Schedule 1

FORM ECSRC – K

ANNUAL REPORT
PURSUANT TO SECTION 98(1) OF THE SECURITIES ACT, 2001

For the financial year ended 31st DECEMBER 2018

Issuer Registration number
345640

GRENREAL PROPERTY CORPORATION LIMITED
(Exact name of reporting issuer as specified in its charter)

GRENADA .W.I
(Territory of incorporation)

P.O.BOX 1950, MELVILLE STREET, ST. GEORGE'S, GRENADA .W.I.
(Address of principal office)

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)

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

Yes ☑ 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	7,670,302

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:
MR. DENNIS S.M. CORNWALL

Signature

May 30th, 2019
Date

Name of Director:
MR. RONALD HUGHES - CHAIRMAN

Signature

May 30th, 2019
Date

Name of Chief Financial Officer:
MS. LINDY MCLEOD

Signature

May 30th, 2019
Date

INFORMATION TO BE INCLUDED IN FORM ECSRC-K

1. Business.

Provide a description of the developments in the main line of business including accomplishments and future plans. The discussion of the development of the reporting issuer's business need only include developments since the beginning of the financial year for which this report is filed.

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

Grenreal is in the business of leasing commercial units to duty free/ duty paid tenants that conduct retail business in the Bruce Street and Esplanade mall in the town of St. George's. The financial year 2018 resulted in a another year of economic growth for Grenada, increase in GDP of 3.5. The Grenada Board of Tourism reported an increase in stay over arrivals and cruise passangers for the year 2018 above that of 2017. he economy and the tourism industry were turning around. Grenreal has benefited from increased economic activity within the economy.

During the Financial year 2018, The company was able to acomplish the following:

1. Decrease the combined vacancy ratio in the Malls to approximately 6 percent from approximately 13 per cent at the beginining of 2018. As at December 2018 all units on the 1st floor were rented.

2. Two new jewelry stores commenced operations during 2018.

3. Ernst and Young completed its Strategic and Financial counsultation. A number of recommendations for strategic direction are being considered for implementation.

2. Properties.

Provide a list of properties owned by the reporting entity, detailing the productive capacity and future prospects of the facilities. Identify properties acquired or disposed of since the beginning of the financial year for which this report is filed.

The following properties are managed by Grenreal Property Corporation Limited

- The Esplanade Mall
- Dr. Jan Bosch Building (Bruce Street Mall)

No new properties have been aquired or disposed off since the begining of the financial year ended 31 December 2017.

The Grenreal Property Corporation Limited (Grenreal) leases the following properties:

- The Esplanade Mall
- Dr. Jan Bosch Building (Bruce Street Mall)

The both properties are structurally connected and therefore are seen as one Facility.

3. Legal Proceedings.

Furnish information on any proceedings that were commenced or were terminated during the current financial year. Information should include date of commencement or termination of proceedings. Also include a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

Currently there are no Legal Proceedings against Grenreal

4. 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.

Not Applicable

(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

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

Furnish information regarding all equity securities of the reporting issuer sold by the reporting issuer during the period covered by the report.

Not Applicable

6. **Financial Statements and Selected Financial Data.**

Attach Audited Financial Statements, which comprise the following:

<u>For the most recent financial year</u>

(i) Auditor's report; and
(ii) Statement of Financial Position;

<u>For the most recent financial year and for each of the two financial years preceding the date of the most recent audited Statement of Financial Position being filed</u>

(iii) Statement of Profit or Loss and other Comprehensive Income;
(iv) Statement of Cash Flows;
(v) Statement of Changes in Equity; and
(vi) Notes to the Financial Statements.

7. 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.

Risk factors that may impact on Grenreal's operations:

Nature of the real estate industry:

There are existing shopping malls in Grenada that can be viewed as competitors of Grenreal. In terms of pricing they can have lower rates. However, Grenreal as the sole cruise passenger mall on the island and retains a competitive edge.

Dependency on economic conditions:

Limited economic activity has an adverse impact on revenue collections. Grenada has, however, experienced growth in GDP in 2018. Grenreal offers slow season discounts for duty free tenants and general discounts for non duty free tenants. in other to maintain the occupancy level. Going forward, these discounts will be eliminated.

Development of the tourism industry

The Grenada Tourism Authority (GTA) is expecting the cruise season 2019/2020 to have increased cruise passenger arrivals above that of the 2018/2019 cruise season. The GTA continues to actively engage cruise liners and has been working hard at making needed improvments in order to welcome cruise ships all year round instead of only during the six month cycle.

Liquidity risk

Grenreal can face difficulty in meeting its financial obligations in particular loan payments. The company as far as possible continues to mitigate same by ensuring sufficient resources are available when payments become due, under both stressed and normal conditions. As part of receivables management tenants are actively engaged to comply with lease terms and conditions and granted discounts.

Changes in legislations

The end of the structural adjustment program has meant a general increase in disposable income within the grenadian economy. Grenreal believes that rental rates can now be increased in line with growth in the economy.

Operational risks

The possibility of deficiencies in company information and control systems, human error and disasters are assessed regularly and measures are implemented to reduce same. In particular continuous upgrades to systems, supervisory control to minimize human error. In addition to insurance coverage for natural disasters, the company is implementing its new, upgaded, disaster management plan and its action plan for the hurricane season.

8. 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.

Not Applicable

(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)

  Not Applicable

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

  Not Applicable

- Name and address of underwriter(s)

  Not Applicable

  Not Applicable

- Amount of expenses incurred in connection with the offer Not Applicable

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

  Not Applicable

- Payments to associated persons and the purpose for such payments

  Not Applicable

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

Not Applicable

9. 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.

Not Applicable

(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.

Not Applicable

10. 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 financial year of the filing. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

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

Grenreal's cash and cash equivalent as at 31st December 2018 was EC$887,821; (31st December 2016: EC$661,550).

