

The Glanmore Property Fund Limited

Report & Consolidated Financial Statements

31 December 2009

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The Glanmore Property Fund Limited

GENERAL INFORMATION

DIRECTORS:	Robert Court (Chairman) Richard Babbe Leslie Hilton Paul Meader Daniel Moylan Anthony Pickford Anthony Wands
REGISTERED OFFICE:	Trafalgar Court PO Box 255 Les Banques St Peter Port Guernsey GY1 3QL
MANAGER:	Tilney Asset Management International Limited PO Box 424 Lefebvre Court Lefebvre Street St Peter Port Guernsey GY1 3WT
PROPERTY MANAGER AND ADVISER:	Cardales UK Limited One Lumley Street London W1K 6ND
PROPERTY VALUERS:	King Sturge LLP 7 Stratford Place London W1C 1ST Lambert Smith Hampton Limited Regent Arcade House 19/25 Argyll Street London W1F 7TS
ADMINISTRATOR AND SECRETARY:	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court Les Banques St Peter Port Guernsey GY1 3QL

The Glanmore Property Fund Limited

GENERAL INFORMATION (continued)

AUDITOR:	KPMG Channel Islands Limited PO Box 20 20 New Street St Peter Port Guernsey GY1 4AN
LEGAL ADVISERS TO THE COMPANY:	In Guernsey: Carey Olsen PO Box 98 7 New Street St Peter Port Guernsey GY1 4BZ In the United Kingdom: Thomas Eggar The Corn Exchange Baffins Lane Chichester West Sussex PO19 1GE Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
UK TAX ADVISERS:	BDO Stoy Hayward 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA
CUSTODIAN:	Northern Trust (Guernsey) Limited Trafalgar Court Les Banques St Peter Port Guernsey GY1 3DA
BANKERS IN GUERNSEY:	Royal Bank of Scotland International Limited PO Box 604 Royal Bank Place 1 Gategny Esplanade St Peter Port Guernsey GY1 4NW

The Glanmore Property Fund Limited

GENERAL INFORMATION (continued)

BANKERS IN THE UNITED KINGDOM:	Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB
	Canada Life Limited 1 - 6 Lombard Street London EC3V 9JU
LISTING SPONSOR:	McCann Fitzgerald Listing Services Limited 2 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland

THE FUND

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

INVESTMENT SUMMARY

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

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

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

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

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 period).

CHAIRMAN'S REVIEW

For the year ended 31 December 2009

Results

The year under review was challenging for the Fund and the UK commercial market as a whole with the continuing turbulence in the global financial markets. The Fund suffered its second year of negative returns in its history as property values were marked down.

Some key financial highlights for the year under review are:

- Total property assets fell by £239 million from £995 million to £756 million due to £68 million of property sales and the mark down of property values by the Fund's independent property valuers to reflect market conditions;
- Shareholder funds decreased by £76 million from £307 million to £231 million principally as a result of the property re-valuations and sales of property;

Banking Arrangements

Borrowings under the banking facility fell by £172 million from £706 million to £534 million at 31 December 2009 which represented approximately 70.66% of the real property assets of the Fund.

Royal Bank of Scotland (RBS) and Canada Life continue to provide debt facilities to the Fund. The decline in property values meant that the Fund had breached a number of the covenants under its facility with RBS as at 31 December 2008, although the breaches were formally waived. The fund restructured its loans with RBS and Canada Life in May and June 2009 respectively and the fund has been covenant compliant since.

Dividend Policy

Given falling asset values and the lack of liquidity in the property market, the Board decided not to pay a dividend for the first half of the year. It did declare a final dividend for the year being 1.8% (1.8% in 2008) of the 31st December 2009 share price.

Redemption Arrangements

Although all shareholders have been separately advised, it should be noted that:

- 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 for suspension of redemptions for up to 12 months;
 - iii. gave the Board power to allow the withdrawal of redemption requests.
- c) At the Board meeting of the Fund that took place on 24 June 2008, the Board resolved to implement such of their powers allowed for by the Special Resolution passed at the 21 May 2008 EGM that they would:
 - i. Postpone the satisfaction of redemption requests which become payable with effect from the next Subscription Day following 1 July 2008 and would continue to exercise the power on each successive Subscription Day for the 6 month period from 1 July 2008 until 30 December 2008.

CHAIRMAN'S REVIEW (CONTINUED)

For the year ended 31 December 2009

Redemption Arrangements (continued)

ii. Prior to each Subscription Day, monitor the position of the Fund with regard to redemption requests and the ability to meet redemptions in general.

iii. With effect from 1 July 2008, allow the notice period for redemption requests to be reduced from six months to one month.

d) At the 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.

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

- a. approved and adopted new articles of incorporation;
- b. allowed postponement of redemptions for a period of up to four years (including the 12 months previously allowed);
- c. created a new class of Participating "B" Shares at a nominal value of £1 per share;

Equity Raise

On 27 August 2009, The Fund issued 8,225,108 new "B" class shares at a price of £11.55 being at a 50% discount from the July 2009 share price of the existing Participating Shares (hereinafter referred to as "A" shares). The new "B" shares rank pari passu with the "A" shares except for redemption rights as these new shares can not be redeemed for three years from the date of issue. This share issue raised £95m gross. Once the new "B" shares were issued at their offer price of 50% of the "A" shares, this had the effect of diluting the value of the "A" shares. From the proceeds, £79.25m has been used to repay debt, with £61.25m being repaid to RBS and £18.0m to Canada Life. In October 2009, £11.9m was repaid to shareholders in the redemptions queue which covered outstanding redemptions to 26 March 2008. Of this £11.9m, £11.0m related to capital and £0.9m related to income (equalisation).

Outlook & strategy

The financial crisis is continuing to affect the availability of credit and has had a large and detrimental impact on the lending market in the UK. There has been limited growth in lending to the property sector and as such property prices have not experienced a return to previous values. There are signs of recovery in the prime market and in central London offices but this has not led to a widespread increase across all property types.

