

The Glanmore Property Accumulation Fund Limited

Report and Financial Statements

31 March 2011

Company Number: 43688

# The Glanmore Property Accumulation Fund Limited

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## The Glanmore Property Accumulation Fund Limited

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### GENERAL INFORMATION

**DIRECTORS:**

Robert Court  
Anthony Pickford  
Anthony Wands  
Richard Babbe (appointed 30/11/2010)  
Paul Meader (resigned 30/09/2010)  
Leslie Hilton (resigned 30/09/2010)

**REGISTERED OFFICE:**

Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey

**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  
PO Box 255  
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 Accumulation Fund Limited

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### GENERAL INFORMATION (continued)

**LEGAL ADVISERS TO THE FUND:**

Carey Olsen  
PO 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

**THE FUND**

The Glanmore Property Accumulation Fund Limited ("the Fund") was incorporated with limited liability in Guernsey and registered on 16 September 2005 (registered number 43688). 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 as amended.

**INVESTMENT SUMMARY**

The Fund acts as a feeder vehicle into The Glanmore Property Fund Limited ("Glanmore"), 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 investors with a means of investing in 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 its 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 as property manager and property investment adviser to Glanmore. Cardales UK Limited provide 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 2011.

### Activities

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

### Results

The results for the period are shown in the Statement of Total Return on page 8.

### Dividend

In accordance with the Fund's scheme particulars, no dividends have been declared and paid in the year.

### Outlook

The first quarter of 2011 has produced the expected results with a defined polarisation emerging between prime and secondary property. Capital growth has slowed and rental growth is barely positive having fallen back over the first months of 2011.

Occupier demand remains weak, particularly in the retail sector where on-line shopping, the VAT increase and higher fuel costs are impacting retailers.

The secondary sector continues to suffer from a lack of debt finance but, on a more positive note, the shortage of prime stock is now encouraging some home-based investors to look further afield to good quality secondary assets.

### Directors

The directors of the Fund that served during the year and up to the date of this report are shown on page 2.

### 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.

REPORT OF THE DIRECTORS (continued)

**Statement of directors' responsibilities (continued)**

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 the 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 will be proposed at the forthcoming Annual General Meeting.

Anthony Pickford  
*Director*  
22 September 2011

Robert Court  
*Director*

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

We have audited the financial statements of The Glanmore Property Accumulation Fund Limited (the "Fund") for the year ended 31 March 2011 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. The financial reporting framework that has been applied in their preparation is applicable law and the 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 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**

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 and 5, 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 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 March 2011 and of its return for the year then ended;
- are in accordance with United Kingdom 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 Accumulation 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.

KPMG Channel Islands Limited  
*Chartered Accountants*  
Guernsey  
23 September 2011

The Glanmore Property Accumulation Fund Limited

STATEMENT OF TOTAL RETURN  
For the year ended 31 March 2011

	Notes	2011		2010	
		£	£	£	£
Net losses on investments	1 & 2		<b>(2,974,123)</b>		(27,386,455)
Income	1 & 3	<b>150</b>		464,479	
Expenses	4	<b>(16,573)</b>		(16,868)	
Net (loss)/income			<b>(16,423)</b>		447,611
<b>Total return</b>			<b>(2,990,546)</b>		(26,938,844)
<b>Change in net assets attributable to holders of participating redeemable preference shares</b>			<b>(2,990,546)</b>		(26,938,844)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING REDEEMABLE PREFERENCE SHARES  
For the year ended 31 March 2011

	2011		2010	
	£	£	£	£
<b>Net assets at the start of the year</b>		<b>27,097,230</b>		57,285,410
<b>Movement due to issues / redemptions of shares</b>				
Amounts received on issue of shares	<b>50,746</b>		3,223,385	
Less: amounts paid on redemption of shares	-		<b>(6,472,721)</b>	
		<b>50,746</b>		(3,249,336)
Changes in net assets attributable to holders of participating redeemable preference shares ( see Statement of Total Return above)		<b>(2,990,546)</b>		(26,938,844)
<b>Net assets at the end of the year</b>		<b>24,157,430</b>		27,097,230

The notes on pages 11 to 18 form an integral part of these financial statements.