Total Income for the year ended 31st December 2018 was EC$4,325,823 or 0.66% higher than the outturn for the previous year. (31st December 2017: EC$4,056210). Net profit for the year 2018 was $652,682 (2017- $228,445) a 185% or $424,237 increase. This was due mainly to 1. an increase in rental Income as evidences by the decrease in vacancy rate, and 2. a write back of previously written off debts. Due to aggressive collection methods during 2018 Grenreal was able to collect a significant amount on old outstanding debt. The new IFRS 9 application also contributed to the increase in net income.

Finance Cost for the period ended 31st December 2018 was EC$1,957,547; (Finance cost as at 31st December 2017: EC$1,966,723). A slight redction from that of 2017. With the restructuring of the Syndicate Bond to be finalised in 2019 a further reduction in finance cost is anticipated.

Grenreal's property was valued at EC$66,960,500 as at 31st December 2018 compared to a valuation of EC$65,934,800 at the end of the previous year. This resulted in a gain on revaluation of 1,025,700. The Income Method was used to arrive at the Market Value of the property which was done by an independent valuator. This contributed to an increase in total comprehensive income of $1,471,237. Total comprehensive income 2018- $1,678,382 (2017- $207,145.

Parking fees and other income were slightly higher for the year ended December 31st 2018 when compared to the year ended December 31st 2017. The other income relates to some outstanding rent collected and from the public restroom facility.

Operational expenses for the year ended December 31st 2018 was EC$1,700,896 (year ended December 31st 2016: EC$1,681,246). General expenses for the year ended December 31st 2018 was EC$380,664, (year ended December 31st 2017: EC$252,927). General expenses includes approximately $141,000 expensed for the strategic report prepared by Ersnt and Young.

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 cruise ship season 2018/2019 commenced in late November 2018. From discussions with tenants, the 2018/2019 seaseon was a succesful one. It is expected that the 2019/2020 will be even more successful with calls secured for August 2019 and October 2019.

The working capital ratio for year 2018 was 0.43:1 (2018 - 0.28:1)The improvement in the local economy has contributed to improved business activity for Grenreal's tenants. Additionally, the decrease in the occupancy level has conributed to an increase in revenue. Further, in order to improve the cash flow and working Capital ratios Grenreal have been vigorous in the collection of outstanding receivables. For the year 2018 provisions for doubtful receivables was reduced significantly.
The company has commenced a three year initative to reduce rental discounts offered to tenants.The increased rental rates became effective as of January 2019. Several of these discounts were originally granted to tenants during the period of recession and structural adjustment in Grenada.

Grenreal is current with its payments to the Government of Grenada on long outstanding VAT payable. During that period (2011-2014), the company experienced difficulties since most tenants had difficulties in paying their rent on time. Some tenants did not pay the VAT due to Goverment for the period January 2012- February 2015 and some of that tax liability still remained outstanding. Grenreal had approached the Goverment of Grenada for a waiver on the Interest and Fines on the VAT principal outstanding,this was granted. As of December 2018 Grenreal had settled 10 of the 21 required payments.

In September 2015, Grenreal refinanced its Loan held with First Caribbean International Bank, and contracted a Syndicate Bond of EC$24.4million from (Grenada Co-operative Bank Limited and the National Insurance Scheme, Grenada). This resulted in a lower interest cost for Grenreal going forward when compared to interest expenses paid on the First Caribbean International Bank in previous years. Interest rate on the Syndicate Bond is seven (7%) compared to the interest rate of 7.5% on the First Caribbean International Loan. As of March, 2019 the restructuring of the Syndicate Bond had been finalised in principle. The bond is to be restructured at a variable interest rate 6% for a period of 15 years. Under the restructuring plan, shareholder loans will be converted to 6% preference shares. The shareholders loans are EC$2.2 million as at March 31, 2019.

Grenreals Debt to Equity ratio at the end of 2018 was 0.70:1 (2017- 0.72:1). A reduction in this ratio is expected as payments on the principal is expected to commence in July, 2019.

Generally, the ecomomic conditions locally, regionally and international can impact the level of busineess that our tenants are able to generate. Some of these factors are outside the control of Grenreal. For instance, the Grenada Tourism Authority is responsible for promoting Grenada as a tourist destination. The level of resources earmarked for promotion of the country as well as the level of concessions afforded by the authorities have consequences for the succes of the tourism industry. The spending power of our visitors is dependent on other factors not controlled by Grenreal.

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

Since the start of the financial year 2018, one of the company's objectives was to improve the occupancy level in the Mall.

During the year 2018, 11 new tenants came on board. Additionally, 1 exsiting tenant opened a separate line of business and rented 2 additional spaces. The new tenants have significantly lowered the vacancy rate.

Grenada has now experience its forth consecutive year of GDP growth. The Home Grown Structural Adustment Program has ended increasing the amount of disposable income available within the economy. The Home Grown Structural Adjustment Programme impacted on tenants' business as well as customers' ability to shop or not . It is anticipated, that improve govenment activities and programmes could spur economic activities in the country going forward. If the projected growth in the cruise ship business materialises, then this could imply increase business for our tenants and improve cash flow for Grenreal.

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

Describe any changes in auditors or disagreements with auditors, if any, on financial disclosure.

Not Applicable

12. Directors and Executive Officers of the Reporting Issuer. (*Complete Biographical Data Form attached in Appendix 1 and Appendix 1(a) for each director and executive officer*)

Furnish biographical information on directors and executive officers indicating the nature of their expertise.

13. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report provided that the material change occurred within seven days of the due date of the Form ECSRC – K 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.

Not Applicable

14. List of Exhibits

List all exhibits, financial statements, and all other documents filed with this report.

The Audited Financial Statements for the Period Ended 31st December 2018

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: MR. RONALD HUGHES

Position: CHAIRMAN OF GRENREAL

Mailing Address: P.O. BOX 1950, MELVILLE STREET, ST. GEORGE'S, GRENADA W.I.

P.O. BOX 1950, MELVILLE STREET, ST. GEORGE'S, GRENADA W.I.