The key tenor of the current commercial property market is one of stagnation, with few landlords willing to sell properties at current market forced discounts which reflect only non-property fundamentals. The situation is likely to continue until the debt markets recommence operation in quantum and at a cost that potential borrowers find acceptable and the worst of the recession is behind us.

PROPERTY MANAGER'S REPORT

For the year ended 31 December 2009

During the year to 31 December 2009, no investment properties were acquired and 29 properties were sold for a total of £68 million.

At the end of the year the value of the portfolio was £756 million (£995 million in 2008) as valued by the Group's independent valuers, King Sturge LLP and Lambert Smith Hampton Limited.

The total cost incurred in constructing the portfolio to 31 December 2009, including fees and Stamp Duty, has been £1,081 million (£1,199 million in 2008) giving a revaluation deficit of £325 million (deficit of £204 million in 2008). Disposals during the year of £68 million produced a realised loss of £39 million (£0.5 million in 2008).

At the year end, some salient aspects of the portfolio were:

- Top ten tenants, by size of rent roll to the group, were CGNU, Travelex, National Insurance & Guarantee, HM Government, Unipart, Avis, Mott Macdonald Group, Procter & Gamble, Eddie Stobart and UOP Processes Inc.
- 84.6% of the rental income was derived from central and local government, major public companies, banks, building societies and insurance companies.
- 26.5% of the income was derived from leases with over 10 years unexpired, 36.5% from leases that have 5 – 10 years unexpired with the remaining 37.1% from leases with less than 5 years unexpired.

Activity since 31 December 2009

Since the year end, 3 properties were sold together with land, generating proceeds of £17 million.

Market Commentary

The first half of 2009 saw continuing falls in property values. Then, in the second half of the year, there was a marked improvement in sentiment for the sector, particularly prime city and West End properties, driven mainly by demand from opportunistic overseas investors taking advantage of the weakness of sterling and high returns then available. This resulted in a total annual return from the broad UK property market of 2.2% for 2009 as measured by the Investment Property Databank (IPD) UK Annual Index. This compares with -22.5% for 2008.

This turnaround has been brought about almost entirely by yield shift whilst rental values generally continued to drift lower. Capital value growth returned -5.6%, underlining the high income returns available.

Within the three main sectors, retail has been the strongest performer in 2009, followed by industrials with offices bringing up the rear despite a big surge forward in the last quarter. Tenant demand remains weak with incentives forming a major component of any letting. This situation is likely to continue well into 2010.

PROPERTY MANAGER'S REPORT (continued)

For the year ended 31 December 2009

Prospects

During 2009 the Bank of England initiated a programme of quantitative easing to improve liquidity in the market and stimulate growth. This has had some impact but the high level of borrowing in the UK has been noted as a factor in the weakening of sterling and a shift in interest rate expectations. With an election this year there is uncertainty in the markets which may affect the speed of recovery of the property market.

The median forecast for capital growth from the Investment Property Forum as at February 2010 is for growth of 6% during 2010 with little growth forecast for 2011. Underlying this figure there is a wide range of expectations provided by their contributors.

We expect that the capital markets will function more efficiently over time. Provided confidence returns to the interbank market, which in turn will allow debt providers to lend to property investors in sufficient amounts and at reasonable cost, we should see the commercial property investment market resume trading nearer to previous levels once recessionary pressures in the UK have reduced.

**Cardales UK Limited, Chartered Surveyors
June 2010**

REPORT OF THE DIRECTORS

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

Activities

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

Results

The results for the year are shown in the Consolidated Statement of Total Return on page 16.

Dividends

No interim dividend was paid (2008: £10,111,279). A final dividend was proposed at the year end of £4,047,260 (2008: £ nil) which was paid on 1 March 2010.

Directors

The directors of the Company during the year are as stated on page 3.

Directors' responsibilities

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

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

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

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

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

The directors are responsible for keeping proper accounting records 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

REPORT OF THE DIRECTORS (continued)

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 Group'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 Group's auditor are aware of that information.

Auditor

A resolution for the re-appointment of KPMG Channel Islands Limited as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Richard Babbé
Director

Leslie Hilton
Director

22 June 2010

The Glanmore Property Fund Limited

PROPERTY PORTFOLIO

as at 31 December 2009

	Open Market Value 2009 £'000	% of Gross Assets 2009
Stafford, Guildhall Shopping Centre	44,770	5.62
Birmingham, Broadway, Fiveways	41,790	5.24
Barnstaple, Green Lane Shopping Centre	33,000	4.14
Birmingham, Erdington Retail Park	30,450	3.82
Port Talbot, Abarafan Shopping Centre	28,545	3.58
Beckton, Beckton Retail Park	27,625	3.46
Coventry, Siskin Way West	26,130	3.27
Dumfries, Loreburne Shopping Centre	24,200	3.03
Peterborough, Worldwide House, Thorpe Wood	23,330	2.92
London, Crown House, 145 City Road	23,060	2.89
Perth, CGNU Headquarters, Pitheavlis	23,000	2.88
Dunstable, The Quadrant Shopping Centre	22,900	2.87
Torquay, Fleet Walk Shopping Centre	22,760	2.85
Newcastle upon Tyne, Unit 12, Cobalt Business Park	16,980	2.13
Colchester, Turner Rise Retail Park	16,925	2.12
Bracknell, Avis House, Park Road	15,975	2.00
Sherburn, Sherburn Enterprise Park Unit Trust	15,020	1.88
Kidderminster, The Swan Centre, Blackwell Street	14,050	1.76
London, St Matthews House, Shepherdess Walk	13,600	1.70
Birmingham, Apex House, Edgbaston	13,450	1.68
Croydon, Lantern Court, 8 Sydenham Road	13,425	1.68
Guildford, Ground to 2nd Floor, Liongate, Ladymead	13,050	1.63
Stevenage, Icon 1, Lytton Way	12,600	1.58
Trowbridge, Whitehorse Business Park	11,620	1.45
Milton Keynes, Units 1,2 & 3 Stratford Road, Wolverton	11,285	1.41
Glasgow, Boots Corner, Argyle Street	10,320	1.29
Carlisle, Cinema and Pub Complex, 40 Botchergate	9,340	1.17
Witham, Newlands Shopping Centre	8,700	1.09
Telford, Stafford Park 5	8,650	1.08
Birmingham, Victoria Square House	8,560	1.07
Rugby, Plot D, Valley Park	8,540	1.07
Newcastle, Vantage Point, Balliol Business Park	8,500	1.06
Dunfermline, Pitreavie Business Park	8,280	1.04
London, St Marks House, Shepherdess Walk	7,870	0.99
Bournemouth, Richmond House, Yelverton Road	7,485	0.94
Rotherham, The Cascades Centre, South Yorkshire	7,000	0.88
Newcastle, Baron House, Neville Street & Grainger Street	6,700	0.84
Hemel Hempstead, Bryanston Court, Selden Hill	6,580	0.82
Epsom, The Horizon Centre	6,580	0.82
Leicester, James House, Welford Road	6,350	0.80
Salford, M60 Superbranch, Agecroft Commerce Park	6,340	0.79
Oxford, Balliol House, Banbury Business Park, Banbury	6,210	0.78
Balance carried forward	671,545	84.12

