

Schedule 1

FORM ECSRC – K

ANNUAL REPORT PURSUANT TO SECTION 98 OF THE SECURITIES ACT OF 2001

For the financial year ended December 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 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

(Provide information stipulated in paragraphs 1 to 14 hereunder)

1. Business

Grenreal Property Corporation Limited (the "Company") was specifically set up to enable local and regional private, professional and institutional investors to benefit from the positive effects on real estate market of the successful development of the cruise tourism in Grenada in particular and the development of Grenada as a tourist destination in general.

The company has been in operation for over five years offering business opportunities to positively enhance regional commerce and influence cruise tourism in Grenada. It is the owner of property located on the reclaimed land situated at the St. George's Cruise Port, the "Esplanade Mall" and the "Dr. Jan Bosch Building" more commonly known as the Bruce Street Commercial Complex.

The properties are rented to third parties and have very low vacancies. The combined value of the two buildings is approximately EC\$61.7 million. The Company intends to increase its real estate portfolio by acquiring new properties, although there are no immediate acquisitions planned.

The Company has an equity value of approximately EC\$20.7 million and is presently owned by private as well as public entities. The Company wishes to extend its shareholder base and therefore listed its shares at the Eastern Caribbean Securities Exchange in St. Kitts and Nevis in July 2008.

2. Properties

The Company has neither acquired nor disposed any real estate since listing in July 2008. The Company still owns the two properties mentioned before.

Following its strategy to actively manage its Real Estate Portfolio, the Company has started to improve the quality and the rental value of the existing properties. It has converted offices in the Esplanade Mall into shops, connected the two buildings in 2009 and recent changes to the central office dimensions offering additional retail space. This augers well as it helps to improve the general attractiveness of the property. To date the majority of the newly created units have been rented out.

3. Legal Proceedings

The Company is not involved in any ongoing legal proceedings.

4. Submission of Matters to a Vote of Security Holders

No new matters were scheduled for voting.

5. Market for Reporting issuer's Common Equity and Related Stockholder Matters

Not applicable

6. Financial Statements and Selected Financial Data

Details see attached Financial Statements 2014.

7. Disclosure of Risk Factors

No additional risk factors to ones already stated in the Prospectus dated June 30, 2008, occurred.

8. Changes in Securities and Use of Proceeds

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

9. Defaults upon Senior Securities

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

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

PERFORMANCE REVIEW 2014

The Esplanade Shopping and Commercial Complex owned and operated by Grenreal Property Corporation Ltd. has been set up as a shopping facility catering for both the market of cruise passengers and stay over visitors, as well as the domestic market. A major asset of the shopping complex continues to be its direct and exclusive connection to the Cruise Ship Terminal in St. George's.

The worldwide economic crisis continues to affect business conditions despite these challenges the cruise sector in Grenada has moderately improved. The cruise passenger arrivals have shown an increase for 2014 approximately 240, 142 passengers, 26.6% more than 2013 (189,612). This positive Passenger Flow Index (PFI) is not expected for the 2015 calendar year. The Caribbean Tourism Organisation (CTO) in their Annual State of the Industry Report notes while the Caribbean remains one of the worldwide cruise destinations, some cruise liners plan to reorganize their routes.

<http://www.onecaribbean.org/wp-content/uploads/HughRileyStateIndustryFeb2015.pdf>

The Company continues to face pressure on rental levels especially in Dr. Jan Bosch Building and the write off of some bad debt at the end of the year. However, it has been able to maintain continued business with its leading anchor tenants and foresees renewal for all contracts.

The vacancy level for the Esplanade Mall and Dr. Jan Bosch Building are 10% and 12% respectively in 2014 whereas it was at 9% and 14% respectively in 2013. The rates are relatively low as a result of the management team's efforts to secure new tenants and its decision to reduce rental rates to assist some of the existing tenants that continue to grapple with the fall in commercial activity. There are no plans to increase rental rates in the near future, a flat growth is predicted for the PFI and a negative Consumer Price Index (CPI) similar to 2014 (-0.95%).

The Company had a small decline in rental income from \$3,915,635 in 2013 to \$3,607, 761 in 2014. The operational and general costs net of the additional bank professional charges (\$265,049) changed from \$1,802,344 in 2013 to \$1,793, 883 in 2014.

The other costs have increased from \$3,133,789 in 2013 to 3,367,486 in 2014 as the growth in financing costs is expected to continue. The company has managed to avoid overdraft charges and with an increased valuation achieved an operating income of \$2,619,743 in 2014 from an operating loss of \$3,307,214 in 2013.

BALANCE SHEET AND FINANCING

At 31 December 2014 Grenreal's property portfolio was valued at EC\$61.7 million (2013 EC\$57.9 million). This \$3.8 million increase is mainly due to increase occupancy in Dr. Jan Bosch Building and a partial recovery in the cruise sector.

The Company's long term borrowings decreased from \$33.2 million to \$32.5 million due to lower volume of bank professional costs compared to 2013. The loan to value ratio at 53% is slightly over the agreed 50% financial covenant with the bank.

The loan facility has been granted on a long term basis and expires in 2028, providing the Company with security of its financing in continuing turbulent times. The debt repayment is a growing burden on the cash position however the Company achieved a positive cash flow. The Board of Directors have decided to pursue the issue of equity placement and refinancing to improve the Company's cash position.

RESULTS AND DIVIDENDS

The Company increased valuation with a total comprehensive income of EC\$2,619,743 which has resulted in an increase in shareholders' equity from EC\$18.1 million to EC\$20.7 million. The net asset value per share is EC\$2.46. The Board of Directors does not propose a Dividend for the year 2014.