The Glanmore Property Accumulation Fund Limited

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BALANCE SHEET  
As at 31 March 2011

		2011		2010	
	Notes	£	£	£	£
<b>Assets</b>					
<b>Fixed assets</b>					
Investments	1 & 5		24,115,765		27,035,015
<b>Current assets</b>					
Debtors			-	4,127	
Bank Balances		50,101		65,830	
			<u>50,101</u>		<u>69,957</u>
<b>Total assets</b>			<u>24,165,866</u>		<u>27,104,972</u>
<b>Liabilities</b>					
<b>Creditors: amounts falling due within one year</b>					
			8,436		7,742
			<u>8,436</u>		<u>7,742</u>
<b>Total liabilities excluding net assets attributable to holders of participating redeemable preference shares</b>			<u>8,436</u>		<u>7,742</u>
<b>Net assets attributable to holders of participating redeemable preference shares</b>			<u>24,157,430</u>		<u>27,097,230</u>
<b>Net asset value per A share</b>	12		<b>£2.285</b>		£2.575
<b>Net asset value per B share</b>	12		<b>£5.937</b>		£6.567

The financial statements on pages 8 to 18 were approved by the Board of directors on 22 September 2011 and signed on its behalf by:

Anthony Pickford  
Director

Robert Court  
Director

The notes on pages 11 to 18 form an integral part of these financial statements.

The Glanmore Property Accumulation Fund Limited

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CASH FLOW STATEMENT  
for the year ended 31 March 2011

		2011	2010
	<i>Notes</i>	£	£
Net cash outflow from operating activities	<i>6(a)</i>	<b>(15,879)</b>	(16,957)
Return on investments and servicing of finance	<i>6(b)</i>	<b>150</b>	118
Capital expenditure and financial investment	<i>6(b)</i>	<b>(54,873)</b>	3,291,560
		<u><b>(70,602)</b></u>	<u>3,274,721</u>
Financing	<i>6(b)</i>	<b>54,873</b>	(3,249,336)
(Decrease)/Increase in cash		<u><b>(15,729)</b></u>	<u>25,385</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		£	£
(Decrease)/Increase in cash		<b>(15,729)</b>	25,385
Cash at bank at 1 April	<i>6(c)</i>	<b>65,830</b>	40,445
Cash at bank at 31 March	<i>6(c)</i>	<b>50,101</b>	65,830

The notes on pages 11 to 18 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2011

### 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 October 2010 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 asset value of The Glanmore Property Fund Limited("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.

#### **Distributions**

The Fund's participating shares are accumulation shares for which the whole net income attributable to each share is accumulated within the Fund and as such no dividends are declared or paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)

**1 PRINCIPAL ACCOUNTING POLICIES (continued)**

**Financial instruments**

Financial assets and liabilities are recognised on the Fund's 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 liability 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.

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 (2010: £600).

**2 NET LOSS ON INVESTMENTS**

The net loss on investments during the year comprise:

	2011 £	2010 £
Net unrealised depreciation for the year	(2,974,123)	(3,481,168)
Loss realised on investments sold in the year	-	(23,905,287)
	<u>(2,974,123)</u>	<u>(27,386,455)</u>

**3 INCOME**

	2011 £	2010 £
Dividends received	-	464,361
Interest receivable	150	118
	<u>150</u>	<u>464,479</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

**4 EXPENSES**

	2011 £	2010 £
<b>Other expenses</b>		
Legal and professional fees	1,733	2,525
Audit fees	6,585	5,306
Statutory fees	1,116	1,038
License fees	3,566	2,873
Advertising and printing	3,385	4,332
Sundry expenses	188	794
	<u>16,573</u>	<u>16,868</u>

**5 INVESTMENTS**

	2011 £	2010 £
Market value		
At 1 April 2010 and 2009	27,035,015	57,252,788
Additions - Glanmore A Shares	54,873	920,328
Additions - Glanmore B Shares	-	2,791,075
Disposals - Glanmore A Shares	-	(6,542,721)
Loss on disposal	-	(23,905,287)
	<u>27,089,888</u>	<u>30,516,183</u>
Loss on revaluation	(2,974,123)	(3,481,168)
At 31 March	<u>24,115,765</u>	<u>27,035,015</u>