The Glanmore Property Fund Limited

PROPERTY PORTFOLIO (CONTINUED)

as at 31 December 2009

	Open Market Value 2009 £'000			% of Gross Assets 2009
Balance brought forward	671,545			84.12
Bristol, Kingsgate Portfolio	6,000			0.75
Colchester, 48-50 High Street & 84-86 Culver Street	5,700			0.71
Solihull, Units, The Crescent, Birmingham Business Park	5,365			0.67
Leeds, Pavillion Business Park	5,120			0.64
Hemel Hempstead, Swallowdale Lane	4,850			0.61
Trowbridge, Unit B3 Whitehorse Business Park	4,440			0.56
Worcester, Bank House Hotel	4,400			0.55
Swindon, Units 1 & 2 Lydiard Fields	4,340			0.54
Leicester, Units 1-9 Centre Court	4,260			0.53
Glasgow, West Regent House	4,100			0.51
Guildford, Pannell House	4,050			0.51
North Cheam, 819/831 London Road	3,940			0.49
Peterborough, First Active Thorpe Wood	3,620			0.45
Avonmouth, Wincanton House	3,390			0.42
Bristol, Queen Victoria House, Redland Hill	3,235			0.41
Hove, 87/89 Davidgor Road	3,020			0.38
Newbury, Newbury House, Kings Road West	2,700			0.34
Stevenage, 28 / 42, The Forum	2,540			0.32
Warrington, Bankside, Crosfield Street	1,970			0.25
Nuneaton, Land & buildings, Regent Street	1,930			0.24
Leeds, Midland House Bond Court	1,800			0.23
Dumfries, 77-85 High Steet	1,650			0.21
Coventry, Meridian Park	1,425			0.18
Camberley, Central House, 98/100 Park Street	1,000			0.13
Total value of investments	756,390			94.75
	2009	2008	2009	2008
	£'000	£'000	%	%
Total value of investments	756,390	994,745	94.75	95.56
Derivative assets	19	842	0.00	0.08
Other assets	42,248	45,389	5.25	4.36
Gross Assets	798,657	1,040,976	100.00	100.00

The Board recognises there is volatility in property valuations in the current market conditions and, as disclosed in Note 25 to the audited financial statements, the value of the Fund's holdings in property have fallen since 31 December 2009.

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

We have audited the Group financial statements of The Glanmore Property Fund Limited (the "Company") for the year ended 31 December 2009 which comprise Consolidated Statement of Total Return, the Consolidated Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes. 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 10.

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 and 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 Fund Limited (continued)

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2009 and of its return for the year then ended;
- are in accordance with UK Accounting Standards;
- comply with The Companies (Guernsey) Law, 2008; and
- have been properly prepared in accordance with The Collective Investment Schemes (Class B) Rules 1990 and the principal documents.

Ewan F McGill
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants
24 June 2010

The Glanmore Property Fund Limited

CONSOLIDATED STATEMENT OF TOTAL RETURN
for the year ended 31 December 2009

	Notes	2009		2008	
		£'000	£'000	£'000	£'000
Net losses on investment properties	1 & 2		(173,282)		(265,987)
Other losses	3		(4,848)		(1,109)
Income	1 & 4	71,740		76,757	
Expenses	1 & 5	(25,819)		(24,402)	
Finance costs: interest	14	(27,175)		(45,618)	
Net income before taxation		18,746		6,737	
Taxation	6	3,024		(1,076)	
Net income after taxation			21,770		5,661
Total return before distributions			(156,360)		(261,435)
Finance costs: distributions	14		(2,568)		(10,062)
Change in net assets attributable to holders of participating redeemable preference shares			(158,928)		(271,497)
Loss per share	7		£(14.81)		£(36.02)

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF PARTICIPATING REDEEMABLE PREFERENCE SHARES
for the year ended 31 December 2009

		2009		2008	
		£'000	£'000	£'000	£'000
Net assets at the start of the year			306,671		570,939
Movement due to issues/redemptions of shares					
Amounts received on issue of shares		88,249		13,244	
Less: amounts paid on redemption of shares	15	(10,996)		(6,015)	
			77,253		7,229
Changes in net assets attributable to holders of participating redeemable preference shares (see statement of total return)		(158,928)		(271,497)	
Movement in Equalisation Reserve		6,392		-	
Net assets at the end of the year			231,388		306,671

The notes on pages 19 to 39 form an integral part of these financial statements.

