COLLINS INTERNATIONAL LIMITED

(Registration Number: 48177)

AUDITED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the period from incorporation on 7 December 2007 to 28 February 2009

Contents

Company Information

Investment Manager:	International Property Management Services Limited 1st Floor, Exchange House 54-58 Athol Street Douglas Isle of Man, IM1 1JD
Secretary:	Legis Fund Services Limited 1 Le Marchant Street St Peter Port Guernsey, GY1 4HP
Directors of the Company:	Mr K R Collins Mr L E Hackney Mr R James Mr M P Tolcher Mr S Platt-Ransom
Administrator and Registrar:	Legis Fund Services Limited 1 Le Marchant Street St Peter Port Guernsey, GY1 4HP
Listing Sponsor:	Appleby Securities (Bermuda) Ltd Argyle House 41a Cedar Avenue Hamilton HM12 Bermuda
Auditor:	Saffery Champness La Tonnelle House Les Banques St Sampson Guernsey, GY1 3HS
Legal Advisers in Guernsey:	Ozannes 1 Le Marchant Street St Peter Port Guernsey, GY1 4HP
Legal Advisers in Bermuda:	Appleby Cannon's Court 22 Victoria Street Hamilton, HM12 Bermuda

Manager's Report to the Shareholders of Collins International Limited

APEX PROPERTIES LIMITED

Apex Properties Ltd ("APL") is a company registered in the Isle of Man and is a 100% held subsidiary of CIL. APL was incorporated specifically to hold property investments for Collins International Limited ("CIL").

Global Park

APL acquired a property portfolio, Global Park, from Rollerworld Ltd ("RWL") in February 2008 for £5.28m (incl costs).

Funding for this acquisition comprised:

Loan from CIL of £2.03m

Loan from Leeds Building Society of £3.25m

Global Park comprises 19 properties located in the town centre of Colchester, in the county of Essex. The properties are a combination of warehouses, shops, offices, car parking and entertainment venues.

At acquisition the nett rental amounted to £374,252 with an effective yield of 7.1% after costs. As at February 2009 the nett rental amounted to £393,222 with a comparative yield of 7.4%.

The portfolio continues to be well let with low vacancy rates. Vacancy level as at February 2009 was 3%.

Subsequent to the 2009 financial year end, Floramedia have handed in a one year break notice. This tenant occupies c.10% of the gross lettable property at Global Park. Their unit is being marketed with an occupation date of February 2011.

Apex House

APL acquired Apex House, an office block in London Road, Northfleet, Kent. The building was purchased in November 2007 at a price of £1.5m (incl costs).

Funding for this acquisition comprised:

Loan from CIL of £600k

Loan from Leeds Building Society of £900k

At acquisition the nett rental amounted to £117,173 with an effective yield of 7.7% after costs. As at February 2009 the nett rental amounted to £96,499 with a comparative yield of 6.2%.

The intention for this property was to hold the property and derive rental returns.

There is also rationale for a residential conversion to take place. With the state of the current residential market in the UK it would appear prudent to hold off on any immediate conversion.

The Ebsfleet station has started taking passengers on a trial basis and is 17 min to central London. This should result in demand for commercial and residential space increasing next year.

Vacancy level for the building as at February 2009 was 28% but this was offset to some degree by rentals achieved through additional aerial masts on the roof.

Caxtons Agency continues to look for a tenant for the vacant floor at Apex House.

Subsequent to the 2009 financial year end a portion of the vacant space has been tenanted, leaving only the first floor vacant.

Manager's Report to the Shareholders of Collins International Limited (continued)

DIVERSIFIED PROPERTY INVESTMENTS 100 LIMITED

Diversified Property Investments 100 Ltd ("DPIL") is a company registered in the BVI. It owns 100% of the shares in Riverside Property Management Ltd ("RPML"), a company registered in the UK owning 100% of the shares in Revival Holdings Ltd ("RHL") which is also registered in the UK.

RHL owns the freehold title to two properties in West Yorkshire, namely the property at Queensway, Guiseley, Leeds, and the property at Monkbridge Road, Meanwood, Leeds. Both properties being Care Units for the Elderly on long term leases with the NHS Trust.

CIL acquired 100% of the shares and loan accounts in DPIL in January 2008 for £2.6m (incl costs).

The nett rental on the properties before interest on bank funding amounts to c.£660k. This equates to a 12% return on equity for CIL's investment.

