cash and cash equivalents - at beginning of year	13,734	451,608
- at the end of the year	$(659,227)	$13,734
Represented By:		
Cash and cash equivalents	17,911	516,035
Bank overdraft	(677,138)	(502,301)
.	$(659,227)	$13,734

The notes on pages 8 to 21 form an integral part of these financial statements

1. CORPORATE INFORMATION

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

Following the amalgamation the company continued to operate under the name of Grenreal Property Corporation Limited and listed on the Eastern Caribbean Securities Exchange on 21st July, 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) *Basis of Preparation*

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The preparation of financial statements in conformity with IFRS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in Note 3.

(b) *New Accounting Standards and Interpretations*

New standards, amendments and interpretations to existing standards effective 2010 that were adopted by the Company:

IFRS 7(amended) Financial instruments - Disclosures

IAS 1 (revised) Presentation of financial statements

Standards, amendments and interpretations to existing standards effective in 2010 that are not relevant to the activities of the Company or have no material impact on its financial statements.

IFRS 1 First-time Adoption of IFRS – Cost of an investment in a subsidiary, Jointly Controlled Entity or Associate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New Accounting Standards and Interpretations (continued)

IFRS 2	Share-based Payment – Vesting conditions and cancellations
IFRS 8	Operating segments
IAS 39	Financial Instruments: Recognition and Measurement – Eligible hedged items
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 16	Hedges of a net Investment in a Foreign Operation
IFRIC 17	Distribution of Non-cash Assets to Owners
IFRIC	Transfer of Assets from Customers

Standards, amendments and interpretations to existing standards that are not yet effective which either do not apply to the activities of the Company or have no material impact on its financial statements:

IAS 7	Statement of Cash Flows – Classification of expenditures on unrecognized assets
IAS 17	Leases – Classification on Land and Buildings
IAS 18	Revenue – Determining whether an Entity is acting as Principal or Agent
IAS 24	Related Party Disclosures
IAS 36	Impairment of Assets – Unit of Accounting for Goodwill impairment.
IAS 38	Intangible Assets – Consequential amendments arising from IFRS 3. Measuring the fair value of an intangible asset acquired in a Business Combination.
IFRS 1	First-time Adoption – Additional exemptions for first-time adoption
IFRS 2	Share-based Payments – Group cash-settled share based payment transactions
IFRS 5	Non-current Assets held for sale and discontinued operations
IFRS 8	Segment reporting – Disclosures of Segment Assets

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New Accounting Standards and Interpretations (continued)

IFRS 9	Financial Instruments – Classification and Measurement of Financial Asset
IFRS 39	Financial Instruments – Recognition and Measurement: Assessment of loan prepayment penalties as embedded derivative. Scope of exemption of Business of Combination contracts. Cash flow hedge accounting.
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments.

(c) Plant and Equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amounts or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or re-valued amounts to their residual values over their estimated useful lives. The rates used are as follows:

	Per annum
Buildings	2.5%
Plant and machinery	10%
Motor vehicle	20%
Furniture and equipment	10
Computers	16.67%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at statement of financial statement date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and is not occupied by the Company, is classified as investment property.

Investment property comprises freehold building and land held under a finance lease. The lease term is ninety-nine (99) years with an option to extend for an additional sixty-six (66) years. The lease payments were made at the commencement of the lease term.

Investment property is carried at fair value based on active market price as disclosed in Note 4. Changes in fair values are recognized in the statement of comprehensive income.

(e) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor and default a delinquency in payment are considered indicators that the trade receivable is impaired.

(f) Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand and at bank. Bank overdraft is included as a component of cash and cash equivalents for the purpose of the cash flow statement. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

(g) Stated capital

Ordinary shares are classified as equity.

(h) Borrowings

Borrowings are recognised at fair value net of transaction cost incurred. Borrowings are subsequently stated at amortized cost: any difference between the proceeds, net of transaction cost, and the redemption value is recognised in the statement of comprehensive income over the period of borrowings. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve (12) months after the date of the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Taxation

The company continues to enjoy a tax holiday on corporate and other taxes as a consequence of a tax waiver granted to the developers of the land site. The tax holiday expires not before 2013.

(j) Revenue

Rental income is accounted for on an accruals basis, in accordance with the substance of the relevant agreement.

(k) Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Transactions entered into with related parties in the normal course of business are carried out on commercial terms and conditions during the year.

(l) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. The resulting profits and losses are dealt with in the statement of comprehensive income.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues and expenses. The expenses and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Estimate of Fair Value of Investment Property

The best estimate of fair value is current prices in an active market for similar assets. The Company considers information relating to tenants and assumptions relating to tenancy, rents and expenses over a ten (10) year period.