The Glanmore Property Fund Limited

CONSOLIDATED BALANCE SHEET
as at 31 December 2009

		2009		2008	
	Notes	£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investment properties	1 & 8		<u>756,390</u>		<u>994,745</u>
Current assets					
Derivative assets	23	19		842	
Debtors	10	12,882		8,702	
Bank balances		<u>29,366</u>		<u>36,687</u>	
			<u>42,267</u>		<u>46,231</u>
Total assets			<u>798,657</u>		<u>1,040,976</u>
Liabilities					
Creditors: amounts falling due within one year					
Derivative liabilities	23	5,364		616	
Creditors	11	<u>31,488</u>		<u>39,439</u>	
			<u>36,852</u>		<u>40,055</u>
Creditors: amounts falling due after more than one year					
Loans	12	529,207		693,041	
Deferred tax liability	13	<u>1,210</u>		<u>1,209</u>	
			<u>530,417</u>		<u>694,250</u>
Total liabilities excluding net assets attributable to holders of participating redeemable preference shares			<u>567,269</u>		<u>734,305</u>
Net assets attributable to holders of participating redeemable preference shares			<u><u>231,388</u></u>		<u><u>306,671</u></u>
Number of participating redeemable preference shares			14,989,853		7,334,179

The financial statements on pages 16 to 39 were approved by the Board of Directors on 22 June 2010 and are signed on its behalf by:

Richard Babbé
Director

Leslie Hilton
Director

The notes on pages 19 to 39 form an integral part of these financial statements.

The Glanmore Property Fund Limited

CONSOLIDATED CASH FLOW STATEMENT

as at 31 December 2009

		2009	2008
	<i>Notes</i>	£'000	£'000
Net cash inflow from operating activities	16(a)	48,508	49,146
Return on investments and servicing of finance	16(b)	(28,004)	(53,624)
Taxation	16(b)	(736)	(636)
Capital expenditure and financial investment	16(b)	65,073	4,368
		84,841	(746)
Financing	16(b)	(92,162)	706
Decrease in cash		(7,321)	(40)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		2009	2008
		£'000	£'000
Decrease in cash		(7,321)	(40)
Cash outflow from changes in loans and overdrafts		173,472	5,602
Change in net debt resulting from cash flows	16(c)	166,151	5,562
Net debt at 1 January	16(c)	(665,992)	(671,554)
Net debt at 31 December	16(c)	(499,841)	(665,992)

The notes on pages 19 to 39 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

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

Basis of consolidation

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

Participating redeemable preference shares

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

Income

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

Expenses

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Investment properties

The valuation of investment property has been prepared on an open market basis as defined by the current edition of The Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. The open market value means an opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

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

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

Realised and unrealised gains and losses on investment properties

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

Financial instruments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

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

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

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

Taxation

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

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

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

Equalisation

Equalisation is the amount included in the purchase price of shares which represents their proportion of the net income of the Group already accrued up to the date of purchase. If this charge were not made, the income which existing shareholders could expect to receive would be diluted every time new shares were created. This amount is refunded to shareholders as part of their first distribution after the purchase of shares, except where the equalisation exceeds the distribution, in which case the difference is carried forward in an Equalisation Reserve.

Distributions

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 NET LOSSES ON INVESTMENT PROPERTIES

The net losses on investment properties during the year comprise:

	2009	2008
	£'000	£'000
Proceeds from sale of investment properties during the year	67,696	5,260
Original cost of investment properties sold in the year	(104,705)	(4,409)
Incidental costs of selling investment properties in the year	(1,624)	(365)
	<hr/>	<hr/>
(Losses) / gains realised on investment properties sold during the year	(38,633)	486
Net appreciation / (depreciation) thereon already recognised in earlier years	23,740	(1,646)
	<hr/>	<hr/>
Net depreciation realised for the year	(14,893)	(1,160)
Net unrealised revaluation loss for the year	(158,389)	(264,827)
	<hr/>	<hr/>
Net losses on investment properties	(173,282)	(265,987)
	<hr/> <hr/>	<hr/> <hr/>

3 OTHER LOSSES

	2009	2008
	£'000	£'000
Losses on interest rate derivatives	(4,848)	(1,109)
	<hr/>	<hr/>
	(4,848)	(1,109)
	<hr/> <hr/>	<hr/> <hr/>

4 INCOME

	2009	2008
	£'000	£'000
Rent receivable	66,621	73,948
Interest receivable	86	1,560
Dilapidation cost contribution	1,296	215
Lease surrenders	1,966	-
Car park fees	1,567	630
Sundry income	204	404
	<hr/>	<hr/>
	71,740	76,757
	<hr/> <hr/>	<hr/> <hr/>

	2009	2008
	£'000	£'000
Analysis of term to expiry on tenants leases (based on annual rentals)		
	<hr/>	<hr/>
In one year or less	3,540	3,596
In more than one year but less than two years	1,301	2,066
In more than two years but less than five years	18,284	8,190
In more than five years	38,557	54,333
	<hr/>	<hr/>
	61,682	68,185
	<hr/> <hr/>	<hr/> <hr/>

The total above comprises annual contractual rent receivable as at 31 December 2009 and does not equate to the rent receivable shown in the above analysis of income for the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 EXPENSES

	2009	2008
	£'000	£'000
Payable to the Manager and the Directors		
Manager's fees	12,428	17,119
Directors' fees	169	187
	12,597	17,306
Other expenses		
Ground rent	47	53
Legal and professional fees	1,070	1,610
Audit fees	72	111
Property expenses	5,275	2,351
Operating expenses	674	1,326
Bad and doubtful debts	4,262	676
Finance expenses	1,822	969
	13,222	7,096
Total expenses	25,819	24,402

6 TAXATION

Factors affecting the current tax (credit)/charge for the year:	2009	2008
	£'000	£'000
Current tax - current year profits	659	570
Current tax - (over) / under provision in prior years	(3,684)	388
	(3,025)	958
Deferred tax	1	118
	(3,024)	1,076

