

The Glanmore Property Euro Fund Limited

Report and Financial Statements

31 March 2009

Company Number: 44751

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GENERAL INFORMATION

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

The Glanmore Property Euro Fund Limited

GENERAL INFORMATION (continued)

LEGAL ADVISERS TO THE COMPANY:

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

CUSTODIAN AND BANKERS:

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

INVESTMENT ADVISER:

Corazon Capital Limited
PO Box 549
Les Echelons Court
South Esplanade
St Peter Port
Guernsey
GY1 6HS

THE FUND

The Glanmore Property Euro Fund Limited was incorporated with limited liability in Guernsey and registered on 3 May 2006 (registered number 44751) under the provisions of The Companies (Guernsey) Law, 2008. The company 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.

The Glanmore Property Euro Fund Limited

GENERAL INFORMATION (continued)

INVESTMENT SUMMARY

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

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. The underlying 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 underlying fund 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 the underlying fund 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 the underlying fund. Cardales UK Limited provide advice to the manager on property matters in relation to the company and are 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 dependent upon the value of the shares in the underlying fund. The value of the underlying fund is dependent upon an independent valuation of the investment properties undertaken by the valuers.

The financial objective of the Fund is to provide annual compound growth (being defined as the sum of net income added to the movements in the capital value of the underlying assets during the year).

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March 2009.

Activities

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

Results

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

Dividend

During the year an interim dividend of €904,205 (2008: €946,891) was paid in October 2008. A further interim dividend of €115,018 (2008: €190,770) was proposed on 20 March 2009 and paid subsequent to the balance sheet date.

Outlook

As the main reason that the commercial property market has been re-priced was the inability of the bank market to provide debt to all potential borrowers, including property borrowers, it is only when the situation changes that the property market will revert to its historic norm. We expect that initially the capital markets will have to function efficiently in order for this to commence. In fact the German capital market has already started operating and this has already enabled the German banks to start offering debt finance on terms to UK investors. Provided that confidence returns to the inter-bank market, following the return to trading of the capital markets, this will allow debt providers to lend to property investors in sufficient amounts, and at a reasonable cost, which should enable the property investment market to resume trading nearer to its historic normality.

Redemption Arrangements

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

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

REPORT OF THE DIRECTORS (continued)

New share issue

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

- a. increased the authorised share capital of the company 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 Participating "Feeder Fund B" Shares at a price of €5 per share.

In the period to 31 March 2009 the Fund has received redemption requests totalling €15.668m (at August 2009 NAV) which have not been repaid and are payable once the Glanmore Property Fund Limited repays the redemption requests submitted by the Fund.

In the period since 31 March 2009 the Fund has received additional redemption requests totalling €0.353m (at August 2009 NAV) which have not been repaid and are payable once the Glanmore Property Fund Limited repays the redemption requests submitted by the Fund.

On 27 August 2009, The Glanmore Property Fund Limited, the underlying investment, had a B share issue of 8,225,108 shares at a price £11.55 being at a discount of 50% of the July share price. The issue successfully raised £95m, which had the effect of diluting the share price of the underlying fund. The company took up a proportion of B shares in the underlying Fund to reflect the corresponding requests from shareholders of the company to take up their entitlement in the company's equivalent B share issue.

The share price of the underlying investment has reduced from £30.612 in March 2009 to £16.211 in August 2009 a decrease of 47.04%. Had the B share issue not been undertaken, the share price would have decreased by 29.71%, principally due to falling property values.

The share price of the Fund has reduced from €4.977 in March 2009 to €4.200 in August 2009, a decrease of 15.61%.

Directors

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

Robert Court
Leslie Hilton
Anthony Pickford
Anthony Wands
Paul Meader

REPORT OF THE DIRECTORS (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the return of the Company 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 Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are 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 Company's auditors are aware of that information.

Auditor

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

Anthony Pickford
Director

Paul Meader
Director

25 September 2009

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

We have audited the financial statements ("the financial statements") of The Glanmore Property Euro Fund Limited (the "Company") for the year ended 31 March 2009 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

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

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

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

Basis of audit opinion

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

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

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

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2009 and of the Company's 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.

