Accountants &
business advisers

GRENREAL PROPERTY CORPORATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER, 2011

GRENREAL PROPERTY CORPORATION LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2011

CONTENTS

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COMPANY PROFILE

Directors

Mr. Ambrose Phillip, Chairman, (Grenada)
Mr. Hendrik A. Van Dijk, CEO, (Netherlands)
Mr. Sükrü Errenngün (Netherlands)
Mr. Ronald Hughes, (Grenada)
Mr. Nigel John (Grenada) – Resigned 20th January, 2012
Mr. Alfred Logie (Grenada)
Mr. Philbert Lewis (Grenada)
Mr. Stefan Gotschi (Switzerland)
Mr. Anthony Maughn (Barbados)

Company Secretary

Mr. Ian Evans

Auditors

Messrs. PKF
Accountants and Business Advisers

Solicitors

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

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PKF

Accountants & business advisers

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

GRENREAL PROPERTY CORPORATION LIMITED

We have audited the accompanying financial statements of the company which comprise the statement of financial position at 31st December, 2011 and the related statement of comprehensive income, changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the company as of 31st December, 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PKF

GRENADA:

March 16th, 2012

Accountants & business advisers:

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER, 2011

ASSETS	Notes	2011	2010
Non-Current Assets			
Plant and equipment	4	15,181	35,015
Investment property	5	71,700,000	71,500,000
Public listing	6	-	132,591
		71,715,181	71,667,606
Current Assets			
Trade and other receivables	7	273,116	216,180
Cash and cash equivalents	8	179,276	17,911
		452,392	234,091
TOTAL ASSETS		$72,167,573	$71,901,697
EQUITY AND LIABILITIES			
Stated Capital	9	25,365,000	25,365,000
Retained earnings		7,957,870	7,400,810
TOTAL EQUITY		33,322,870	32,765,810
Non-Current Liabilities			
Long-term borrowings	10	34,165,012	35,285,053
Shareholders' loan	11	552,745	384,572
		34,717,757	35,669,625
Current Liabilities			
Trade and other payables	12	1,859,951	1,699,503
Short-term borrowings	10	2,054,955	1,716,201
Amount due to related parties	13	212,040	50,558
		4,126,946	3,466,262
TOTAL LIABILITIES		38,844,703	39,135,887
TOTAL EQUITY AND LIABILITIES		$72,167,573	$71,901,697

The notes on pages 8 to 24 form an integral part of these financial statements

: Director　　　　　　: Director

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2011

	Notes	**2011**	2010
Rental income - rental units		4,723,042	5,395,186
- kiosks		118,095	161,164
Service re-charge		257,084	283,948
Parking		161,626	168,199
		5,259,847	6,008,497
Operational expenses	17	(1,582,669)	(1,905,683)
General expenses	18	(311,944)	(364,624)
Depreciation		(19,834)	(24,878)
Amortisation of public listing cost		(132,591)	(18,941)
Bad debt		(72,970)	(65,000)
Other income		123,549	54,885
		(1,996,459)	(2,324,241)
Operating profit		3,263,388	3,684,256
Finance income	14	20,758	7,480
Finance cost	15	(2,910,986)	(2,885,807)
Profit for the year		373,160	805,929
Gain/(loss) on revaluation of investment property		183,900	(7,701,883)
Total comprehensive income/(deficit) for the year		$557,060	$(6,895,954)

The notes on pages 8 to 24 form an integral part of these financial statements

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st DECEMBER, 2011

	Stated Capital	Retained Earnings	Total Equity
Balance at 1st January, 2010	25,365,000	14,296,764	39,661,764
Total comprehensive deficit for the year	-	(6,895,954)	(6,895,954)
Balance at 31st December, 2010	25,365,000	7,400,810	32,765,810
Total comprehensive income for the year	-	557,060	557,060
Balance at 31st December, 2011	$25,365,000	$7,957,870	$33,322,870

The notes on pages 8 to 24 form an integral part of these financial statements

GRENREAL PROPERTY CORPORATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2011

