

The Glanmore Property Dollar Fund Limited

Report and Financial Statements

31 March 2010

Company Number: 42483

The Glanmore Property Dollar Fund Limited

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The Glanmore Property Dollar Fund Limited

GENERAL INFORMATION

DIRECTORS:

Robert Court
Leslie Hilton
Anthony Pickford
Anthony Wands
Paul Meader

REGISTERED OFFICE:

Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL

MANAGER:

Tilney Asset Management International Limited
PO Box 424
Lefebvre Court
St Peter Port
Guernsey GY1 3WT

ADMINISTRATOR AND SECRETARY:

Northern Trust International Fund Administration
Services (Guernsey) Limited
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL

AUDITOR:

KPMG Channel Islands Limited
PO Box 20
20 New Street
St Peter Port
Guernsey GY1 4AN

The Glanmore Property Dollar Fund Limited

GENERAL INFORMATION (continued)

LEGAL ADVISERS TO THE FUND:

Carey Olsen
P O Box 98
Carey Court
Les Banques
St Peter Port
Guernsey GY1 4BZ

CUSTODIAN AND BANKER:

Northern Trust (Guernsey) Limited
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3DA

INVESTMENT ADVISER:

Corazon Capital Limited
Collins Stewart House
PO Box 45
The Grange
St Peter Port
Guernsey
GY1 4AX

THE FUND

The Glanmore Property Dollar Fund Limited ("the Fund") was incorporated with limited liability in Guernsey and registered on 3 November 2004 (registered number 42483). The Fund is an open-ended investment fund authorised as a Class 'B' Collective Investment Scheme by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

GENERAL INFORMATION (continued)

INVESTMENT SUMMARY

The Fund acts as a feeder vehicle into The Glanmore Property Fund Limited ("Glanmore"), a sterling-based fund which invests in the UK property market. As such its investments are comprised entirely of shares in Glanmore.

The purpose of the Fund is to provide US Dollar private and institutional investors (including pension funds) with significantly hedged access to Glanmore, which in turn provides its investors with a professionally managed means of participating in the higher yielding sector of the UK commercial property market combined with the potential for capital growth. Glanmore acts as a pooled investment medium for its shareholders, thereby relieving them of the need to select, manage and maintain individual property investments.

Glanmore has acquired a diversified portfolio of commercial properties in the retail, retail warehouse, office and industrial warehouse sectors of the UK market so that shareholders can participate in the attractive rental yields available in those markets as well as any future rental and capital value growth.

Investment decisions for Glanmore are made by the Board as advised by the Manager and reflect the long-term objective to maximise total return made up of rental income plus capital appreciation. The Manager has appointed Cardales UK Limited trading as Deutsche PWM Global Real Estate as its property manager and property investment adviser. It provides advice to the Manager on property matters in relation to Glanmore and is responsible for the efficient day-to-day management of the properties.

The value of the Fund's investments is reflected in the value of the shares, which are principally dependent upon the value of the shares in Glanmore. The value of Glanmore is dependent upon an independent valuation of the investment properties undertaken by the valuers.

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March 2010.

Activities

The Fund acts as a feeder fund for The Glanmore Property Fund Limited. Therefore the principal activity of the Fund is that of investment in shares of Glanmore.

Results

The results for the year are shown in the Statement of Total Return on page 10.

Dividend

During the year no dividend was paid (2009: US\$ 576,448).

Outlook

The financial downturn continues to have an effect on the availability of credit and has had a large and detrimental impact on the lending market in the UK for commercial property.

The recent rally, mainly lead by overseas investors, for prime UK real estate stock appears to have run its course. According to the Investment Property Databank (IPD) UK property Index, yields fell 68bps in the first half of 2010 but this is in tandem with a period of nine successive quarters of rental decline.

The IPD UK property Index for Q2 2010 suggests both property yields and rents are set to plateau. The early rapid recovery appears to have passed which suggests the market may experience a period in the doldrums. Income will make up the bulk of investor returns in the second half of the year.