The underlying investments are in Glanmore. At the year end its share price, for both Glanmore A Shares and Glanmore B Shares, was £13.614 (2010: £15.295)

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 NOTES TO THE CASH FLOW STATEMENT

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

	2011 £	2010 £
Net income before distributions	(16,423)	447,611
Dividends received	-	(464,361)
Interest receivable	(150)	(118)
Increase/(decrease) in operating creditors	<u>694</u>	<u>(89)</u>
Net cash outflow from operating activities	<u>(15,879)</u>	<u>(16,957)</u>

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

RETURN ON INVESTMENTS AND SERVICING OF FINANCE

	2011 £	2010 £
Interest received	<u>150</u>	<u>118</u>
Net cash inflow from returns on investments and servicing of finance	<u>150</u>	<u>118</u>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2011 £	2010 £
Payments to acquire investments	(54,873)	(3,251,161)
Receipts from sales of investments	<u>-</u>	<u>6,542,721</u>
Net cash (outflow)/inflow from capital expenditure and financial investment	<u>(54,873)</u>	<u>3,291,560</u>

A dividend received of £nil (2010: £464,361) was reinvested in The Glanmore Property Fund Limited.

FINANCING

	2011 £	2010 £
Net issues of participating redeemable preference shares	<u>54,873</u>	<u>(3,249,336)</u>
Net cash inflow/(outflow) from financing	<u>54,873</u>	<u>(3,249,336)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 NOTES TO THE CASH FLOW STATEMENT (continued)

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

(c) Analysis of changes in net cash

	At 1 April 2010	Cash Flow	At 31 March 2011
	£	£	£
Cash at bank and in hand	<u>65,830</u>	<u>(15,729)</u>	<u>50,101</u>

7 CALLED UP SHARE CAPITAL

	Authorised No. Shares 2011	Allotted fully paid No. Shares 2011	Authorised No. Shares 2010	Allotted fully paid No. Shares 2010
Management shares of £1 each	10	2	10	2
Unclassified shares of £0.0001 each	199,900,000	-	199,900,000	-
Participating redeemable preference shares of £0.0001 each	-	9,121,526	-	9,100,236
Participating redeemable preference B shares of £0.0001 each	-	558,215	-	558,215
	<u>199,900,010</u>	<u>9,679,743</u>	<u>199,900,010</u>	<u>9,658,453</u>

	Authorised 2011 £	Allotted fully paid 2011 £	Authorised 2010 £	Allotted fully paid 2010 £
Management shares of £1 each	10	2	10	2
Unclassified shares of £0.0001 each	19,990	-	19,990	-
Participating redeemable preference shares of £0.0001 each	-	912	-	910
Participating redeemable preference B shares of £0.0001 each	-	56	-	56
	<u>20,000</u>	<u>970</u>	<u>20,000</u>	<u>968</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7 CALLED UP SHARE CAPITAL (continued)

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 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 £10,000 to £20,000 by the creation of an additional 100,000,000 unclassified shares of 0.01 pence each in the capital of the Fund, which may then be issued either a nominal Shares or Participating Shares (including "Feeder Fund B" shares);
- 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); and
- iv. created a new class of Fund B Shares at a price of £5 per share.

In August 2009, the Fund raised £2,763,291 (net of preliminary expenses) through an equity raise of the Fund B Shares, which was used to invest in the Glanmore B Shares issue. After redeeming £6,542,721 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").

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8 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.

Robert Court holds 81,453.109 (2010: 89,528.432) Fund A Shares and 35,616.840 (2010:35,616.840) Fund B Shares through Rathbone Nominees Limited.

### 9 RELATED PARTY TRANSACTIONS

#### Fees Payable to the Manager

The Manager shall be entitled to receive a front-end fee not exceeding 4.5% of the subscription price. The Manager did not take any front end fees during the year (2010: £ nil).

