

The Glanmore Property Euro Fund Limited

Report and Financial Statements

31 March 2011

Company Number: 44751

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GENERAL INFORMATION

DIRECTORS:	Robert Court Anthony Pickford Anthony Wands Richard Babbe (appointed 30 November 2010) Leslie Hilton (<i>resigned on 30 September 2010</i>) Paul Meader (<i>resigned on 30 September 2010</i>)
REGISTERED OFFICE:	Trafalgar Court Les Banques St Peter Port Guernsey GY1 3QL
MANAGER:	Tilney Asset Management International Limited PO Box 424 Lefebvre Court St Peter Port Guernsey GY1 3WT
ADMINISTRATOR AND SECRETARY:	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court Les Banques St Peter Port Guernsey GY1 3QL
AUDITOR:	KPMG Channel Islands Limited PO Box 20 20 New Street St Peter Port Guernsey GY1 4AN

The Glanmore Property Euro Fund Limited

GENERAL INFORMATION (continued)

LEGAL ADVISERS TO THE FUND:

Carey Olsen
PO Box 98
Carey House
Les Banques
St Peter Port
Guernsey GY1 4BZ

CUSTODIAN AND BANKER:

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

INVESTMENT ADVISER:

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

THE FUND

The Glanmore Property Euro Fund Limited ("the Fund") was incorporated with limited liability in Guernsey and registered on 3 May 2006 (registered number 44751). 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.

GENERAL INFORMATION (continued)

INVESTMENT SUMMARY

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

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

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

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

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

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March 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 year are shown in the Statement of Total Return on page 9.

Dividend

During the year no interim or final dividend was paid (2010: € nil and € nil respectively).

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 are as listed 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 Euro Fund Limited

We have audited the financial statements of The Glanmore Property Euro 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 5 and 6, 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 Euro 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

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2011

		2011		2010	
	Notes	€	€	€	€
Net losses on investments	2		(1,423,878)		(7,312,050)
Other losses	3		(177,700)		(606,492)
Income	4	-		246,213	
Expenses	5	(30,359)		(36,168)	
Finance costs: Interest and facility fees	6	(2,940)		(4,781)	
			<u></u>	<u></u>	
Net (loss)/income			(33,299)		205,264
Total return			(1,634,877)		(7,713,278)
			<u></u>	<u></u>	
Change in net assets attributable to holders of participating redeemable preference shares			(1,634,877)		(7,713,278)

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

For the year ended 31 March 2011

		2011		2010	
		€	€	€	€
Net assets at the start of the year			16,939,698		28,622,109
Movement due to issues/redemptions of shares					
Amounts received on issue of shares		5,474		3,628,317	
Less: amounts paid on redemption of shares		<u>-</u>		<u>(7,597,450)</u>	
			5,474		(3,969,133)
Changes in net assets attributable to holders of participating redeemable preference shares (see Statement of Total Return)			<u>(1,634,877)</u>		<u>(7,713,278)</u>
Net assets at the end of the year			15,310,295		16,939,698

The notes on pages 12 to 20 form an integral part of these financial statements.

The Glanmore Property Euro Fund Limited

BALANCE SHEET

As at 31 March 2011

	Notes	2011		2010	
		€	€	€	€
Assets					
Fixed assets					
Investments	1 & 7		12,379,118		13,802,996
Current assets					
Derivative contracts	3	179,164		-	
Bank balances		2,769,888		3,448,849	
			2,949,052		3,448,849
Total assets			15,328,170		17,251,845
Liabilities					
Creditors: amounts falling due within one year	8	17,875		14,668	
Derivative contracts	3	-		297,479	
			17,875		312,147
Total liabilities excluding net assets attributable to holders of participating redeemable preference shares			17,875		312,147
Net assets attributable to holders of participating redeemable preference shares			15,310,295		16,939,698
Net asset value per A share	15		€ 3.096		€ 3.400
Net asset value per B share	15		€ 5.844		€ 6.602

The financial statements on pages 9 to 20 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 12 to 20 form an integral part of these financial statements.

The Glanmore Property Euro Fund Limited

CASH FLOW STATEMENT

For the year ended 31 March 2011

		2011	2010
	<i>Notes</i>	€	€
Net cash outflow from operating activities	<i>9(a)</i>	(204,852)	(309,208)
Return on investments and servicing of finance	<i>9(b)</i>	(479,583)	206,066
Capital expenditure and financial investment	<i>9(b)</i>	-	(3,735,241)
		<u>(684,435)</u>	<u>(3,838,383)</u>
Financing	<i>9(b)</i>	5,474	(3,969,133)
Decrease in cash		<u>(678,961)</u>	<u>(7,807,516)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2011	2010
		€	€
Decrease in cash		(678,961)	(7,807,516)
Cash at bank at 1 April	<i>9(c)</i>	3,448,849	11,256,365
Cash at bank at 31 March	<i>9(c)</i>	<u>2,769,888</u>	<u>3,448,849</u>

The notes on pages 12 to 20 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Financial instruments

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

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

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

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

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

Taxation

The Fund is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 and was charged an annual exemption fee of £600 for the year (2010: £600).