Redemption Arrangements

Although all shareholders have been separately advised, it should be noted that in order to safeguard the operation of the Fund:

- a. On 28 December 2007, the Board implemented its powers to extend the redemption notice period from 5 days to six months.
- b. On 21 May 2008, at an EGM of the Fund, shareholders passed a Special Resolution which:
 - i. allowed postponement of redemptions for up to 12 months;
 - ii. allowed suspension of redemptions for up to 12 months;
 - iii. gave the Board power to allow the withdrawal of redemption requests which took immediate effect.
- c. On the 24 June 2008, the Directors resolved to utilise the power given to them under the Special Resolution to impose a postponement of all redemption requests for a period of six months.
- d. At a Board meeting of the Fund that took place on 13 November 2008, the Board resolved that there should be a continuation of the postponement of redemptions from 30 December 2008 for a further 6 month period.

REPORT OF THE DIRECTORS (continued)

New share issue and events during the year

On 22 June 2009, at an EGM of the Fund, shareholders passed a Special Resolution which:

- a. increased the authorised share capital of the Fund from US\$10,000 to US\$20,000 by the creation of an additional 100,000,000 unclassified shares of 0.01 dollar cents each;
- b. approved and adopted new articles of incorporation;
- c. allowed postponement of redemptions for a period of up to four years (including the 12 months previously allowed);
- d. created a new class of Participating "Feeder Fund B" Shares issued at a price of US\$5 per share;

On 27 August 2009, The Glanmore Property Fund Limited, Glanmore, had a B share issue of 8,225,108 shares at a price £11.55 being at a discount of 50% of the July 2009 share price.

In August 2009, the Fund raised US\$943,848 (net of preliminary expenses) through an equity raise of the Fund B Shares, which was used to invest in the Glanmore B Shares issue as detailed in Note 7. After redeeming US\$1,397,638 of original Glanmore participating shares ("Glanmore A Shares") in September 2009, the Fund was able to repay previously postponed redemptions of the original participating shares of the Fund ("Fund A shares").

Events after the Year End

In the period to 31 March 2010 the Fund had received no redemption requests which have not subsequently been paid.

In the period since 31 March 2010 the Fund has received additional redemption requests totalling US\$417,948 (at 31 July 2010 NAV) which have not been paid and are payable at the discretion of the Board of directors.

The share price of Glanmore, for both Glanmore A Shares and Glanmore B Shares, has increased from £15.295 on 31 March 2010 to £15.443 on 31 July 2010, an increase of 0.97%.

The Fund A Share price has increased from US\$3.797 on 31 March 2010 to US\$3.817 on 13 August 2010, the date of the August Valuation, an increase of 0.52%. The Fund B Share price has increased from US\$6.510 on 31 March 2010 to US\$6.536 on 13 August 2010, an increase of 0.39%.

Directors

The directors of the Fund that served during the year are as listed below:-

Robert Court
Leslie Hilton
Anthony Pickford
Anthony Wands
Paul Meader

REPORT OF THE DIRECTORS (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the Fund and of the return of the Fund for that period.

In preparing these financial statements, the directors are required to:

- . select suitable accounting policies and then apply them consistently;
- . make judgements and estimates that are reasonable and prudent;
- . state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- . prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008, The Collective Investment Schemes (Class B) Rules 1990 and the principal documents. They have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities.

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Fund's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Fund's auditor is aware of that information.

Auditor

A resolution for the re-appointment of KPMG Channel Islands Limited will be proposed at the forthcoming Annual General Meeting.

Anthony Pickford
Director

Paul Meader
Director

27 September 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GLANMORE PROPERTY DOLLAR FUND LIMITED

We have audited the financial statements of The Glanmore Property Dollar Fund Limited (the "Fund") for the year ended 31 March 2010 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Fund's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008 and rule 4.02(3) of The Collective Investment Schemes (Class B) Rules 1990. Our audit work has been undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements which give a true and fair view and are in accordance with UK Accounting Standards and are in compliance with applicable Guernsey law are set out in the Statement of Directors' Responsibilities on page 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are in accordance with UK Accounting Standards, comply with the Companies (Guernsey) Law 2008, and are properly prepared in accordance with The Collective Investment Schemes (Class B) Rules 1990 and the principal documents. We also report to you if, in our opinion, the Fund has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GLANMORE
PROPERTY DOLLAR FUND LIMITED (CONTINUED)

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Fund's affairs as at 31 March 2010 and of its return for the year then ended;
- are in accordance with UK Accounting Standards;
- comply with the Companies (Guernsey) Law, 2008; and
- have been properly prepared in accordance with The Collective Investment Schemes (Class B) Rules 1990 and the principal documents.