	2011	2010
OPERATING ACTIVITIES		
Net profit/(loss) for the year	557,060	(6,895,954)
Adjustments for:		
Depreciation	19,834	24,878
Gain/(loss)on revaluation of investment property	(183,900)	7,701,883
Amortisation of public listing cost	132,591	18,941
Operating profit before working capital changes	525,585	849,748
(Increase)/decrease in trade and other receivables	(56,936)	173,924
Increase in trade and other payables	160,448	171,671
Increase/(decrease) in amount due to related parties	161,483	(65,966)
Decrease in proposed building development	-	(479,260)
Net cash provided by operating activities	790,580	650,117
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(13,777)
Purchase of investment property	(16,100)	(201,883)
Net cash used in investing activities	(16,100)	(215,660)
FINANCING ACTIVITIES		
Repayment of borrowings	(860,760)	(808,683)
Increase/(decrease) in shareholders' loan	168,173	(298,735)
Net cash used in financing activities	(692,587)	(1,107,418)
Net increase/(decrease) in cash and cash equivalents	81,893	(672,961)
Cash and cash equivalents - at beginning of year	(659,227)	13,734
- at end of year	$(577,334)	$(659,227)
Represented By:		
Cash and cash equivalents	179,276	17,911
Bank overdraft	(756,610)	(677,138)
.	$(577,334)	$(659,227)

The notes on pages 8 to 22 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 financial statements are expressed in Eastern Caribbean dollars.

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 3.

(b) New Accounting Standards, Amendments and Interpretations

(i) There are no new standards, amendments or interpretations that are effective for the first time for the financial year beginning on or after 1st January, 2011 that would be expected to have a material impact on the Company.

(ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1st January, 2011 and not early adopted. These either do not apply to the activities of the Company or have no material impact on its financial statements.

IAS 1 Presentation of items of other comprehensive income – Effective for annual periods beginning on or after 1st July, 2012.

IAS 12 Income taxes on deferred tax – Effective for annual periods beginning on or after 1st January, 2012.

IAS 19 Employee benefits – Effective for annual periods beginning on or after 1st January, 2013.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New Accounting Standards, Amendments and Interpretations (continued)

IAS 27	Separate financial statements – Effective for annual periods beginning on or after 1st January, 2013.
IAS 28	Investments in associates and joint ventures – Effective for annual periods beginning on or after 1st January, 2013.
IFRS 1	First-time adoption for International Financial Reporting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters – Effective for annual periods beginning on or after 1st July, 2011.
IFRS 7	Financial instruments: Disclosures – Effective for annual periods beginning on or after 1st July, 2011.
IFRS 9	Financial instruments – Classification and measurement – Effective for annual periods beginning on or after 1st January, 2013.
IFRS 10	Consolidated financial statements- Effective for annual periods beginning on or after 1st January, 2013.
IFRS 11	Joint arrangements- Effective for annual periods beginning on or after 1st January, 2013.
IFRS 12	Disclosure of interest in other entities- Effective for annual periods beginning on or after 1st January, 2013.
IFRS 13	Fair value measurement - Effective for annual periods beginning on or after 1st January, 2013.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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	16.67%

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor and default a delinquency in payment are considered indicators that the trade receivable is impaired.

(f) Cash and Cash Equivalents

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

(g) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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, shareholders' loan and borrowings. Financial assets and liabilities are carried at amounts which approximate their fair values at the statement of financial position. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm length transaction.

Financial assets are derecognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

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

Impairment of financial assets

The Company assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Impairment losses are the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Impairment losses are recognised in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial Instruments (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improvement in the debtor's credit rating), the previously recognised loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised at the date that the impairment is reversed. The amount of the reversal 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 expires not before 2013.

(l) Revenue

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

(k) Related parties

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

(l) Foreign currencies

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(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.