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

	2009	2008
	£'000	£'000
Expected tax charge (20% (2008: 20%))	3,749	1,347
Effect of:		
Non UK Income	(447)	(310)
Disallowable expenditure	1,621	1,520
Capital allowances	(232)	(325)
Intercompany loan interest	(4,323)	(3,770)
Unutilised losses	609	2,108
Utilisation of brought forward losses	(318)	-
(Over) / under provision in prior years	(3,684)	388
	(3,025)	958

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 LOSS PER SHARE

	2009	2008
	No.	No.
Weighted average participating redeemable preference shares in issue	10,559,125	7,257,570
	£'000	£'000
Total return before distributions	(156,360)	(261,435)
Loss per share	£ (14.81)	£ (36.02)

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

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

8 INVESTMENT PROPERTIES

	2009	2008
	£'000	£'000
Market Value:		
At 1 January 2009	994,745	1,265,080
Additions and capital expenditure	999	547
Disposals	(66,072)	(4,895)
Net depreciation realised for the year	(14,893)	(1,160)
	914,779	1,259,572
Loss on revaluation	(158,389)	(264,827)
At 31 December 2009	756,390	994,745
	2009	2008
	Open Market Value	Open Market Value
	£'000	£'000
Freehold	583,505	787,075
Long Leasehold	172,885	207,670
	756,390	994,745

The investment property portfolio has been valued by King Sturge LLP and Lambert Smith Hampton Limited, who are independent and qualified property valuers, at open market value on 31 December 2009 based on the Royal Institution of Chartered Surveyors practice statements.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 INVESTMENT IN SUBSIDIARIES

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

Total acquisitions of the Group during the year, including acquisitions by subsidiaries, totalled £nil (2008: £nil) of cash consideration.

At 31 December 2009 the Company held the following subsidiary companies and unit trusts, held directly and through subsidiaries:

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

The Glanmore Chester Guernsey Unit Trust was sold during the year. Rishon Properties Limited was sold after the year end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 DEBTORS

	2009	2008
	£'000	£'000
VAT recoverable	47	11
Trade debtors	3,742	5,714
Rental incentives	2,546	2,523
Share subscriptions receivable	1,993	-
Taxation recoverable	2,419	-
Other debtors	2,135	454
	<u>12,882</u>	<u>8,702</u>

Share subscriptions receivable represent amounts due in respect of new subscriptions to the Fund which were received on 11 January 2010.

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£'000	£'000
Short term bank loans	-	9,638
Trade creditors	6,097	4,314
Taxation	-	1,343
Interest accruals	3,325	4,959
Other accruals	715	1,161
Proposed distribution	4,047	-
Rents received in advance	13,225	14,850
VAT payable	4,079	3,174
	<u>31,488</u>	<u>39,439</u>

12 LOANS

Analysis to maturity for the loan facilities.	2009	2008
	£'000	£'000
In one year or less (see note 11)	-	9,638
In more than one year but less than two years	124,279	-
In more than two years but less than five years	404,928	693,041
In more than five years	-	-
	<u>529,207</u>	<u>702,679</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 LOANS (Continued)	Drawdown £'000	Floating Rate	Rollover date
Balances as at 31 December 2009			
RBS Facility A	357,688	3.582%	20 January 2010
RBS Facility B	67,824	3.582%	20 January 2010
Canada Life	108,940	1.614%	25 January 2010
	<u>534,452</u>		
Refinance costs	<u>(5,245)</u>		
	<u><u>529,207</u></u>		
Weighted average interest rate excluding interest rate swaps		3.181%	

As detailed below, the Group has two interest rate swap derivative contracts which swap floating rates with fixed rates as at 31 December 2009 of:

	Fixed rate
RBS Swap £358m	2.450%
RBS Swap £40m	1.550%
Weighted average interest rate inclusive interest rate swaps	4.506%

Balances as at 31 December 2008

Bank	Drawdown	Rate	Rollover date
RBS Facility A - Tranche A	100,000	8.362%	20 January 2009
RBS Facility A - Tranche A	126,724	5.798%	20 January 2009
RBS Facility A - Tranche A	32,872	5.578%	20 January 2009
RBS Facility A - Tranche A	40,404	4.837%	09 January 2009
RBS Facility A - Tranche B	7,685	5.798%	20 January 2009
RBS Facility A - Tranche B	132,801	5.578%	20 January 2009
RBS Facility A - Tranche B	59,514	4.837%	09 January 2009
RBS Facility A - Tranche C	40,000	5.578%	20 January 2009
RBS Facility A - Tranche C, base rate	10,000	4.250%	N/A
RBS Facility B, base rate	9,638	4.250%	N/A
Canada Life	146,485	6.516%	26 January 2009
	<u>706,123</u>		
Refinance costs	<u>(3,444)</u>		
	<u><u>702,679</u></u>		

Weighted average interest rate 6.067%

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 LOANS (continued)

The Group loan balance at the balance sheet date was £529.2m (2008: £702.7m) with a weighted average interest rate of 4.506% (2008: 6.067%). All loans have floating interest rates. The rollover date is the date on which the rate is re-fixed against LIBOR.

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

Since 31 December 2008, the Group breached certain banking facility covenants which were subsequently waived by the bank. The Group has reached agreements with both of its banks to vary the terms of the facilities and since restructuring these facilities has been complaint with its loan covenants.

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

The Group has entered into four interest rate derivative contracts (2008: twelve) to manage the floating rate interest exposure. Ten cap contracts were sold during the year.

An interest rate collar contract, with a notional amount of £12m (2008: £12m) and an interest rate cap contract with a notional amount of £27m (2008: £27m) combine to effectively limiting the interest rate range within.