Chartered Accountants
28 September 2010

The Glanmore Property Dollar Fund Limited

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2010

	Notes	2010		2009	
		US\$	US\$	US\$	US\$
Net loss on investments	2		(4,691,033)		(24,580,910)
Other (losses) / gains	3		(933,464)		7,003,790
Income	4	116,926		762,907	
Expenses	5	(46,570)		(45,075)	
Finance costs: Interest and facility fees			(5,419)		(94,582)
Net income			64,937		623,250
Total return before distributions			(5,559,560)		(16,953,870)
Finance costs: distributions	6		-		(575,871)
Change in net assets attributable to holders of participating redeemable preference shares			(5,559,560)		(17,529,741)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING REDEEMABLE PREFERENCE SHARES

For the year ended 31 March 2010

	2010		2009	
	US\$	US\$	US\$	US\$
Net assets at the start of the year		18,464,192		35,054,302
Movement due to issues/redemptions of shares				
Amounts received on issue of shares	1,024,324		939,895	
Less: amounts paid on redemption of shares	(5,758,409)		(264)	
		(4,734,085)		939,631
Changes in net assets attributable to holders of participating redeemable preference shares (see Statement of Total Return)		(5,559,560)		(17,529,741)
Net assets at the end of the year		8,170,547		18,464,192

The notes on pages 13 to 21 form an integral part of these financial statements

The Glanmore Property Dollar Fund Limited

BALANCE SHEET

As at 31 March 2010

	Notes	2010		2009	
		US\$	US\$	US\$	US\$
Assets					
Fixed assets					
Investments	1 & 7		6,535,403		10,840,513
Current Assets					
Debtors	8		-		508
Bank balances		1,719,944		7,776,043	
			<u>1,719,944</u>		<u>7,776,551</u>
Total assets			<u>8,255,347</u>		<u>18,617,064</u>
Liabilities					
Creditors: amounts falling due within one year	9	21,033		13,719	
Derivative contracts	3	63,767		139,153	
			<u>84,800</u>		<u>152,872</u>
Total liabilities excluding net assets attributable to holders of participating redeemable preference shares			<u>84,800</u>		<u>152,872</u>
Net assets attributable to holders of participating redeemable preference shares			<u>8,170,547</u>		<u>18,464,192</u>
Net asset value per A share	16		US\$3.797		US\$5.676
Net asset value per B share	16		US\$6.510		

The financial statements on pages 10 to 21 were approved by the Board of directors on 27 September 2010 and signed on its behalf by:

Anthony Pickford
Director

Paul Meader
Director

The notes on pages 13 to 21 form an integral part of these financial statements

The Glanmore Property Dollar Fund Limited

CASH FLOW STATEMENT

For the year ended 31 March 2010

		2010	2009
	<i>Notes</i>	US\$	US\$
Net cash outflow from operating activities	10(a)	(136,993)	(80,832)
Return on investments and servicing of finance	10(b)	(799,098)	6,750,850
Capital expenditure and financial investment	10(b)	(385,923)	-
		<u>(1,322,014)</u>	<u>6,670,018</u>
Financing	10(b)	(4,734,085)	940,209
(Decrease) / increase in cash		<u>(6,056,099)</u>	<u>7,610,227</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2010	2009
		US\$	US\$
(Decrease) / increase in cash		(6,056,099)	7,610,227
Cash at bank at 1 April	10(c)	7,776,043	165,816
Cash at bank at 31 March	10(c)	<u>1,719,944</u>	<u>7,776,043</u>

The notes on pages 13 to 21 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1 PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Fund's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the revaluation of investments, they give a true and fair view, have been prepared in accordance with applicable United Kingdom Accounting Standards and the Statement of Recommended Practice "Financial Statements of Authorised Funds" issued by the Investment Management Association in November 2008 and are in compliance with the Companies (Guernsey) Law, 2008.

