



The Glanmore Property Fund Limited

Report & Consolidated Financial Statements

31 December 2010

Apex House, Birmingham

Acquisition date – *November 2006*

Valuation*:	£13.450m
Rent:	£1.036m pa approx
Yield on valuation*:	7.70%
Tenant:	National Lottery Charities Board
Lease length:	07/09/2021

* Yield on valuation = annual rental income expressed as a percentage of most recent valuation
† Valuation as at 31/12/10



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Better news in difficult times

Chairman's review by Robert Court

Coming straight to the point: 2010 was another tough year for the UK commercial property market and, in particular, for many UK property fund managers.

Any recovery was focused on prime central London property following substantial capital inflows from the Middle East and Asia. The wider secondary real estate market remained flat, largely as a result of the lack of debt financing, but the state of the economy did not help.

Property funds are valued independently on the basis of prices being achieved in the market place. The Glanmore Property Fund is a geographically and thematically diversified portfolio of secondary market property. As a result the Fund's independent valuers marked down the value of the portfolio by around 1.5% over the year.

This, coupled with strategic sales of nine properties for £31m, saw the value of the portfolio fall from £756m to £714m.

Against this backdrop there is an encouraging amount of good news.

The Fund is generating a profit from its portfolio – net income after tax was £10.4m. This profitability is an indication of the ability of the managers to negotiate rent reviews, attract new tenants and keep a lower than average void rate (6.61% at the end of 2010 – compared with the December 2010 IPD Monthly Index figure of 9.8% and the December 2010 IPD Annual Index figure of 8.4%).

This success, together with the sales and capital raising, has enabled us to meet debt repayments, often ahead of schedule. The loan-to-value (LTV) ratio of the Canada Life loan is down to 59.7%, from a high of 74.5% in August 2009. The LTV of the RBS loan is down to 70.6%, from a high of 81.9% in June 2009.

As a result of these achievements we have been able to initiate discussions to renegotiate the debt

“The skill of the Fund's asset managers in optimising the rental income from the portfolio in the face of economic gloom and a stagnant property market has helped generate an opportunity to renegotiate the debt facility, which it is hoped will provide greater flexibility in how we manage the assets and increase returns to benefit shareholders.”

with the lenders with the aim of lifting the restrictions on the Fund paying dividends, meeting redemptions and investing in the Fund's assets to generate greater returns.

Whilst still counselling caution, the Board believes this is exciting news. The availability of money that was previously being swept up for debt repayment would potentially present the Fund with important opportunities.

It would potentially enable the Fund to pay dividends again, to meet redemptions and to rejuvenate assets to generate capital and income appreciation. This would include spending money to maintain and upgrade buildings to support or increase their value, selling properties when opportune or where, for instance, the leases might be running down, and taking advantage of opportunities to replace a number of them with properties with longer leases, better development prospects or more attractive yields.

Traditionally, secondary market properties have generated better yields than primary property and more opportunities for development by shrewd managers.

These do, though, remain difficult times, and even if we are able to successfully renegotiate the loan agreement there would still have to be a delicate balance between paying dividends, meeting redemptions and best managing the assets for the



longer term. Once the negotiations are complete the Board will write to shareholders, outlining in more detail how it proposes to achieve that balance.

In the very broadest of terms, the Board would like to make a dividend payment in December 2011. We have wanted to do this for some time, but constraints on the Fund have prevented this, as all profits generated by the Fund, together with any available cash proceeds from sales, have been required to reduce debt.

This has also prevented us from funding redemption payments. The next date on which redemptions are due for payment is July 2012. The Board is exploring ways to introduce new equity and to fund redemptions by that date, although achieving both goals will be challenging.

In conclusion, the skill of the Glanmore Property Fund's asset managers in optimising the rental income from the portfolio in the face of economic gloom and a stagnant property market has helped generate an opportunity for the Board to renegotiate the debt facility, which it is hoped will provide greater flexibility in how we manage the assets and increase returns to benefit shareholders.

Given the flexibility to manage the stock without the constraints imposed by the banks, the Board believes the Fund should see the fruits of its new initiatives from 2013. We believe investors will be

Avis House, Bracknell

Acquisition date – April 2007

Valuation*:	£15.975m
Current rent:	£1.525m pa approx
Yield on valuation*:	9.55%
Tenant:	Avis Europe Holdings Group
Lease length:	24/03/2015

* Yield on valuation = annual rental income expressed as a percentage of most recent valuation

+ Valuation as at 31/12/10

better off remaining in the Fund as the position strengthens, and we will be doing everything possible to encourage that.

Director changes

Finally, I have some director changes to report. In Q3 2010 Les Hilton and Paul Meader left to pursue other interests. I want to thank them for their time and long service to the Fund. The Board is actively seeking new Guernsey-based directors and expects to announce their arrival in September 2011.

Robert Court FRICS ACI Arb
June 2011

Bournemouth

Acquisition date – *March 2006*

Valuation*:	£7.070m
Current rent:	£674,000 pa approx
Current yield on valuation*:	9.53%
Estimated yield when fully let:	9.55%
Tenants include:	Post Net Ltd, First Secretary of State
Lease lengths:	22 leases over 1-4 years approx

* Yield on valuation = annual rental income expressed as a percentage of most recent valuation

+ Valuation as at 31/12/10



Tough markets, skilled management

Property manager's report for the year ended 31 December 2010

Portfolio activity

At the end of the year the value of the portfolio stood at £714m (£756m in 2009), as assessed by the independent valuers to the Fund, King Sturge LLP and Lambert Smith Hampton.

During the year nine properties were sold out of the portfolio for a total of £31m.

Asset management strategy

Whereas the strategy historically adopted was targeted towards rental improvement and value enhancement through lease re-gears, refurbishment and re-positioning of tenant mix, the abrupt change in tenant market conditions brought about by the banking crisis and curtailment of normal credit facilities required a fundamental change in strategy to one of income preservation and tenant support.

The manager's successes in achieving these objectives in an extremely difficult tenant market can be demonstrated by reviewing transaction types and comparing them with available statistics from a universe of the generally better-quality prime stock that is included within the Strutt & Parker/IPD Lease Events Annual review.

For the year ended 31 December 2010 the asset management of the retained portfolio has produced results as follows, which are generally ahead of available market indices:

- 60 rent reviews have been concluded, achieving an aggregate rental increase of £0.389m on the previous passing rents (3.7% uplift)
- 59 new lettings have been completed, securing annual rental income of £1.66m
- 40 lease renewals have been concluded, securing £1.29m in annual rents
- voids at 31/12/10 accounted for 6.61% of the total market rent
- 83.3% of the rental income was derived from central and local government, major public

companies, banks, building societies and insurance companies

- 21.3% of the income was derived from leases with over 10 years unexpired, 26.6% from leases that have five to 10 years unexpired and the remaining 52.1% from leases with less than five years unexpired.

Market commentary

2010 saw the rally in the commercial property market, which began in the second half of 2009, continue into the first half of the year but then slow quite considerably during the second half.

For the year ended December 2010 the commercial property market produced an annualised total return of 14.5%, according to figures published by IPD. This was in sharp contrast to the returns achieved in the previous year, which struggled to reach 2.2%. However, the figures disguise a number of stories.

As indicated in the Chairman's review, the turnaround in the fortunes of commercial property has been concentrated on prime stock within the central London area. Here yield compression has driven capital growth, fuelled by an inflow of both institutional and overseas money coupled with improving city office rental growth. However, the continuing lack of debt finance, on which the secondary sector is so heavily reliant, led to a relatively static performance within the non-prime sector and the gap between prime and secondary stock widening further.

Prospects

Published research suggests that 2011 will continue to see a divided property market, with prime stock within the City and West End of London continuing to perform satisfactorily. The rest of the country – and in particular the secondary sector – is likely to remain in the doldrums, with a strong possibility of the more secondary assets seeing a further decline

Skilled management (continued)

Property manager's report for the year ended 31 December 2010

in value as debt restructuring policies may force stock on to a reluctant market. The situation may be further exacerbated by the impact of budget cuts and the increase in VAT rates as they take a stronger hold on the economy.

Activity post 31 December 2010

Since the year-end two properties have been sold, generating proceeds of £55.3m to help meet repayment targets required by the lending banks and to enable renewal of the loan facility due early next year.

The managers are in advanced negotiations to re-let a number of vacant premises following previous tenant administrations or CVAs, which when completed will reduce the combined void and administration rate by 2.6% of market rent.

The managers are progressing other opportunities. Activities and plans include:

- refurbishing offices at Port Talbot, which will secure the current tenant for a further five years
- negotiating terms for the renewal of leases on a number of the major properties within the portfolio where existing leases are due to expire within the next 36 months
- a re-development scheme for a local supermarket and retail units planned for the site of a distribution warehouse where the current lease is due to expire shortly and discussions are being held with potential occupiers. A change of use and occupiers on this site will add substantially to current value.