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

13 DEFERRED TAX LIABILITY

	At 1 January 2009 £'000	Movement £'000	At 31 December 2009 £'000
Accelerated capital allowances	1,209	1	1,210

14 FINANCE COSTS

	£ per share	2009 £'000	£ per share	2008 £'000
Interim distribution (June)	-	-	1.40	10,111
Final proposed distribution	0.27	4,047		-
		4,047		10,111
Equalisation on shares issued and redeemed		(1,479)		(49)
Net distribution for the year		2,568		10,062
Interest		27,175		45,618
Total finance costs		29,743		55,680

The Company has paid and proposed distributions sufficient to distribute to holders of participating redeemable preference shares a proportion of the Group's net income after tax. The distribution is payable equally on both "A" and "B" class shares.

As detailed in Note 15, on the issue of B shares on 27 August 2009, of the £79m raised, £8.5m related to income (equalisation) of which £6.4m was transferred to an Equalisation Reserve.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 CALLED UP SHARE CAPITAL

	Authorised		Allotted fully paid	
	No. Shares 2009	No. Shares 2008	No. Shares 2009	No. Shares 2008
Management shares of £1 each	10	10	10	10
Unclassified shares of £0.0001 each	99,900,000	99,900,000	-	-
Participating redeemable preference A shares of £0.0001 each	-	-	6,764,745	7,334,179
Participating redeemable preference B shares of £0.0001 each	-	-	8,225,108	-
	99,900,010	99,900,010	14,989,863	7,334,189
	Authorised		Allotted fully paid	
	£	£	£	£
Management shares of £1 each	10	10	10	10
Unclassified shares of £0.0001 each	9,990	9,990	-	-
Participating redeemable preference A shares of £0.0001 each	-	-	676	733
Participating redeemable preference B shares of £0.0001 each	-	-	823	-
Share premium	-	-	563,775,112	486,522,729
	10,000	10,000	563,776,621	486,523,473

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

On 27 August 2009, The Fund issued 8,225,108 new "B" class shares at a price of £11.55 being at a 50% discount from the July 2009 share price of the existing Participating Shares (hereinafter referred to as "A" shares). The new "B" shares rank pari passu with the "A" shares except for redemption rights as these new shares can not be redeemed for three years from the date of issue. This share issue raised £95m (gross). Once the new "B" shares were issued at their offer price of 50% of the "A" shares, this had the effect of diluting the value of the "A" shares. From the proceeds, £79.25m has been used to repay debt, with £61.25m being repaid to RBS and £18.0m to Canada Life. In October 2009, £11.9m was repaid to shareholders in the redemptions queue which covered outstanding redemptions to 26 March 2008. Of this £11.9m, £11.0m related to capital and £0.9m related to income (equalisation).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

	2009	2008
	£'000	£'000
Net income before taxation	18,746	6,737
Interest receivable	(86)	(1,560)
Interest payable	27,175	45,618
Non cash movements on refinance costs allocation	1,822	969
Decrease in operating debtors	235	3,071
Increase / (decrease) in operating creditors	616	(5,689)
	48,508	49,146
Net cash inflow from operating activities	48,508	49,146

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

RETURN ON INVESTMENTS AND SERVICING OF FINANCE

	2009	2008
	£'000	£'000
Interest received	82	1,753
Interest paid	(28,809)	(45,266)
Net payments to purchase and terminate interest rate derivative contracts	723	-
Distributions paid	-	(10,111)
Net cash outflow from returns on investments and servicing of finance	(28,004)	(53,624)

TAXATION

	2009	2008
	£'000	£'000
United Kingdom income tax paid	(736)	(636)

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2009	2008
	£'000	£'000
Additions to investment properties	(999)	(529)
Receipts from sales of investment properties	66,072	4,897
Net cash inflow from capital expenditure and financial investment	65,073	4,368

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

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

FINANCING

	2009 £'000	2008 £'000
Net issues of participating redeemable preference shares	81,652	7,229
Bank loans and overdraft	(175,293)	(6,572)
Net equalisation received	<u>1,479</u>	<u>49</u>
Net cash (outflow) / inflow from financing	<u>(92,162)</u>	<u>706</u>

(c) Analysis of changes in net debt

	At 1 January 2009 £'000	Cash Flow £'000	At 31 December 2009 £'000
Cash at bank and in hand	36,687	(7,321)	29,366
Debt due within one year	(9,638)	9,638	-
Debt due after one year	<u>(693,041)</u>	<u>163,834</u>	<u>(529,207)</u>
Net debt	<u>(665,992)</u>	<u>166,151</u>	<u>(499,841)</u>

17 DIRECTORS' INTERESTS

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

The directors have the following holdings in the Group:

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

Anthony Pickford holds 82.51 Participating redeemable preference A shares, held indirectly in a Retirement Annuity Trust, and 4,500 Participating redeemable preference B shares held with a nominee company.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 RELATED PARTY TRANSACTIONS

Fees Payable to the Manager

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

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

Fees charged during the year by the Manager were £12,428,000 (2008: £17,119,000) (net of VAT), of which £3,558,000 (2008: £1,277,000) remained unpaid at 31 December 2009.

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

Fees payable to the Property Manager

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

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

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

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

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

During the period there were no fees paid or due to the Property Manager and Adviser in respect of new purchases (12 months to 31 December 2008, £nil) and £754,000 (12 months to 31 December 2008, £170,000) has been incurred in respect of disposals.

