

**Schedule 2**  
**FORM ECSRC - Q**

**(Select One)**

Quarterly Report For the period ended **March 31, 2013**

Issuer Registration Number: **345640**

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

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

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

(Reporting issuer's:

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

Fax number: **+ 1 473 435 8373**

Email address: **info@grenreal.com**

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

(Provide information stipulated in paragraphs 1 to 8 hereunder)

**1. Financial Statements:**

**S. attached I & E and Financial Position.**

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

**Results of Operations:**

Rental income for the first quarter of 2013 decreased by 9% to EC\$ 1.07 million compared to EC\$ 1.17 million in the first quarter of 2012. Total income incl. service recharge, parking and other income decreased to EC\$ 1.24 million (-5%; EC\$ 1.3 million). These declines are higher than expected and mainly caused by the high vacancy levels in addition to non-budgeted discounts, which had to be given in order to maintain existing tenants.

Operational expenses increase by 4% to EC\$ 0.38 million than that of quarter 1 of 2012 (EC\$ 0.36 million) and almost in line with the budget for the period. The general expenses decreased by 23% to EC\$ 0.14 million (EC\$ 0.17 million). The reduction was primarily due to very low banking fees.

Interest costs totaling to EC\$ 0.68 million were slightly lower than that of quarter 1, 2012 (EC\$ 0.70 million) reflecting the amortization paid over prior years.

Overall, a profit for the period of EC\$ 0.04 million was achieved, which was 60% below the result of the same period for 2012 (EC\$ 0.07) and 60% below budget. Management has started and will a vigorous marketing strategy to obtain new tenants.

#### **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 59% which is over the financial covenants agreed with the bank.

T trade receivables have increased to EC\$ 0.53 million (EC\$ 0.51 million) and there's a decrease in short term borrowing as result of new arrangement with the bank. The company still faces a tight cash situation.

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

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

### 3. Disclosure of Risk Factor

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

### 4. Legal Proceedings

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

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

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

### 6. Defaults upon Senior Securities

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

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

No shareholder's meeting has taken place in Q1 2013.

### 8. Other Information

Not applicable

### 9. Attachments

- Statement of Comprehensive Income & Expenditure
- Statement of Financial Position as per -March 31, 2013.
- Statement of Cash Flow.

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

CLASS	NUMBER
Ordinary Shares	7,662,598

## SIGNATURES

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

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

Name of Chief Executive Officer:

SPENCER THOMAS

Signature



Date

June 11, 2013

Name of Director:

AUGUST P. LOGIC

Signature



Date

June 12, 2013

Name of Chief Financial Officer:

Sukru Eurengun

Signature



Date

June 12, 2013



## **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.

**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 percent 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.
- (b) If any material arrears in the payment of dividends has 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.

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

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

- (a) The date of the meeting and whether it was an annual or special meeting.
- (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.
- (c) A brief description of each other matter voted upon at the meeting and states 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.
- (d) A description of the terms of any settlement between the registrant and any other participant.
- (e) Relevant details of any matter where decision was taken otherwise than at a meeting of such security holders.

**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 (related to disclosure of material information), with respect to which information is not otherwise called for by this form. 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 - Q report.



## **Part A**

### **Relevant Financial Data Items for Commercial and Industrial Companies**

#### **Item Descriptions**

- Cash and Cash Items
- Marketable securities
- Notes and Accounts Receivables-Trade
- Allowances for doubtful accounts
- Inventory
- Total Current Assets
- Intangible Assets
- Property Plant and Equipment
- Accumulated Depreciation
- Other Assets (explain)
- Total Assets
- Accounts Payable
- Total Current Liabilities
- Other Liabilities (explain)
- Bonds, mortgages and similar debt
- Preferred stock-mandatory redemption
- common stock
- other stockholder's equity
- Total liabilities and stockholder's equity
- net sales of tangible products
- total revenues
- cost of tangible goods sold
- total costs and expenses applicable to sales and revenues
- other costs and expenses
- provision for doubtful accounts and notes
- Interest and amortisation of debt discount
- Income before taxes and other items
- income tax expense
- income/loss continuing operations
- Discontinued operations
- extraordinary items
- Cumulative effect-changes in accounting principles
- net income or loss
- earnings per share -primary
- earnings per share - fully diluted