Other than the front-end fee, the Manager will not receive any other fee in respect of the Fund in addition to the fee it receives in respect of its services provided to Glanmore.

### 10 CONTROLLING PARTY

The directors are not aware of any ultimate controlling party.

### 11 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES

#### Investment value risk

By virtue of solely investing in shares of Glanmore, the Fund's investments are exposed to movements in the value of the property investments held within Glanmore. Further information on the property portfolio and investment policy is set out in the Property Portfolio Section and the Investment Summary contained in the most recent accounts of Glanmore.

#### Liquidity risk

Since 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. 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 Glanmore. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

**12 NET ASSET VALUE PER SHARE**

	Attributable to Fund A Shares £	Attributable to Fund B Shares £	Total £
Net asset value of the Fund	20,843,092	3,314,338	24,157,430
Shares in issue	9,121,526.171	558,214.928	
Net asset value per share	2.285	5.937	

As detailed in Note 7, the Fund B Shares were issued in August 2009 at a price of £5. A separate pool of assets is maintained for each share class.

**13 POST BALANCE SHEET EVENTS**

Since the balance sheet date 31 March 2011 events have occurred as follows:-

At 31 August 2011, total redemptions requests were valued at £5,301,350 based on the current month valuation, of which £256,567 represents new requests since 31 March 2011.

The share price of Glanmore has decreased from £13.614 on 31 March 2011 to £13.272 on 31 August 2011, a decrease of 2.51%.

The Fund A Share price has decreased from £2.285 on 31 March 2011 to £2.227 on 31 August 2011, a decrease of 2.54%. The Fund B Share price has decreased from £5.937 on 31 March 2011 to £5.785 on 31 August 2011, a decrease of 2.57%.

**14 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 £5.22m based on net asset value of the Fund as at 31 March 2011.

The Glanmore Property Accumulation Fund Limited

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INVESTMENT PORTFOLIO (unaudited)  
As at 31 March 2011

	Open Market Value £	% of Gross Assets 2011	% of Gross Assets 2010
<u>Listed investments</u>			
1,529,743.042 A shares in The Glanmore Property Fund Limited	20,825,922	86.18	86.10
241,651.484 B shares in The Glanmore Property Fund Limited	3,289,843	13.61	13.64
	<hr/>	<hr/>	<hr/>
Total value of investments	24,115,765	99.79	99.74
Other net assets	50,101	0.21	0.26
Gross assets	<hr/> <u>24,165,866</u>	<hr/> <u>100.00</u>	<hr/> <u>100.00</u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES (unaudited)  
For the year ended 31 March 2011

**PURCHASES**

	£
3,822.585 A shares in The Glanmore Property Fund Limited	54,873
Total purchases for the period	<hr/> <u>54,873</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 Accumulation Fund Limited.

### **Report of the Custodian**

We hereby state that in our opinion the Manager has managed The Glanmore Property Accumulation Fund Limited during the year ended 31 March 2011 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 as amended.

Northern Trust (Guernsey) Limited  
22 September 2011

The Glanmore Property Accumulation Fund Limited

ADDITIONAL INFORMATION NOT FORMING PART OF THE  
AUDITED FINANCIAL STATEMENTS (CONTINUED)  
as at 31 March 2011

<b>Portfolio Turnover Rate</b>		
	<b>2011</b>	2010
	<b>£</b>	<b>£</b>
Additions and capital expenditure (Note 5)	<b>54,873</b>	3,711,403
Disposals of investments (Note 5)	-	(6,542,721)
<b>TOTAL OF PROPERTY TRANSACTIONS</b>	<b>54,873</b>	<b>(2,831,318)</b>
Issues of units	<b>50,746</b>	3,223,385
Redemptions of units	-	(6,472,721)
<b>TOTAL OF VALUE OF TRANSACTIONS</b>	<b>50,746</b>	<b>(3,249,336)</b>
<b>AVERAGE OF TOTAL NET ASSETS</b>	<b>26,635,939</b>	36,045,839
<b>PORTFOLIO TURNOVER RATE</b>	<b>0.0%</b>	1.2%
Average of total net assets represents the average of the net asset value of the Fund at valuation dates during the year.		