19 CONTROLLING PARTY

The directors are not aware of any ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES

Market price risk

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

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

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

Property value risk

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

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

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

Market price sensitivity analysis

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (Continued)

The sensitivity analysis below has been determined based on the exposure to property valuation risks at 31 December 2008:

Movement in value of the underlying Property Portfolio	+5%	+10%	-5%	-10%
% movement versus actual net asset value at 31 December 2008	+16%	+33%	-16%	-32%
Revised net asset value of the Group (£'000)	<u>356,652</u>	<u>406,390</u>	<u>257,178</u>	<u>207,441</u>

Interest Rate Risk

The following tables detail the Group's exposure to interest rate risks at 31 December 2009 and 31 December 2008. It includes the Group's assets and trading liabilities at fair values, categorised by the maturity date measured by the carrying value of the assets and liabilities:

As at 31 December 2009	Less than 1 year	More than 1 year	Non interest bearing	Total
	£'000	£'000	£'000	£'000
Assets				
Bank balances	29,366	-	-	29,366
Debtors	-	-	12,882	12,882
Investment properties	-	-	756,390	756,390
Derivative assets	-	19	-	19
Total assets	<u>29,366</u>	<u>19</u>	<u>769,272</u>	<u>798,657</u>
Liabilities				
Creditors	-	-	31,488	31,488
Loans	-	529,207	-	529,207
Derivative liabilities	-	-	5,364	5,364
Deferred tax liability	-	-	1,210	1,210
Total liabilities	<u>-</u>	<u>529,207</u>	<u>38,062</u>	<u>567,269</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (Continued)

As at 31 December 2008	Less than 1 year	More than 1 year	Non interest bearing	Total
	£'000	£'000	£'000	£'000
Assets				
Bank balances	36,687	-	-	36,687
Debtors	-	-	8,702	8,702
Investment properties	-	-	994,745	994,745
Derivative assets	-	842	-	842
Total assets	36,687	842	1,003,447	1,040,976
Liabilities				
Creditors	-	-	29,801	29,801
Loans	9,638	693,041	-	702,679
Derivative liabilities	-	-	616	616
Deferred tax liability	-	-	1,209	1,209
Total liabilities	9,638	693,041	31,626	734,305

Interest rate sensitivity

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

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

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

	+0.5%	+1.0%	-0.50%	-1.00%
	£'000	£'000	£'000	£'000
Movement in annualised interest charge 2009	2,525	5,051	(2,525)	(2,923)
Movement in annualised interest charge 2008	3,347	6,694	(3,347)	(6,694)

The average interest rate including margins on loans at 31 December 2009 was 4.51% (2008: 6.07%) and on cash balances was 0.25% (2008: 2.27%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (Continued)

Liquidity risk

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

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

Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. In the event of a default by an occupational tenant, the Group will suffer a rental income shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. There are no significant concentrations of credit risk within the Group. The largest tenant represents 3.88% (2008: 3.41%) of the annual turnover and pays annualised rent of £2.4m (2008: £2.4m).

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

As at 31 December 2009	0 to 90 days £'000	91 days to 1 year £'000	More than 1 Year £'000	TOTAL £'000
Trade debtors	3,913	2,826	380	7,119
Provision for bad debts	(1,249)	(1,748)	(380)	(3,377)
Trade debtors net of bad debts	<u>2,664</u>	<u>1,078</u>	<u>-</u>	<u>3,742</u>
As at 31 December 2008	0 to 90 days £'000	91 days to 1 year £'000	More than 1 Year £'000	TOTAL £'000
Trade debtors	4,688	1,761	522	6,971
Provision for bad debts	-	(955)	(302)	(1,257)
Trade debtors net of bad debts	<u>4,688</u>	<u>806</u>	<u>220</u>	<u>5,714</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 NET ASSET VALUE PER SHARE

	2009	2008
	£'000	£'000
Group net asset value per December valuation	228,209	306,777
Decrease to expenses	-	131
Decrease / (increase) to tax charge	3,179	(237)
	231,388	306,671
A Shares in issue	6,764,745	7,334,179
B Shares in issue	8,225,108	-
	14,989,853	7,334,179
Net asset value per share (valuation)	£15.22	£41.83
Net asset value per share (financial statements)	£15.44	£41.81

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

22 ACQUISITIONS AND DISPOSALS

During the year the Group did not acquire of any entities. Glanmore Chester Guernsey Unit Trust was sold during the year.

23 DERIVATIVE FINANCIAL INSTRUMENTS

Fair value of derivatives	2009	2009	2008	2008
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Interest rate collar	-	698	-	616
Interest rate cap	19	-	842	-
Interest rate swap	-	4,666	-	-
	19	5,364	842	616

Derivative financial instruments held to manage the interest rate risk comprise of interest rate collars and interest rate caps. The original cost of these instruments was £140,290 (2008: £2,639,321).

Two swaps were acquired in May 2009. The first swaps LIBOR for a fixed rate of 2.45% per annum, for a notional amount of £357,688,233 and has a termination date of 20 April 2012. The second swaps LIBOR for a fixed rate of 1.55% per annum, for a notional amount of £40,000,000 and has a termination date of 20 October 2010. They are valued at market value on a month to month basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24 INTEREST RATE RISK

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

As at 31 December 2009	Total (market value) £'000	Fixed Rate £'000	Floating rate £'000	None £'000
Debtors	12,882	-	-	12,882
Bank balances	29,366	-	29,366	-
Creditors less than one year	(31,486)	-	-	(31,486)
Creditors more than one year	(530,417)	(397,688)	(131,519)	(1,210)
	(519,655)	(397,688)	(102,153)	(19,814)

The effective interest rate on loans payable was 4.51%, and on floating rate bank balances, 0.25% receivable.

As at 31 December 2008	Total (market value) £'000	Fixed Rate £'000	Floating rate £'000	None £'000
Debtors	8,702	-	-	8,702
Bank balances	36,687	-	36,687	-
Creditors less than one year	(39,439)	-	(9,638)	(29,801)
Creditors more than one year	(694,250)	-	(693,041)	(1,209)
	(688,300)	-	(665,992)	(22,308)

The effective interest rate on loans payable was 6.07%, on floating rate bank balances, 2.27% receivable.