Telephone No.: 1-473-409-9589

List jobs held during past five years (include names of employers and dates of employment).
Give brief description of **current** responsibilities

Ronald L Hughes entered the Insurance Industry in 1984 when he joined Caribbean Insurance Company Limited which was subsequently rebranded TransNemwil Insurance Limited Grenada.
Mr. Hughes worked in most Departments of the Company and held the positions of Marketing Manager and Claims Manager before being appointed General Manager on March 1st 1997 and thenManaging Director on July 1st 1998. Much of his training was received through the Trinidad and Tobago Insurance Academy, the Insurance Institute of America and the National Leadership Institute /CPCU Society. Mr. Hughes is a past President of the Association of Grenada Insurance Companies.

Mr. Hughes continues at the helm as the Managing Director od TransNemwil Insurance Limited, Grenada ,which was rebranded in 2015 toGuardian Group Grenada. Presently he is a Director of Grenada Transport Board and Insurance Association of the Caribbean.

Education (degrees or other academic qualifications, schools attended, and dates):

Professional Development Courses:

1992 The Acadamy of Insurance of Trinidad and Tobago - Motor Insurance Practice.
1992 The Acadamy of Insurance of Trinidad and Tobago and the London School of Insurance- Strategic Planning/Management
1993 The Acadamy of Insurance of Trinidad and Tobago - Reinsurance.
1999 The Acadamy of Insurance of Trinidad and Tobago - Contractors' All Risks insurance.
2006 CPCU Society National Leadership Institute - Strategic Planning, Strategic Thinking, Persuasive Communication for Leaders

Use additional sheets if necessary.

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: MR. DENNIS S.M. CORNWALL   Position: CHIEF EXECUTIVE OFFICER/COMP.

Mailing Address: P.O. BOX 1950, MELVILLE STREET, ST. GEORGE'S, GRENADA W.I.

P.O. BOX 1950, MELVILLE STREET, ST. GEORGE'S, GRENADA W.I.

Telephone No.: 1-473-435- 8372

List jobs held during past five years (including names of employers and dates of employment).
Give brief description of **current** responsibilities.

CHIEF EXECUTIVE OFFICER, GRENREAL PROPERTY CORPORATION LIMITED -November 2016 – Present;

RESEARCH AND COMPLIANCE OFFICER, EASTERN CARIBBEAN HOME MORTGAGE BANK (ECHMB),- September 2013 – June 2016;

MANAGER, RESEARCH AND MARKETING, EASTERN CARIBBEAN HOME MORTGAGE BANK (ECHMB) - September 2001 – September 2013.

Education (degrees or other academic qualifications, schools attended, and dates):

2011 Certified Residential Underwriter (CRU), member of the Real Estate Institute of Canada (REIC);

1988 MSc. Degree in Economics, University Centre of Pinar del Rio, Cuba;

1982 Diplomas in Spanish, Mathematics and History, University of Camaguey(Prepatory Department), Camaguey, Cuba;

1981 Diploma in Spanish, School for Foreign Students "Pepito Mendoza", Havana, Cuba

Also a Director of the company ☐ Yes ☑ No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

ON CONTRACT, FULL TIME

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Dorsett Cromwell

Position: Director

Age: 49

Mailing Address: Tempe
St. Georges
Grenada

Telephone No.:

List jobs held during past five years (include names of employers and dates of employment).

Director, National Insurance Board (NIB)- January 15, 2019 to Present

Deputy Director (NIB)- December 2008- January 14, 2019

Give brief description of **current** responsibilities

Responsible for the management of the Staff of the Board and the overall administration of the National Insurance Fund to include the following:

(1)The strategic and corporate management of the institution
(2) The collection of contributions under the Law
(3) The payment of benefits and expenditure necessary for the proper administration of the Fund
(4) The investment of surplus monies in the Fund in accordance with the Law
(5) Accounting for all monies collected, paid or invested under the Law
(6) Submission of business plans and programmes for the development and management of the National Insurance Scheme, for the consideration and approval of the Board in accordance with the relevant laws and best management practices

Education (degrees or other academic qualifications, schools attended, and dates):

Bachelor Of Science Degree (UWI) 1991-1994
Bachelor of Actuarial Science (Georgia State University) 1996-1998
Masters of Actuarial Science (Georgia State University) 1996-1998

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Anthony Maughn

Position: Director

Mailing Address: c/o Melville Street, P.O.Box 1950
St. George's. Grenada

Telephone No.: +1 473 435 8372

List jobs held during past five years (include names of employers and dates of employment).

Prior to his appointment at CFSC, Mr. Maughn worked for twenty (20) years at the Caribbean Development Bank, departing that institution as Chief of the Private Sector Development Division.

A former commercial banker, Mr. Maughn has had a diverse career working in various fields including finance, investments and project evaluation and management.

Give brief description of **current** responsibilities

Mr. Anthony Maughn was appointed President of CFSC in 2007 with a mandate to provide overall leadership and direction over the Corporation's affairs and to ensure that the strategic goals and objectives implemented by the Board of Directors were undertaken, allowing the Corporation to be productive and maximise its shareholder returns.

Education (degrees or other academic qualifications, schools attended, and dates):

1973 Bsc Management The University of West Indies

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Sükrü Evrengün

Position: Deputy Chairman of Grenreal

Mailing Address:
c/o Melville Street, P.O. Box 1950,St. George's, Grenada
info@grenreal.com

Telephone No.: +1 473 435 8372

List jobs held during past five years (include names of employers and dates of employment).

Sükrü Evrengün is the finance director of Zublin Grenada Ltd. graduated from the University of Amsterdam with a Master's degree in Fiscal Law in 1985. After graduation, he enrolled in the management trainee program at ABN-AMRO Bank in Amsterdam. In 1988 Mr. Evrengün joined the Citco Group, where he worked for eleven (11) years in managerial positions in both the trust and banking operations, in the Netherlands Antilles, Aruba, Netherlands, BVI and Switzerland.