(b) Principal assumptions for Management's Estimation of Fair Value

The principal assumptions underlying management's estimates of fair value are those related to; the receipts of contractual rental; expected future market rentals; maintenance requirements; and appropriate discount rates.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

4. PLANT AND EQUIPMENT

	Computers	Office Furniture and Equipment	Total
Cost			
Balance at 1st January, 2010	40,429	55,746	96,175
Additions for the year	13,203	574	13,777
Balance at 31st December, 2010	53,632	56,320	109,952
Accumulated Depreciation			
Balance at 1st January, 2010	26,831	23,228	50,059
Charge for the year	13,614	11,264	24,878
Balance at 31st December, 2010	40,445	34,492	74,937
NET BOOK VALUE - 2010	$13,187	$21,828	$35,015
NET BOOK VALUE - 2009	$13,598	$32,518	$46,116

5. INVESTMENT PROPERTY

	2010	2009
Balance at 1st January, 2010	79,000,000	87,000,000
Additions during the year	201,883	180,968
	79,201,883	87,180,968
Net loss from fair value adjustment	(7,701,883)	(8,180,968)
Balance at 31st December, 2010	$71,500,000	$79,000,000

The property is located at Melville Street in St. George's. The fair value is based on valuation performed by an independent professional valuator with recent experience in the location and category of the investment property. The last valuation at 31st December, 2009 was done by Terra Caribbean.

Included in the valuation is an additional lot of land (331.8 square meters) donated to the company by one of its shareholders, St. George's Development Company Limited, and utilized as the parking area. No consideration was given for the additional lot.

6. PUBLIC LISTING

	2010	2009
Balance at 1st January, 2010	151,532	170,473
Less: Amortisation	(18,941)	(18,941)
Balance at 31st December, 2010	$132,591	$151,532

This amount relates to costs for establishing the public listing of the company on the Eastern Caribbean Stock Exchange which have been capitalized. The original cost is being amortised over a ten (10) year period.

7. TRADE AND OTHER RECEIVABLES

Trade receivables	181,073	218,684
Prepayments	10,057	105,272
Other receivables	25,050	66,148
	$216,180	$390,104

The movement in provision for impairment of trade receivables were as follows:

Balance at 1st January, 2010	-	-
Provision for impairment	(65,000)	-
Balance at 31st December, 2010	$(65,000)	$ -

8. CASH AND CASH EQUIVALENTS

Cash on hand and at bank	17,911	516,035
Bank overdraft (note 10)	(677,138)	(502,301)
Cash and cash equivalents in the statement of cash flow	$659,227	$13,734

9. STATED CAPITAL

	2010	2009
Authorised:		
9,500,000 shares		
Issued:		
7,662,598 shares of no par value	$25,365,000	$25,365,000

10. LONG-TERM BORROWINGS

	2010	2009
Long term		
FirstCaribbean International Bank	36,324,116	37,132,799
Less: Current portion	(1,039,063)	(959,747)
	35,285,053	36,173,052
Short-term		
Bank overdraft	677,138	502,301
Borrowings - Current portion	1,039,063	959,747
	1,716,201	1,462,048
Total borrowings	$37,001,254	$37,635,100

The loan is repayable over nineteen (19) years in monthly instalments of $310,678 inclusive of interest. Interest is at the rate of 7.5% per annum.

The bank overdraft bears interest at the bank's prime rate of 8.5% plus 1.5% per annum. The overdraft limit is $500,000 and operates as a fluctuating facility.

The overdraft is secured by a mortgage over the company's fixed and floating assets.

11. SHAREHOLDERS LOAN

The loan is unsecured and bears an interest rate of 10% per annum.

12. TRADE AND OTHER PAYABLES

	2010	2009
Deposits due to tenants	883,090	1,045,704
Trade payables	273,100	388,517
Other payables	543,313	93,611
	$1,699,503	$1,527,832

13. DUE TO RELATED PARTIES

Balance at 31st December, 2010	$50,558	$116,524

This amount is due to Zublin Grenada Limited and Melville Street Property Management Company Limited.

Related Party transactions

a) During the year, the following transactions occurred between the company and other related entities as follows:

Rental guarantee	101,760	407,039
Service fees expense income	58,446	58,464
Property management income	30,000	-
Interest expense	2,422	29,782
Management fees expense	150,000	150,000

b) Key management

Key management comprises directors, divisional management and senior management of the company. Compensation to these individual were as follows:

Directors' fees	$46,500	$43,100

14. PROPOSED BUILDING IMPROVEMENTS

	2010	2009
Balance at 31st December, 2010	$ -	$479,260

The amount relates to amounts due to Volker Stevin Construction Europe - Grenada Branch for additional works done on the property.