Equalisation

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

Foreign currencies

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

Distributions

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 NET LOSS ON INVESTMENTS

The net loss on investments during the year comprises:

	2011 €	2010 €
Loss realised on investments sold in the year	-	(9,689,786)
Net unrealised (depreciation) / appreciation for the year	<u>(1,423,878)</u>	<u>2,377,736</u>
Net loss on investments	<u><u>(1,423,878)</u></u>	<u><u>(7,312,050)</u></u>

3 OTHER LOSSES

	2011 €	2010 €
Losses on forward currency contracts and currency revaluation	<u>(177,700)</u>	<u>(606,492)</u>

At 31 March 2011 the Fund had open forward currency contracts for €12,601,419 (2010: €13,770,173) at a forward rate of 1.13 (2010: 1.12) to sterling. The fair value of this contract at 31 March 2011 was €179,164 asset (2010: €297,479 liability). This position was closed out on 20 April 2011 realising a gain of €63,392.

The uncommitted spot and forward foreign exchange facility, provided by Northern Trust (Guernsey) Limited is such that the total aggregate nominal amount of all foreign exchange contracts permitted under the facility should be limited to the lower of 100% of the net asset value of the Fund or €30m.

4 INCOME

	2011 €	2010 €
Dividends received	-	243,374
Interest	-	2,839
	<u>-</u>	<u>246,213</u>

5 EXPENSES

	2011 €	2010 €
Investment advisory fees	14,282	18,214
Legal and professional fees	2,062	3,014
Audit fees	7,416	5,972
Statutory fees	1,294	1,772
License fees	3,880	3,943
Sundry expenses	1,425	3,253
	<u><u>30,359</u></u>	<u><u>36,168</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 FINANCE COSTS

	2011	2010
	€	€
Interest and facility fees	<u>2,940</u>	<u>4,781</u>
Total finance costs	<u><u>2,940</u></u>	<u><u>4,781</u></u>

The directors resolved not to pay a dividend in respect of the year end 31 March 2011 due to net income received from Glanmore being insufficient, combined with the need to preserve cash to fund hedging.

7 INVESTMENTS

	2011	2010
	€	€
Market value		
At 1 April	13,802,996	17,379,805
Additions - Glanmore A Shares	-	1,950,000
Additions - Glanmore B Shares	-	3,557,908
Disposals - Glanmore A Shares	-	(1,772,667)
Loss on disposal	<u>-</u>	<u>(9,689,786)</u>
	13,802,996	11,425,260
Net unrealised (depreciation) / appreciation for the year	(1,423,878)	2,377,736
Market value		
At 31 March	<u><u>12,379,118</u></u>	<u><u>13,802,996</u></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).

The underlying investments are denominated in sterling. At 31 March 2011 the euro to sterling exchange rate was 1.130 (2010: 1.121).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 €	2010 €
Expense accruals	<u>17,875</u>	<u>14,668</u>
	<u>17,875</u>	<u>14,668</u>

9 NOTES TO THE CASH FLOW STATEMENT

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

	2011 €	2010 €
Net (loss)/income before distributions	(33,299)	205,264
Dividends received	-	(243,374)
Interest receivable	-	(2,839)
Interest payable	2,940	4,781
Non-derivative currency gains and losses	(177,700)	(299,472)
Decrease in operating debtors	-	23,519
Increase in operating creditors	3,207	2,913
Net cash outflow from operating activities	<u>(204,852)</u>	<u>(309,208)</u>

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

RETURN ON INVESTMENTS AND SERVICING OF FINANCE

	2011 €	2010 €
Dividends received	-	243,374
Interest received	-	2,839
Interest paid	(2,940)	(4,781)
Payments to purchase and terminate forward currency contracts	(476,643)	79,652
Distributions paid	-	(115,018)
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(479,583)</u>	<u>206,066</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 NOTES TO THE CASH FLOW STATEMENT (continued)

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2011 €	2010 €
Payments to acquire investments	-	(5,507,908)
Receipts from sales of investments	-	1,772,667
	<u>-</u>	<u>1,772,667</u>
Net cash outflow from capital expenditure and financial investment	<u>-</u>	<u>(3,735,241)</u>

No dividends were reinvested in 2011 or 2010.