NOTES TO THE FINANCIAL STATEMENTS
AT 31ST DECEMBER, 2011
(continued)

4. PLANT AND EQUIPMENT

	Computers	Office Furniture and Equipment	Total
Balance at 31st December, 2011			
Cost	40,429	55,746	96,175
Accumulated depreciation	(26,831)	(23,228)	(50,059)
NET BOOK VALUE	**$13,598**	**$32,518**	**$46,116**
For the year ended 31st December, 2010			
Opening book value	13,598	32,518	46,116
Additions for the year	13,203	574	13,777
Depreciation charge for the year	(13,614)	(11,264)	(24,878)
	$13,187	**$21,828**	**$35,015**
Balance at 1st January, 2011			
Cost	53,632	56,320	109,952
Accumulated depreciation	(40,445)	(34,492)	(74,937)
NET BOOK VALUE	**$13,187**	**$21,828**	**$35,015**
For the year ended 31st December, 2011			
Opening book value	13,187	21,828	35,015
Depreciation charge for the year	(8,570)	(11,264)	(19,834)
	$4,617	**$10,564**	**$15,181**
Balance at 31st December, 2011			
Opening book value	53,632	56,320	109,952
Accumulated depreciation	(49,015)	(45,756)	(94,771)
NET BOOK VALUE	**$4,617**	**$10,564**	**$15,181**

5. INVESTMENT PROPERTY

	2011	2010
Balance at 1st January, 2011	71,500,000	79,000,000
Additions during the year	16,100	201,883
	71,516,100	79,201,883
Net gain/(loss) from fair value adjustment	183,900	(7,701,883)
Balance at 31st December, 2011	$71,700,000	$71,500,000

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, 2011 was performed by Civil Engineer Nigel A. John, B.Sc. in February, 2012.

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

6. PUBLIC LISTING

Balance at 1st January, 2011	132,591	151,532
Less: Amortisation	(132,591)	(18,941)
Balance at 31st December, 2011	$ -	$132,591

This amount relates to costs for establishing the public listing of the company on the Eastern Caribbean Stock Exchange. The cost was originally capitalized and being amortised over a period of ten (10) years. The balance however at year end was fully written off to the statement of comprehensive income.

7. TRADE AND OTHER RECEIVABLES

	2011	2010
Trade receivables - net	228,481	181,073
Prepayments	19,585	10,057
Other receivables	25,050	25,050
	$273,116	$216,180

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

Balance at 1st January, 2011	(65,000)	-
Increase in provision for impairment	(36,000)	(65,000)
Recovery of bad debts	45,000	-
Balance at 31st December, 2011	$(56,000)	$(65,000)

8. CASH AND CASH EQUIVALENTS

Cash on hand and at bank	179,276	17,911
Bank overdraft (note 10)	(756,610)	(677,138)
Cash and cash equivalents in the statement of cash flow	$(577,334)	$(659,227)

9. STATED CAPITAL

	2011	2010
Authorised:		
9,500,000 shares		
Issued:		
7,662,598 shares of no par value	$25,365,000	$25,365,000

10. LONG-TERM BORROWINGS

	2011	2010
Long term		
FirstCaribbean International Bank	35,463,357	36,324,116
Less: Current portion	(1,298,345)	(1,039,063)
	34,165,012	35,285,053
Short-term		
Bank overdraft	756,610	677,138
Borrowings - Current portion	1,298,345	1,039,063
	2,054,955	1,716,201
Total borrowings	$36,219,967	$37,001,254

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

The loan is secured as follows:

i) Mortgage debenture over the building and land of the Duty Free Centre/Cruise Terminal building. The registered and stamped to cover $16.2 Million.

ii) A registered first charge demand debenture stamped up to EC$39.15 Million over the fixed and floating assets of the borrower.

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

iv) Assignment of leases and rents by the Company to First Caribbean Bank International.

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

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

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

11. SHAREHOLDERS' LOANS

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

12. TRADE AND OTHER PAYABLES

	2011	2010
Deposits due to tenants	776,427	883,090
Trade payables and accruals	565,443	273,100
Other payables	518,081	489,796
	$1,859,951	$1,699,503

13. AMOUNT DUE TO RELATED PARTIES

Balance at 31st December, 2011	$212,040	$50,558

This amount is due to Zublin Grenada Limited, Melville Street Property Management Company Limited and St. George's Newport Development Company Limited.