15. FINANCE INCOME

Interest income on short-term demand deposits	$7,480	$18,527

16. FINANCE COST

Interest on bank overdraft and other charges	(66,676)	(31,660)
Interest on borrowings	(2,756,895)	(2,689,696)
Other finance cost	(62,236)	(47,432)
	$(2,885,807)	$(2,768,788)

17. FINANCIAL RISK MANAGMENT

The company's activities expose it to a variety of financial risks: interest rate risk, credit risk, operational risk and liquidity risk. The risk management policies employed by the company to manage these risks are discussed below.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and investment securities.

i) Trade and other receivables

The company trades only with recognized, creditworthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

17. FINANCIAL RISK MANAGEMENT (continued)

ii) Other financial assets

With respect to credit risk arising from the other financial assets of the company, which are cash and cash equivalents, the company's exposure to credit risk arises from default of the counter-party, with the maximum exposure equal to the carrying amounts of the financial assets.

Maximum exposure of credit risk:

	2010	2009
Cash and cash equivalents	17,911	516,035
Trade receivables	216,180	390,104
Other receivables		
	$234,091	$906,139

Analysis of trade receivables past due but not impaired are as follows:

		Past due but not impaired				
	Neither past due nor impaired	30-60 days	60-90 days	90-120 days	Over 120 days	Total
2010	$71,403	$23,483	$1,865	$13,767	$70,555	$181,073
2009	$112,824	$58,769	$4,845	$39,202	$23,372	$218,684

Analysis of financial assets individually impaired:

Trade and other receivables:		
Carrying amount	103,141	-
Provision for impairment	(65,000)	-
Net book value	$38,141	$ -

Trade receivables are provided for on a specific basis. Receivables are generally written-off when there is no expectation of recovering amounts due.

17. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The Company actively pursues the receivables process by ensuring that tenants comply with the terms and conditions of the lease. In addition, the Company negotiates favorable credit terms form suppliers. As a final measure of controlling liquidity the Company tries not to pay earlier than cash is collected from rents.

Maturity analysis for liquidity risk:

	On Demand	Up to 1 year	1 to 5 years	Over 5 years	Total
Balance at 31st December, 2010					
Long-term borrowings	-	-	6,538,059	28,746,994	35,285,053
Shareholders' loan	-	384,574	-	-	384,574
Trade and other payables	454,711	361,701	883,091	-	1,699,503
Short-term borrowings	677,138	1,039,063	-	-	1,716,201
Amount due to related parties	50,558	-	-	-	50,558
	$1,182,407	$1,785,338	$7,421,150	$28,746,994	$39,135,889
Balance at 31st December, 2009					
Long-term borrowings	-	-	-	36,173,052	36,173,052
Shareholders' loan	-	-	683,307	-	683,307
Trade and other payables	482,128	-	1,045,704	-	1,527,832
Short-term borrowings	502,301	959,747	-	-	1,462,048
Amount due to related parties	-	116,524	-	-	116,524
Proposed building improvement	479,260	-	-	-	479,260
	$1,463,689	$1,076,271	$1,709,011	$36,173,052	$40,442,023

17. FINANCIAL RISK MANAGEMENT (continued)

Currency risk

Substantially all of the company's transactions, assets and liabilities are denominated in Eastern Caribbean Dollars. Therefore, the company has no significant exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including loans. The Company holds primarily fixed rate financial instruments and is therefore not significantly exposed to interest rate risk. The Company also holds no material interest bearing financial assets.

Operational risk

Operational risk is the risk derived from deficiencies relating to the company's information technology and control systems, as well as the human error and natural disasters. The company's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimize human error.

The Company has secured the properties against fire and perils including natural disaster. In addition appropriate insurance for third party liability and directors liability is in place.

18. OPERATIONAL EXPENSES

	2010	2009
Janitorial expenses	156,940	185,284
Insurance	350,616	314,741
Office rent – Operating	179,330	179,330
Accounting fees	2,250	37,800
Legal fees new rentals	74,744	26,029
Security services	225,236	323,555
Lunch and diner	-	2,047
General maintenance	89,137	176,032
Office supplies	21,360	15,893
Directors' liability insurance	6,667	13,125
Parking expenses	34,923	22,336
Utilities	(54,782)	(62,000)
Salaries	341,104	272,891
Telephone	91,876	64,527
Public relations	78,372	115,318
Electricity	428,892	448,858
Water	58,348	28,945
	$2,085,013	$2,164,711

19. GENERAL EXPENSES

Service charges – MPMC	58,446	58,805
Computer maintenance	-	6,840
Miscellaneous expenses	541	5,575
General management compensation	150,000	150,000
Directors fees	46,500	43,100
Legal fees	5,765	16,194
Audit fees	25,000	35,000
Professional fees	58,922	121,438
ECCSR yearly costs	19,450	28,813
	$364,624	$465,765