This subsidiary group is currently being restructured with the result being that two of the companies shall be liquidated and CIL shall own the shares in RHL directly.

DU PREEZ LIMITED (formerly known as HABANA LIMITED)

Du Preez Ltd ("DL") is a company registered in the Isle of Man and is a 100% held subsidiary of CIL. DL was incorporated specifically to hold CIL's investments into the Delancey DV4 Fund and Zabre Investments Ltd.

Delancey DV4 Fund

DV4 is the fourth real estate investment venture from Delancey Estates Plc. It is however the first to offer a select group of investors the opportunity to invest alongside them in a long term fund that shall invest into real estate in the British Isles and Mainland Europe.

With a total fund size of £1.2bn, HL is the smallest investor into DV4 with a commitment of £5m. As at February 2009 DV4 had drawn down c.£185m total and HL had contributed £865,563. This equates to 17% of the total commitments. Subsequent to the year end there have been further draw down amounts with the total contributions from HL being £1,310,443.

The fund has made a quiet start and remained concerned by the weakening occupational markets, scarcity of bank finance and overhang of properties in default of their banking arrangements.

The fund continues to wait for the start of a longer term sustainable recovery in property values.

Zabre Investments Ltd

Zabre Investments Ltd ("ZIL") is a company registered in Mauritius and is a 10% held investment of HL. ZIL was incorporated specifically to hold investments into the Seychelles with the principal investment being Desroches Island.

ZIL has negotiated for the acquisition of 99% of Desroches Island Lodge Ltd ("DIL") with the transaction set to complete early within the next financial year.

DIL owns the leasehold rights to Desroches Island in the Seychelles. It owns the Desroches Island Lodge Hotel as well as the development rights for 22 luxury villas on the island.

Manager's Report to the Shareholders of Collins International Limited (continued)

Kaupthing Singer & Friedlander ("KS&F")

KS&F went into Provisional Liquidation on the 8 October 2008.

As at that date HL held a balance of €2.36m with KS&F.

The €2.36m is under legal dispute with the KS&F Liquidator.

Initial payout by the KS&F Liquidator was 23.83 pence in the Pound and was received on 27 November 2009. A subsequent payout was made on 22 December and to date the Company has received approximately 36% of the outstanding balance.

The last issued press release from the liquidator (11 December 2009) estimated that total distributions to creditors would be between 82.88% and 93.76%. These amounts are estimates and reliant on future asset realisation so value and timing could not be guaranteed.

SAXONCHART LIMITED

Saxonchart Ltd ("SXL") is a company registered in the UK and is a 50% held associate of CIL. SXL was incorporated specifically to purchase 59-60 Grosvenor Street, London.

The property was purchased for £25m (incl costs) and consists of 24,712sqft of commercial area let to Barclays Wealth and four apartments comprising 3,893sqft residential area.

The transaction was concluded with Residential Land Holdings Ltd ("RLHL") as an equal partner in ownership of SXL.

CIL has invested £3.5m and RLHL £1.51m both as shareholder loans. Interest to be earned at 12 month Libor plus 3%.

The area let to Barclays Wealth is at an average through rental of £42 per sqft. The residential area achieves an average through rental of £25 per sqft.

The rental on the commercial area appears below market and SXL aims to increase this rental over time and thereby enhance the yield achieved on the property.

Subsequent to the 2009 financial year end, Barclays have handed in notice to vacate as at the end of 2010. The building is currently being marketed for sale and tenancy.

PETROCOM ENERGY LTD

CIL invested US$250,000 directly into Petrocom Energy Ltd ("PEL").

PEL is a Caymans Island registered company with operations in China. It allows a limited number of invited co-investors to invest alongside Investec into a Chinese Coal Blending Facilities business.

2008 was a mixed year for PEL after decent trading in the early half of the year. Results for the second half were poor after the financial crisis and this resulted in a net loss for the year of US$3.9m.

The year produced poor results for the entire coal industry but there have been signs of improvement.

PEL has a number of legal disputes which are still ongoing.

PEL is currently undergoing a number of cost cutting initiatives and there are legislative developments that could favour the business of PEL.

REPORT OF THE DIRECTORS

The directors present their annual report and consolidated financial statements for the period from incorporation on 7 December 2007 to 28 February 2009.

Activities
Collins International Limited is a closed-ended investment fund established under the laws of Guernsey with limited liability on 7 December 2007.