Top 10 tenants



Source: Deutsche Bank PWM Global Real Estate as at 31/12/2010

Portfolio statistics (by rental value)

Total estimated rental value p.a.	£64.85m
Current rental income p.a.	£59.00m
Occupancy rate	93.39%
Void rate	6.61%
Administration rate	2.76%
Total value of vacant space p.a.	£4.29m
Total lease length under 2 years unexpired	8.47%
Total lease length between 2–5 years unexpired	43.64%
Total lease length between 5–10 years unexpired	26.62%
Total lease length over 10 years unexpired	21.27%

Source: Deutsche Bank PWM Global Real Estate as at 31/12/2010



Skilled management – clinically proven

An innovative decision by the asset management team to apply for a change of building planning classification enabled this office building in Hove, Brighton, to be converted into an orthopaedic sports injury clinic. This meant the manager was able to sell the property for 13% more than the independent valuers had estimated it was worth.



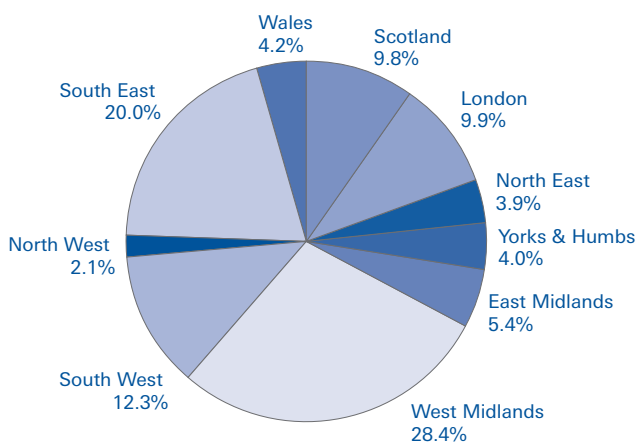
Stevenage

Acquisition date – April 2007

Valuation*:	£12.430m
Rent:	£1.450m pa
Current yield on valuation*:	11.66%
Tenants:	TalkTalk Telecom and Mortgage Works (UK) Plc
Lease lengths:	4 years approx

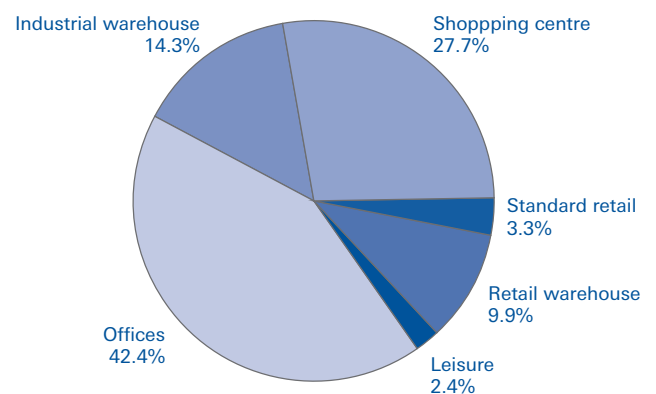
* Yield on valuation = annual rental income expressed as a percentage of most recent valuation
 + Valuation as at 31/12/10

Geographic spread (br current value)



Source: Deutsche Bank PWM Global Real Estate as at 31/12/2010

Sector spread (by current value)



Source: Deutsche Bank PWM Global Real Estate as at 31/12/2010

Directors' report

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

Activities

The principal activity of The Glanmore Property Fund Limited and its subsidiaries ("the Group") is that of property investment in the UK commercial property market. The conditions relating to investment limits have been complied with throughout the accounting period.

Results

The results for the year are shown in the consolidated statement of total return on page 19.

Dividends

No interim dividend was paid (2009: £ nil) or final dividend was proposed at the year end (2009: £4,047,260).

Going concern

The Fund has classified £94.3m of bank loans, net of associated finance costs, as "creditors: amounts falling due within one year" as at the balance sheet date as shown in note 11 to the financial statements. Of this balance, loans of £63.3m were repaid by April 2011 and the balance of £31m loans will become repayable in December 2011. The remaining loan balance of £392.5m will become due for repayment in 2012, £300m in April 2012 and £92.5m in August 2012. The Board of directors are in active dialogue with the Fund's bankers to agree a revised credit facility that is expected to span a period of five years, and both parties have determined that the Fund should continue to operate as a going concern at the current time whilst the detailed terms of the new facility are negotiated.

The Board continues to monitor the Fund's expected future cash flows to ensure liabilities can be paid as they fall due and, as such and for the reasons noted above, considers the Fund to be a going concern.

Directors

The directors of the Fund during the year and up to the date of the signing of this report are as stated on page 12.

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 Group and of the profit or loss of the Group 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 Group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Fund and 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



Apex House, Birmingham. For property details see page 2.

general responsibility for taking such steps as 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 auditor

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 as auditor of the Fund is to be proposed at the forthcoming Annual General Meeting.

Richard Babbé
Director

Anthony Pickford
Director

20 June 2011

General information

Directors	Robert Court (Chairman) Richard Babbe Daniel Moylan Anthony Pickford Anthony Wands Leslie Hilton (<i>resigned on 30 September 2010</i>) Paul Meader (<i>resigned on 30 September 2010</i>)	Administrator and secretary	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court Les Banques St Peter Port Guernsey GY1 3QL
Registered office	Trafalgar Court PO Box 255 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
Manager	Tilney Asset Management International Limited PO Box 424 Lefebvre Court Lefebvre Street St Peter Port Guernsey GY1 3WT	Legal advisers to the Fund	In Guernsey: Carey Olsen PO Box 98 7 New Street St Peter Port Guernsey GY1 4BZ In the United Kingdom: Thomas Eggar The Corn Exchange Baffins Lane Chichester West Sussex PO19 1GE Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
Property manager and adviser	Cardales UK Limited (trading as Deutsche PWM Global Real Estate) One Lumley Street London W1K 6ND		
Property valuers	Jones Lang LaSalle Limited (formerly King Sturge LLP) 30 Warwick Street London W1B 5NH	UK tax advisers	BDO Stoy Hayward 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA
	Lambert Smith Hampton Limited United Kingdom House 180 Oxford Street London W1D 1NN		

Custodian	Northern Trust (Guernsey) Limited Trafalgar Court Les Banques St Peter Port Guernsey GY1 3DA	Bankers in the UK	Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB Canada Life Limited 1 - 6 Lombard Street London EC3V 9JU
Bankers in Guernsey	Royal Bank of Scotland International Limited PO Box 604 Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4BQ	Listing sponsor	McCann Fitzgerald Listing Services Limited 2 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland

The Fund

The Glanmore Property Fund Limited (the “Fund”) was incorporated with limited liability in Guernsey and registered on 8th November 1996 (registered number 31660) under the provisions of The Companies (Guernsey) Law, 1994. On 19th August 2005 the Fund’s scheme particulars were amended to reflect the change from closed-ended to open-ended status. On the same day the Fund was authorised as a Class ‘B’ scheme by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Investment Summary

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

The Fund holds 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 are made by the Board as advised by the Manager and reflect the long term objective to maximize total return made up of rental income plus capital appreciation. The Manager has appointed Cardales UK Limited as its Property Manager and property investments adviser. Cardales UK Limited will provide advice to the Manager and the Board on property matters in relation to the Fund. Cardales UK Limited are responsible for the efficient day-to-day management of the properties. This includes arranging for regular maintenance to keep the fabric of the buildings in good order, prompt rent collection and maintaining good relationships with the tenants, as well as offering pro-active property management advice.