Participating redeemable preference shares

Redeemable preference shares are classified as a financial liability, as the shares are redeemable at the request of the shareholder. As a consequence, the participating redeemable preference shares have been disclosed as a liability on the balance sheet and dividends paid have been described as finance costs in the Statement of Total Return.

Investments

The investments are included at fair value on the balance sheet which is considered to be the Fund's share of the net assets of Glanmore. Glanmore is subject to a monthly valuation of its investment property, which is prepared on an open market basis as defined by the current edition of The Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

Income

Dividend income is recognised as income on an ex-dividend date basis. Interest income is recognised on an accruals basis.

Expenses

All of the Fund's expenses are accounted for on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Debtors – the Fund's principal debtors do not carry interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities and equity – financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Fund after deducting all of its liabilities.

Derivative contracts - the Fund enters into forward foreign currency contracts to hedge currency exposure. Such contracts are held at fair value in the balance sheet.

Trade and other creditors – trade and other creditors are not interest bearing and are recorded at their nominal value.

Taxation

The Fund is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 and was charged an annual exemption fee of £600 for the year (2008: £600).

Equalisation

Equalisation is the amount included in the issue price of shares (or redemption price) which represents their proportion of the net income of the Fund already accrued up to the date of purchase (or sale). If this charge were not made, the income which existing shareholders could expect to receive would be diluted every time new shares were created. This amount is refunded to shareholders as part of their redemption price or as part of the first distribution after the purchase of shares.

Foreign currencies

Transactions in currencies other than US dollars are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Any gains or losses arising on retranslation are shown in the Statement of Total Return.

Distributions

The Fund declares and pays dividends in accordance with its Articles of Association and Guernsey Fund Law.

Glanmore was certified by HM Revenue & Customs as having "distributor status" in 2008. It has been unable to pay sufficient distributions in the year to maintain distributor status due to liquidity constraints and accordingly has not obtained certification for 2009. Due to overlapping financial years with Glanmore, the Fund was certified as having "distributor status" in the year to 31 March 2008 but cannot maintain this in the year to 31 March 2009. It is to be noted that 2009 is the last period to which the UK Distributing Fund regime applies. The Fund will distribute what it considers appropriate in the future with consideration being given to entering into the new UK Reporting Fund regime in due course. The Fund has adopted a similar approach to Glanmore.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 NET LOSS ON INVESTMENTS

The net loss on investments during the year comprises:

	2010 US\$	2009 US\$
Loss realised on investments sold in the year	(5,993,773)	-
Net unrealised appreciation / (depreciation) for the year	<u>1,302,740</u>	<u>(24,580,910)</u>
Net loss on investments	<u>(4,691,033)</u>	<u>(24,580,910)</u>

3 OTHER (LOSSES) / GAINS

	2010 US\$	2009 US\$
(Losses) / gains on forward currency contracts and currency revaluation	<u>(933,464)</u>	<u>7,003,790</u>

At 31 March 2010 the Fund had open forward currency contracts for US\$6,521,052 (2009: US\$10,430,383) at a forward rate of 1.15 (2009: 1.41) to sterling. The fair value of this contract at 31 March 2010 was US\$63,767 liability (2009: US\$139,153 liability). This position was closed out on 21 April 2010 realising a loss of US\$126,079.

The uncommitted spot and forward foreign exchange facility, provided by Northern Trust (Guernsey) Limited is such that the total aggregate nominal amount of all foreign exchange contracts permitted under the facility should be limited to the lower of 100% of the net asset value of the Fund or US\$20m.