KPMG Channel Islands Limited
Chartered Accountants
Guernsey
25 September 2009

The Glanmore Property Euro Fund Limited

STATEMENT OF TOTAL RETURN

For the year ended 31 March 2009

		2009		2008	
	Notes	€	€	€	€
Net losses on investments	2		(29,893,572)		(13,016,594)
Other gains	3		3,886,765		7,947,693
Income	4	1,121,824		534,361	
Expenses	5	(57,974)		(85,482)	
Finance costs: Interest and facility fees		(3,189)		(4,432)	
			<u>1,060,661</u>		<u>444,447</u>
Total return before distributions			(24,946,146)		(4,624,454)
Finance costs: distributions	6		(1,017,814)		(918,574)
Change in net assets attributable to holders of participating redeemable preference shares			(25,963,960)		(5,543,028)

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

For the year ended 31 March 2009

		2009		2008	
		€	€	€	€
Net assets at the start of the year			53,534,164		23,045,179
Movement due to issues/redemptions of shares					
Amounts received on issue of shares		1,051,905		47,979,740	
Less: amounts paid on redemption of shares		-		(11,947,727)	
			<u>1,051,905</u>		<u>36,032,013</u>
Changes in net assets attributable to holders of participating redeemable preference shares (see Statement of Total Return)			<u>(25,963,960)</u>		<u>(5,543,028)</u>
Net assets at the end of the year			28,622,109		53,534,164

The notes on pages 13 to 22 form an integral part of these financial statements.

The Glanmore Property Euro Fund Limited

BALANCE SHEET

As at 31 March 2009

	Notes	2009		2008	
		€	€	€	€
Assets					
Fixed assets					
Investments	1 & 7		17,379,805		47,273,377
Current Assets					
Debtors	8	23,519		45,930	
Derivative contracts	3	89,194		656,187	
Bank balances		11,256,365		5,769,295	
			<u>11,369,078</u>		<u>6,471,412</u>
Total assets			<u>28,748,883</u>		<u>53,744,789</u>
Liabilities					
Creditors: amounts falling due within one year	9		<u>126,774</u>		<u>210,625</u>
			<u>126,774</u>		<u>210,625</u>
Total liabilities excluding net assets attributable to holders of participating redeemable preference shares			<u>126,774</u>		<u>210,625</u>
Net assets attributable to holders of participating redeemable preference shares			<u>28,622,109</u>		<u>53,534,164</u>
Net asset value per share			€4.977		€9.544

The financial statements on pages 10 to 22 were approved by the Board of directors on 25 September 2009 and signed on its behalf by:

Anthony Pickford
Director

Paul Meader
Director

The notes on pages 13 to 22 form an integral part of these financial statements.

The Glanmore Property Euro Fund Limited

CASH FLOW STATEMENT

For the year ended 31 March 2009

		2009	2008
	<i>Notes</i>	€	€
Net cash outflow from operating activities	10(a)	(20,142)	(103,501)
Return on investments and servicing of finance	10(b)	4,453,899	6,329,310
Capital expenditure and financial investment	10(b)	-	(36,714,627)
		<u>4,433,756</u>	<u>(30,488,818)</u>
Financing	10(b)	1,053,314	36,251,100
Increase in cash		<u>5,487,070</u>	<u>5,762,282</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2009	2008
		€	€
Increase in cash		5,487,070	5,762,282
Cash at bank at 1 April 2008	10(c)	<u>5,769,295</u>	<u>7,013</u>
Cash at bank at 31 March 2009	10(c)	<u>11,256,365</u>	<u>5,769,295</u>

The notes on pages 13 to 22 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company'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 December 2005 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 Consolidated Statement of Total Return.

Investments

The investments are included at fair value on the balance sheet which is considered to be the company's share of the net asset value of the underlying Fund. The underlying Fund 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 company's expenses are accounted for on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Financial instruments

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

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

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

Equalisation

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

Foreign currencies

Transactions in currencies other than Euros 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 company declares and pays dividends in accordance with its Articles of Association and Guernsey Company Law, such that distributions may only be made out of the company's accumulated net income plus the net accumulated realised capital gains and losses.

The Fund has applied for Distributor status for 2008. The Euro Fund is a feeder fund for The Glanmore Property Fund ("the underlying fund") and as such its Distributor status cannot be confirmed until the Distributor status of the underlying fund has been confirmed for the period to 31 December 2008.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

2 NET LOSS ON INVESTMENTS

The net losses on investments during the year comprise:

	2009 €	2008 €
Gains realised on investments sold in the year	-	192,573
Net unrealised depreciation for the year	<u>(29,893,572)</u>	<u>(13,209,167)</u>
Net losses on investments	<u>(29,893,572)</u>	<u>(13,016,594)</u>

3 OTHER GAINS

	2009 €	2008 €
Gains on forward currency contracts and currency revaluation	<u>3,886,765</u>	<u>7,947,693</u>

At 31 March 2009 the company had an open forward currency contract for €16,925,234 (2008: €57,665,790) at a forward rate of 1.08 (2008: 1.27) to sterling. The fair value of this contract at 31 March 2009 was €89,194 liability (2008: €656,187 asset). This position was closed out on 22 April 2009 realising a loss of €643,661.