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

Consolidated financial statements

The Glanmore Property Fund Limited

PROPERTY PORTFOLIO

as at 31 December 2010

	Open Market Value 2010 £'000	% of Gross Assets 2010
Stafford, Guildhall Shopping Centre	44,170	5.84
Birmingham, Broadway, Fiveways	41,200	5.44
Barnstaple, Green Lane Shopping Centre	32,610	4.31
Port Talbot, Abarafan Shopping Centre	29,655	3.93
Birmingham, Erdington Retail Park	26,940	3.57
Coventry, Siskin Way West	26,390	3.49
Beckton, Beckton Retail Park	26,280	3.47
Dumfries, Loreburne Shopping Centre	24,450	3.23
Peterborough, Worldwide House, Thorpe Wood	24,300	3.21
London, Crown House, 145 City Road	23,700	3.13
Perth, CGNU Headquarters, Pitheavlis	22,980	3.04
Torquay, Fleet Walk Shopping Centre	22,600	2.99
Dunstable, The Quadrant Shopping Centre	22,500	2.97
Colchester, Turner Rise Retail Park	17,450	2.31
Bracknell, Avis House, Park Road	15,975	2.11
Sherburn, Sherburn Enterprise Park Unit Trust	15,960	2.11
Kidderminster, The Swan Centre, Blackwell Street	14,740	1.95
Newcastle upon Tyne, Unit 12, Cobalt Business Park	14,540	1.92
Birmingham, Apex House, Edgbaston	13,450	1.78
Guildford, Ground to 2nd Floor, Liongate, Ladymead	13,050	1.72
London, St Matthews House, Shepherdess Walk	12,840	1.70
Stevenage, Icon 1, Lytton Way	12,430	1.64
Milton Keynes, Units 1,2 & 3 Stratford Road, Wolverton	11,345	1.50
Trowbridge, Whitehorse Business Park	10,650	1.41
Glasgow, Boots Corner, Argyle Street	10,430	1.38
Telford, Stafford Park 5	8,900	1.18
Carlisle, Cinema and Pub Complex, 40 Botchergate	8,700	1.15
Birmingham, Victoria Square House	8,400	1.11
Rugby, Plot D, Valley Park	8,320	1.10
Dunfermline, Pitreavie Business Park	8,170	1.08
Newcastle, Vantage Point, Balliol Business Park	7,765	1.03
London, St Marks House, Shepherdess Walk	7,650	1.01
Rotherham, The Cascades Centre, South Yorkshire	7,420	0.98
Witham, Newlands Shopping Centre	7,350	0.97
Bournemouth, Richmond House, Yelverton Road	7,070	0.93
Epsom, The Horizon Centre	6,700	0.89
Salford, M60 Superbranch, Agecroft Commerce Park	6,570	0.87
Hemel Hempstead, Bryanston Court, Selden Hill	6,220	0.82
Oxford, Balliol House, Banbury Business Park, Banbury	6,210	0.82
Leicester, James House, Welford Road	6,180	0.82
Bristol, Kingsgate Portfolio	6,000	0.79
Newcastle, Baron House, Neville Street & Grainger Street	5,760	0.76
Colchester, 48-50 High Street & 84-86 Culver Street	5,450	0.72
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Balance carried forward	659,470	87.18

The Glanmore Property Fund Limited

PROPERTY PORTFOLIO (CONTINUED)

as at 31 December 2010

	Open Market Value 2010 £'000		% of Gross Assets 2010	
Balance brought forward	659,470		87.18	
Hemel Hempstead, Swallowdale Lane	5,070		0.67	
Leeds, Pavillion Business Park	5,020		0.66	
Solihull, Units, The Crescent, Birmingham Business Park	4,640		0.61	
Trowbridge, Unit B3 Whitehorse Business Park	4,375		0.58	
Worcester, Bank House Hotel	4,275		0.56	
Swindon, Units 1 & 2 Lydiard Fields	4,200		0.55	
Peterborough, First Active Thorpe Wood	4,090		0.54	
Leicester, Units 1-9 Centre Court	4,080		0.54	
Glasgow, West Regent House	3,950		0.52	
Avonmouth, Wincanton House	3,875		0.51	
North Cheam, 819/831 London Road	3,760		0.50	
Bristol, Queen Victoria House, Redland Hill	3,320		0.44	
Newbury, Newbury House, Kings Road West	2,530		0.33	
Coventry, Meriden Business Park, Birmingham Road	1,580		0.21	
	714,235		94.40	
	2010	2009	2010	2009
	£'000	£'000	%	%
Total value of investments	714,235	756,390	94.40	94.59
Derivative assets	-	19	-	-
Other assets	42,672	43,267	5.60	5.41
Gross Assets	756,907	799,676	100.00	100.00

The Board recognises there is volatility in property valuations in the current market conditions and, as disclosed in Note 25 to the audited financial statements, the value of the Fund's holdings in property have fallen since 31 December 2010.

Independent auditor's report to the members of The Glanmore Property Fund Limited

We have audited the financial statements of The Glanmore Property Fund Limited (the "Fund") for the year ended 31 December 2010 which comprise the Consolidated Statement of Total Return, the Consolidated Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares, the Consolidated Balance Sheet, the Consolidated Cash flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

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 Company'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

As explained more fully in the Statement of Directors' Responsibilities set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Fund's affairs as at 31 December 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.

Independent auditor's report to the members of The Glanmore Property Fund Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law 2008 requires us to report to you if, in our opinion:

- the Fund has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Ewan F McGill
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants
21 June 2011

The Glanmore Property Fund Limited

CONSOLIDATED STATEMENT OF TOTAL RETURN
for the year ended 31 December 2010

	Notes	2010		2009	
		£'000	£'000	£'000	£'000
Net losses on investment properties	1 & 2		(12,417)		(173,282)
Other losses	3		(3,423)		(4,848)
Income	1 & 4	63,077		71,740	
Expenses	1 & 5	(26,478)		(25,819)	
Finance costs: interest	14	(23,912)		(27,175)	
Net income before taxation		12,687		18,746	
Taxation	6	(2,265)		3,024	
Net income after taxation			10,422		21,770
Total return before distributions			(5,418)		(156,360)
Finance costs: distributions	14		102		(2,568)
Change in net assets attributable to holders of participating redeemable preference shares			(5,316)		(158,928)
Loss per share	7		£(0.36)		£(14.81)

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF PARTICIPATING REDEEMABLE PREFERENCE SHARES
for the year ended 31 December 2010

		2010		2009	
		£'000	£'000	£'000	£'000
Net assets at the start of the year			231,388		306,671
Movement due to issues/redemptions of shares					
Amounts received on issue of shares		3,287		88,249	
Less: amounts paid on redemption of shares	15	-		(10,996)	
			3,287		77,253
Changes in net assets attributable to holders of participating redeemable preference shares (see statement of total return above)			(5,316)		(158,928)
Movement in Equalisation Reserve			-		6,392
Net assets at the end of the year			229,359		231,388

The notes on pages 22 to 42 form an integral part of these financial statements.

The Glanmore Property Fund Limited

CONSOLIDATED BALANCE SHEET
as at 31 December 2010

		2010		2009	
	Notes	£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investment properties	1 & 8		<u>714,235</u>		<u>756,390</u>
Current assets					
Derivative assets	23	-		19	
Debtors	10	11,615		13,901	
Bank balances		<u>31,057</u>		<u>29,366</u>	
			<u>42,672</u>		<u>43,286</u>
Total assets			<u>756,907</u>		<u>799,676</u>
Liabilities					
Creditors: amounts falling due within one year					
Derivative liabilities	23	8,761		5,364	
Creditors	11	<u>125,840</u>		<u>32,507</u>	
			<u>134,601</u>		<u>37,871</u>
Creditors: amounts falling due after more than one year					
Loans	12	390,893		529,207	
Deferred tax liability	13	<u>2,054</u>		<u>1,210</u>	
			<u>392,947</u>		<u>530,417</u>
Total liabilities excluding net assets attributable to holders of participating redeemable preference shares			<u>527,548</u>		<u>568,288</u>
Net assets attributable to holders of participating redeemable preference shares			<u>229,359</u>		<u>231,388</u>
Number of participating redeemable preference shares			15,212,238		14,989,853

The financial statements on pages 19 to 42 were approved by the Board of Directors on 20 June 2011 and are signed on its behalf by:

Richard Babbé
Director

Anthony Pickford
Director

The notes on pages 22 to 42 form an integral part of these financial statements.

The Glanmore Property Fund Limited

CONSOLIDATED CASH FLOW STATEMENT
as at 31 December 2010

		2010	2009
	<i>Notes</i>	£'000	£'000
Net cash inflow from operating activities	<i>16(a)</i>	42,380	48,508
Return on investments and servicing of finance	<i>16(b)</i>	(27,938)	(28,004)
Taxation	<i>16(b)</i>	(212)	(736)
Capital expenditure and financial investment	<i>16(b)</i>	29,739	65,073
		43,969	84,841
Financing	<i>16(b)</i>	(42,278)	(92,162)
Increase / (decrease) in cash		1,691	(7,321)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2010	2009
		£'000	£'000
Increase / (decrease) in cash		1,691	(7,321)
Cash outflow from changes in loans and overdrafts		44,039	173,472
Change in net debt resulting from cash flows	<i>16(c)</i>	45,730	166,151
Net debt at 1 January	<i>16(c)</i>	(499,841)	(665,992)
Net debt at 31 December	<i>16(c)</i>	(454,111)	(499,841)

The notes on pages 22 to 42 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared under the historical cost convention, modified by the revaluation of investment properties and interest rate derivatives. 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 October 2010, and are in compliance with The Companies (Guernsey) Law, 2008.

Going Concern

The Fund has classified £94.3m of bank loans, net of associated finance costs, as "creditors: amounts falling due within one year" as at the balance sheet date as disclosed in note 11 to the financial statements. Of this balance, loans of £63.3m were repaid by April 2011 and the balance of £31.0m loans will become repayable in December 2011. The remaining loan balance of £392.5m will become due for repayment in 2012, £300m in April 2012 and £92.5m in August 2012. The Board of directors are in active dialogue with the Fund's Bankers to agree a revised credit facility which is expected to span a period of five years, and have determined that the Fund should continue to operate as a going concern at the current time whilst the detailed terms of the new facility are negotiated.

The Board continue to monitor the Fund's expected future cash flows to ensure liabilities can be paid as they fall due and as such, and for the reasons noted above, consider the Fund to be a going concern.