Results
The results for the group for the period are shown in the consolidated income statement on page 10.

Dividends
The directors do not recommend the payment of a dividend.

Directors
The directors of the company during the period and to the date of this report were as follows:

Mr K R Collins	(appointed 7 December 2007)
Mr L E Hackney	(appointed 7 December 2007)
Mr R James	(appointed 7 December 2007)
Mr M P Tolcher	(appointed 7 December 2007)
Mr S Platt-Ransom	(appointed 7 December 2007)

Directors' responsibilities
The directors are responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs of the company and the revenue or deficit of the company for that period and are in accordance with applicable laws. In preparing these statements the directors are required to:

- select suitable accounting standards 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.

REPORT OF THE DIRECTORS (continued)

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. They are also responsible for safeguarding the assets of the company and hence for taking steps for the prevention and detection of fraud and other irregularities.

Auditor:

A resolution for re-appointment of Saffery Champness as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

The Directors confirm that:

· so far as each Director is aware, there is no relevant audit information of which the auditor is unaware; and

· each Director has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

S Platt-Ransom Director	M Tolcher Director

Date: 11 May 2010

Independent Auditor's Report to the Shareholders of Collins International Limited

We have audited the group financial statements of Collins International Limited for the period ended 28 February 2009 which comprise the Consolidated Income Statement, the Consolidated Statement of Changes in Net Assets attributable to Holders of Ordinary Shares, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes.

This report is made solely to the company's shareholders, as a body, in accordance with section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As described on page 7, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and International Accounting Standards.

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 and are properly prepared in accordance with The Companies (Guernsey) Law, 2008. We also report to you if in our opinion the Report of the Directors is not consistent with the financial statements, if 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Manager's Report and the Report of the Directors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with International Accounting Standards, of the state of the group's affairs as at 28 February 2009 and of its loss for the period then ended; and
- the group financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008.

SAFFERY CHAMPNESS
CHARTERED ACCOUNTANTS
Guernsey

12 May 2010

Consolidated Income Statement for the period ended 28 February 2009

Revenue	Notes	**7 Dec 2007 to 28 Feb 2009** €
Revenue		1,728,520
Fair value adjustments on investments		1,339,981
Other income	5	1,693,293
Expenses	6	(4,773,527)
Finance costs		(1,261,152)
Other losses	15	(1,046,151)
Loss from operations		(2,319,036)
Share of loss of associate	12	(350,186)
Loss before tax		(2,669,222)
Taxation charge	7	(205,808)
(Decrease) in net assets attributable to holders of Ordinary shares		(2,875,030)

In arriving at the results for the financial period, all amounts above relate to continuing operations.

There are no recognised gains or losses for the period other than those disclosed above.

Consolidated Statement of Changes in Net Assets Attributable to Holders of Ordinary Shares for the period ended 28 February 2009

(Decrease) in net assets attributable to holders of Ordinary shares		(2,875,030)
Movement due to issue of shares		
Amounts received on issue of shares	18	26,274,002
Cumulative translation adjustment reserve		(918,693)
Net assets at end of the period		22,480,279

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

Consolidated Balance Sheet as at 28 February 2009

		2009
Assets	Notes	€
Non-current assets		
Investment properties	8	6,995,460
Property, plant and equipment	9	8,795,110
Goodwill	10	531,326
Other financial assets - Investments	11	5,278,224
Other financial assets - Loans and Receivables	11	5,120,730
Investments in associates	12	3,624,858
		30,345,708
Current assets		
Trade and other receivables	13	1,563,590
Cash and bank balances		5,810,426
		7,374,016
Current liabilities		
Loans and other payables	14	(916,014)
Net current assets		6,458,002
Non-current liabilities		
Deferred tax liability		(45,068)
Loans and other payables	14	(14,278,363)
		(14,323,431)
Net assets attributable to holders of Ordinary shares		22,480,279
Ordinary shares in issue	18	26,274
Reported net asset value per share		855.6093