4 INCOME

	2010 US\$	2009 US\$
Dividends received	116,926	698,348
Interest	-	64,559
	<u>116,926</u>	<u>762,907</u>

5 EXPENSES

	2010 US\$	2009 US\$
Bank charges	-	74
Investment advisory fees	17,725	8,965
Legal and professional fees	701	8,726
Audit fees	8,566	18,198
Statutory fees	2,110	1,167
License fees	5,565	4,934
Printing and advertising	2,500	2,017
Sundry expenses	<u>9,403</u>	<u>994</u>
	<u>46,570</u>	<u>45,075</u>

Investment advisory fees in the prior year include the release of an accrual from the year ended 31 March 2008.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 FINANCE COSTS

	US\$ per Share	2010 US\$	US\$ per Share	2009 US\$
Interim distribution		-	0.18	576,448
Proposed distribution		-		-
		<u>-</u>		<u>576,448</u>
Equalisation on shares issued and redeemed		-		(577)
		-		575,871
Interest and facility fees		<u>5,419</u>		<u>94,582</u>
Total finance costs		<u><u>5,419</u></u>		<u><u>670,453</u></u>

The directors resolved not to pay a dividend in respect of the year end 31 March 2010 due to net income received from Glanmore being insufficient, combined with the need to preserve cash to fund hedging.

7 INVESTMENTS

	2010 US\$	2009 US\$
Market value		
At 1 April	10,840,513	35,421,423
Additions - Glanmore A Shares	800,000	-
Additions - Glanmore B shares	983,561	-
Disposals - Glanmore A Shares	(1,397,638)	-
Loss on disposal	(5,993,773)	-
	<u>5,232,663</u>	<u>35,421,423</u>
Net unrealised appreciation / (depreciation) for the year	1,302,740	(24,580,910)
Market value		
At 31 March	<u><u>6,535,403</u></u>	<u><u>10,840,513</u></u>

The underlying investments are in The Glanmore Property Fund Limited ("Glanmore"). At the year end its share price, for both Glanmore A Shares and Glanmore B Shares, was £15.295 (2009: £30.612).

The underlying investments are denominated in sterling. At 31 March 2010, the US\$ to sterling exchange rate was 1.5169 (2009: 1.4207).

On 27 August 2009, Glanmore, had a B share issue (Glanmore B Shares") of 8,225,108 shares at a price £11.55 being at a discount of 50% of the July 2009 share price.

8 DEBTORS

	2010 US\$	2009 US\$
Other debtors	-	508
	<u>-</u>	<u>508</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 US\$	2009 US\$
Expense accruals	<u>21,033</u>	<u>13,719</u>
	<u><u>21,033</u></u>	<u><u>13,719</u></u>

10 NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of net income before distributions to net cash outflow from operating activities

	2010 US\$	2009 US\$
Net income before distributions	64,937	623,250
Dividends received	(116,926)	(698,348)
Interest receivable	-	(64,559)
Interest payable	5,419	94,582
Non-derivative currency gains and losses	(97,737)	-
Decrease in operating debtors	-	13,279
Increase / (decrease) in operating creditors	<u>7,314</u>	<u>(49,036)</u>
Net cash outflow from operating activities	<u><u>(136,993)</u></u>	<u><u>(80,832)</u></u>

(b) Analysis of cash flows for headings netted in the cash flow statement

RETURN ON INVESTMENTS AND SERVICING OF FINANCE

	2010 US\$	2009 US\$
Dividends received	116,926	698,348
Interest received	508	68,456
Interest paid	(5,419)	(94,582)
Payments to purchase and terminate forward currency contracts	(911,113)	7,348,979
Distributions paid	<u>-</u>	<u>(1,270,351)</u>
Net cash (outflow) / inflow from returns on investments and servicing of finance	<u><u>(799,098)</u></u>	<u><u>6,750,850</u></u>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2010 US\$	2009 US\$
Payments to acquire investments	(1,783,561)	-
Receipts from sales of investments	<u>1,397,638</u>	<u>-</u>
Net cash outflow from capital expenditure and financial investment	<u><u>(385,923)</u></u>	<u><u>-</u></u>

No dividends received were reinvested in The Glanmore Property Fund (2009: US\$ nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 NOTES TO THE CASH FLOW STATEMENT (continued)