Basis of consolidation

The financial statements consolidate the results of the Fund and its subsidiaries drawn up to 31 December each year. The subsidiaries have been included in the Group financial statements using the acquisition method of accounting. Accordingly the Consolidated Statement of Total Return and Consolidated Cash Flow Statement include the results of the subsidiaries.

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 Consolidated Statement of Total Return.

Income

Rental income and deposit interest are included on an accruals basis. Rental income from investment properties leased out under operating leases is recognised in the Consolidated Statement of Total Return on a straight line basis and shown gross of any UK income tax. Rental incentives are recognised as an integral part of the total rental income.

Expenses

All of the Fund's expenses are accounted for on an accruals basis. Transaction costs directly applicable to the purchase of investment properties are included within the initial cost of the property.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Investment properties

The valuation of investment property has been 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. The open market value means an opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

- (i) a willing seller;
- (ii) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature and the state of the market) for proper marketing of the interest, for the agreement of price and completion of the sale;
- (iii) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of the valuation;
- (iv) that no account is taken of any additional bid by a prospective purchaser with special interest; and
- (v) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

Investment properties held under finance leases and leased out under operating leases are classified as investment property and stated at fair value.

Realised and unrealised gains and losses on investment properties

In accordance with FRS 3 "Reporting Financial Performance", profits and losses on properties sold during the period are calculated by comparing net sales proceeds with book values. Realised surpluses and deficits are recognised in the Consolidated Statement of Total Return. Unrealised gains and losses on the revaluation of the property portfolio are recognised in the Consolidated Statement of Total Return.

Financial instruments

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

Debtors – the Group'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 Group after deducting all of its liabilities.

Bank borrowings – interest bearing bank loans and overdrafts are initially recorded at cost, being the fair value of the consideration received. After initial recognition, all interest bearing bank loans and overdrafts are subsequently measured at amortised cost. Direct attributable transaction costs incurred in establishing the Group's credit facilities are deducted from borrowings on initial recognition and amortised over the lifetime of the facilities through the Consolidated Statement of Total Return.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

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

Derivative financial instruments - the Group uses derivative financial instruments to manage its risk associated with interest rate fluctuations on its bank loans and overdrafts.

Derivatives are valued on the balance sheet at latest available market rates or at break cost, any resulting unrealised gain or loss is included in other gains and losses in the Consolidated Statement of Total Return.

Taxation

The Fund and its subsidiaries are liable to United Kingdom income tax on its net rental income.

The Fund and its Guernsey-registered subsidiaries are exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 and each such company has been charged an annual exemption fee of £600 for the year 2010 (2009: £600).

The charge for taxation is accrued on a monthly basis, based on the profit for each month. This will be adjusted at the year end to take into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing difference will reverse.

Equalisation

Equalisation is the amount included in the purchase price of shares which represents their proportion of the net income of the Group already accrued up to the date of purchase. 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 first distribution after the purchase of shares, except where the equalisation exceeds the distribution, in which case the difference is carried forward in an Equalisation Reserve.

Distributions

The Fund was certified by HM Revenue & Customs as having "distributing fund status" in 2008. The Fund 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. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 NET LOSSES ON INVESTMENT PROPERTIES

The net losses on investment properties during the year comprise:

	2010	2009
	£'000	£'000
Proceeds from sale of investment properties during the year	30,835	67,696
Original cost of investment properties sold in the year	(46,197)	(104,705)
Incidental costs of selling investment properties in the year	(801)	(1,624)
	<hr/>	<hr/>
Losses realised on investment properties sold during the year	(16,163)	(38,633)
Net appreciation thereon already recognised in earlier years	14,812	23,740
	<hr/>	<hr/>
Net depreciation realised for the year	(1,351)	(14,893)
Net unrealised revaluation loss for the year	(11,066)	(158,389)
	<hr/>	<hr/>
Net losses on investment properties	(12,417)	(173,282)
	<hr/> <hr/>	<hr/> <hr/>

3 OTHER LOSSES

	2010	2009
	£'000	£'000
Losses on interest rate derivatives	(3,423)	(4,848)
	<hr/>	<hr/>
	(3,423)	(4,848)
	<hr/> <hr/>	<hr/> <hr/>

4 INCOME

	2010	2009
	£'000	£'000
Rent receivable	60,652	66,621
Interest receivable	82	86
Dilapidation cost contribution	2	1,296
Lease surrenders	-	1,966
Car park fees	1,801	1,567
Sundry income	540	204
	<hr/>	<hr/>
	63,077	71,740
	<hr/> <hr/>	<hr/> <hr/>

	2010	2009
	£'000	£'000
Analysis of term to expiry on tenants leases (based on annual rentals)		
	<hr/>	<hr/>
In one year or less	2,227	3,540
In more than one year but less than two years	2,616	1,301
In more than two years but less than five years	24,961	18,284
In more than five years	27,394	38,557
	<hr/>	<hr/>
	57,198	61,682
	<hr/> <hr/>	<hr/> <hr/>

The total above comprises annual contractual rent receivable as at 31 December 2010 and does not equate to the rent receivable shown in the above analysis of income for the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 EXPENSES

	2010	2009
	£'000	£'000
Payable to the Manager and the Directors		
Manager's fees	11,021	12,428
Directors' fees	191	169
	11,212	12,597
Other expenses		
Ground rent	62	47
Legal and professional fees	599	1,070
Audit fees	68	72
Property expenses	5,302	5,275
Operating expenses	417	674
Bad and doubtful debts	5,318	4,262
Finance expenses	3,500	1,822
	15,266	13,222
Total expenses	26,478	25,819

6 TAXATION

Factors affecting the current tax charge / (credit) for the year:	2010	2009
	£'000	£'000
Current tax - current year profits	1,684	659
Current tax - over provision in prior years	(263)	(3,684)
	1,421	(3,025)
Deferred tax	844	1
	2,265	(3,024)

The actual tax charge differs from the expected tax charge computed by applying the standard rate of UK income tax of 20% as follows:

	2010	2009
	£'000	£'000
Expected tax charge at 20% (2009: 20%)	2,537	3,749
Effect of:		
Non UK Income	(16)	(447)
Disallowable expenditure	1,170	1,621
Capital allowances	(247)	(232)
Intercompany loan interest	(2,208)	(4,323)
Unutilised losses	951	609
Utilisation of brought forward losses	(503)	(318)
Over provision in prior years	(263)	(3,684)
	1,421	(3,025)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 LOSS PER SHARE

	2010	2009
	No.	No.
Weighted average participating redeemable preference shares in issue	<u>15,174,472</u>	<u>10,559,125</u>
	£'000	£'000
Total return before distributions	<u>(5,418)</u>	<u>(156,360)</u>
Loss per share	<u>£ (0.36)</u>	<u>£ (14.81)</u>

Earnings per share is calculated on total return before distributions divided by the average number of participating redeemable preference shares in issue during the year.

Weighted average participating redeemable preference shares in issue have been calculated by reference to the monthly shares in issue.

8 INVESTMENT PROPERTIES

	2010	2009
	£'000	£'000
Market Value:		
at 1 January	756,390	994,745
Additions and capital expenditure	296	999
Disposals	(30,034)	(66,072)
Net depreciation realised for the year	(1,351)	(14,893)
	<u>725,301</u>	<u>914,779</u>
Loss on revaluation	(11,066)	(158,389)
At 31 December	<u>714,235</u>	<u>756,390</u>
	Open Market Value	Open Market Value
	£'000	£'000
Freehold	545,615	583,505
Long Leasehold	168,620	172,885
	<u>714,235</u>	<u>756,390</u>

The investment property portfolio has been valued by Jones Lang LaSalle Limited (formerly King Sturge LLP) and Lambert Smith Hampton Limited, who are independent and qualified property valuers, at open market value on 31 December 2010 based on the Royal Institution of Chartered Surveyors practice statements.

A first legal charge is in place over the property portfolio as security for the loan facilities (note 12).

Included in property disposals above are incidental costs incurred in disposing of property during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 INVESTMENT IN SUBSIDIARIES

The Fund holds a substantial proportion of its investment property portfolio through subsidiary companies and unit trusts. The financial statements consolidate the results of the Fund and its subsidiaries drawn up to 31 December each year. The subsidiaries have been included in the Group financial statements using the acquisition method of accounting. Accordingly the Consolidated Statement of Total Return and Cash Flow Statement include the results of the subsidiaries.

Total acquisitions of the Group during the year, including acquisitions by subsidiaries, totalled £nil (2009: £nil) of cash consideration.