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

S Platt-Ransom	M Tolcher
Director	Director

Date: 11 May 2010

Consolidated Cash Flow Statement
for the period ended 28 February 2009

Cash flows from Operating Activities

	Note		**2009** **€**
Loss from operations			(2,319,036)
Adjustments			
Depreciation, amortisation and impairment		2,353,329	
Fair value adjustment on investment		(1,339,981)	
Currency loss		1,046,151	
Investment income		(1,693,293)	
Interest expense		1,261,152	
(Increase) in trade receivables		(1,498,488)	
Increase in trade payables		203,765	
			332,635
Taxation paid			(65,545)
Cash outlow from operations			(2,051,946)
Investing activities			
Investment income		1,693,293	
Interest expense		(1,261,152)	
Purchase of investment properties		(8,421,235)	
Acquisition of investment in associates		(4,579,953)	
Acquisition of subsidiaries (net of cash acquired)	19	(3,066,035)	
Purchase of other financial assets		(9,822,273)	
Cash outflow from investing activities			(25,457,355)
Financing activities			
Proceeds of share issues		26,274,002	
Proceeds from long term borrowings		9,277,760	
			35,551,762
			8,042,461
Effect of foreign exchange rate changes			(2,232,035)
Net increase in cash and cash equivalents			**5,810,426**

Notes to the Financial Statements for the period ended 28 February 2009.

1. General Information

Collins International Limited is a closed-ended investment fund established under the laws of Guernsey with limited liability on 7 December 2007.

The Company will consider any property investment provided they achieve an acceptable return balanced with the risk. In the initial investment stage the Company will look to investments that have the potential to add value through future rent review or alternate use application. The Company's preferred investment type is commercial property. However, where sound investment opportunities arise in the retail and industrial sectors these will be considered. The Company will not limit or constrain investments into any particular geographical area (with the exclusion of South Africa and Guernsey).

The company's Ordinary shares are listed on the Bermuda Stock Exchange.

2. Accounting Policies

(a) Basis of preparation

These financial statements are prepared under the historical cost convention except that investment properties are carried at fair value and in accordance with International Accounting Standards and applicable Guernsey Law. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently during the year unless otherwise stated.

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective: -

Revised and amended standards

IFRS 1: Additional exemptions for first-time adopters on or after 1 January 2010
IFRS 2: Group cash-settled share-based payment transactions on or after 1 January 2010
IFRIC 9 and IAS 39: Embedded derivative on or after 30 June 2009
IFRS 7: Improving disclosures about financial instruments on or after 1 January 2009
IFRS 1: With improved structure on or after 1 July 2009
IAS 39: Financial instruments: Eligible hedged items on or after 1 July 2009
IFRS 1: First time adoption of IFRS and IAS 27: Consolidated and separate financial statements on or after 1 January 2009
IFRS 3: Business combinations & IAS 27 Consolidated and separate financial statements on or after 1 July 2009
IFRS 2: Share-based payment (amendment) on or after 1 January 2009
IAS 1: Presentation of financial statements on or after 1 January 2009
IAS 23: Borrowing costs on or after 1 January 2009
IFRS 8: Operating segments on or after 1 January 2009

Interpretations

IFRIC 18: Transfers of assets from customers on or after 1 July 2009
IFRIC 17: Distribution of non-cash assets to owners on or after 1 July 2009
IFRIC 15: Agreements for the construction of real estate on or after 1 January 2009

The impact of these new standards and interpretations on the Group is not known or reasonably estimable.

Notes to the Financial Statements for the period ended 28 February 2009. (continued)

(b) Foreign exchange

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are translated into Euros (€), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities for consolidation, all balance sheet items are retranslated at the rates prevailing at the balance sheet date. Amounts shown in the income statement have been retranslated using average exchange rates calculated for each entity. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Investment property

Investment property, which is property held for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

(d) Investments

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) Associates

Associates are entities in which the Company has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting. The Company recognises its share of the associates' earnings for the year. The result of associate entities acquired and disposed of during the year are included from the effective dates of acquisition to the effective dates of disposal.The Company's interest in associates is carried in the balance sheet at an amount that reflects its share of the net assets of the associate.

(f) Deposit interest

Deposit interest is accrued on a daily basis.

(g) Dividends

Dividends are accounted for on an ex-dividend date basis and are shown net of withholding taxes. This is not in accordance with IFRS 16, however in the opinion of the directors, the impact to the financial statements is not material.

(h) Income

Income is accounted for on an accruals basis.

(i) Revenue

Revenue represents income due from the normal activities of the business (Revival Holdings Limited) to the extent that the company obtains a right to consideration in exchange for its performance of those activities, exclusive of VAT.