After leaving Citco in 1999, Mr. Evrengün established himself as an independent corporate finance consultant in Switzerland and co-founded Circle Partners in 2000, an international financial services group, which at present services assets of over US$ 3 billion, with offices in the Netherlands, Switzerland and the BVI.

Mr. Evrengün concluded the Program for Management Development at the Harvard Business School in 1995 and serves as an independent director on the board of various investment funds and international companies.

Give brief description of **current** responsibilities

Mr. Evrengun is currently a partner of Circle Partners with offices in the Netherlands, Switzerland and BVI. Also a finance director of Zublin (Grenada) Ltd. and director of St. George's Newport Property Development Ltd.

Education (degrees or other academic qualifications, schools attended, and dates):

1985 Master's Degree University of Amsterdam

1995 Programme for Management Development Harvard Business School

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: George A. Bain

Position: Director

Mailing Address: c/o Melville Street, P.O.Box 1950
St. George's. Grenada

Telephone No.: + 1 473 435 8372

List jobs held during past five years (include names of employers and dates of employment).

Nov 2011 - present Country Manager, Sol EC (Grenada) Limited

1992 - 31st Oct 2011 Manager, Bryden & Minors Ltd.

2018 - to Present time - Manager, Bryden & Minors Ltd.

Give brief description of **current** responsibilities

George Alexander Bain is the Country Manager at Sol EC (Grenada) Limited. In this role, George leads a team of experienced professionals in providing environmentally safe operations related to the importation, storage and distribution of White Oils, Lubricants and Liquid Petroleum Gas in Grenada.

A big believer in teamwork, honesty and integrity, George supports team leaders in the execution of their highly technical and time consuming job functions.

He has been employed with Sol EC Limited since November 2011, and has 19 years' prior experience at a Managerial and Director Level in the wholesale and retail sectors, when he worked at Bryden & Minors Ltd. He is currently the Vice President of the Grenada Chamber of Industry and Commerce, on whose board he has served from 2012. He is also a Director on the Boards of the Grenada Ports Authority and Grenreal, and serves on the steering committee of NaDma.

Education (degrees or other academic qualifications, schools attended, and dates):

Master's Degree in Business Administration (International Business) from the St. George's University Grenada (2012).

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Dr. Linus Spencer Thomas

Position: Director

Mailing Address: c/o Melville Street, P.O.Box 1950
St. George's. Grenada

Telephone No.: +1 473 435 8372

List jobs held during past five years (include names of employers and dates of employment).

Dr. Linus Spencer Thomas served as a Management Consultant to Grenreal. He served in the capacity of Director General of Finance and Economic Advisor to the Government of Grenada from 1995 to 2007.

He provides consultancy services in the areas of Economics, Finance, Business, Environment and Management.

Give brief description of **current** responsibilities

He is a director representing St. George's Newport Development Company Limited.

Education (degrees or other academic qualifications, schools attended, and dates):

1988	Bachelor's Degree in Economics from Howard University
1990	Masters Degree in Economics from Iowa State University
1994	Doctor of Philosophy from Howard University
2006	Post Doctoral Masters Degree in Telecommunications from the University of the West Indies

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Ron Antoine

Position: Director

Mailing Address: c/o Melville Street, P.O. Box 1950,
St. George's, Grenada

Telephone No.: +1 473 435 8372

List jobs held during past five years (include names of employers and dates of employment).

Managing Director of the Grenada Breweries Limited, a subsidiary of the ANSA McAL Group of Companies of Trinidad and Tobago.

Give brief description of **current** responsibilities

He was a senior manager at PSEG Power of New Jersey, USA where he served as a manager of corporate development with focus on cost optimization, planning and capital governance. Presently, he is the Managing Director of the Grenada Breweries Limited, a subsidiary of the ANSA McAL Group of Companies of Trinidad and Tobago. He also serves on the Board of Directors of several leading companies in the Region and is currently the Chairman of the National Insurance Scheme of Grenada.

Education (degrees or other academic qualifications, schools attended, and dates):

Bsc Mechanical Engineering The University of the West Indies MBA Cornell University Johnson School of Business

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Richard Duncan

Position: Director

Mailing Address: c/o Melville Street, P.O.Box 1950
St. George's. Grenada

Telephone No.: +1 473 435 8372

List jobs held during past five years (include names of employers and dates of employment).

He previously worked in the Grenada Public Service in the areas of public policy analysis, debt management, public finance and public sector investment programming. He has held several directorships including the Grenada Model Farms Corporation, Grenada Postal Corporation, the Caribbean Credit Card Corporation (4Cs), the Rotary Club of Grenada, Chairman of the NIS Investment Committee and vice-president of the Grenada Bankers Association.

Give brief description of **current** responsibilities

Richard W. Duncan is the Managing Director of Grenada Co-operative Bank Ltd. An Economist and Accountant, he joined the bank in 1996 as its Financial Manager. Currently he serves as the Deputy Chair of the Caribbean Credit Card Corporation. Mr. Duncan has attended and made presentations at various seminars and conferences in the areas of Corporate Governance, Strategic Planning and Bank Management.

Education (degrees or other academic qualifications, schools attended, and dates):

BSC Economics and Accounting The University of the West Indies
M.A. Public Administration Carleton University
CPA Certified Public Accountant
FCPA Fellow Certified Professional Accountant
FCGA Fellow Certified General Accountant
Associate Institute of Canadian Bankers
Associate Chartered Institute of Secretaries and Administrators, Canada

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Ronald L. Hughes

Position: Chairman of Grenreal

Mailing Address: c/o Melville Street, P.O.Box 1950
St. George's. Grenada

Telephone No.: +1 473 435 8372

List jobs held during past five years (include names of employers and dates of employment).