FINANCING

	2010 US\$	2009 US\$
Net (redemptions) / issues of participating redeemable preference shares	(4,734,085)	939,632
Equalisation received	-	577
	<u>(4,734,085)</u>	<u>940,209</u>

(c) Analysis of changes in net cash

	At 1 April 2009 US\$	Cash Flow US\$	At 31 March 2010 US\$
Cash at bank and in hand	7,776,043	(6,056,099)	1,719,944

11 CALLED UP SHARE CAPITAL

	Authorised No. Shares 2010	Allotted fully paid No. Shares 2010	Authorised No. Shares 2009	Allotted fully paid No. Shares 2009
Management shares of US\$1 each	10	2	10	2
Unclassified shares of US\$0.0001 each	199,900,000	-	99,900,000	-
Participating redeemable preference shares of US\$0.0001 each	-	1,814,368	-	3,154,106
Participating redeemable preference B shares of US\$0.0001 each	-	196,712	-	-
	<u>199,900,010</u>	<u>2,011,082</u>	<u>99,900,010</u>	<u>3,154,108</u>
	US\$	US\$	US\$	US\$
Management shares of US\$1 each	10	2	10	2
Unclassified shares of US\$0.0001 each	19,990	-	9,990	-
Participating redeemable preference shares of US\$0.0001 each	-	181	-	315
Participating redeemable preference B shares of US\$0.0001 each	-	20	-	-
	<u>20,000</u>	<u>203</u>	<u>10,000</u>	<u>317</u>

The management shares have been created in order that the participating redeemable preference shares may be issued. Under the laws of Guernsey, the participating redeemable preference shares must have preference over some other class of share capital. The management shares carry a right to vote but no right to dividends and, in winding up, rank only for a return of the nominal paid-up capital after the return of the nominal capital paid up on participating redeemable preference shares and nominal shares. They have no right to participate in any surplus assets of the Fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 CALLED UP SHARE CAPITAL (continued)

The unclassified shares may be issued as participating redeemable preference shares or nominal shares. On the redemption of a participating redeemable preference share by the Fund, a nominal share is issued for cash at par on the basis of one nominal share for each participating redeemable preference share redeemed. Participating redeemable preference shares have a right to dividends but nominal shares do not carry the right to dividends.

At any general meeting, each holder of shares who is present in person or by proxy is entitled to one vote on a show of hands for every share held by them; on a poll every person who is present in person or by proxy is entitled to one vote for every share held by them. On a poll or on a show of hands, management shares confer one vote for each share held; Nominal shares confer the right to exercise only one vote for each person holding nominal shares at general meetings, irrespective of the number of shares held by each of these persons.

The Articles of Association, as amended following an EGM on 22 June 2009, allow for the postponement of redemptions for a period of up to four years from the date on which such requests are due to be satisfied. Existing redemption requests can be further postponed by the Board of Directors, pursuant to these new provisions. This is in addition to the Board of Directors' power to invoke a full suspension of redemptions.

On 22 June 2009, at an EGM of the Fund, shareholders passed a Special Resolution which:

- i. increased the authorised share capital of the Fund from US\$10,000 to US\$20,000 by the creation of an additional 100,000,000 unclassified shares of 0.01 dollar cents each;
- ii. approved and adopted new articles of incorporation;
- iii. allowed postponement of redemptions for a period of up to four years (including the 12 months previously allowed);
- iv. created a new class of Participating "Feeder Fund B" Shares at a price of US\$5 per share;

In August 2009, the Fund raised US\$943,848 (net of preliminary expenses) through an equity raise of the Fund B Shares, which was used to invest in the Glanmore B Shares issue as detailed in Note 7. After redeeming US\$1,397,638 of original Glanmore participating shares ("Glanmore A Shares") in September 2009, the Fund was able to repay previously postponed redemptions of the original participating shares of the Fund ("Fund A shares").

12 DIRECTORS' INTERESTS

Until he retired on 31 December 2009, Robert Court was a director of Tilney Investment Management, Cardales UK Limited and Tilney Group Limited which was acquired by the Deutsche Bank Group in December 2006 and owns Tilney Asset Management International Limited.