25 POST BALANCE SHEET EVENTS

Since the balance sheet date events have occurred as follows:

- The independent valuations of the investment properties reduced by £15.87m from 31 December 2009 to 30 April 2010 (based on a like-for-like basis after taking into account disposals after the year end), a decrease of 2.10%;
- From January to April 2010, two properties were sold together with land, generating proceeds of £15.65m. These properties were valued at £15.36m as at 31 December 2009. Since April, one more property has been sold, generating a further £0.94m. This property was valued at £1.00m as at 31 December 2009;
- The Fund received new subscriptions of £3.14m.
- At 30 April 2010, total redemption requests were valued at £18.9m based on the current month valuation, of which £1.5m represents new requests since December 2009;
- Following the disposal of properties and change in valuations, the share price has increased from £15.220 at 31 December 2009 to £15.437 at 30 April 2010, a rise of 1.42%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26 CONTINGENT LIABILITY - REDEMPTIONS

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

At the year end, postponed redemption requests totalled £24.03m based on net asset value of the Fund as at 31 December 2009.

SUMMARY OF MATERIAL PORTFOLIO CHANGES
for the year ended 31 December 2009

SALES	Proceeds
Property	£'000
Chester, Longus House, 42-50 Eastgate Street	17,000
Chessington, Unit 1 Oakcroft Road, Hook Rise South	6,400
	<hr/>
	23,400
	<hr/> <hr/>

A purchase or sale of property is considered material if the cost or proceeds exceeds 2% of the net assets of the Group at the start of the period. The summary includes all material portfolio changes.

CUSTODIAN'S RESPONSIBILITIES AND REPORT

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

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

Report of the Custodian

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

Northern Trust (Guernsey) Limited
22 June 2010

ADDITIONAL INFORMATION NOT FORMING PART OF THE
AUDITED FINANCIAL STATEMENTS

31 December 2009

SHAREHOLDER ANALYSIS (Combined A and B classes)

Ownership Band	Number of unit holders	Total percentage holding
Less than 1% of units in issue	3,654	40.73%
1% to 2%	7	11.26%
2% to 4%	3	9.04%
4% to 8%	5	27.50%
Greater than 8%	2	11.47%
Total	3,671	100.00%
Percentage held by largest unit holder	1	11.47%

Individual shareholdings controlled by one nominee shareholder are shown separately.
2008 comparison 3,719 unit holders.

UNIT TURNOVER - A Shares

Number of units in issue at 01/01/09	7,334,179.467	108.42%
Number of units created during 2009	161,266.102	2.38%
Number of units redeemed during 2009	(730,700.751)	(10.80%)
Number of units in issue at 31/12/09	6,764,744.818	100.00%

UNIT TURNOVER - B Shares

Number of units in issue at 01/01/09	-	0.00%
Number of units created during 2009	8,225,108.206	100.00%
Number of units redeemed during 2009	-	0.00%
Number of units in issue at 31/12/09	8,225,108.206	100.00%

DIVIDEND ARRANGEMENTS

In 2008, as a Distributor Fund for UK taxation purposes, the Fund distributed not less than 85% of the total net income after deduction of all proper expenses, and the remaining income retained for investment. The Fund has been unable to pay sufficient distributions in the year to maintain distributor status due to liquidity constraints and accordingly has not obtained certification for 2009. It is to be noted that 2009 is the last period to which the Distributing Fund regime applies. The Fund will distribute what it considers appropriate in the future with consideration being given to entering into the new Reporting Fund regime in due course.

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

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

31 December 2009

DIVIDEND HISTORY

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

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

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

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

31 December 2009

UNIT PRICES FOR PERIOD

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

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

* cum-div ** ex-div *** after 100 "new" shares issued for 1 "old" share

a The Board resolved not to declare a final dividend

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

31 December 2009

NET ASSET VALUES

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

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

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

PERFORMANCE

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

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

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

ADDITIONAL INFORMATION NOT FORMING PART OF THE
AUDITED FINANCIAL STATEMENTS (CONTINUED)
31 December 2009

Combined Performance	
(bid to bid, gross income reinvested)	%
Last 12 months	-62.96%
Last 2 years	-79.99%
Last 3 years	-78.44%
Last 4 years	-75.26%
Last 5 years	-71.97%
Since launch 17 April 1997	-45.74%

Source: Lipper Hindsight 31 December 2009 Update

The Glanmore Property Fund Limited

ADDITIONAL INFORMATION NOT FORMING PART OF THE
AUDITED FINANCIAL STATEMENTS (CONTINUED)
as at 31 December 2009

Consolidated Portfolio Turnover Rate		
	2009	2008
	£'000	£'000
Additions and capital expenditure (Note 8)	999	547
Disposals of property (Note 8)	66,072	4,895
TOTAL OF PROPERTY TRANSACTIONS	66,072	5,443
Issues of units	88,249	13,244
Redemptions of units	10,996	6,015
TOTAL OF VALUE OF TRANSACTIONS	99,244	19,259
AVERAGE OF TOTAL NET ASSETS	222,753	441,586
PORTFOLIO TURNOVER RATE	-14.9%	-3.1%
Average of total net assets represents the average of the net asset value of the Fund at each valuation date during the year.		

The Glanmore Property Fund Limited

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

as at 31 December 2009

Consolidated Portfolio Turnover Rate		
EXPENSES (Note 5)	2009	2008
	£'000	£'000
<i>Payable to the Manager and the Directors</i>		
Manager's fees	12,428	17,119
Directors' fees	169	187
<i>Other expenses</i>		
Ground rent	47	53
Legal and professional fees	1,070	1,610
Audit fees	72	111
Property expenses	5,275	2,351
Operating expenses	674	1,326
Bad and doubtful debts	4,262	676
Finance expenses	1,822	969
TOTAL EXPENSES	25,818	24,401
Less finance expenses		
Finance expenses	1,838	189
TOTAL OPERATING EXPENSES EXCLUDING FINANCE COSTS	23,981	24,212
AVERAGE OF TOTAL NET ASSETS	222,753	441,586
TOTAL EXPENSES RATIO	10.77%	5.48%
Average of total net assets represents the average of the net asset value of the Fund at each valuation date during the year.		