Ronald L. Hughes entered the Insurance Industry in 1984 when he joined Caribbean Insurance Company Ltd. which was subsequently rebranded Trans Nemwil Insurance Ltd. Grenada. Mr. Hughes worked in most Departments of the Company and held the positions of Marketing Manager and Claims Manager before being appointed General Manager on March 1, 1997 and then Managing Director on July 1, 1998.

Much of his training was received through the Trinidad and Tobago Insurance Academy, The Insurance Institute of America and The National Leadership Institute/CPCU Society. Mr. Hughes is a past President of the Association of Grenada Insurance Companies and served for a period of 13 years.

Give brief description of **current** responsibilities

Mr. Hughes continues at the helm as the Managing Director of Trans-Newil Insurance Ltd. Grenada, which was recently rebranded in 2015 to Guardian Group Grenada. Presently he is a Director of Grenada Transport Board and Insurance Association of the Caribbean.

Education (degrees or other academic qualifications, schools attended, and dates):

Professional Development Courses:
1992 The Academy of Insurance of Trinidad and Tobago – Motor Insurance Practice.
1992 The Academy of Insurance of Trinidad and Tobago and the London School of Insurance - Strategic Planning / Management.
1993 The Academy of Insurance of Trinidad and Tobago – Reinsurance.
1999 The Academy of Insurance of Trinidad and Tobago – Contractors' All Risks insurance
2006 CPCU Society National Leadership Institute- Strategic Planning, Strategic Thinking, Persuasive Communication for Leaders.

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Fitzroy O'Neale

Position: Director

Mailing Address: c/o P.O. Box 1950, Melville Street
St. George's , Grenada

Telephone No.: +1 473 435 8372

List jobs held during past five years (include names of employers and dates of employment).

Mr. Fitzroy G. O'Neale has made significant contributions to the banking industry over a 37 year career during which he worked for The Bank of Nova Scotia. Mr. O'Neale served locally, regionally…in Antigua, The Bahamas and The Federation of St. Kitts and Nevis as well as at the Bank's Head Office in Toronto, Canada. He held the position of Country Manager in St. Kitts and Nevis and Grenada. His focus has been mainly in the areas of Commercial Credit, Retail Credit and Management.

Following his retirement, Mr. O'Neale was Grenada's CEO for Cricket World Cup 2007. He has also been a member of the Board of Directors of the Chambers of Commerce in St. Kitts and Grenada. Mr. O'Neale is also a member of a number of local Boards and organisations. He is a Past President of The Rotary Club of Grenada, Assistant Governor for Grenada 2011-2012 and Conference Chairman for Rotary District 7030 Conference held in Grenada in 2013.

Give brief description of **current** responsibilities

Mr. O'Neale continues to be involved as a Banking Consultant and a real estate sales agent.

Education (degrees or other academic qualifications, schools attended, and dates):

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Fay Roberts

Position: Director

Mailing Address: c/o Melville Street, P.O.Box 1950
St. George's. Grenada

Telephone No.: +1 473 435 8372

List jobs held during past five years (include names of employers and dates of employment).

Part Time Tutor at H. Lavity Stoutt Community College.
Business Owner/Manager - Nicandon Services Limited

Give brief description of **current** responsibilities

Fay Roberts is a Grenadian National who resides in the British Virgin Islands. Owner\Manager of Nicandon Services Limited, a consultancy company. Director of Virgin Gorda Yacht Harbour Management Limited and former director of Citco BVI Limited. Part-time tutor at H. Lavity Stoutt Community College

Education (degrees or other academic qualifications, schools attended, and dates):

2007 Jan Executive Diploma - Chartered Management Institute (CMI)
2007 Feb Membership Chartered Management Institute (CMI)

Use additional sheets if necessary.

BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Christopher Husbands

Position: Grenreal

Age: 49

Mailing Address: P.O Box 114
St Georges
Grenada

Telephone No.:

List jobs held during past five years (include names of employers and dates of employment).

General Manager; National Water and Sewerage Authority. Grenada
April 2008 to present

Give brief description of **current** responsibilities

Implement the policy decisions and strategic direction provided by the Board of Directors

Education (degrees or other academic qualifications, schools attended, and dates):

University of Toronto, Canada, MBA(Finance) 2000 to 2002
Florida International University, USA, M.Sc. Construction Management 1995 to 1997
University of the West Indies. Trinidad, B.Sc (Hons) Civil/Environmental Engineering 1987 to 1990

Use additional sheets if necessary.

Accountants &
business advisers

GRENREAL PROPERTY CORPORATION LIMITED

FINANCIAL STATEMENTS
(Expressed in Eastern Caribbean Dollars)

FOR THE YEAR ENDED

31ST DECEMBER, 2018

GRENREAL PROPERTY CORPORATION LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018
(Expressed in Eastern Caribbean Dollars)

CONTENTS

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Grenada | West Indies
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PKF

Accountants &
business advisers

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRENREAL PROPERTY CORPORATION LIMITED

Opinion

We have audited the financial statements of Grenreal Property Corporation Limited (the 'Company'), which comprise the statement of financial position at December 31st, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31st, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Grenada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of the current year. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinions thereon, and we do not provide a separate opinion on these matters. There were no key audit matters to communicate.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRENREAL PROPERTY CORPORATION LIMITED (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRENREAL PROPERTY CORPORATION LIMITED (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence; and communicated with them all relationships and other matters that my reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Mr. Henry A. Joseph.