4 INCOME

	2009 €	2008 €
Dividends received	929,700	482,720
Interest	192,124	51,641
	<u>1,121,824</u>	<u>534,361</u>

5 EXPENSES

	2009 €	2008 €
Investment advisory fees	33,989	64,622
Legal and professional fees	7,826	7,452
Audit fees	9,080	7,696
Statutory fees	1,278	1,007
License fees	3,567	2,870
Sundry expenses	2,234	1,835
	<u>57,974</u>	<u>85,482</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

6 FINANCE COSTS

	€	2009 €	€	2008 €
	per Share		per Share	
Interim distribution	0.16	904,205	0.40	946,891
Proposed distribution	0.02	115,018	0.03	190,770
		<u>1,019,223</u>		<u>1,137,661</u>
Equalisation on shares issued and redeemed		(1,409)		(219,087)
		<u>1,017,814</u>		<u>918,574</u>
Interest and facility fees		3,189		4,432
Total finance costs		<u><u>1,021,003</u></u>		<u><u>923,006</u></u>

7 INVESTMENTS

	2009 €	2008 €
Market value		
At 1 April	47,273,377	23,092,624
Additions	-	40,598,966
Disposals	-	(3,209,046)
	<u>47,273,377</u>	<u>60,482,544</u>
Loss on revaluation	(29,893,572)	(13,209,167)
	<u>17,379,805</u>	<u>47,273,377</u>

The underlying investments are in The Glanmore Property Fund Limited. At the year end its share price was £30.612 (2008: £71.497)

The underlying investments are denominated in sterling. At 31 March 2009 the euro to sterling exchange rate was 1.079 (2008: 1.2566).

8 DEBTORS

	2009 €	2008 €
Accrued income	23,519	20,350
Amount due from manager	-	16,021
General debtors	-	9,559
	<u><u>23,519</u></u>	<u><u>45,930</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	€	€
Expense accruals	11,756	19,855
Dividend payable	115,018	190,770
	<u>126,774</u>	<u>210,625</u>

10 NOTES TO THE CASH FLOW STATEMENT

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

	2009	2008
	€	€
Net income before distributions	1,060,661	444,447
Dividends received	(929,700)	(482,720)
Interest receivable	(192,124)	(51,641)
Interest payable	3,189	4,432
Decrease / (increase) in operating debtors	45,931	(14,822)
Decrease in operating creditors	(8,099)	(3,197)
Net cash outflow from operating activities	<u>(20,142)</u>	<u>(103,501)</u>

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

RETURN ON INVESTMENTS AND SERVICING OF FINANCE

	2009	2008
	€	€
Dividends received (net of dividends reinvested)	929,700	-
Interest received	168,605	31,291
Interest paid	(3,189)	(4,432)
Payments to purchase and terminate forward currency contracts	4,453,758	7,249,342
Distributions paid	(1,094,975)	(946,891)
Net cash inflow from returns on investments and servicing of finance	<u>4,453,899</u>	<u>6,329,310</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

10 NOTES TO THE CASH FLOW STATEMENT (continued)

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2009 €	2008 €
Payments to acquire investments	-	(40,116,246)
Receipts from sales of investments	-	3,401,619
	<u>-</u>	<u>3,401,619</u>
Net cash outflow from capital expenditure and financial investment	<u>-</u>	<u>(36,714,627)</u>

No dividends were reinvested in 2009. In 2008, €482,720 was reinvested in The Glanmore Property Fund Limited.

FINANCING

	2009 €	2008 €
Net issues of participating redeemable preference shares	1,051,905	36,032,013
Equalisation received	1,409	219,087
	<u>1,053,314</u>	<u>36,251,100</u>
Net cash inflow from financing	<u>1,053,314</u>	<u>36,251,100</u>

(c) Analysis of changes in net cash

	At 1 April 2008 €	Cash Flow €	At 31 March 2009 €
Cash at bank and in hand	<u>5,769,295</u>	<u>5,487,070</u>	<u>11,256,365</u>