## **Part B**

### **Relevant Financial Data Items for Bank Holding Companies and Banks**

#### **Item Descriptions**

- Cash and due from banks
- interest bearing deposits
- Borrowings from the ECCB, Inter-bank Market activity and other bank borrowings
- trading account assets
- investment and mortgage backed securities held for sale
- Investments: to provide schedule of type, rates, maturity and place – (whether domestic/regional or foreign)
- loans
- allowances for losses
- Fixed Assets
- total assets
- other liabilities
- Total deposits
- short-term borrowings
- long-term debt
- preferred stock-mandatory redemption
- preferred stock-no mandatory redemption
- common stocks
- other stockholder's equity
- total liabilities and stockholder's equity
- contingent accounts
- interest and fees on loans
- interest and dividends on investments
- other interest income
- total interest income
- interest expense on deposits
- total interest expense
- net interest income
- provision for loan losses
- investment securities gains/losses
- other expenses
- income/loss before income tax
- income/loss before extraordinary items
- extraordinary items
- cumulative changes in accounting principles
- net income or loss
- earnings per share-primary
- earnings per share- fully diluted

## **Part C**

### **Relevant Financial Items for Broker-Dealers Holding Companies**

#### **Items Description**

- Cash and cash items
- receivables from brokers and dealers, customers and others
- securities purchased under resale agreements
- financial instruments owned
- fixed assets
- total assets
- short term borrowings including commercial paper
- payable to customers, brokers/dealers (including clearing brokers) and others
- securities sold under agreements to repurchase
- long-term debt
- preferred stock-mandatory redemption
- preferred stock - no mandatory redemption
- common stock
- other stockholder's equity
- total liabilities and stockholder's equity
- revenue from trading activities
- interest and dividends
- commissions
- interest expense
- other sources of revenue
- compensation and employee related expense
- income/loss before income tax
- income/loss before extraordinary items
- extraordinary items, less tax
- cumulative change in accounting principles
- net income or loss
- earnings per share- primary
- earnings per share - fully diluted

## Part D

### Relevant Financial Data Items for Public Utility and Utility Holding Companies

#### Item Descriptions

- total net utility plant
- other property and investments
- total current assets
- total deferred charges
- balancing amount for total assets
- total assets
- common stock
- capital surplus, paid in,
- retained earnings
- total common stockholders equity
- preferred stock subject to mandatory redemption
- preferred stock not subject to mandatory redemption
- long term debt, net
- short term notes
- notes payable
- commercial paper
- long term debt-- current portion
- preferred stock-- current portion
- obligation under capital leases
- obligation under capital leases--current portion
- balancing amount for capitalisation and liabilities
- total capitalisation and liabilities
- gross operating revenue
- other operating expense
- total operating expense
- operating income (loss)
- other income (loss), net
- income before interest charges
- total interest charges
- net income
- preferred stock dividends
- earnings available for common stock
- common stock dividends
- total annual interest charges on all bonds
- cash flow from operations
- earnings per share –primary
- earnings per share -fully diluted

**GRENREAL PROPERTY CORPORATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31st,MARCH 2013**

	31-Mar 2013 EC\$	31-Dec 2012 EC\$	31-Mar 2012 EC\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investment property	60,665,000	60,665,000	71,700,000
Computers and office furniture	10,483	14,127	9,422
	-	-	-
	<u>60,675,483</u>	<u>60,679,127</u>	<u>71,709,422</u>
<b>Current Assets</b>			
Receivables and prepayments	535,139	508,873	483,557
Cash and cash equivalents	256,994	17,852	80,713
	<u>792,132</u>	<u>526,725</u>	<u>564,270</u>
<b>TOTAL ASSETS</b>	<u><u>61,467,616</u></u>	<u><u>61,205,851</u></u>	<u><u>72,273,692</u></u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Stated capital	25,365,000	25,365,000	25,365,000
Accumulated surplus	<u>(3,643,918)</u>	<u>(3,687,790)</u>	<u>8,028,101</u>
Total equity	<u>21,721,082</u>	<u>21,677,210</u>	<u>33,393,101</u>
<b>Non-Current Liabilities</b>			
Long term loan	35,872,944	35,521,109	34,292,465
Shareholders loan	<u>1,176,862</u>	<u>1,052,580</u>	<u>565,067</u>
<b>Current Liabilities</b>			
Trade and other payables	2,028,471	2,378,654	2,335,343
Amount due to related party	135,918	138,364	175,156
Short-term borrowings	532,338	437,934	1,512,561
Proposed building improvements	-	-	-
	<u>2,696,727</u>	<u>2,954,953</u>	<u>4,023,059</u>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<u><u>61,467,616</u></u>	<u><u>61,205,851</u></u>	<u><u>72,273,692</u></u>