GRENADA

April 25th, 2019

PKF

Accountants & Business Advisers:

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER, 2018

(Expressed in Eastern Caribbean Dollars)

	Notes	**2018**	2017
ASSETS			
Non-Current Assets			
Plant and equipment	4	37,220	26,767
Investment property	5	66,960,500	65,934,800
		66,997,720	65,961,567
Current Assets			
Trade and other receivables	6	497,852	366,062
Cash and cash equivalents	7	887,821	661,550
		1,385,673	1,027,612
TOTAL ASSETS		$68,383,393	$66,989,179
EQUITY AND LIABILITIES			
STATED CAPITAL	8	25,365,000	25,365,000
RETAINED EARNINGS		13,233,939	11,555,557
TOTAL EQUITY		38,598,939	36,920,557
Non-Current Liabilities			
Long-term borrowings	9	24,400,000	24,400,000
Shareholders' loans	10	2,208,968	2,091,834
		26,608,968	26,491,834
Current Liabilities			
Trade and other payables	11	1,638,402	1,987,693
Amount due to related parties	12	1,537,084	1,589,095
		3,175,486	3,576,788
TOTAL LIABILITIES		29,784,454	30,068,622
TOTAL EQUITY AND LIABILITIES		$68,383,393	$66,989,179

The accompanying notes form an integral part of these financial statements

Approved by the Board of Directors on May 21, 2019 and signed on its behalf:

: Director : Director

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2018
(Expressed in Eastern Caribbean Dollars)

	Notes	**2018**	2017
Rental income - rental units		3,787,003	3,530,910
- kiosks		122,633	118,264
Service re-charge		201,097	193,849
Parking		215,090	213,187
		4,325,823	4,056,210
Operational expenses	16	(1,700,896)	(1,681,246)
General expenses	17	(380,664)	(252,927)
Depreciation		(16,913)	(12,892)
Expected credit loss		170,493	(45,353)
Other income		212,386	131,376
		(1,715,594	(1,861,042)
Operating profit		2,610,229	2,195,168
Finance cost	13	(1,957,547)	(1,966,723)
Net profit for the year		652,682	228,445
Gain/(loss) on revaluation of investment property		1,025,700	(21,300)
Total comprehensive income for the year		$1,678,382	$207,145

The accompanying notes form an integral part of these financial statements

PKF

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31St DECEMBER, 2018
(Expressed in Eastern Caribbean Dollars)

	Stated Capital	Retained Earnings	Total Equity
Balance at 1st January, 2017	25,365,000	10,496,606	35,861,606
Penalties and interest waived	-	851,806	851,806
Total comprehensive income for the year	-	207,145	207,145
Balance at 31st December, 2017	25,365,000	11,555,557	36,920,557
Total comprehensive income for the year	-	1,678,382	1,678,382
Balance at 31st December, 2018	$25,365,000	$13,233,939	$38,598,939

The accompanying notes form an integral part of these financial statements

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2018
(Expressed in Eastern Caribbean Dollars)

	2018	2017
OPERATING ACTIVITIES		
Net profit for the year	652,682	228,445
Adjustments for:		
Depreciation	16,913	12,892
Penalties and interest waivered	-	851,806
Operating gain before working capital changes	669,595	1,093,143
Increase in trade and other receivables	(131,790)	(139,780)
Decrease in trade and other payables	(349,291)	(870,748)
Decrease in amount due to related parties	(52,011)	(216,394)
Net cash provided by/(used in) operating activities	136,503	(133,779)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(27,366)	(1,599)
Net cash used in investing activities	(27,366)	(1,599)
FINANCING ACTIVITIES		
Increase in shareholders' loans	117,134	153,609
Net cash provided by financing activities	117,134	153,609
Net increase in cash and cash equivalents	226,271	18,231
Cash and cash equivalents - at beginning of year	661,550	643,319
- at end of year	$887,821	$661,550
REPRESENTED BY:		
Cash on hand and at bank	$887,821	$661,550

The accompanying notes 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) and under the historical cost convention.

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 judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in Note 4.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures

(i) New accounting policies/improvements adopted

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2017 except for the adoption of new standards and interpretations below.

IFRS 9 Financial Instruments (effective 1 January 2018)

IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods on or after 1 January 2018.

Changes in classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IAS 39 measurement categories of financial assets (fair value through profit or loss (FVPL), available for sale, held-to-maturity and loans and receivables) have been replaced by:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition; and
- Financial assets at FVPL

Due to the above as of 1 January 2018, the Company has re-classified its previous loans and receivable financial assets, to financial assets at amortised cost.

The accounting for financial liabilities remains largely the same as it was under IAS 39 which is at amortised cost.

The classification and measurement requirements of IFRS 9 did not have a material impact on the Company. As a result, no adjustment was necessary to the prior year's figures.

The Company's classification of its financial assets and liabilities is disclosed in Note 2(j).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(i) New accounting policies/improvements adopted (continued)

IFRS 9 Financial Instruments (effective 1 January 2018) (continued)

Changes to impairment calculation

The adoption of IFRS 9 has changed the Company's accounting for financial assets impairment by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all financial assets not held at FVPL. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

The Company now uses a provision matrix to calculate ECLs for trade receivables.

IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)

IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in scope for other standards, such as IAS 17 Leases (or IFRS 16, once effective). It also provides a model for the recognition and measurement of gains and losses on disposal of certain non-financial assets including property, equipment and intangible assets.

The standard outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 must be applied using a five-step model:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(i) New accounting policies/improvements adopted (continued)

IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018) (continued)

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The standard is more prescriptive than the current IFRS requirements for revenue recognition and provides more application guidance. The disclosure requirements are also more extensive.

When IFRS 15 is adopted, it can be applied either on a fully retrospective basis, requiring the restatement of the comparative periods presented in the financial statements, or a modified retrospective approach which is applied as an adjustment to retained earnings on the date of adoption. When the latter approach is applied it is necessary to disclose the impact of IFRS 15 on each line item in the financial statements in the reporting period.

The adoption of this standard has no impact on the Company.

IFRS 2 Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2 (effective 1 January 2018)

The IASB issued amendments to IFRS 2 Share-based Payment in relation to the classification and measurement of share-based payment transactions. The amendments address three main areas:

- The effects of vesting conditions on the measurement of a cash-settled share-based payment transactions
- The classification of a share-based payment transaction with net settlement features for withholding tax obligations
- The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

The adoption of this standard has no impact on the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(i) New accounting policies/improvements adopted (continued)

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration (effective 1 January 2018)

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

The adoption of this standard has no impact on the Company.