FINANCING

	2011 €	2010 €
Net issues of participating redeemable preference shares	5,474	(3,969,133)
	<u>5,474</u>	<u>(3,969,133)</u>
Net cash inflow/(outflow) from financing	<u>5,474</u>	<u>(3,969,133)</u>

(c) Analysis of changes in net cash

	At 1 April 2010 €	Cash Flow €	At 31 March 2011 €
Cash at bank and in hand	<u>3,448,849</u>	<u>(678,961)</u>	<u>2,769,888</u>

10 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 A shares of €0.0001 each	-	3,602,035	-	3,600,418
Participating redeemable preference B shares of €0.0001 each	-	711,582	-	711,582
	<u>199,900,010</u>	<u>4,313,619</u>	<u>199,900,010</u>	<u>4,312,002</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 CALLED UP SHARE CAPITAL (continued)

	Authorised Shares 2011 €	Allotted fully paid Shares 2011 €	Authorised Shares 2010 €	Allotted fully paid Shares 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	-	360	-	360
Participating redeemable preference B shares of €0.0001 each	-	71	-	71
	20,000	433	20,000	433

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:

- a. 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 euro cents;
- b. approved and adopted new articles of incorporation;
- c. allowed postponement of redemptions for a period of up to four years (including the 12 months previously allowed);
- d. created a new class of Fund B Shares at a price of €5 per share.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 CALLED UP SHARE CAPITAL (continued)

In August 2009, the Fund raised €3,533,026 (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 €1,772,667 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").

11 DIRECTORS' INTERESTS

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

Mr Wands is an employee of the Deutsche Bank Group.

Paul Meader was a director of the Fund until he resigned on 30 September 2010. He is a director of Corazon Capital Limited which charged a fee of €14,282 to the Fund in the year for investment advisory services (2010: € 18,214).

None of the directors have holdings in the Fund.

12 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.

13 CONTROLLING PARTY

The ultimate controlling party is Deutsche Bank A.G. which owns 70.77% of the issued participating redeemable preference shares through its nominee company Citco Global Custody NV Ref Tin Tin III SPC: The Glanmore.

14 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (continued)

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.

Foreign currency risk

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

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

Highest	1.211
Lowest	1.130

15 NET ASSET VALUE

	Attributable to Fund A Shares	Attributable to Fund B Shares	Total
	€	€	€
Net asset value of the Fund	11,151,583	4,158,712	15,310,295
Shares in issue	3,602,035	711,582	
Net asset value share	€3.096	€5.844	

As detailed in Note 10, 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.

16 POST BALANCE SHEET EVENTS

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

At 31 August 2011, total redemption requests were valued at €146,055 based on the current month valuation, of which €22,555 represents new requests since 31 March 2011.

The share price of Glanmore, for both Glanmore A Shares and Glanmore B Shares, 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 €3.096 on 31 March 2011 to €3.052 on 12 August 2011, a decrease of 1.42%. The Fund B Share price has decreased from €5.844 on 31 March 2011 to €5.736 on 12 August 2011, a decrease of 1.85%.

17 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 €126,979 based on net asset value of the Fund as at 31 March 2011.

The Glanmore Property Euro Fund Limited

INVESTMENT PORTFOLIO (unaudited)

As at 31 March 2011

	Open Market Value €	% of Gross Assets 2011	% of Gross Assets 2010
<u>Listed investments</u>			
540,084.167 A Shares in The Glanmore Property Fund Limited	8,305,278	54.18	53.68
264,917.861 B Shares in The Glanmore Property Fund Limited	4,073,840	26.58	26.33
Total value of investments	<u>12,379,118</u>	<u>80.76</u>	<u>80.01</u>
Other assets	2,949,052	19.24	19.99
Gross assets	<u><u>15,328,170</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></u>

SUMMARY OF MATERIAL PORTFOLIO CHANGES (unaudited)

For the year ended 31 March 2011

There were no purchases or sales during the period

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 Euro Fund Limited.

Report of the Custodian

We hereby state that in our opinion the Manager has managed The Glanmore Property Euro 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.

Northern Trust (Guernsey) Limited
22 September 2011

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

Portfolio Turnover Rate		
	2011	2010
	€	€
Additions and capital expenditure (Note 7)	-	5,507,908
Disposals of investments (Note 7)	-	(11,462,453)
TOTAL OF PROPERTY TRANSACTIONS	-	(5,954,545)
Issues of units	5,474	3,628,317
Redemptions of units	-	(7,597,450)
TOTAL OF VALUE OF TRANSACTIONS	5,474	(3,969,133)
AVERAGE OF TOTAL NET ASSETS	16,733,776	21,141,006
PORTFOLIO TURNOVER RATE	0.0%	-9.4%
Average of total net assets represents the average of the net asset value of the Fund at valuation dates during the year.		