At 31 December 2010 the Fund held the following subsidiary companies and unit trusts, held directly and through subsidiaries:

Name	Place of registration	Group % ownership	Principal activity
Glanmore Investments Limited	Guernsey	100%	Property holding
Glanmore City Road Limited	Guernsey	100%	Property holding
Glanmore Stafford Limited	Guernsey	100%	Property holding
Glanmore Dunstable Unit Trust	Guernsey	100%	Property holding
Glanmore Kidderminster Unit Trust	Guernsey	100%	Property holding
Glanmore Peterborough Unit Trust	Guernsey	100%	Property holding
Glanmore Milton Keynes Limited	Guernsey	100%	Property holding
Rishon Properties Limited	Guernsey	100%	Dormant
Glanmore Shepherdess Walk Limited	Guernsey	100%	Property holding
Synergy Perth Unit Trust	Jersey	100%	Property holding
Synergy Perth Unit Trust	Jersey	100%	Property holding
Greenlanes Jersey Property Unit Trust	Jersey	100%	Property holding
Glanmore Property Company Limited	Guernsey	100%	Property holding
Wyndham Court Limited	BVI	100%	Property holding
Glanmore Dunfermline Limited	Guernsey	100%	Property holding
Sherburn Enterprise Park Unit Trust	Jersey	100%	Property holding
Meriden Unit Trust	Jersey	100%	Property holding
Redland Hill Unit Trust	Jersey	100%	Property holding
Lytton Way Unit Trust	Jersey	100%	Property holding
Liongate Unit Trust	Jersey	100%	Property holding
Avis House Unit Trust	Jersey	100%	Property holding
Broadway Unit Trust	Jersey	100%	Property holding
Glanmore Longus House 1 Limited	UK	100%	Dormant
Tarka Investments Limited	UK	100%	Dormant
Barum Estates Limited	UK	100%	Dormant
City Developments Limited	Isle of Man	100%	Investment Holding
Glanmore Perth Limited	Guernsey	100%	Nominee
Glanmore Croydon Holdings Limited	Guernsey	100%	Investment Holding
Glanmore Property Holding 5 Limited	Guernsey	100%	Dormant
Glanmore Property Holding 4 Limited	Guernsey	100%	Dormant
Glanmore Portsmouth Limited	Guernsey	100%	Dormant

During the year, the property owned by Rishon Properties Limited was sold. The company is now dormant. Glanmore City Road Limited and Greenlanes Jersey Property Unit Trust were sold after the year end as detailed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 DEBTORS

		As restated (1)
	2010 £'000	2009 £'000
VAT recoverable	50	47
Trade debtors (as restated (1))	3,383	4,761
Prepayments	695	-
Rental incentives	2,946	2,546
Share subscriptions receivable	120	1,993
Taxation recoverable	3,310	2,419
Other debtors	1,111	2,135
	<u>11,615</u>	<u>13,901</u>

(1) In the prior year, the amounts provided for service charge payable were included as a provision against trade debtors. These have now been reclassified as accruals.

Share subscriptions receivable represent amounts due in respect of new subscriptions to the Fund which were received on 5 January 2011 (2009: received 11 January 2010).

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		As restated (1)
	2010 £'000	2009 £'000
Short term bank loans (see note 12)	94,275	-
Trade creditors	8,372	6,097
Taxation	2,100	-
Interest accruals	3,272	3,325
Service charge accruals (as restated (1))	2,966	1,019
Other accruals	383	715
Proposed distribution	-	4,047
Rents received in advance	11,786	13,225
VAT payable	2,686	4,079
	<u>125,840</u>	<u>32,507</u>

(1) In the prior year, the amounts provided for service charge payable were included as a provision against trade debtors. These have now been reclassified as accruals.

12 LOANS

	2010 £'000	2009 £'000
Analysis to maturity for the loan facilities.		
In one year or less (see note 11)	94,275	-
In more than one year but less than two years	390,893	124,279
In more than two years but less than five years	-	404,928
In more than five years	-	-
	<u>485,168</u>	<u>529,207</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 LOANS (Continued)	Drawdown £'000	Floating Rate	Rollover date
Balances as at 31 December 2010			
RBS Facility A	357,688	3.741%	20 January 2011
RBS Facility B	36,964	4.241%	20 January 2011
Canada Life	92,644	1.737%	25 January 2011
	<u>487,296</u>		
Refinance costs	<u>(2,128)</u>		
	<u><u>485,168</u></u>		
Weighted average interest rate excluding interest rate swaps		3.398%	

As detailed below, the Fund had one interest rate swap derivative contract (2009: two) which swapped floating rates with fixed rates as at 31 December 2010 of:

	Fixed rate
RBS Swap £358m	2.450%
Weighted average interest rate inclusive of interest rate swap	4.655%

Balances as at 31 December 2009

Bank	Drawdown	Rate	Rollover date
RBS Facility A	357,688	3.582%	20 January 2010
RBS Facility B	67,824	3.582%	20 January 2010
Canada Life	108,940	1.614%	25 January 2010
	<u>534,452</u>		
Refinance costs	<u>(5,245)</u>		
	<u><u>529,207</u></u>		
Weighted average interest rate excluding interest rate swaps		3.181%	
RBS Swap £358m		2.450%	
RBS Swap £40m		1.550%	
Weighted average interest rate inclusive of interest rate swaps		4.506%	

Under FRS 26, the costs associated with the refinancing of loans have been included in loans payable. The cost of the loans is written off over the period of the loans using the effective interest method.

The Fund loan balance at the balance sheet date was £485m (2009: £529m) with a weighted average interest rate of 4.655% (2009: 4.506%). All loans have floating interest rates. The rollover date is the date on which the rate is re-fixed against LIBOR.

In the directors opinion, due to the frequent rollover dates of the interest rates, the fair values of the loan drawdowns are not significantly different from cost.

In 2009 the Fund restructured its loan facilities following certain breaches of the loan covenants. Since restructuring, the Fund has been compliant with the loan covenant provisions.

The expiry of the RBS facility is now phased and both facilities require the repayment of a proportion of the debt before the end of the facility from property sales.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 LOANS (continued)

The Fund has classified £94.3m of bank loans, net of associated finance costs, as "creditors: amounts falling due within one year" as at the balance sheet date, as disclosed in note 11 to the financial statements. Loan repayment requirements are £37.0m by April 2011, £57.7m December 2011, £300.0m April 2012 and £92.5m August 2012. Of the 2011 loan repayment requirements, £63.3m was repaid by April 2011.

The Board of directors are in active dialogue with the Fund's Bankers to agree a revised credit facility which is expected to span a period of five years, and have determined that the Fund should continue to operate as a going concern at the current time whilst the detailed terms of the new facility are negotiated.

The Fund has entered into three interest rate derivative contracts (2009: four) to manage the floating rate interest exposure.

Two interest rate swaps were acquired in May 2009. The first swaps LIBOR for a fixed rate of 2.45% per annum, for a nominal amount of £358m expiring 20 April 2012. The second swapped LIBOR for a fixed rate of 1.55% per annum, for a nominal amount of £40m. This swap expired on 20 October 2010. They are/were valued at market value on a monthly basis.

An interest rate collar contract, with a notional amount of £12m (2009: £12m) and an interest rate cap contract with a notional amount of £27m (2009: £27m) combine to limit the interest rates payable within certain ranges.

13 DEFERRED TAX LIABILITY

	At 1 January 2010 £'000	Movement £'000	At 31 December 2010 £'000
Accelerated capital allowances	1,210	844	2,054

14 FINANCE COSTS

	£ per share	2010 £'000	£ per share	2009 £'000
Final proposed distribution	-	-	0.27	4,047
Equalisation on shares issued and redeemed		(102)		4,047 (1,479)
Net distribution for the year		(102)		2,568
Interest		23,912		27,175
Total finance costs		23,810		29,743

No distribution has been made in the year as the Board of directors have utilised resources to service the bank loan and comply with the terms of the banking facility. The distribution in the prior year was payable equally on both A and B class shares.

On the issue of B shares on 27 August 2009, of the £79m raised, £8.5m related to income (equalisation) of which £6.4m was transferred to an Equalisation Reserve. As no B shares have been redeemed, there has been no movement in the reserve during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 CALLED UP SHARE CAPITAL

	Authorised		Allotted fully paid	
	No. Shares 2010	No. Shares 2009	No. Shares 2010	No. Shares 2009
Management shares of £1 each	10	10	10	10
Unclassified shares of £0.0001 each	199,900,000	199,900,000	-	-
Participating redeemable preference A shares of £0.0001 each	-	-	6,987,130	6,764,745
Participating redeemable preference B shares of £0.0001 each	-	-	8,225,108	8,225,108
	199,900,010	199,900,010	15,212,248	14,989,863

	Authorised		Allotted fully paid	
	£	£	£	£
Management shares of £1 each	10	10	10	10
Unclassified shares of £0.0001 each	19,990	19,990	-	-
Participating redeemable preference A shares of £0.0001 each	-	-	699	676
Participating redeemable preference B shares of £0.0001 each	-	-	823	823
Share premium	-	-	567,061,339	563,775,112
	20,000	20,000	567,062,871	563,776,621

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.

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 who is present is entitled to one vote on a show of hands and on a poll, one vote in respect of each management share, participating redeemable preference share and one vote in respect of all nominal shares held by each shareholder.