**GRENREAL PROPERTY CORPORATION LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE  
FOR THE PERIOD JANUARY - MARCH 2013**

	<b>31-Mar 2013 EC\$</b>	<b>31-Mar 2012 EC\$</b>
<b>INCOME</b>		
Net Rental Income - retail units + kiosks	1,071,013	1,171,300
Service re-charge	53,538	61,067
Parking	89,972	36,466
Other income	20,582	28,541
	<u>1,235,105</u>	<u>1,297,374</u>
Net gain from fair value on investment Property	-	-
	<u><b>1,235,105</b></u>	<u><b>1,297,374</b></u>
<b>EXPENSES</b>		
<b>Operational expenses</b>		
Insurance	84,622	84,622
Security	43,268	38,796
Janitorial Services	31,852	29,399
Marketing and Public Relations	6,914	8,104
Utilities	112,361	128,372
Property Management / Salaries	66,115	48,819
Parking lot	11,321	6,108
Maintenance and other costs	17,068	15,157
Office supplies	5,970	4,890
	<u>379,491</u>	<u>364,268</u>
<b>General expenses</b>		
Service Charge MPMC		
Office Rent	44,832	44,832
Auditor Fees	6,250	6,250
Subscription ECCSR	5,751	5,751
Banking Fees	13,650	48,181
Legal Fees (Corporate)	1,530	2,072
Directors Fees	5,400	5,400
Corporate Management Fee	3,750	37,500
Director's liability insurance	2,500	2,500
Miscellaneous Expenses	3,220	(9)
Professional Fees	16,000	15,326
	<u>136,633</u>	<u>167,803</u>
<b>Total operational and general expenses</b>	<u><b>516,124</b></u>	<u><b>532,071</b></u>
<b>Operating Income before interest and depreciation</b>	<u><b>718,981</b></u>	<u><b>765,302</b></u>
Deduct: Depreciation	3,643	6,219
Bad debt	-	-
Bank Interest	671,466	688,850
Finance Income	-	-
	<u><b>675,109</b></u>	<u><b>695,069</b></u>
<b>Profit for the year</b>	<u><b>43,872</b></u>	<u><b>70,233</b></u>

**GRENNREAL PROPERTY CORPORATION LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD MARCH 2013**

	<b>31-Mar 2013 EC\$</b>
<b>Cash Flow from Operating Activities</b>	
Profit for the period	43,872
Adjustments for:	
Depreciation	3,643
<b>Operating Cash Flow before working capital changes</b>	<u><b>47,515</b></u>
Accounts receivable and prepayments	(26,266)
Accounts payable and accrued expenses	(350,183)
Amount due to related parties	(2,446)
Proposed building improvements	-
<b>Net Cash from Operating Activities</b>	<u><b>(331,379)</b></u>
<b>Cash Flow from Financing Activities</b>	
Net proceeds from long term borrowings	351,835
Net proceeds from short term borrowings	94,404
Shareholders' Loan	124,282
<b>Net Cash from Financing Activities</b>	<u><b>570,521</b></u>
<b>Net Change in Cash and Cash Equivalents</b>	<u><u><b>239,142</b></u></u>
<b>Cash and Cash Equivalents - Beginning of Period</b>	<b>17,852</b>
<b>Cash and Cash Equivalents - End of Period</b>	<u><u><b>256,993</b></u></u>