Notes to the Financial Statements for the period ended 28 February 2009. (continued)

(j) Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over the expected useful lives on the following bases:

Long term leasehold property	2% straight line

(k) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.
All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(l) Cash and cash equivalents

Cash at bank and call deposits are carried at cost. For the purposes of the cash flow statement cash and cash equivalents consist of cash and deposits at bank.

(m) Financial and other assets

Loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(n) Financial and other liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(o) Going concern

These consolidated financial statements have been prepared on a going concern basis as the directors are satisfied that there are sufficient funds available to enable the company to meet its liabilities as they fall due.

3. Taxation

With effect from 1 January 2008, Guernsey abolished the Exempt Company Regime. Thereafter the Company is taxed at the standard company rate at 0%. In the prior year, the Company was exempted under the terms of the Income Tax (Exempt Bodies)(Guernsey) Ordinance 1989 and was liable to an annual fee of £600.

4. Fees

The Management fee is equal to 2% per annum of the Company's Funds payable quarterly in advance. The manager is also entitled to an acquisition fee of 0.5% of the gross acquisition cost of each relevant property or property rights acquired, to be paid by the Company on the successful completion of any property investment. The fees for the current year are disclosed in Note 6.

The Administrator is entitled to a fixed annual fee of £30,000 together with a transaction fee of £100 per subscription, and an additional £2,500 per board meeting.

The Directors have waived their fees, with the exception of Mr Platt-Ransom and Mr Tolcher, who are paid £5,000 per annum each.

Notes to the Financial Statements for the period ended 28 February 2009. (continued)

5. Other income

	2009
	€
Interest receivable	687,957
Rental income	724,024
Other income	281,312
	1,693,293

6. Expenses

	€
Administration fees	848,543
Depreciation ,amortisation and impairment	2,353,329
Audit fees	16,925
Bank charges	2,436
Directors remuneration	14,312
Formation expenses	19,422
Legal expenses	280,365
Loan interest	32,924
Licence fees/ Sponsor fees	15,329
Management fees	656,850
Operating expenses	407,233
Sundry expenses	125,859
	4,773,527

7. Taxation

	€
Taxation charge for the period	205,808

With effect from 1 January 2008, Guernsey abolished the exempt company regime. Under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 the Company has and will continue to apply for Exempt Status and is liable to an annual fee of £600.

Although no domestic taxation had arisen for the Company itself tax has arisen in the underlying entities due to higher taxation rates applicable in the United Kingdom.

	€
Accounting loss	(2,669,222)
Tax at domestic rate of 0%	-
Effect of higher tax rates in UK	205,808
Tax expense	205,808

8. Investment Property

	2009
Details of property	
	€
Apex House	
-Purchase price: 7 December 2007	1,607,828
-Additions since purchase or valuation	83,238
-Impairment	(337,106)
	1,353,960

Notes to the Financial Statements for the period ended 28 February 2009. (continued)

8. Investment Property (continued)

Global House	
-Purchase price: 5 February 2008	5,641,500
-Additions since purchase or valuation	315,406
-Impairment	(315,406)
	5,641,500
	6,995,460

The valuations were carried out by Alastair West Msc, MCIOB, MRICS. The fair value of the properties has been established with regard to and is supported by market evidence for similar properties.

Pledged as security

Carrying value of assets pledged as security:

Apex House	1,579,620
Global Park	5,956,906

9. Property, plant and equipment

	Land and buildings €
Fair Value	
Fair value at acquisition	9,003,624
Depreciation	
Charge for the period	(208,514)
At 28 February 2009	(208,514)
Net book value	
At 28 February 2009	8,795,110

The two properties held by Revival Holdings Limited in the North of England are given as security against the Royal Bank of Scotland loan advanced to Riverside Properties Management Limited (note 14).

10. Goodwill

During the period the fund acquired 100% of the issued share capital of Diversfied Property Investments 100 Limited, a company incorporated in the British Virgin Islands (DPIL). DPIL owns 100% of Riverside Property Management Limited, a company incorporated in England, which in turn owns 100% of Revival Holdings Limited, a company also incorporated in England. For a breakdown of the assets acquired and the consideration paid see note 19.

Recognised on acquisition of a subsidiary, January 2008	630,697
Adjustment to goodwill for year end exchange differences	(99,371)
Carrying amount at 28 February 2009	531,326

Notes to the Financial Statements for the period ended 28 February 2009. (continued)

11. Other financial assets

Investments

Unlisted shares - Zabre Investments Limited	1
Unlisted shares - DV4 Limited (1)	5,175,823
Connaught Place PCC Limited - Beta Cell (Petrocom Energy Limited) (2)	102,400
	5,278,224

(1) The company is committed to a total investment of £5,000,000.
(2) The Directors have taken the decision to fair value the investment at 50% of its original cost.