Related Party transactions

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

Rental guarantee	-	101,760
Service fees expense income	-	58,446
Property management income	30,000	30,000
Interest expense	39,758	62,236
Management fees expense	150,000	150,000

b) Key management

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

Directors' fees	$56,200	$46,500

14. FINANCE INCOME

	2011	2010
Interest income on short-term demand deposits	$20,758	$7,480

15. FINANCE COST

Interest on bank overdraft and other charges	(180,700)	(66,676)
Interest on borrowings	(2,690,528)	(2,756,895)
Other finance cost	(39,758)	(62,236)
	$(2,910,986)	$(2,885,807)

16. 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.

16. FINANCIAL RISK MANAGEMENT (continued)

ii) Other financial assets

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

Maximum exposure of credit risk:

	2011	2010
Cash and cash equivalents	179,276	17,911
Trade receivables	273,116	216,180
	$452,392	$234,091

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

	Neither past due nor impaired	Past due but not impaired			Total
		30-60 days	60-90 days	Over 90 days	
2011	$122,434	$62,818	$447	$42,781	$228,480
2010	$71,403	$23,483	$1,865	$84,322	$181,073

Analysis of financial assets individually impaired:

Trade and other receivables:		
Carrying amount	89,060	103,141
Provision for impairment	(56,000)	(65,000)
Net book value	$33,060	$38,141

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

16. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

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

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

Maturity analysis for liquidity risk:

	On Demand	Up to 1 year	1 to 5 years	Over 5 years	Total
Balance at 31st December, 2011					
Long-term borrowings	-	-	7,045,625	27,119,387	34,165,012
Shareholders' loan	-	-	552,745	-	552,745
Trade and other payables	1,029,842	53,682	776,427	-	1,859,951
Short-term borrowings	756,610	1,298,345	-	-	2,054,955
Amount due to related parties	-	-	212,040	-	212,040
	$1,786,452	$1,352,027	$8,586,837	$27,119,387	$38,844,703
Balance at 31st December, 2010					
Long-term borrowings	-	-	6,538,059	28,746,994	35,285,053
Shareholders' loan	-	384,572	-	-	384,572
Trade and other payables	454,711	361,701	883,091	-	1,699,503
Short-term borrowings	677,138	1,039,063	-	-	1,716,201
Amount due to related parties	50,558	-	-	-	50,558
	$1,182,407	$1,785,336	$7,421,150	$28,746,994	$39,135,887

16. FINANCIAL RISK MANAGEMENT (continued)

Currency risk

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

Interest rate risk

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

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

Operational risk

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

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

17. COMPARATIVE FIGURES

Certain of the 2010 comparative figures have been reclassified to conform to the current year's financial statement position. These changes have no impact on the losses reported for the previous year.

18. OPERATIONAL EXPENSES

	2011	2010
Janitorial expenses	99,388	156,940
Insurance	339,298	350,616
Accounting fees	27,000	2,250
Legal fees -new rentals	23,611	74,744
Security services	131,802	225,236
General maintenance	68,234	89,137
Office supplies	16,242	21,360
Directors' liability insurance	10,000	6,667
Parking expenses	34,639	34,923
Utilities surcharge	(61,563)	(54,782)
Salaries and other staff cost	297,063	341,104
Telephone	82,134	91,876
Public relations	63,636	78,372
Electricity	420,949	428,892
Water	30,236	58,348
	$1,582,669	$1,905,683

19. GENERAL EXPENSES

Service charges – MPMC	-	58,446
Miscellaneous expenses	3,875	541
General management compensation	150,000	150,000
Directors fees and expenses	57,052	46,500
Legal fees	5,505	5,765
Audit fees	20,000	25,000
Professional fees	52,508	58,922
ECCSR yearly costs	23,004	19,450
	$311,941	$364,624