PROSPECTS

The economic conditions have affected the financial position of the Company but it still shows a strong balance sheet. The present economic conditions require continued alertness and adaptive management strategies to weather the economic downturn.

The Company is strongly focused on alternative marketing strategies, maintaining a mixed portfolio of domestic/international tenants to increase its anchor tenant base and working capital management strategies to improve debt collections and minimize cost.

11. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure

The Company did not change its Accounting and Financial Disclosure and did not have any disagreement with the Auditors on these issues.

12. Directors and Executive Officers of the Reporting Issuer

The Company had no changes to its Board of Directors for the year 2014.

13. Other Information

Not applicable

14. List of Exhibits

- Annual Audit Report 2014

Indicate whether the reporting issuer has filed all reports required to be filed by Sections 98 of the Securities Act of 2001 during the preceding 12 months

Yes X

No _____

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:

SPENCER THOMAS

Signature: 

Date: 27/08/15

Name of Director:

RONALD L. HUGHES

Signature: 

Date: 28/08/2015.

Name of Chief Financial Officer:

SUKRU EVRENGULI

Signature: 

Date: 20/08/15

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2015

	31-Mar 2015 EC\$	31-Dec 2014 EC\$	31-Mar 2014 EC\$
ASSETS			
Non-Current Assets			
Investment property	61,790,500	61,790,500	57,923,000
Computers and Office furniture	100	945	4,110
	-	-	-
	<u>61,790,600</u>	<u>61,791,445</u>	<u>57,927,110</u>
Current Assets			
Inventory	-	-	1,994
Receivables and prepayments	544,018	548,029	733,992
Cash and cash equivalents	134,283	60,496	141,106
	<u>678,301</u>	<u>608,525</u>	<u>877,092</u>
TOTAL ASSETS	<u>62,468,901</u>	<u>62,399,970</u>	<u>58,804,202</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Stated capital	25,365,000	25,365,000	25,365,000
Accumulated surplus	<u>(4,667,293)</u>	<u>(4,611,143)</u>	<u>(7,205,300)</u>
Total equity	<u>20,697,707</u>	<u>20,753,857</u>	<u>18,159,700</u>
Non-Current Liabilities			
Long term loan	35,788,184	32,531,451	35,713,763
Shareholders loan	<u>1,642,970</u>	<u>1,611,505</u>	<u>1,511,885</u>
Current Liabilities			
Trade and other payables	2,144,657	2,138,244	1,967,903
Amount due to related party	1,126,810	1,090,622	624,312
Short-term borrowings	<u>1,068,573</u>	<u>4,274,291</u>	<u>826,639</u>
	<u>4,340,040</u>	<u>7,503,157</u>	<u>3,418,854</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	<u>62,468,901</u>	<u>62,399,970</u>	<u>58,804,202</u>
	-	-	-

GRENREAL PROPERTY CORPORATION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE PERIOD JANUARY - MARCH 2015**

	31-Mar 2015 EC\$	31-Mar 2014 EC\$
INCOME		
Net Rental Income - retail units + kiosks	1,001,198	997,206
Service re-charge	49,937	48,910
Parking	86,291	77,655
Other income	22,307	21,303
	<u>1,159,733</u>	<u>1,145,074</u>
Net gain from fair value on investment Property	-	-
	<u>1,159,733</u>	<u>1,145,074</u>
EXPENSES		
Operational expenses		
Accounting Fees	-	-
Insurance	80,726	81,715
Security	51,734	55,277
Janitorial Services	42,303	36,737
Marketing and Public Relations	15,175	1,404
Utilities	83,461	99,805
Property Management / Salaries	79,721	70,878
Parking lot	6,632	16,377
Maintenance and other costs	18,795	15,346
Office supplies	3,258	3,150
	<u>381,804</u>	<u>380,689</u>
General expenses		
Service Charge MPMC	-	-
Office Rent	13,311	13,314
Auditor Fees	4,500	6,250
Subscription ECCSR	5,751	5,751
Banking Fees	807	3,414
Legal Fees (Corporate)	385	8,410
Directors Fees	5,400	15,400
Corporate Management Fee	37,500	37,500
Director's liability insurance	-	2,500
Professional Fees	51,015	5000
	<u>118,669</u>	<u>97,539</u>
Total operational and general expenses	<u>500,473</u>	<u>478,228</u>
Operating Income before interest and depreciation	<u>659,260</u>	<u>666,846</u>
Deduct: Depreciation	845	845
Bad debt	-	-
Bank Interest	714,565	650,571
Finance Income	-	-
	<u>715,410</u>	<u>651,416</u>
Profit for the year	<u>(56,150)</u>	<u>15,430</u>

GRENNREAL PROPERTY CORPORATION LIMITED

**STATEMENT OF CASH FLOWS
FOR THE PERIOD MARCH 2015**

	31-Mar 2015 EC\$
Cash Flow from Operating Activities	
Profit for the period	(56,150)
Adjustments for:	
Depreciation	845
Gain on Revaluation of investment property	-
Operating Cash Flow before working capital changes	(55,305)

Inventory	-
Accounts receivable and prepayments	5,273
Accounts payable and accrued expenses	6,414
Amount due to related parties	34,924
Proposed building improvements	-
Net Cash from Operating Activities	(8,694)

Cash Flow from Investing Activities	
Additions to Investment property	-
Purchase of vehicle	-
Purchase of equipment	-
Net Cash from Investing Activities	-

Cash Flow from Financing Activities	
Net proceeds from long term borrowings	51,015
Shareholders' Loan	31,466
Net Cash from Financing Activities	82,481

Net Change in Cash and Cash Equivalents	73,787
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Cash and Cash Equivalents - Beginning of Period	60,496
Cash and Cash Equivalents - End of Period	134,283
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