Loans and receivables

Unsecured	5,120,730

The loans and receivables are unsecured, bear interest at 5% per annum and have no fixed terms of repayment.

12. Investment in associate

	2009
Saxonchart Limited:	€
Investment at cost	4,579,953
Share of losses	(350,186)
Exchange difference	(604,909)
	3,624,858
Financial information:	
Assets	28,701,782
Liabilities	(29,350,166)
Revenue	1,569,449
Loss for the period	(700,372)

13. Trade and other receivables

	2009
	€
Kaupthing Singer & Friedlander (1)	1,037,699
Trade receivables	25,609
Prepayments	168,399
Trade and other receivables - Apex Properties Limited	95,178
Accrued income	236,705
	1,563,590

(1) During the current year, Kaupthing Singer & Friedlander was placed in liquidation. The fair value has been established with reference to the recent report issued by the liquidators, Pricewaterhouse Coopers, Isle of Man. Up to the date of issuing these financial statements, there have been receipts of 36% of the initial debt due of £1,849,401. The directors, have, however, on the strength of the approximate recoveries detailed in the latest liquidators report, impaired the initial investment by 50%.

14. Loans and other payables

Current loans and other payables	2009
	€
Audit fee	45,330
Directors fee	1,874
Tax liability	95,195
Sundry creditors	514,241
Owed to Arnewood Limited	241,026
Owed to International Property Manager	18,348
	916,014

14. Loans and other payables (continued)

Non-current loans

	2009
	€
Other financial liabilities (a)	1,020,610
Other financial liabilities (b)	3,683,727
Other financial liabilities (c)	6,250,989
DV4 Limited (d)	3,323,037
	14,278,363

a Leeds Building Society - Apex House
The loan is secured over the investment property detailed in Note 8, bears interest at 1.3% per annum above LIBOR for a minimum period of five years and is repayable in full in the fifth anniversary date of drawdown of the initial advance.

b Leeds Building Society - Global Business Park
The loan is secured over the investment property detailed in Note 8, bears interest at 1.3% per annum above LIBOR for a minimum period of five years and is repayable in full in the fifth anniversary date of drawdown of the initial advance.

c Royal Bank of Scotland - secured by the two properties held by Revival Holdings
The loan is secured by the investment properties detailed in Note 9. The loan is being repaid in monthly instalments over the period until May 2015.

d The above amount is payable over the remaining drawdown period of the subscription agreement, which expires on 7 March 2013. The above debt has been fair valued using a discount rate of LIBOR plus 4%.

15. Other losses

	2009
	€
Currency loss	1,046,151

16. Financial instruments

The company's main financial instruments are comprised of:

(i) Cash and cash equivalents that arise directly from the company's operations;

(ii) Loans and other receivables; and

(iii) Loans and other payables.

17. Financial risk management objectives

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and currency risk. The Board has agreed policies for managing these risks and meet regulalry to review them. They are summarised below.

The managers produce a cash flow forecast which is completed on a monthly basis. This cash flow is prepared in order to manage financial and liquidity risks.

(a) Interest rate risk

The fund faces interest rate risk from long-term borrowings. Borrowings issued at variable rates expose the fund to cash flow interest rate risk. Borrowings at fixed rates expose the fund to fair value interest rate risk.

The fund analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift.

The fund is exposed to interest rate risk associated with the effects of fluctuations in the prevailing levels of market interest rates on cash balances. All of these cash balances receive interest at a floating rate. This interest rate risk is not considered to be significant.

Notes to the Financial Statements for the period ended 28 February 2009. (continued)

17. Financial risk management objectives (continued)

(b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in realising assets or raising funds to meet its financial commitments. The company's main financial commitments are its ongoing annual operating expenses and the Bank loans within the structure.

	Less than 1 mth	1-3 mths	3mths to 1 year	1 to 5 years	28/02/2009 Total
Audit fee			45,330		45,330
Directors fee	1,874				1,874
Tax liability	95,195			45,068	140,263
Short term loan			241,026		241,026
Other payables		532,589			532,589
Non-current loans				14,278,363	14,278,363
	97,069	532,589	286,356	14,323,431	15,239,445

The Investment Manager manages liquidity on a regular basis. The Company's overall exposure to liquidity risk is monitored by the board of Directors on a quarterly basis.