11 CALLED UP SHARE CAPITAL

	Authorised No. Shares 2009	Allotted fully paid No. Shares 2009	Authorised No. Shares 2008	Allotted fully paid No. Shares 2008
Management shares of €1 each	10	2	10	2
Unclassified shares of €0.0001 each	99,900,000	-	99,900,000	-
Participating redeemable preference shares of €0.0001 each	-	5,750,878	-	5,609,338
	<u>99,900,010</u>	<u>5,750,880</u>	<u>99,900,010</u>	<u>5,609,340</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

11 CALLED UP SHARE CAPITAL (continued)

	Authorised Shares 2009 €	Allotted fully paid Shares 2009 €	Authorised Shares 2008 €	Allotted fully paid Shares 2008 €
Management shares of €1 each	10	2	10	2
Unclassified shares of €0.0001 each	9,990	-	9,990	-
Participating redeemable preference shares of €0.0001 each	-	575	-	561
	<u>10,000</u>	<u>577</u>	<u>10,000</u>	<u>563</u>

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

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 company, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

12 DIRECTORS' INTERESTS

Robert Court is 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.

Mr Wands is an employee of the Deutsche Bank Group. Paul Meader is a director and a beneficial owner of Corazon Capital Limited which charged a fee of € 33,989 to the fund in the year for investment advisory services.

None of the directors have holdings in the Fund.

13 RELATED PARTY TRANSACTIONS

Fees Payable to the Manager

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

In addition, the manager shall be entitled to receive a front-end fee not exceeding 4.5% of the subscription price. From this fee the manager meets the majority of the running expenses of the company, including administrator's fees, custodian's fees, monthly property valuation fees, all marketing and public relations costs and many other items of expenditure. The manager did not take any front end fees during the year (2008: € nil).

14 CONTROLLING PARTY

The ultimate controlling party is Deutsche Bank A.G. which owns 65.20% of the issued participating redeemable preference shares through its nominee company Citco Global Custody NV Ref Tin Tin III SPC: The Glanmore.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

15 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES

Liquidity risk

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

On 25 March 2008 the company agreed a loan facility with the underlying fund whereby it could draw down up to £2,500,000 for the specific purpose of providing the liquidity required to support the foreign exchange hedging activity. The facility lapsed on 31 December 2008 and was not renewed as it was no longer required.

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

Foreign currency risk

The company's investments and a number of its other assets and liabilities are denominated in sterling. As detailed in note 3, the company uses hedging arrangements to mitigate its sterling exposure and to neutralise the impact of currency fluctuations for euro investors.

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

Highest	1.262
Lowest	1.079

16 POST BALANCE SHEET EVENTS

Since the balance sheet date 31 March 2009 events have occurred as follows:

In the period to 31 March 2009 the Fund has received redemption requests totalling €15.668m (at August 2009 NAV) which have not been repaid and are payable once the The Glanmore Property Fund Limited repays the redemption requests submitted by the Fund.

In the period since 31 March 2009 the Fund has received additional redemption requests totalling €0.353m (at August 2009 NAV) which have not been repaid and are payable once The Glanmore Property Fund Limited repays the redemption requests submitted by the Fund.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

16 POST BALANCE SHEET EVENTS (continued)

On 27 August 2009, The Glanmore Property Fund Limited, the underlying investment, had a B share issue of 8,225,108 shares at a price £11.55 being at a discount of 50% of the July share price. The issue successfully raised £95m, which had the effect of diluting the share price of the underlying fund. The company took up a proportion of B shares in the underlying Fund to reflect the corresponding requests from shareholders of the company to take up their entitlement in the company's equivalent B share issue.

The share price of the underlying investment has reduced from £30.612 in March 2009 to £16.211 in August 2009 a decrease of 47.04%. Had the B share issue not been undertaken, the share price would have decreased by 29.71%, principally due to falling property values.

The share price of the Fund has reduced from €4.977 in March 2009 to €4.200 in August 2009, a decrease of 15.61%.

The Glanmore Property Euro Fund Limited

INVESTMENT PORTFOLIO (unaudited)

As at 31 March 2009

	Open Market Value €	% of Gross Assets 2009	% of Gross Assets 2008
<u>Listed investments</u>			
526,176.869 Shares in The Glanmore Property Fund Limited	17,379,805	60.45	87.96
Total value of investments	<u>17,379,805</u>	<u>60.45</u>	<u>87.96</u>
Other assets	11,369,078	39.55	12.04
Net Asset Value	<u><u>28,748,883</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 2009

There were no additions or disposals of investments during the year.

The Glanmore Property Euro Fund Limited

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 2009 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, save for the late dispatch of the Report and Financial Statements for the year ended 31 March 2008.

Northern Trust (Guernsey) Limited
25 September 2009