Mr Wands is an employee of the Deutsche Bank Group. Paul Meader is a director of Corazon Capital Limited which charged a fee of US\$17,725 to the Fund in the year for investment advisory services (2009: US\$8,965).

None of the directors have holdings in the Fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 RELATED PARTY TRANSACTIONS

Fees Payable to the Manager

The management fee is charged at 0.25% p.a. of aggregate gross assets of the Fund. However, during this year the fee has been waived.

In addition, the Manager shall be entitled to receive a front-end fee not exceeding 4.5% of the subscription price. The Manager meets the majority of the running expenses of the Fund, including administrator's fees, custodian's fees, monthly property valuation fees, all marketing and public relations costs and many other items of expenditure. The Manager did not take any front end fees during the year (2009: US\$ nil).

Loan from Glanmore

As detailed in Note 15, the Fund drew down £1,500,000 during the prior year from Glanmore. The loan was repaid during that year. Interest on the loan totalled US\$94,581, none of which was outstanding at the year end.

14 CONTROLLING PARTY

The directors are not aware of any ultimate controlling party.

15 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES

Liquidity risk

As detailed in Note 16, on 28 December 2007, the liquidity of the underlying investments has been restricted. In order to ensure the on-going liquidity of the Fund, the directors put in place a range of measures, including obtaining powers to postpone, suspend or part pay redemption requests. The Directors consider that these measures are sufficient to ensure the on-going liquidity of the Fund.

On 25 March 2008 the Fund agreed a loan facility with Glanmore whereby it could draw down up to £1,500,000 for the specific purpose of providing the liquidity required to support the foreign exchange hedging activity. The loan attracted a commercial rate of interest and was repayable within six months. The Fund drew down £1,500,000 under the facility which became due for repayment on 18 September 2008. The loan facility was renewed under similar terms until 31 December 2008 with effect from the expiry date of the previous loan, after which it was not renewed as it was no longer required.

As detailed in the Directors' Report, the Board of directors have been provided with powers to postpone, suspend or part pay redemption requests. Shareholders have also been given the option to withdraw a pending redemption request. These additional powers are required to ensure that equivalent restrictions are in place to match those imposed by the Board of The Glanmore Property Fund Limited. The directors consider that the additional powers will ensure they have the ability to manage the settlement of the Fund's liabilities to ensure it continues to be a going concern.

Foreign currency risk

The Fund's investments and a number of its other assets and liabilities are denominated in sterling. As detailed in note 3, the Fund uses hedging arrangements to mitigate its sterling exposure and to neutralise the impact of currency fluctuations for dollar investors. The Fund maintains an appropriate cash buffer to cover for currency fluctuations in order to fulfil any future obligations.

The highest and lowest month end exchange rates for dollar against sterling during the period, were as follows:

Highest	1.667
Lowest	1.492

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 NET ASSET VALUE

	Attributable to Fund A Shares US\$	Attributable to Fund B Shares US\$	Total US\$
Net asset value of the Fund	6,889,863	1,280,684	8,170,547
Shares in issue	1,814,368	196,712	
Net asset value share	3.797	6.510	

As detailed in Note 11, the Fund B Shares were issued in August 2009 at a price of US\$5. A separate pool of assets is maintained for each share class.

17 POST BALANCE SHEET EVENTS

Since the balance sheet date events have occurred as follows:-

In the period to 31 March 2010 the Fund had received no redemption requests which have not subsequently been paid.

In the period since 31 March 2010 the Fund has received additional redemption requests totalling US\$417,948 (at 31 July 2010 NAV) which have not been paid and are payable at the discretion of the Board of directors.

The share price of Glanmore, for both Glanmore A Shares and Glanmore B Shares, has increased from £15.295 on 31 March 2010 to £15.443 on 31 July 2010, an increase of 0.97%.

The Fund A Share price has increased from US\$3.797 on 31 March 2010 to US\$3.817 on 13 August 2010, the date of the August Valuation, an increase of 0.52%. The Fund B Share price has increased from US\$6.510 on 31 March 2010 to US\$6.536 on 13 August 2010, an increase of 0.39%.