B shares rank pari passu with the A shares except for redemption rights as these new shares can not be redeemed for three years from the date of issue.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of net income before taxation to net cash inflow from operating activities

	2010 £'000	2009 £'000
Net income before taxation	12,687	18,746
Interest receivable	(82)	(86)
Interest payable	23,912	27,175
Non cash movements on refinance costs allocation	3,500	1,822
Decrease in operating debtors	1,302	235
Increase in operating creditors	1,061	616
	<u>42,380</u>	<u>48,508</u>
Net cash inflow from operating activities	<u>42,380</u>	<u>48,508</u>

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

RETURN ON INVESTMENTS AND SERVICING OF FINANCE

	2010 £'000	2009 £'000
Interest received	82	82
Interest paid	(23,965)	(28,809)
Net payments to purchase and terminate interest rate derivative contracts	(8)	723
Distributions paid	(4,047)	-
Net cash outflow from returns on investments and servicing of finance	<u>(27,938)</u>	<u>(28,004)</u>

TAXATION

	2010 £'000	2009 £'000
United Kingdom income tax paid	<u>(212)</u>	<u>(736)</u>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2010 £'000	2009 £'000
Additions to investment properties	(296)	(999)
Receipts from sales of investment properties	30,035	66,072
Net cash inflow from capital expenditure and financial investment	<u>29,739</u>	<u>65,073</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

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

FINANCING

	2010 £'000	2009 £'000
Net issues of participating redeemable preference shares	5,159	81,652
Bank loans and overdraft	(47,539)	(175,293)
Net equalisation received	<u>102</u>	<u>1,479</u>
Net cash outflow from financing	<u>(42,278)</u>	<u>(92,162)</u>

(c) Analysis of changes in net debt

	At 1 January 2010 £'000	Cash Flow £'000	At 31 December 2010 £'000
Cash at bank and in hand	29,366	1,691	31,057
Debt due within one year	-	(94,275)	(94,275)
Debt due after one year	<u>(529,207)</u>	<u>138,314</u>	<u>(390,893)</u>
Net debt	<u>(499,841)</u>	<u>45,730</u>	<u>(454,111)</u>

17 DIRECTORS' INTERESTS

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

The directors have the following holdings in the Group:

Robert Court holds 3,850 Participating redeemable preference A shares and 4,404 Participating redeemable preference B shares held directly, and 1,600 Participating redeemable preference A shares held indirectly in a Self Invested Personal Pension.

Anthony Pickford holds 4,500 Participating redeemable preference B shares held with a nominee company.

Daniel Moylan holds 60 Participating redeemable preference A shares and 69 Participating redeemable preference B shares, both held indirectly in a Self Invested Personal Pension.

Robert Court has an indirect interest in the Group via an investment in The Glanmore Accumulation Fund Limited (a feeder fund) held with a nominee company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 RELATED PARTY TRANSACTIONS

Fees Payable to the Manager

The management fee is charged at 1.5% p.a. of aggregate assets of the Group. In addition, the Manager shall be entitled to receive a front-end fee not exceeding 5% of the subscription price.

From this fee the Manager meets the majority of the running expenses of the Group, including administrator's fees except those associated with property transactions, monthly property valuation fees, certain property adviser's fees, all marketing and public relations costs and many other items of expenditure.

Fees charged during the year by the Manager were £11,021,000 (2009: £12,428,000) (net of VAT), of which £6,046,000 (2009: £3,558,000) remained unpaid at 31 December 2010.

Until he retired on 31 December 2009, Robert Court was a director of Tilney Group Limited of which the Manager is a wholly owned subsidiary.

Fees payable to the Property Manager

The Property Manager and Adviser of the Fund is Cardales UK Limited. Robert Court was a director of the Property Manager and Adviser until he retired on 31 December 2009.

Cardales UK Limited receives, in accordance with the property management agreement, the following fees:

1.5% of the price paid on acquisition of the properties.

1.5% of the disposal proceeds received on the sale of the properties.

Specific fees such as survey work in connection with repairs and improvements, professional fees for handling rent reviews and new leasing negotiations will be charged as and when required, usually on the basis of time spent.

During the period there were no fees paid or due to the Property Manager and Adviser in respect of new purchases (12 months to 31 December 2009, £nil) and £315,000 (12 months to 31 December 2009, £754,000) has been incurred in respect of disposals.

19 CONTROLLING PARTY

The directors are not aware of any ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES

Market price risk

Rental income and the market value for properties are generally affected by overall conditions in the economy, such as changes in gross domestic product, employment trends, inflation, the availability of banking finance and changes in interest rates, which in turn may impact the demand for premises.

Both rental income and property values may also be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of bankruptcy or the insolvency of tenants or otherwise, the periodic need to renovate, repair and release space and the costs thereof, the costs of maintenance and insurance, and increased operating costs.

The directors monitor the market value of investment properties on a monthly basis by obtaining valuations from independent and qualified property valuers.

Property value risk

By the nature of its activities the Group's property investments are exposed to movements in their valuation. Further information on the property portfolio and investment policy is set out in the Property Portfolio, note 8 and the Property Manager's Report.

The yield on the property portfolio is generally based on the market value of the property until the expiry of each tenant lease. In normal circumstances leases will be extended on comparable or increased annual rentals.

The Property Manager seeks to ensure that the portfolio includes a diverse range of good quality tenants. The Board receive regular reports on concentrations of risk and any tenants in arrears.

Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to property valuation risks at 31 December 2010:

If property prices had been 5% or 10% higher or lower, the increase/decrease in the Group's net asset value would be as follows:

Movement in value of the underlying Property Portfolio	+5%	+10%	-5%	-10%
% movement versus actual net asset value at 31 December 2010	+16%	+31%	-16%	-31%
Revised net asset value of the Fund (£'000)	<u>265,071</u>	<u>300,783</u>	<u>193,647</u>	<u>157,936</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (Continued)

The sensitivity analysis below has been determined based on the exposure to property valuation risks at 31 December 2009:

Movement in value of the underlying Property Portfolio	+5%	+10%	-5%	-10%
% movement versus actual net asset value at 31 December 2009	+16%	+33%	-16%	-33%
Revised net asset value of the Fund (£'000)	<u>269,207</u>	<u>307,027</u>	<u>193,568</u>	<u>155,749</u>

Interest Rate Risk

The following tables detail the Group's exposure to interest rate risks at 31 December 2010 and 31 December 2009. It includes the Group's assets and trading liabilities at fair values, categorised by the maturity date measured by the carrying value of the assets and liabilities:

As at 31 December 2010	Less than 1 year	More than 1 year	Non interest bearing	Total
	£'000	£'000	£'000	£'000
Assets				
Bank balances	31,057	-	-	31,057
Debtors	-	-	11,615	11,615
Investment properties	-	-	714,235	714,235
Derivative assets	-	-	-	-
Total assets	<u>31,057</u>	<u>-</u>	<u>725,850</u>	<u>756,907</u>
Liabilities				
Creditors	-	-	31,565	31,565
Loans	94,275	390,893	-	485,168
Derivative liabilities	-	-	8,761	8,761
Deferred tax liability	-	-	2,054	2,054
Total liabilities	<u>94,275</u>	<u>390,893</u>	<u>42,380</u>	<u>527,548</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (Continued)

As at 31 December 2009	Less than 1 year	More than 1 year	Non interest bearing	Total
	£'000	£'000	£'000	£'000
Assets				
Bank balances	29,366	-	-	29,366
Debtors	-	-	13,901	13,901
Investment properties	-	-	756,390	756,390
Derivative assets	-	19	-	19
Total assets	29,366	19	770,291	799,676
Liabilities				
Creditors	-	-	32,507	32,507
Loans	-	529,207	-	529,207
Derivative liabilities	-	-	5,364	5,364
Deferred tax liability	-	-	1,210	1,210
Total liabilities	-	529,207	39,081	568,288

Interest rate sensitivity

Liabilities include LIBOR rate loans, and assets include the cash balances which earn interest at rates based on bank base rates. Interest rate derivative products are purchased to hedge the risk that interest costs will increase due to rising interest rates. The instruments will generate gains on the measurement date if 3 month LIBOR is above the agreed hedge rate.

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the end of the financial year and held constant for a year.

At the reporting date, if the average interest rates had been 0.5% or 1% higher/lower and all other variables were held constant, the annualised change in the Group's net loss would be:

	+0.5%	+1.0%	-0.50%	-1.00%
	£'000	£'000	£'000	£'000
Movement in annualised interest charge 2010	433	866	(510)	(789)
Movement in annualised interest charge 2009	1,359	809	(1,450)	(1,693)

The average interest rate including margins on loans at 31 December 2010 was 4.66% (2009: 4.51%) and on cash balances was 0.25% (2009: 0.25%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (Continued)

Liquidity risk

The Fund's constitution provides for the weekly creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time. The Fund's main assets are property assets which are traded in an environment where deal timescales can take place over months. As a result, the Fund may not be able to liquidate quickly some of its properties at an amount close to its fair value in order to meet liquidity requirements. On 24 June 2008, the Board implemented its powers to allow the Directors the power to postpone and suspend redemptions for a period up to 12 months. Such powers can be used to manage liquidity risk. Furthermore, at an EGM in June 2009, the shareholders voted in favour of extending the period in which the Directors can postpone and suspend redemptions to four years.