(ii) Standards in issue not yet effective

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Company's financial statements. The Company intends to adopt these standards where appropriate, when they become effective.

- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement (Effective 1 January 2019)
- IFRS 16 - Leases (Effective 1 January 2019)
- IFRIC Interpretation 23 - Uncertainty over Income Tax Treatments (Effective 1 January 2019)
- IFRS 17 - Insurance Contracts (Effective 1 January 2021)
- IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor or Joint Venture – Amendments to IFRS 10 and IAS 28 - (Effective date postponed indefinitely)
- IFRS 9 – Prepayment features with negative compensation (Effective 1 January 2019)
- Amendments to IAS 28 – Long-term Interest in Associates and Joint Ventures (Effective 1 January 2019)
- Amendments to IAS 19 – Plan Amendments, Curtailment or Settlement (Effective 1 January 2019)
- Amendments to References of the Conceptual Framework in IFRS Standards (Effective 1 January 2020)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(iii) Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRSs.

The following amendments are applicable to annual periods beginning on or after 1 January 2019.

IFRS Subject of Amendment

IFRS 3 - Business Combinations – Previously held interests in a joint operation.

IFRS 11 - Joint Arrangements – Previously held interests in a joint operation.

IAS 12 - Income Taxes – Income tax consequences of payments on financial instruments classified as equity.

IAS 23 - Borrowing Costs – Borrowing costs eligible for capitalization.

(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.

Depreciation 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
Furniture and equipment	10%
Computers	33%

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Plant and Equipment (continued)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the statement of financial position 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.

(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 3. 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 less provision for expected credit losses. 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 or 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised at fair value.

(h) Stated Capital

Ordinary shares are classified as equity.

(i) 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.

(j) Financial Instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liablilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

(i) Recognition and measurement

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date that is the date on which the company commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

Initial measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL) whereby transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at transaction price.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial Instruments (continued)

(i) Recognition and measurement (continued)

Initial measurement (continued)

Financial instruments carried on the statement of financial position include cash and cash equivalents, trade and other receivables, trade and other payables, amount due to related parties, shareholder's loans and borrowings.

Subsequent measurement categories of financial assets and liabilities

The Company classifies all it's financial assets based on the business model for managing the assets and the asset's contractual terms.

From 1st January, 2018 the Company classifies all of its financial assets at amortised cost. Before 1st January, 2018 the Company classified its financial assets as loans and receivables.

Amortised cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(ii) Impairment

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Therefore, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (continued)

(ii) Impairment (continued)

Trade receivables

From 1st January 2018 the Company has been recording an allowance for expected credit losses for its trade receivables using a simplified approach to calculating ECLs whereby it recognizes a loss allowance based on lifetime ECLs at each reporting date. The ECL on these financial assets are estimated used a provision matrix that is based on it historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The provision rates used in the provision matrix are based on days past due.

Other financial assets

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on a financial instrument has not increased significantly since initial recognition the Company recognizes the loss allowance for the financial instrument at an amount equal to 12-month ECL where applicable. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or actual default occurring.

Lifetime ECL represents the expected credit losses that will result for all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible with 12 months after the reporting date.

The Company seeks to hold it's cash in financial institutions which management regards as sound and with no history of default. The risk of default on these financial assets was therefore considered to be low. The ECL for these financial assets were therefore determined to be zero.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (continued)

(ii) Impairment (continued)

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial assets have occurred. Evidence that a financial asset is credit-impaired includes observable date about the following events:

(i) Significant financial difficulty of the issuer or borrower;
(ii) A breach of contract, such as a default or past due event;
(iii) It is becoming probable that the borrower will enter in bankruptcy or other financial re-organization; and
(iv) The disappearance of an active market for that financial asset because of financial difficulties

(iii) Write offs

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally when the Company determines that the borrower does not have assets or resources of income that would generate sufficient cash flows to repay the amount subject to the write-off.

(iv) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (continued)

(v) Financial liabilities

When financial liabilities are recognised they are measured at fair value of the consideration given plus transactions costs directly attributable to the acquisition of the liability. Financial liabilities are re- measured at amortised.

Financial liabilities are derecognized when they are extinguished, that is when the obligation specified in the contract as discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration price is recognised in the statement of comprehensive consideration price is recognised in the statement of comprehensive income.

(k) 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 is expected to continue to 2020.

(l) Revenue

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

(m) 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.

(n) 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.

(c) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4. PLANT AND EQUIPMENT

	Computers	Office Furniture and Equipment	Total
Balance at 1st January, 2017			
Cost	81,989	92,391	174,380
Accumulated depreciation	(71,651)	(64,669)	(136,320)
NET BOOK VALUE	**$10,338**	**$27,722**	**$38,060**
For the year ended 31st December, 2017			
Opening book value	10,388	27,722	38,060
Additions during the year	1,599	-	1,599
Depreciation charge for the year	(5,962)	(6,930)	(12,892)
NET BOOK VALUE	**$5,975**	**$20,792**	**$26,767**
Balance at 31st December, 2017			
Cost	83,588	92,391	175,979
Accumulated depreciation	(77,613)	(71,599)	(149,212)
NET BOOK VALUE	**$5,975**	**$20,792**	**$26,767**
For the year ended 31st December, 2018			
Opening book value	5,975	20,792	26,767
Additions for the year	19,822	7,544	27,366
Depreciation charge for the year	(9,731)	(7,182)	(16,913)
NET BOOK VALUE	**$16,066**	**$21,154**	**$37,220**
Balance at 31st December, 2018			
Cost	103,410	99,935	203,345
Accumulated depreciation	(87,344)	(78,781)	(166,125)
NET BOOK VALUE	**$16,066**	**$21,154**	**$37,220**

5. INVESTMENT PROPERTY

	2018	2017
Balance at 1st January, 2018	65,934,800	65,956,100
Net gain/(loss) from fair value adjustment	1,025,700	(21,300)
Balance at 31st December, 2018	$66,960,500	$65,934,800

The property is located at Melville Street in St. George's. Fair values are based on valuations performed by independent professional valuators. The last valuation at 31st December, 2018 was performed by Civil Engineer Nigel A. John, B.Sc. in March, 2019.