(c) Foreign currency risk

Foreign currency risk is the risk that the value of the financial instruments will fluctuate because of changes in foreign currency rates. Some of the Fund's investments and dividend receipts from its affiliates, may be in currencies other than Euro and exchange rate movements between those currencies and the Euro will affect the NAV of the Company. Should the Company enter into currency hedging contract to mitigate this risk and subsequently sell the property or the investment in an Affiliate prior to maturity of the hedging contract, the Company could suffer a loss on closing out the hedging contract.

The table below shows the company's sensitivity to a 5% increase or decrease in Euro's (reporting currency) against Sterling (base currency of majority of assets).

	€
A 5% increase in foreign currency rates would produce an increase in net assets of	1,414,422
A 5% decrease in foreign currency rates would produce a decrease in net assets of	(1,414,422)

(d) Market risk

Market price risk results mainly from the uncertainty about future prices of investment properties held. It represents the potential loss the Fund may suffer through holding market positions in the face of price movements and changes in exchange rates. All investment properties present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of investment properties and other financial instruments. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. At the year end a 5 % movement in fair value of the assets would result in a sensitivity of €1,053,440.

(e) Capital management

The investment objective of the Company is to achieve long-term capital growth and spread risk through investment in a range of commercial properties primarily in the European Union.

The capital structure of the company consists of borrowings, which includes the loan disclosed in note 13, cash and cash equivalents and proceeds from the issue of participating redeemable preference shares.

The company's gearing policy as stated in the prospectus, is that gearing will be totally dependent on the structure of the property transaction in question and consideration will be given to cash flow requirements of the individual property transaction as well as the cash flow requirements of the Company. The maximum level of gearing will be 85% of the Gross Market value of the assets of the Company.

Notes to the Financial Statements for the period ended 28 February 2009. (continued)

18. Analysis of Shares

	No. of shares	2009 €
Authorised		
Management shares of €1 each	10	10
Ordinary shares of €0.01 each	50,000	500
	50,010	510

Issued	No. of shares	Share capital €	2009 Share premium €
Management shares of €1 each			
Issued	2	2	-
Redeemed	-	-	-
Balance at 28 February 2009	2	2	-
Ordinary shares of €0.01 each			
Issued	26,274	263	26,273,737
Redeemed	-	-	-
Balance at 28 February 2009	26,274	263	26,273,737

Management shares are not redeemable, do not carry any right to dividends and in a winding up rank only for a return of the amount of paid up capital after return of capital on Ordinary shares.

The company is close-ended and therefore shareholders have no right to redeem the shares or request that the company repurchase them prior to the redemption date. If the company is wound up, after the payment of all creditors, the shareholders will be entitled to the Fair Market Value of the ordinary shares.

Dividends may be paid on the shares at a level recommended by the directors and provided that they are covered by funds that may be lawfully distributed as dividends.

19. Acquisition of subsidiaries

	€
Assets acquired:	
Property plant and equipment	10,446,688
Investment	267
Trade and other debtors	65,102
Cash and bank balances	496,910
Creditors	(357,680)
Loans payable	(7,719,039)
	2,932,247
Goodwill (note 10)	630,697
Total Consideration	3,562,944
Satisfied by cash	3,562,944
Net cash outflow arising on acquisition:	
Cash consideration	3,562,944
Bank balances and cash acquired	(496,909)
	3,066,035

It would be impractical to disclose the revenue and profit/loss that would have been due to/from the Company had the investment been held for the entire period due to the cost of obtaining the information outweighing the benefit.

Notes to the Financial Statements for the period ended 28 February 2009. (continued)

20. Interest in shares

The Company is currently wholly owned by Investec Securities Limited.

21. Related party transactions

The related party transactions with the Manager, Administrator and Investment Advisor are detailed in Notes 4 and 6.

Stuart Platt-Ransom and Martin Tolcher each receive a directors fee of £5,000 per annum, prorated as necessary so that in the accounting period they received €14,313 between them.

22. Post Balance Sheet Events

The board are currently considering restructuring the DPIL group. There have been several triggers for this decision most notably the need to renegotiate the borrowing with Royal Bank of Scotland International and possible tax and administration benefits from having a more streamlined structure.