Minimum cash balances are maintained to ensure that the Fund is able to meet expenses, dividends and requests for redemption of shares. Where redemption requests exceed cash available to the Fund, the directors are entitled to suspend the redemption process until the Fund has been able to realise sufficient funds from the orderly disposal of property.

Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. In the event of a default by an occupational tenant, the Group will suffer a rental income shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. There are no significant concentrations of credit risk within the Group. The largest tenant represents 4.20% (2009: 3.88%) of the annual turnover and pays annualised rent of £2.4m (2009: £2.4m).

Credit risk in respect of other financial assets is reflected in the carrying value of these assets being set to their fair value, as they represent cash and financial instruments held with the Group's bankers.

As at 31 December 2010	0 to 90 days £'000	91 days to 1 year £'000	More than 1 Year £'000	TOTAL £'000
Trade debtors	2,167	1,738	1,258	5,163
Provision for bad debts	-	(908)	(872)	(1,780)
Trade debtors net of bad debts	<u>2,167</u>	<u>830</u>	<u>386</u>	<u>3,383</u>
As at 31 December 2009	0 to 90 days £'000	91 days to 1 year £'000	More than 1 Year £'000	TOTAL £'000
Trade debtors	3,913	2,826	380	7,119
Provision for bad debts	(230)	(1,748)	(380)	(2,358)
Trade debtors net of bad debts	<u>3,683</u>	<u>1,078</u>	<u>-</u>	<u>4,761</u>

All tenants are UK based and all tenancies are for UK commercial property.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 NET ASSET VALUE PER SHARE

	2010 £'000	2009 £'000
Fund net asset value per December valuation	229,358	228,209
Decrease to tax charge	-	3,179
	229,359	231,388
A Shares in issue	6,987,130	6,764,745
B Shares in issue	8,225,108	8,225,108
	15,212,238	14,989,853
Net asset value per share (valuation)	£15.08	£15.22
Net asset value per share (financial statements)	£15.08	£15.44

In 2006, HM Revenue & Customs (HMRC) opened an enquiry into the Fund's tax returns for 2002, 2003 and 2004. As a result, the Fund built up a provision of £3.4m to cover the possible adverse consequences of adapting to a different treatment for tax purposes of fees associated with hedging contracts and management fees. On 19 January 2010, HMRC notified the Fund's tax advisers that the enquiries into all years had been closed with no adjustment being proposed and accordingly the provision for additional tax due was released in January 2010. As this notification occurred after the prior year end, the release of the provision was included as part of the published prior year end Net Asset Value. However, the release of the provisions was included in the 2009 Audited Financial Statements. This was not considered a pricing error as the published Net Asset Value had been properly prepared in accordance with the Prospectus whilst the Audited Financial Statements have been prepared in accordance with UK Accounting Standards.

22 ACQUISITIONS AND DISPOSALS

During the year the Fund did not acquire or dispose of any entities.

23 DERIVATIVE FINANCIAL INSTRUMENTS

Fair value of derivatives	2010	2010	2009	2009
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Interest rate collar	-	752	-	698
Interest rate cap	-	-	19	-
Interest rate swap	-	8,009	-	4,666
	-	8,761	19	5,364

Derivative financial instruments held to manage the interest rate risk comprise of interest rate collars and interest rate caps. The original cost of these instruments was £140,290 (2009: £140,290).

Two interest rate swaps were acquired in May 2009. The first swaps LIBOR for a fixed rate of 2.45% per annum, for a nominal amount of £358m expiring 20 April 2012. The second swapped LIBOR for a fixed rate of 1.55% per annum, for a nominal amount of £40m. This swap expired on 20 October 2010. They are/were valued at market value on a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24 INTEREST RATE RISK

The interest risk profile of the Fund's financial assets and liabilities is detailed in the table below. There is no significant difference between carrying values of the financial assets and liabilities and their fair values.

As at 31 December 2010	Total (market value) £'000	Fixed rate £'000	Floating rate £'000	None £'000
Debtors	11,615	-	-	11,615
Bank balances	31,057	-	31,057	-
Creditors less than one year	(134,601)	(57,688)	(36,587)	(40,326)
Creditors more than one year	(392,947)	(300,000)	(90,894)	(2,053)
	(484,876)	(357,688)	(96,424)	(30,764)

The effective interest rate on loans payable was 4.66%, and on floating rate bank balances, 0.25% receivable.

As at 31 December 2009	Total (market value) £'000	Fixed rate £'000	Floating rate £'000	None £'000
Debtors	13,920	-	-	13,920
Bank balances	29,366	-	29,366	-
Creditors less than one year	(37,870)	-	-	(37,870)
Creditors more than one year	(530,417)	(397,688)	(131,519)	(1,210)
	(525,001)	(397,688)	(102,153)	(25,160)

The effective interest rate on loans payable was 3.18%, on floating rate bank balances, 0.25% receivable.

25 POST BALANCE SHEET EVENTS

Since the balance sheet date events have occurred as follows:

- In February and April 2011, two properties were sold, generating proceeds of £55.30m. These properties were valued at £56.31m as at 31 December 2010;
- The independent valuations of the investment properties reduced by £27.96m from 31 December 2010 to 31 May 2011 (based on a like-for-like basis excluding disposals), a decrease of 4.25%;
- Loans of £63.3m, were repaid by April 2011;
- At 31 May 2011, total redemption requests were valued at £18.6m based on the current month valuation, of which £1.3m represents new requests since December 2010; and
- Following the disposal of property and change in valuations, the share price has decreased from £15.077 at 31 December 2010 to £13.414 at 31 May 2011, a decrease of 11.03%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26 CONTINGENT LIABILITY - REDEMPTIONS

On 21 May 2008 at an EGM of the Fund, shareholders passed a special resolution which allowed postponement and suspension of redemptions for up to 12 months and gave the Board power to allow the withdrawal of redemption requests.

On 22 June 2009 at an EGM of the Fund, shareholders passed a special resolution which allowed postponement of redemptions for up to four years (including the twelve months previously allowed).

At the year end, postponed redemption requests totalled £21.12m based on net asset value of the Fund as at 31 December 2010.

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the year ended 31 December 2010

SALES Property	Proceeds £'000
Croydon, Lantern Court, 8 Sydenham Road	13,700
Hove, 87/89 Davidgor Road	3,800
Guildford, Pannell House	3,750
Stevenage, 28 / 42, The Forum	2,300
Nuneaton, Land & buildings, Regent Street	1,950
Leeds, Midland House Bond Court	1,900
Warrington, Bankside, Crosfield Street	1,250
Dumfries, 77-85 High Steet	1,250
Camberley, Central House, 98/100 Park Street	935
	<hr/>
	30,835
	<hr/> <hr/>

The summary above includes all material portfolio changes to the fund during the period.

CUSTODIAN'S RESPONSIBILITIES AND REPORT

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

The Custodian is responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Custodian

We hereby state that in our opinion the Manager has managed The Glanmore Property Fund Limited and its subsidiaries during the year to 31 December 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
20 June 2011

ADDITIONAL INFORMATION NOT FORMING PART OF THE
AUDITED FINANCIAL STATEMENTS

31 December 2010

SHAREHOLDER ANALYSIS (Combined A and B classes)

Ownership Band	Number of unit holders	Total percentage holding
Less than 1% of units in issue	3,498	50.42%
1% to 2%	6	9.85%
2% to 4%	1	3.47%
4% to 8%	5	24.62%
Greater than 8%	1	11.64%
Total	3,511	100.00%
Percentage held by largest unit holder	1	11.64%

Individual shareholdings controlled by one nominee shareholder are shown separately.
2009 comparison 3,671 unit holders.

UNIT TURNOVER - A Shares

Number of units in issue at 01/01/10	6,764,744.818	96.82%
Number of units created during 2010	222,385.332	3.18%
Number of units redeemed during 2010	-	0.00%
Number of units in issue at 31/12/10	6,987,130.150	100.00%

UNIT TURNOVER - B Shares

Number of units in issue at 01/01/10	8,225,108.206	100.00%
Number of units created during 2010	-	0.00%
Number of units redeemed during 2010	-	0.00%
Number of units in issue at 31/12/10	8,225,108.206	100.00%

DIVIDEND ARRANGEMENTS

In 2008, as a Distributing Fund for UK taxation purposes, the Fund distributed not less than 85% of the total net income after deduction of all proper expenses, and the remaining income retained for investment. Since 2008 the Fund 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 onwards. It is to be noted that 2009 was the last period to which the Distributing Fund status applies. The Fund will distribute what it considers appropriate in the future with consideration being given to entering into the new Reporting Fund regime in due course.

Dividends are paid on a gross basis, half yearly, no later than the 31st March and 30th September, except to residents of the Bailiwick of Guernsey, where local income tax will be deducted.