The valuations, included 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. TRADE AND OTHER RECEIVABLES

Trade receivables - net	461,834	327,167
Prepayments	10,753	13,590
Other receivables	25,265	25,305
	$497,852	$366,062

The movement in provision for expected credit losses for trade receivables was as follows:

Balance at 1st January, 2018 (Under IAS 39 and IFRS 9)	(385,945)	(340,592)
Decrease/(increase) in provision	236,369	(45,353)
Balance at 31st December, 2018	$(149,576)	$(385,945)

7. CASH AND CASH EQUIVALENTS

	2018	2017
Cash on hand and at bank	$887,821	$661,550

8. STATED CAPITAL

Authorised:		
9,500,000 shares		
Issued:		
7,670,302 shares of no par value	$25,365,000	$25,365,000

9. LONG-TERM BORROWINGS

Long term

Investment Syndicate loan		
(i) Grenada Co-operative Bank Limited	12,200,000	12,200,000
(ii) National Insurance Board	12,200,000	12,200,000
Total borrowings	$24,400,000	$24,400,000

9. LONG-TERM BORROWINGS (continued)

The syndicate loan of $24,400,000 for which the Caribbean Financial Services Corporation is the trustee bears interest at the rate of 7% per annum for five (5) years. Interest is to be paid quarterly. This is a non-amortizing bond and is subject to refinancing after five (5) years. The bond holders' first call is eighteen (18) months and every six (6) months thereafter until year five (5).

The loan is secured as follows:

i) Mortgage debenture over the building and land of the Duty-Free Centre/Cruise Terminal building, registered and stamped to cover $18.9 Million.

ii) A registered first charge demand debenture stamped up to EC$24.4 Million over the fixed and floating assets of the company.

iii) Mortgage debenture over the land and building of the Jan Bosch Building, registered and stamped to cover EC$22.95 Million.

iv) Insurance over the Cruise Terminal and Jan Bosch building.

10. SHAREHOLDERS' LOANS

Shareholders' loans are unsecured and bear interest at the rate of 10% per annum. There are no fixed repayment dates for the loans.

11. TRADE AND OTHER PAYABLES

	2018	2017
Deposits due to tenants	493,161	472,280
Trade payables and accruals	1,118,366	1,490,113
Other payables	26,875	25,300
	$1,638,402	$1,987,693

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12. AMOUNT DUE TO RELATED PARTIES

	2018	2017
Amount due to related Companies:		
Zublin Grenada Limited	1,068,714	1,062,552
St. George's Newport Development Company Limited	(191,630)	(73,457)
	877,084	989,095
Amount due to director	660,000	600,000
Balance at 31st December, 2018	$1,537,084	$1,589,095

There are no fixed repayment terms on the balances due.

Related Party transactions

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

Property management income	$39,000	$39,000
Interest expense	$244,421	$252,397

b) Key management

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

Directors' fees	$62,499	$45,875
Management salaries and allowances	$317,485	$297,973

13. FINANCE COST

	2018	2017
Interest on bank overdraft and other charges	(247,961)	(257,137)
Interest on borrowings	(1,708,000)	(1,708,000)
Other finance cost	(1,586)	(1,586)
	$(1,957,547)	$(1,966,723)

14. 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.

14. 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. The credit ratings for these financial assets are monitored for credit deterioration.

Maximum exposure of credit risk:

	2018	2017
Cash and cash equivalents	887,821	661,550
Trade receivables	497,857	366,062
	$1,385,678	$1,027,612

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix.

December 31st, 2018	0 -30 days	31 -90 days	Over 90 days	Total
Expected credit loss rate	1%	5%	40%	
Gross carrying amount	182,585	68,564	360,261	611,410
Expected credit loss	(1,826)	(3,428)	(144,322)	(149,576)
	$180,759	$65,136	$215,939	$461,834
January 1st, 2018				
Expected credit loss rate	1%	5%	82%	
Gross carrying amount	164,004	83,233	465,875	713,112
Expected credit loss	(1,640)	(4,162)	(380,143)	(385,945)
	$162,364	$79,071	$85,732	$327,167

14. 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	Total
Balance at 31st December, 2018				
Long-term borrowings	-	-	24,400,000	24,400,000
Shareholders' loans	-	-	2,208,968	2,208,968
Trade and other payables	1,098,366	26,875	493,161	1,618,402
Amount due to related parties	-	-	1,537,084	1,537,084
	$1,098,366	$26,875	$28,639,213	$29,764,454
Balance at 31st December, 2017				
Long-term borrowings	-	-	24,400,000	24,400,000
Shareholders' loans	-	-	2,091,834	2,091,834
Trade and other payables	1,490,113	25,300	472,280	1,987,693
Amount due to related parties	-	-	1,589,095	1,589,095
	$1,490,113	$25,300	$28,553,209	$30,068,622

14. 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 is in place.

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15. OPERATIONAL EXPENSES

	2018	2017
Janitorial expenses	153,389	153,438
Insurance	269,440	282,349
Security services	266,226	233,268
General maintenance	162,322	294,013
Office supplies	20,119	19,257
Service charge	58,464	58,464
Parking expenses	32,933	32,802
Salaries and other staff cost	373,571	293,069
Telephone	34,077	32,225
Public relations	42,276	36,288
Electricity	208,461	183,799
Water	79,618	62,274
	$1,700,896	$1,681,246

16. GENERAL EXPENSES

General management compensation	135,231	118,125
Directors fees and expenses	62,499	45,875
Legal fees	1,630	14,427
Audit fees	16,000	24,000
Professional fees	146,808	32,000
ECCSR yearly costs	18,496	18,500
	$380,664	$252,927