18 CONTINGENT LIABILITY - REDEMPTIONS

On 22 June 2009 at an EGM of the Fund, shareholders passed a special resolution which allowed postponement and suspension of redemptions for up to four years and gave the Board power to allow the withdrawal of redemption requests.

At the year end, postponed redemption requests totalled US\$27,809 based on net asset value of the Fund as at 31 March 2010. This was subsequently paid after the year end.

The Glanmore Property Dollar Fund Limited

INVESTMENT PORTFOLIO (unaudited)

As at 31 March 2010

	Open Market Value US\$	% of Gross Assets 2010	% of Gross Assets 2009
<u>Listed investments</u>			
229,957.295 A Shares in The Glanmore Property Fund Limited	5,335,236	65.30	58.23
51,729.196 B Shares in The Glanmore Property Fund Limited	1,200,168	14.69	-
Total value of investments	<u>6,535,404</u>	<u>79.99</u>	<u>58.23</u>
Other net assets	<u>1,635,143</u>	<u>20.01</u>	<u>41.77</u>
Net Asset Value	<u><u>8,170,547</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES (unaudited)

For the year ended 31 March 2010

PURCHASES

US\$

33,938.943 A shares in The Glanmore Property Fund Limited	800,000
51,729.196 B shares in The Glanmore Property Fund Limited	983,561
Total purchases for the period	<u><u>1,783,561</u></u>

SALES

53,252.241 B shares in The Glanmore Property Fund Limited	1,397,638
Total sales for the period	<u><u>1,397,638</u></u>

CUSTODIAN'S RESPONSIBILITIES AND REPORT

Statement of Custodian's responsibilities in respect of the financial statements of the Fund

The Custodian shall be responsible for taking into its custody or under its control all the assets of The Glanmore Property Dollar Fund Limited.

Report of the Custodian

We hereby state that in our opinion the Manager has managed The Glanmore Property Dollar Fund Limited during the year ended 31 March 2010 in accordance with the provisions of (i) its principal documents, and(ii) the Collective Investment Schemes (Class B) Rules 1990 made under The Protection of Investors(Bailiwick of Guernsey) Law, 1987.

Northern Trust (Guernsey) Limited
27 September 2010

The Glanmore Property Dollar Fund Limited

ADDITIONAL INFORMATION NOT FORMING PART OF THE
AUDITED FINANCIAL STATEMENTS (CONTINUED)
as at 31 March 2010

Portfolio Turnover Rate		
	2010 US\$	2009 US\$
Additions and capital expenditure (Note 7)	1,783,561	-
Disposals of investments (Note 7)	(7,391,411)	-
TOTAL OF PROPERTY TRANSACTIONS	(5,607,850)	-
Issues of units	1,024,324	939,895
Redemptions of units	(5,758,409)	(264)
TOTAL OF VALUE OF TRANSACTIONS	(4,734,085)	939,631
AVERAGE OF TOTAL NET ASSETS	13,186,379	29,801,694
PORTFOLIO TURNOVER RATE	-6.6%	-3.2%
Average of total net assets represents the average of the net asset value of the Fund at valuation dates during the year.		

The Glanmore Property Dollar Fund Limited

ADDITIONAL INFORMATION NOT FORMING PART OF THE
AUDITED FINANCIAL STATEMENTS (CONTINUED)

as at 31 March 2010

Total Expenses Ratio		
EXPENSES (Note 5)	2010	2009
	US\$	US\$
Other expenses		
Bank charges	-	74
Investment advisory fees	17,725	8,965
Legal and professional fees	701	8,726
Audit fees	8,566	18,198
Statutory fees	2,110	1,167
License fees	5,565	4,934
Printing and advertising	2,500	2,017
Sundry expenses	9,403	994
TOTAL OPERATING EXPENSES EXCLUDING FINANCE COSTS	46,570	45,075
AVERAGE OF TOTAL NET ASSETS	13,186,379	29,801,694
TOTAL EXPENSES RATIO	0.35%	0.15%
Average of total net assets represents the average of the net asset value of the Fund at valuation dates during the year.		