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

31 December 2010

DIVIDEND HISTORY

	Offer price of shares net of 3% introducing agent fees, at the start of period £	Dividend £	Historic yield for six month period %	Historic yield for twelve month period %
1 January 1998 to 30 June 1998	4,974.33	119.88	2.41	-
1 July 1998 to 31 December 1998	5,142.46	163	3.17	5.69
1 January 1999 to 30 June 1999	5,196.43	120	2.31	-
1 July 1999 to 31 December 1999	5,317.26	177	3.33	5.72
1 January 2000 to 30 June 2000	5,807.60	120	2.06	-
1 July 2000 to 31 December 2000	5,746.07	205	3.57	5.6
1 January 2001 to 30 June 2001	5,825.63	160	2.75	-
1 July 2001 to 31 December 2001	5,963.32	146	2.49	5.25
1 January 2002 to 30 June 2002	6,140.74	130	2.18	-
1 July 2002 to 31 December 2002	62.130*	1.80*	2.9	5.05
1 January 2003 to 30 June 2003	61.424	1.7	2.77	-
1 July 2003 to 31 December 2003	62.446	1.51	2.42	5.23
1 January 2004 to 30 June 2004	63.145	1.78	2.82	-
1 July 2004 to 31 December 2004	63.696	1.85	2.9	5.75
1 January 2005 to 30 June 2005	63.475**	1.34	2.11	-
1 July 2005 to 31 December 2005	65.498**	2.14	3.27	5.48
1 January 2006 to 30 June 2006	68.341**	1.54	2.25	-
1 July 2006 to 31 December 2006	72.881**	1.9	2.78	5.03
1 January 2007 to 30 June 2007	74.885 **	1.5	2.00	-
1 July 2007 to 31 December 2007	78.645 **	-	-	2.00
1 January 2008 to 30 June 2008	79.161 **	1.4	1.77	-
1 July 2008 to 31 December 2008	62.000 **	-	-	1.77
1 January 2009 to 30 June 2009	41.828 **	-	-	-
1 July 2009 to 31 December 2009	25.101 **	0.27	1.77	1.77
1 January 2010 to 30 June 2010	15.224 **	-	-	-
1 July 2010 to 31 December 2010	15.379 **	-	-	-

* adjusted for the issue of 100 new shares for 1 old share

** from 1st January 2005, figures are based on NAV.

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

31 December 2010

UNIT PRICES FOR PERIOD

- Net Asset Value is calculated monthly but only the quarterly figures are shown below
- The Net Asset Value figure and purchase price are published in the Financial Times daily
- The offer price includes the full 4.5% entry fee until 31 March 2002 and 5.0% thereafter
- The bid price is a reflection of the Net Asset Value as normally no charge is made on redemption
- From December 2000, December and June prices are ex-div

Date		Bid price £	Offer price £
11-Apr	1997 (launch date)	4,775.00	5,000.00
31-Dec	1997	4,974.33	5,198.17
31-Mar	1998	5,150.72*	5,382.50*
30-Jun	1998	5,142.46*	5,373.87*
30-Sep	1998	5,107.86	5,337.71
31-Dec	1998	5,196.43**	5,430.27**
31-Mar	1999	5,245.95	5,482.01
30-Jun	1999	5,317.26**	5,556.54**
30-Sep	1999	5,491.83	5,738.96
31-Dec	1999	5,807.60**	6,068.94**
31-Mar	2000	5,689.86	5,945.90
30-Jun	2000	5,746.07**	6,004.64**
30-Sep	2000	5,755.76	6,014.77
31-Dec	2000	5,825.63**	6,087.78**
31-Mar	2001	5,946.79	6,214.40
30-Jun	2001	5,936.32**	6,203.45**
30-Sep	2001	6,017.90	6,288.70
31-Dec	2001	6,140.74**	6,417.07**
31-Mar	2002	6,240.71	6,521.55
30-Jun	2002	62.130** ***	65.237** ***
30-Sep	2002	62.612	65.742
31-Dec	2002	61.424**	64.495**
31-Mar	2003	62.445	65.567
30-Jun	2003	62.446**	65.568**
30-Sep	2003	63.568	66.746
31-Dec	2003	63.145**	66.302**
31-Mar	2004	64.349	67.567
30-Jun	2004	63.696**	66.881**
30-Sep	2004	64.649	67.881
31-Dec	2004	63.475**	66.649**
31-Mar	2005	66.206	69.516
30-Jun	2005	65.498**	68.773**
30-Sep	2005	67.868	71.261
31-Dec	2005	68.341**	71.758**
31-Mar	2006	71.314	74.88
30-Jun	2006	72.881**	76.525**
30-Sep	2006	75.077	78.831
31-Dec	2006	74.885**	78.629**
31-Mar	2007	77.879	81.773
30-Jun	2007	78.645**	82.577**
30-Sep	2007	78.720	82.656
31-Dec	2007	79.161 a	83.119 a
31-Mar	2008	71.497	75.072
30-Jun	2008	62.000**	65.100**
30-Sep	2008	53.630	56.312
31-Dec	2008	41.828 a	43.919 a
31-Mar	2009	30.612	32.143
30-Jun	2009	25.101	26.356
30-Sep	2009	15.706	16.491
31-Dec	2009	15.224 **	15.985 **
31-Mar	2010	15.295	16.060
30-Jun	2010	15.379	16.148b
30-Sep	2010	15.344	16.111
31-Dec	2010	15.077	15.831 a

* cum-div ** ex-div

*** after 100 "new" shares issued for 1 "old" share

a The Board resolved not to declare a final dividend

b The Board resolved not to declare an interim dividend

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

31 December 2010

NET ASSET VALUES

Date	Net Asset Value £'s	Number of shares in issue	Net Asset value per share £ per unit prior to audit
11 April 1997 (launch date)	3,415,951	712	4,797.68
31-Dec-97	4,376,690	892	4,906.60 cum-div
31-Dec-98	6,833,310	1,315	5,196.43 cum-div
31-Dec-99	11,766,191	2,026	5,807.60 cum-div
31-Dec-00	15,822,410	2,716	5,825.63 ex-div
31-Dec-01	35,121,233	5,376	6,140.74 ex-div
31-Dec-02	90,799,940	1,478,267	61.423 ex-div*
31-Dec-03	141,901,441	2,247,215	63.145 ex-div
31-Dec-04	240,830,895	3,794,088	63.475 ex-div
31-Dec-05	318,481,303	4,638,314	68.341 ex-div
31-Dec-06	472,651,545	6,311,684	74.885 ex-div
31-Dec-07	570,851,903	7,211,260	79.161 cum-div
31-Dec-08	306,777,405	7,334,179	41.828 cum-div
31-Dec-09	231,387,949	14,989,853 **	15.224 ex-div
31-Dec-10	229,359,019	15,212,238 **	15.077

* adjusted for the issue of 100 "new" shares for 1 "old" share issued.

** including the issue of 8,225,108 "B shares"

PERFORMANCE

The approach adopted by The Association of Real Estate Funds is that of the National Association of Pension Funds: Code for Specialist Accounts. This approach for calculating annualised performance is by taking total return and capital growth achieved over the period.

Glanmore's normal reporting procedure is to use figures which are prepared independently by Lipper Hindsight, which not only achieve the above definition, but also assume that dividends are re-invested.

Period	Discreet Total Return
	%*
01/01/98 – 31/12/98	7.85%
01/01/99 – 31/12/99	17.86%
01/01/00 – 31/12/00	9.38%
01/01/01 – 31/12/01	10.81%
01/01/02 – 31/12/02	5.11%
01/01/03 – 31/12/03	8.03%
01/01/04 – 31/12/04	6.34%
01/01/05 – 31/12/05	13.31%
01/01/06 – 31/12/06	14.73%
01/01/07 – 31/12/07	7.73%
01/01/08 – 31/12/08	-45.97%
01/01/09 – 31/12/09	-62.96%
01/01/10 – 31/12/10	-0.97%

The Glanmore Property Fund Limited

ADDITIONAL INFORMATION NOT FORMING PART OF THE
AUDITED FINANCIAL STATEMENTS (CONTINUED)
31 December 2010

Combined Performance	
(bid to bid, gross income reinvested)	%
Last 12 months	-0.97%
Last 2 years	-63.32%
Last 3 years	-80.18%
Last 4 years	-78.65%
Last 5 years	-75.50%
Since launch 17 April 1997	-46.26%

Source: Lipper Hindsight 31 December 2010 Update

The Glanmore Property Fund Limited

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

Consolidated Portfolio Turnover Rate		
	2010	2009
	£'000	£'000
Additions and capital expenditure (Note 8)	296	999
Disposals of property (Note 8)	30,034	66,072
TOTAL OF PROPERTY TRANSACTIONS	30,330	67,071
Issues of units	3,287	88,249
Redemptions of units	-	10,996
TOTAL OF VALUE OF TRANSACTIONS	3,287	99,245
AVERAGE OF TOTAL NET ASSETS	232,388	222,753
PORTFOLIO TURNOVER RATE	11.6%	-14.4%
Average of total net assets represents the average of the net asset value of the Fund at each valuation date during the year.		

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